

CORPORATE AND POSTAL BUSINESS LAW SECTION
LAW DEPARTMENT



January 29, 2021

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 2021, Quarter 1.

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

Best regards,

Sean C. Robinson
Attorney
Pricing and Product Support

PRC REPORT FY21 Q1

PROGRAM: Extended Mail Forwarding Marketing Test

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

TIME PERIOD OF EVALUATION: October 1, 2020 through December 31, 2020 (includes nationwide data by Area)

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

Area	# of 6 Month Extensions	# of 12 Month Extensions	# of 18 Month Extensions	Total Extensions
Atlantic	45,984	22,958	11,546	80,488
Central	25,304	11,656	5,239	42,199
Southern	50,552	22,008	9,891	82,451
Western-Pacific	63,510	29,975	15,059	108,544
Other (Military ZIP Codes)	7	4	1	12
Total	185,357	86,601	41,736	313,694

Source: Extended Mail Forwarding Monthly Push Report

2) Revenue

Area	Revenue from 6 Month Extensions	Revenue from 12 Month Extensions	Revenue from 18 Month Extensions	Total Revenue
Atlantic	\$917,380.80	\$687,592.10	\$461,262.70	\$2,066,235.60
Central	\$504,814.80	\$349,097.20	\$209,298.05	\$1,063,210.05
Southern	\$1,008,512.40	\$659,139.60	\$395,145.45	\$2,062,797.45
Western-Pacific	\$1,267,024.50	\$897,751.25	\$601,607.05	\$2,766,382.80
Other (Military ZIP Codes)	\$139.65	\$119.80	\$39.95	\$299.40
Total	\$3,697,872.15	\$2,593,699.95	\$1,667,353.20	\$7,958,925.30

Source: Extended Mail Forwarding Monthly Push Report

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

Area	# of Extensions by Individuals	# of Extensions by Families	# of Extensions by Businesses	Total Customers
Atlantic	45,099	28,668	6,721	80,488
Central	21,736	17,001	3,462	42,199
Southern	41,031	34,840	6,580	82,451
Western-Pacific	59,359	39,875	9,310	108,544
Other (Military ZIP Codes)	8	4	0	12
Total	167,233	120,388	26,073	313,694

Area	% of Extensions by Individuals	% of Extensions by Families	% of Extensions by Businesses
Atlantic	56%	36%	8%
Central	52%	40%	8%
Southern	50%	42%	8%
Western-Pacific	55%	37%	9%
Other (Military ZIP Codes)	67%	33%	0%
Total	53%	38%	8%

Source: Extended Mail Forwarding Monthly Push Report

4) Volume of mailpieces forwarded

Month	EMF Customers	Forwarded Pieces	Customers Not EMF	RTS/Wasted Pieces
October	497	924	2,697,152	14,233,135
November	948	1,682	2,563,322	14,746,310
December	2,596	4,319	2,218,468	10,638,762
Total	4,041	6,925	7,478,942	39,618,207

Source: Extended Mail Forwarding Forwarded Volume Monthly Push Report

5) Attributable costs

Description	Individual Cost	Number of Items	Total Cost
Development Costs			
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
Attributable			
IT Maintenance - FY 2020*	\$1,622.40	20 servers	\$32,448.00
RSS - Clerk Transaction (~2.88 min per request)**	\$4.36	308	\$1,342.88
Total			\$504,897.65

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

**FY20 Window Cost Study

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 Area (see table below).

Area	Individual Cost*	# RSS requests**	Total Cost
Atlantic	\$4.36	81	\$353.16
Central	\$4.36	68	\$296.48
Southern	\$4.36	66	\$287.76
Western-Pacific	\$4.36	93	\$405.48
Other (Military ZIP Codes)	\$4.36	0	\$0.00
Total		308	\$1,342.88

*Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations, FY20 Window Cost Study

**Source: Extended Mail Forwarding Monthly Push Report

Note: All Extended Mail Forwarding request for Military ZIP Codes were submitted via usps.com