

CORPORATE AND POSTAL BUSINESS LAW SECTION  
LAW DEPARTMENT



November 10, 2020

Hon. Erica A. Barker, Secretary  
Postal Regulatory Commission  
901 New York Avenue, NW, Suite 200  
Washington, DC 20268-0001

Dear Ms. Barker:

In accordance with Commission Order No. 5591, issued July 20, 2020 in Docket No. MT2020-2, the Postal Service hereby submits the attached Extended Mail Forwarding market test data collection report for Fiscal Year 2020, Quarter 4.

If you have any questions, please do not hesitate to contact me.

Best regards,

Sean C. Robinson  
Attorney  
Pricing and Product Support

## PRC REPORT FY20 Q4

**PROGRAM:** Extended Mail Forwarding Marketing Test

**LAUNCH DATE FOR MARKET TEST:** August 1, 2020 (only includes data for 9 districts)

**TIME PERIOD OF EVALUATION:** August 1, 2020 through September 30, 2020

**DESCRIPTION:** For a fee, Extended Mail Forwarding will provide customers who submit a permanent change-of-address (COA) request with the option to extend their mail forwarding in six-month increments (up to three six-month extensions) of all First-Class Mail, First-Class Package Service Commercial, and Priority Mail mailpieces beyond the initial 1 year forwarding period.

**METRICS:**

**1) Number of Extensions**

District	# of 6 Month Extensions	# of 12 Month Extensions	# of 18 Month Extensions	Total Extensions
Alabama	768	288	116	1,172
Dakotas	578	255	90	923
Dallas	1,878	902	368	3,148
Northern New Jersey	2,191	1,267	656	4,114
Northland	1,330	671	257	2,258
Ohio Valley	1,163	557	227	1,947
Sacramento	1,792	849	356	2,997
San Diego	2,360	1,170	541	4,071
Santa Ana	2,335	1,222	643	4,200
<b>Total</b>	<b>14,395</b>	<b>7,181</b>	<b>3,254</b>	<b>24,830</b>

Source: Extended Mail Forwarding Weekly Push Report

**2) Revenue**

District	Revenue from 6 Month Extensions	Revenue from 12 Month Extensions	Revenue from 18 Month Extensions	Total Revenue
Alabama	\$15,321.60	\$8,4625.60	\$4,634.20	\$28,581.40
Dakotas	\$11,531.10	\$7,637.25	\$3,595.50	\$22,763.85
Dallas	\$37,466.10	\$27,014.90	\$14,701.60	\$79,182.60
Northern New Jersey	\$43,710.45	\$37,946.65	\$26,207.20	\$107,864.30
Northland	\$26,533.50	\$20,096.45	\$10,267.15	\$56,897.10
Ohio Valley	\$23,201.85	\$16,682.15	\$9,048.65	\$48,932.65
Sacramento	\$35,750.40	\$25,427.55	\$14,222.20	\$75,400.15
San Diego	\$47,082.00	\$35,041.50	\$21,592.95	\$103,716.45
Santa Ana	\$46,583.25	\$36,598.90	\$25,687.85	\$108,870.00
<b>Total</b>	<b>\$287,180.25</b>	<b>\$215,070.95</b>	<b>\$129,957.30</b>	<b>\$632,208.50</b>

Source: Extended Mail Forwarding Weekly Push Report

**3) Number of customers and ratio of individuals, families, and businesses**

District	# of Extensions by Individuals	# of Extensions by Families	# of Extensions by Businesses	Total Customers
Alabama	549	557	66	1,172
Dakotas	462	416	45	923
Dallas	1,555	1,321	272	3,148
Northern New Jersey	2,249	1,495	370	4,114
Northland	1,268	858	132	2,258
Ohio Valley	1,043	791	113	1,947
Sacramento	1,598	1,204	195	2,997
San Diego	2,218	1,517	336	4,071
Santa Ana	2,072	1,656	472	4,200
<b>Total</b>	<b>13,014</b>	<b>9,815</b>	<b>2,001</b>	<b>24,830</b>

District	% of Extensions by Individuals	% of Extensions by Families	% of Extensions by Businesses
Alabama	47%	47%	6%
Dakotas	50%	45%	5%
Dallas	49%	42%	9%
Northern New Jersey	55%	36%	9%
Northland	56%	38%	6%
Ohio Valley	53%	41%	6%
Sacramento	53%	40%	7%
San Diego	55%	37%	8%
Santa Ana	49%	40%	11%
<b>Total</b>	<b>52%</b>	<b>40%</b>	<b>8%</b>

Source: Extended Mail Forwarding Weekly Push Report

**4) Volume of mailpieces forwarded**

District	# of Mailpieces Forwarded
Alabama	0
Dakotas	6
Dallas	2
Northern New Jersey	15
Northland	4
Ohio Valley	7
Sacramento	16
San Diego	11
Santa Ana	8
<b>Total</b>	<b>69</b>

Source: Extended Mail Forwarding Forwarded Volume Monthly Push Report

**5) Attributable costs**

Description	Individual Cost	Number of Items	Total Cost
<b>Development Costs</b>			
Server Purchase	N/A	20 servers	\$281,167.60
RSS Development and Testing	N/A	N/A	\$32,393.48
COA and MGO Development and Testing	N/A	N/A	\$157,545.69
<b>Attributable Costs</b>			
IT Maintenance - FY 2020	\$1,622.40	20 servers	\$32,448.00
RSS - Clerk Transaction (~2.88 min per request)	\$4.16	20 requests	\$83.20
<b>Total</b>			<b>\$503,637.97</b>

The attributable costs for Extended Mail Forwarding include both fixed and variable costs. The IT Maintenance costs are associated with maintenance of 20 dedicated servers, which is a fixed cost associated with offering the service, regardless of the quantity or location of the requests. Therefore, the IT Maintenance costs are not reported by district. The RSS – Clerk Transaction costs are variable, based on the number of Extended Mail Forwarding requests that are processed at a retail window and can be broken down by district (see table below).

District	Individual Cost	# RSS requests	Total Cost
Alabama	\$4.16	1	\$4.16
Dakotas	\$4.16	2	\$8.32
Dallas	\$4.16	0	\$0.00
Northern New Jersey	\$4.16	4	\$16.64
Northland	\$4.16	1	\$4.16
Ohio Valley	\$4.16	5	\$20.80
Sacramento	\$4.16	2	\$8.32
San Diego	\$4.16	2	\$8.32
Santa Ana	\$4.16	3	\$12.48
<b>Total</b>	<b>\$4.16</b>	<b>20</b>	<b>\$83.20</b>

*Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations, FY19 Window Cost Study*

**ROI = \$128,570.53**