

PRICEWATERHOUSECOOPERS 



RECEIVED  
MAR 24 12 PM '00  
POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

## Volumes, Characteristics, and Costs of Processing Undeliverable-As-Addressed Mail

Contract Number: 102590-95-G-3094

Task Order Number: 102590-99-D-0838

September 10, 1999

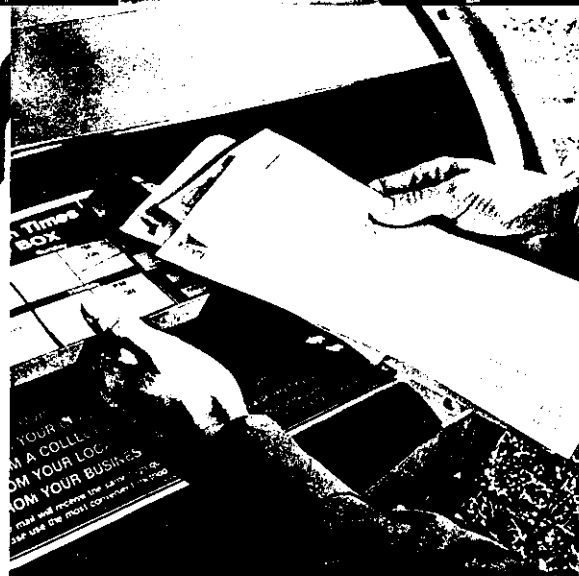


AUGUST 1998

**MOVE  
UPDATE**

UNITED STATES POSTAL SERVICE  
43511 N. 1st St.  
WASHINGTON, DC 20002-0850

United States Postal Service  
NATIONAL CUSTOMER SUPPORT CENTER  
UNITED STATES POSTAL SERVICE  
6600 PRINCE STREET, S.W.  
FARMERSVILLE, TX 75846-0011



<b>5.0</b>	<b>COST PROFILE</b>	
5.1	Total Cost of UAA Mail.....	30
5.2	Specific Operations and Associated Costs.....	36
5.2.1	Processing at Originating Delivery Unit .....	36
5.2.2	Processing at CFS Units.....	44
5.2.3	Processing at Originating Postage Due Unit .....	53
5.2.4	Mailstream Processing.....	55
5.2.5	Processing at the Delivery Unit of the New Address .....	58
5.2.6	Other Process Support Costs .....	65
<b>6.0</b>	<b>MOVE UPDATE</b>	
6.1	The Effect of USPS Change-of Address Quality Tools (Cost Avoidance).....	68
6.2	Background .....	69
6.3	USPS Address Management Tools (Move Update) .....	71
6.3.1	National Change of Address (NCOA) .....	71
6.3.2	Address Change Service (ACS) .....	72
6.3.3	FASTforward .....	73
6.3.4	Ancillary Service Endorsements .....	73
6.4	Value of Move Update.....	74
<b>APPENDIX A</b>	<b>DATA COLLECTION FORMS AND INSTRUCTIONS</b>	
<b>APPENDIX B</b>	<b>DOMESTIC MAIL MANUAL: ANCILLARY SERVICE ENDORSEMENTS AND SECTION F: FORWARDING AND RELATED SERVICES</b>	
<b>APPENDIX C</b>	<b>GLOSSARY OF RELEVANT POSTAL SERVICE TERMS</b>	
<b>APPENDIX D</b>	<b>LIST OF SAMPLED SITES</b>	

## LIST OF TABLES

Table	Title	Page
4.2	FY 98 RPW Volume and UAA Volume Comparison .....	12
4.3.1	Disposition at Delivery Units.....	14
4.3.2	Disposition at CFS Units.....	14
4.3.3	Combined Disposition at Delivery and CFS Units.....	14
4.4	Reason for Nondelivery .....	16
4.5.1	Mailer Ancillary Service Endorsements.....	18
4.5.2	Mailer Ancillary Service Endorsements for Mail Returned to Sender .....	18
4.6.1.1	Change of Address Order Location: All UAA Mail.....	20
4.6.1.2	Change of Address Order Location: UAA Mail Forwarded from CFS Units.....	20
4.6.2.1.1	Age of COA Orders - Overall.....	21
4.6.2.1.2	Age of COA Orders - Mail Sent to Households .....	21
4.6.2.1.3	Age of COA Orders - Mail Sent to Businesses.....	21
4.6.2.2.1	Average Monthly COA Volume per Customer - Overall.....	22
4.6.2.2.2	Average Monthly COA Volume per Customer - Mail Sent to Households .....	22
4.6.2.2.3	Average Monthly COA Volume per Customer - Mail Sent to Businesses and Institutions.....	22
4.7.1	Mail Shape for All UAA Mail .....	24
4.7.2	Mail Shape for UAA Mail NOT Sent to CFS Units.....	24
4.7.3	Mail Shape for UAA Mail SENT to CFS Units .....	24
4.8	Special Services .....	25
4.9	Sender Information .....	27
4.10	Hold Mail Volume based on Sampling Conducted May 5, 1999 .....	28
4.11	FY 81 - FY 93 - FY 98 Comparison .....	29
5.1	Summary Costs for Processing Undeliverable-As-Addressed Mail .....	31
5.1.1	Annual Cost for UAA Mail Being Forwarded .....	32
5.1.2	Annual Cost for UAA Mail Being Returned to Sender .....	33
5.1.3	Cost per Piece for UAA Mail Treated as Waste in Delivery and CFS Units Combined .....	34
5.1.4	Forms 3547 and 3579 Costs Not Included.....	35
5.2.1	Cost per Piece for Processing at Originating Delivery Unit.....	38
5.2.1.1	Cost per Piece for Carrier and Clerk Processing Change-of-address Cards.....	39
5.2.1.2	Cost per Piece for Processing UAA Mail at Originating Delivery Unit by Disposition .....	40
5.2.1.3	Development of Cost to Process UAA Mail by Nixie Clerk .....	41
5.2.1.3.1	Distribution of UAA Mail Processed by the Nixie Clerk at the Delivery Unit.....	42

5.2.1.4	Cost for Processing No Record Found Mail .....	43
5.2.2	Cost per Piece for Processing at CFS Units .....	48
5.2.2.1	Keying and Labeling Productivities Adjusted for Rekey Volumes .....	49
5.2.2.2	Development of Keying Costs for ACS and Non-ACS Mailpieces by Terminal Type .....	50
5.2.2.3	Form 3547 Distribution by Category .....	51
5.2.2.4	Form 3547 Distribution by Equipment Type .....	51
5.2.2.5	Forms 3547 and 3579 Distribution by Terminal within Category .....	52
5.2.3	Cost of Rating UAA Mail at the Originating Postage Due Unit .....	54
5.2.4.1	Mailstream Processing Unit Cost for First-Class Mail by Disposition .....	56
5.2.4.2	Cost per Piece for Mailstream Processing of Forms .....	57
5.2.5.1	Cost per Piece in the Postage Due/Accountable Mail Unit for UAA Mail with Postage Due .....	60
5.2.5.2	Disposition of UAA Postage Due Mail that is Forwarded .....	61
5.2.5.3	Cost per Piece for Carrier Delivery of UAA Mail Requiring Postage Due .....	62
5.2.5.4	Cost per Piece for UAA Mail Forwarded with Postage Due and Delivered at Call Window .....	63
5.2.5.5	Cost per Piece for Preparation and Processing of Form 3546 .....	64
5.2.6.1	Total Cost for Applicable Programs at the National Customer Support Center ...	67
5.2.6.2	Total Cost of CFS Headquarters Operations Support .....	67

## EXECUTIVE SUMMARY

Approximately 17% of the nation's population moves each year. In FY 1998, the Postal Service processed 44 million change-of-address (COA) orders.

The estimated annual volume of undeliverable-as-addressed (UAA) mail in FY1998 was 5.4 billion pieces, with an average per piece cost of \$0.29, and the following disposition:

- 2.1 billion (39 percent) pieces forwarded
- 1.3 billion (24 percent) pieces returned to sender
- 2.0 billion (37 percent) pieces treated as waste

The mobility of the American public and the resulting UAA volume creates formidable obstacles for business mailers to maintain high-quality mailing lists. The associated costs of UAA mail represents a challenge to both the Postal Service and the mailing industry.

Most UAA mail is either First-Class (58 percent) or Standard Mail (A) (38 percent). Of the total UAA volume, 47 percent is sent to Computerized Forwarding System (CFS) units for processing, 34 percent is treated as waste by the delivery unit, and 19 percent is forwarded or returned from the delivery unit without CFS processing.

The FY 1998 cost for processing UAA mail was approximately \$1.5 billion. The largest costs are for forwarding (\$438 million) and for returning to sender (\$768 million). The costs of all categories of UAA mail handling are charged to the customer, either directly (as part of a fee) or indirectly (as part of the rate). The average cost per piece was 21cents for forwarded mail and 59cents for returned mail.

CFS units provide efficient, low cost, high volume processing of UAA mail. They processed 2.5 billion pieces of UAA mail in FY 1998 and reduced their operating per piece cost from 15cents (in FY 1993) to 10cents (in FY 1998).

In the five years since the last UAA volume study, the volume of forwarded or returned to sender mail increased while the volume treated as waste decreased. In all cases, the unit cost for each disposition decreased.

The following table shows the related volumes, cost per piece and total cost.

	VOLUME (billions)		UNIT COST ¢ / Piece		TOTAL COST (\$ millions)	
	1993	1998	1993	1998	1993	1998
Forwarded	1.9	2.1	23¢	21¢	444	438
Returned to Sender	0.8	1.3	75¢	59¢	638	768
Disposed as Waste	2.1	2.0	5¢	4¢	104	86

Increased use of the Move Update programs, including NCOA, *FASTforward*<sup>SM</sup>, Address Change Service (ACS) processing and address correction notifications, contributed to the reduction in total UAA mail when measured as a percent of total volume. UAA as a percentage of total volume decreased since the previous (1994) study from 2.84% to 2.72%. This reduction represents over 237 million pieces of mail and an estimated cost avoidance of \$69 million in UAA processing costs.

The total cost avoidance associated with the Move Update programs is estimated at \$1.5 billion. This savings is based upon the estimated cost of processing the additional 5.3 billion mail pieces. These mailpieces would have been UAA due to change of address, but were identified and the corrections provided to mailers via one of the Move Update tools.

## **1.0 BACKGROUND AND PURPOSE**

### **1.1 Definition of Undeliverable-As-Addressed Mail**

Undeliverable-as-addressed (UAA) mail is all mail that cannot be delivered to the person or business at the address specified. The following are reasons for which mail may be considered undeliverable:

- The individual, business, or organization to which it is addressed has moved
- The address is incomplete, illegible, or incorrect
- The addressee is unknown or deceased
- The addressee refuses or fails to claim the mail
- Postage has not been paid

Mail which is identified as undeliverable-as-addressed may be forwarded, returned to the sender, properly treated as waste, or treated as dead mail, depending on the treatment authorized for that class of mail and the mailer ancillary endorsement. *Appendix B contains detailed information on the effect of ancillary endorsements.*

### **1.2 Purpose**

The purpose of the study is to provide information on the volume and characteristics of UAA mail and the costs of the various processes involved in handling UAA mail and related services.

### **1.3 Background**

This study was conducted using the 1998 annual volumes from all Computer Forwarding System (CFS) units. In addition, the tables and analysis include sampling data gathered from numerous delivery and CFS units (sampled during the first two weeks of May, 1999). This report provides an update of two previous studies which used 1981 and 1993 data, conducted in 1982 (USPS Economics and Cost Benefits Division Report) and 1994 (by Price Waterhouse).

### **1.4 Changes Since Previous Studies**

There have been three significant changes since the previous study and report (1994). These include the Move Update Requirement, Reclassification of mail types and Rate changes.

#### **Move Update**

In 1997, the United States Postal Service introduced the Move Update requirement to address the increasing trend of UAA mail volume and cost. This mandate required that discounted First-Class Presort mailers participate in one of the following four programs:

- 1) National Change of Address (NCOA)
- 2) Address Change Service (ACS)
- 3) *FASTforward*
- 4) Ancillary Service Endorsements

This program was instituted to encourage mailers to improve the address hygiene of their mailing lists. FASTforward was introduced in 1997. Ancillary service endorsements were simplified and

reduced to only four valid endorsements. See Section 6.0 for more detailed information on the Move Update requirement.

### Reclassification

The following table shows the general effect of reclassification.

<i>Formerly</i>	<i>Now</i>
First Class Mail	First-Class Mail
Second Class Mail	Periodicals
Third Class Mail	Standard Mail (A)
Fourth Class Mail	Standard Mail (B)

### UAA Reduction Timeline

The following efforts have been implemented to manage the cost and volume of UAA mail.

1981	Address Management System (ZIP+4 database)
1985	Address Change Service (ACS) for Periodicals – COA only
1986	National Change of Address (NCOA) licensed
1988	National Deliverability Index report
1989	ACS for Standard Mail (A) and 2 <sup>nd</sup> generation Nixies
1990	ACS for First-Class Mail
1991	ACS for Standard Mail (B)
1991	Coding Accuracy Support System (CASS)
1991	Multi-line Accuracy Support System (MASS)
1991	Locatable Address Conversion System (LACS)
1992	Delivery Sequence File (DSF) licensed
1993	Address Element Correction Service (AEC)
1995	ACS Shipper Paid Forwarding (SPF) for Standard Mail (B)
1997	ACS Shipper Paid Forwarding (SPF) for Standard Mail (A)
1997	FASTforward (MLOCR and MLC) licensed
1997	Move Update Requirement for First-Class discounted mail
1997	Ancillary Service Endorsements simplified and reduced to four: <ul style="list-style-type: none"><li>• Address Service Requested</li><li>• Forward Service Requested</li><li>• Return Service Requested</li><li>• Change Service Requested</li></ul>

## 1.5 Data Sources

The following data sources were used to estimate volumes and costs:

- In-Office Cost System (IOCS)
- Revenue, Pieces and Weights System (RPW)
- RPW Panel System Office Listing by Cost Ascertainment Group (CAG)
- USPS / PwC sampling study conducted May 1-14, 1999,
- CFS Daily Report
- Cost and Revenue Analysis (CRA)
- Other USPS cost data
- Daily Address Information Operation Analysis (3925 Report)
- Various testimonies and studies from USPS

## 1.6 Summary of Responsibilities

The goal of the Move Update programs is to minimize the number of mail pieces that cannot be delivered to the person or business at the address that is on the mail piece. Another way to state that is the intent of the Move Update programs is to maximize delivery to the initially identified addressee at the initially identified address. Everyone plays a role in this process. The chart below details the key responsibilities for each segment of the process.

<b><u>Function</u></b>	<b><u>Areas of Responsibility</u></b>
<b>Address Management Systems (AMS) Operations</b>	Manage National Change of Address (NCOA) database Manage use of NCOA database Manage Address Change Service (ACS) process Manage other address hygiene products – DSF, CASS, LACS, FASTforward, et al. Provide policy and direction for address management
<b>Computerized Forwarding Systems (CFS) Operations</b>	Process forwardable mail by applying yellow label with new address Enter Change Of Address (COA) orders (Form 3575) into NCOA database Process COA notifications (Forms 3547 and 3579) to sender Process ACS (electronic and hardcopy) COA notifications Report volume / utilization (3925 reports) Return mail to the delivery unit if no COA record is on file (No-Record-Found)
<b>Delivery Unit (DU) Operations</b>	Sort nondelivery point sequence (DPS) mail into DPS order Cull out mail that is undeliverable-as-addressed (UAA) Send UAA to CFS unit for processing Disposition No-Record-Found mail returned from CFS unit Properly dispose as waste any UBBM Process 3575 / 3546 COA orders from customers / CFS units Properly handle mail pieces with ancillary service endorsement
<b>Large Mailers</b>	Utilize address hygiene products, services and methods Utilize accurate and standardized addressing including ZIP+4 Adhere to the 'Move Update' policies and intentions
<b>Addressees Individual, Family, or Business</b>	Notify USPS of COA (Form 3575) Notify regular correspondents of new address Use proper addressing, including format and abbreviations



### 1.6.1 Mail Recipient Responsibilities

Postal customers who relocate and want to ensure that they continue to receive their mail are vital to the efforts to reduce UAA mail. These customers can ensure they continue to receive their mail through the following actions:

- Filing a Change of Address Order (Form 3575). A postal customer who moves can file this form to have mail forwarded to a new address. The forwarding order will remain in effect for 12 months. The information on this form is vital to the databases used in routing UAA mail, in the NCOA process, and in the electronic (ACS) and manual address correction services. These forms can be filed for either an individual, family, or business move. They can be filed as either permanent or temporary orders.
- Requesting Hold Mail Service (Form PS 8076). A postal customer who will be away temporarily can request mail to be held by the Postal Service for up to 30 days. This information is important to the Postal Service as well, since it prevents mail from piling up at a delivery point, potentially resulting in the address being reported as "moved - left no address" (see below).

### 1.6.2 Delivery Unit and CFS Responsibilities

Finally, the delivery units and the Computerized Forwarding System (CFS) units within the Postal Service perform vital roles, identifying and processing UAA mail. Their ability to recognize situations that lead to mail being considered UAA is equally important. For instance:

- The delivery unit of the destinating address is typically the first unit to identify a mail piece as UAA. Depending on the reason for nondelivery and the class of mail, the delivery unit will either send it to a CFS unit for processing, return it to the sender with the reason for nondelivery, hand forward it, or treat it as waste.
- CFS units process UAA mail to either forward it, return it to the sender, or treat it as waste, depending on endorsements and class of mail. CFS units provide manual and electronic address correction service notifications.
- The delivery unit is the first unit to receive a Change of Address Order (Form 3575) filed by a postal customer. This is submitted to the CFS unit, where the information is entered into their local NCOA change-of-address database. Each night, new change-of-address information is electronically transmitted to the National Customer Support Center, where it is added to the databases that support the NCOA process.
- The delivery unit recognizes when a customer has moved, but has not filed a change-of-address (COA) order. After a ten-day waiting period, the carrier files a Change of Address Order (Form 3575) for the individual, family, or organization to indicate that address is no longer a valid delivery point for that addressee, but that there is no new address on file (the designation is "moved, left no address"). The same process occurs for post office boxes closed (by the customer or due to nonpayment of rent) with no forwarding order. These carrier-filed change-of-address orders are submitted to the CFS unit where they are processed and added to the database in the same manner as customer-filed orders.

## 2.0 SAMPLING AND DATA COLLECTION

### 2.1 Sampling Methodology

#### 2.1.1 First-stage sample

From the 1,297 offices in the Revenue, Pieces and Weight (RPW) Panel, 154 (11.9%) were sampled in this study. The RPW panel is the Postal Service's official probability sampling system for estimating volume, revenue, and weight of mail. This panel was used because it was constructed based on variability information possessed by USPS. Appendix D contains both the CFS and Delivery Unit site lists.

As seen below, 5% to 15% offices in CAGs A through F in the RPW were included in the sample. 16% to 20% of CAGs G through L were included.

CAG	Total Offices	RPW Panel Offices	Sampling Fraction	Number of units reporting
A	101	101	0.059	6
B	177	177	0.119	21
C	715	715	0.112	80
D	616	66	0.136	9
E	1,500	53	0.094	5
F	1,964	48	0.146	7
G	3,020	30	0.200	6
H	3,720	26	0.192	5
J	4,908	25	0.200	5
K	9,295	32	0.188	6
L	1,667	24	0.167	4
Total	27,683	1297	0.119	154

#### 2.1.2 Second-stage sample

Within each of the 154 post offices reporting, five routes were examined. These routes consisted of City, Rural, and PO Box delivery. For offices that contained less than five routes, all routes were chosen.

### 2.2 Data Collection Methods

The data collection was conducted during a two-week period. There were eleven data collection forms for the study, seven to be completed by sampled delivery units and four to be completed by sampled CFS units. In addition, CFS units were asked to submit copies of the CFS Daily Report and the Address Information Operation Analysis Report (also called the 3925 Report). A copy of field data collection forms, summaries of each form and instructions can be found in Appendix A.

## **2.3 Data Collection Results**

A total of 154 delivery units participated in the study. This represents an increase of 25 units from the previous study. This sample contained the data from 666 delivery routes. For the characterization of the UAA mail pieces, a total of 34,094 pieces were identified and analyzed from among the estimated 1.25 million pieces scheduled for delivery on the sampled routes.

There are a total of 221 CFS units, of which 122 provided detailed cost and volume information. This represents eight more CFS units than in the previous study. National CFS volumes that included all units were also used.

## 3.0 UAA MAIL PROCESSING

### 3.1 Delivery Unit

Mail from a primary distribution center enters a delivery unit and is separated by route. Individual carriers sort their mail, removing any that is undeliverable-as-addressed (UAA). Deliverable mail is placed into the appropriate recipient box at the carriers' casing stations. UAA mail is handled in one of the following ways:

- Sent to Computerized Forwarding System (CFS)
- Carrier Endorsed (to be returned to sender)
- Hand Forwarded or Redirected
- Treated As Waste

Mail that is hand forwarded or sent to CFS are forwardable mail pieces, and those that are carrier endorsed and/or treated as waste are non-forwardable. Most mail is deemed forwardable as a result of a customer filing a Form 3575, change-of-address (COA) order. The carrier endorses each Form 3575 with his / her initials and route number, bundles them, and places them in the designated location for transport to the CFS. Mail for the corresponding Form 3575s is cased into machinable and nonmachinable separations and placed in the appropriate location for daily transport to the CFS. Other UAA mail is hand forwarded by delivery unit personnel.

Mail is carrier endorsed if delivery was attempted and unsuccessful. The carrier endorsement is the reason for nondelivery (e.g., Attempted – Not Known, Refused, No Such Number). Carrier endorsed mail is sorted into a throwback case (see City Delivery Carriers Duties and Responsibilities, Handbook M-41 for separations) and later processed via a primary distribution center to be returned to sender. Other non-forwardable mail is treated as waste. The majority of this is Standard Mail (A) with no ancillary service endorsement, which is known as Unendorsed Bulk Business Mail (UBBM).

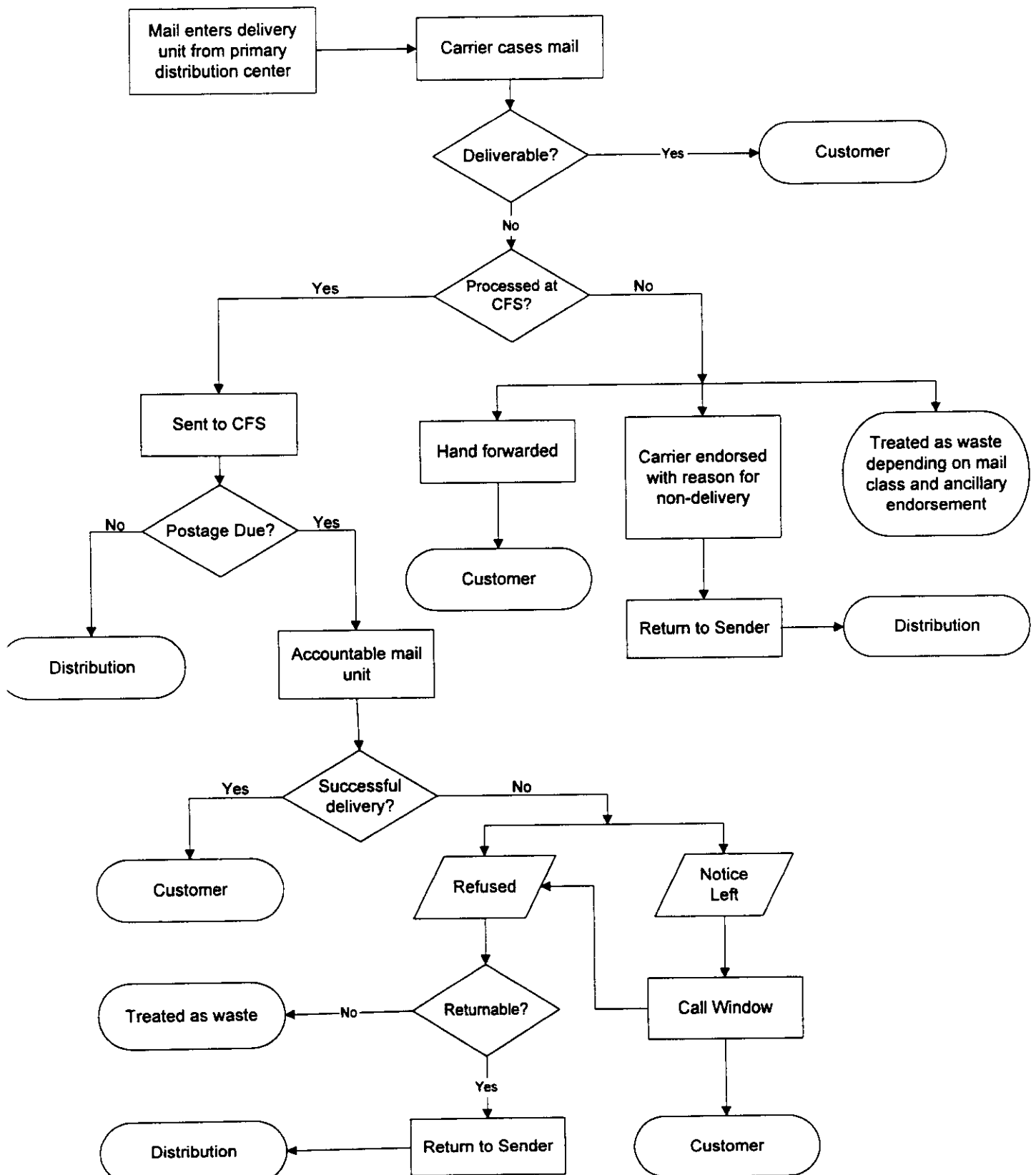
UAA mail may also be accountable mail (postage due, certified, insured, etc.). Depending on the mail class, the ancillary endorsement, and the age of the change-of-address (COA) order, a UAA mail piece may require additional postage (become postage due). This mail may be rated and the postage due applied at either the CFS unit or delivery unit. For handling of other UAA accountable mail, see Appendix B.

Whether it is being forwarded or returned, UAA postage due mail enters the accountable mail unit at the destinating delivery unit. Before leaving for delivery, carriers sign out any accountable mail for their route. Attempted delivery may result in one of the following:

- *Successful delivery:* The customer pays the postage due and the carrier is cleared of the postage due upon payment to the accountable clerk.
- *Customer refuses to pay:* The carrier is cleared of the postage due upon returning the refused mail to the accountable clerk. If the addressee refuses to pay forwarding postage on all future Standard Mail (B), the carrier must prepare and send a Form 3546 to the originating delivery unit of the customer's old address. The customer always has the right to individually refuse any mail including Standard Mail (B) that is forwarded postage due.
- *Notice Left:* A Delivery Notice/Reminder/Receipt, Form 3849, is left for the customer to claim the mail. The carrier is cleared of the postage due by returning the mail to the accountable mail unit.

See Figure 3.1 below for a flow of the UAA mail process at a delivery unit.

**FIGURE 3.1**  
Delivery Unit Operations Flow Chart



## 3.2 Computerized Forwarding System (CFS) Unit

### 3.2.1 Processing at CFS Units

The final disposition of a UAA mail piece being processed at a CFS unit is either:

- Forward
- Return to sender
- Treat as waste

The class of mail along with any mailer ancillary endorsement and the age of the change-of-address (COA) order will determine the disposition of a mail piece. Mail that arrives at the CFS unit follows the general process discussed below. The CFS process can be viewed in Figure 3.2.

#### *Mail Preparation*

UAA mail will arrive from the delivery units in trays that have been separated by ZIP codes. The trays themselves will be sorted by mail shape so that they may be distributed to the Mechanized and Flats Forwarding Terminals (FFT's). The Mechanized Terminal will process all machinable letters while the FFT will process all flats mail. Change-of-address cards are entered on the Non-Mechanized Terminals.

#### *Keying: Mechanized Terminals (MTs)*

Keying at the MT is initiated when a mail piece is mechanically fed through the transport and positioned in front of the operator. The operator enters an extract code and the computer searches the CFS COA database for a match. A label containing the customer's new address is mechanically generated and automatically applied. When multiple matches are found, they are displayed on a monitor, allowing the operator to choose the correct match based on the full name and address. The mail piece is then distributed to one of seven stackers. A load/sweeper will periodically collect the mail from the stackers and bring them to the next processing step.

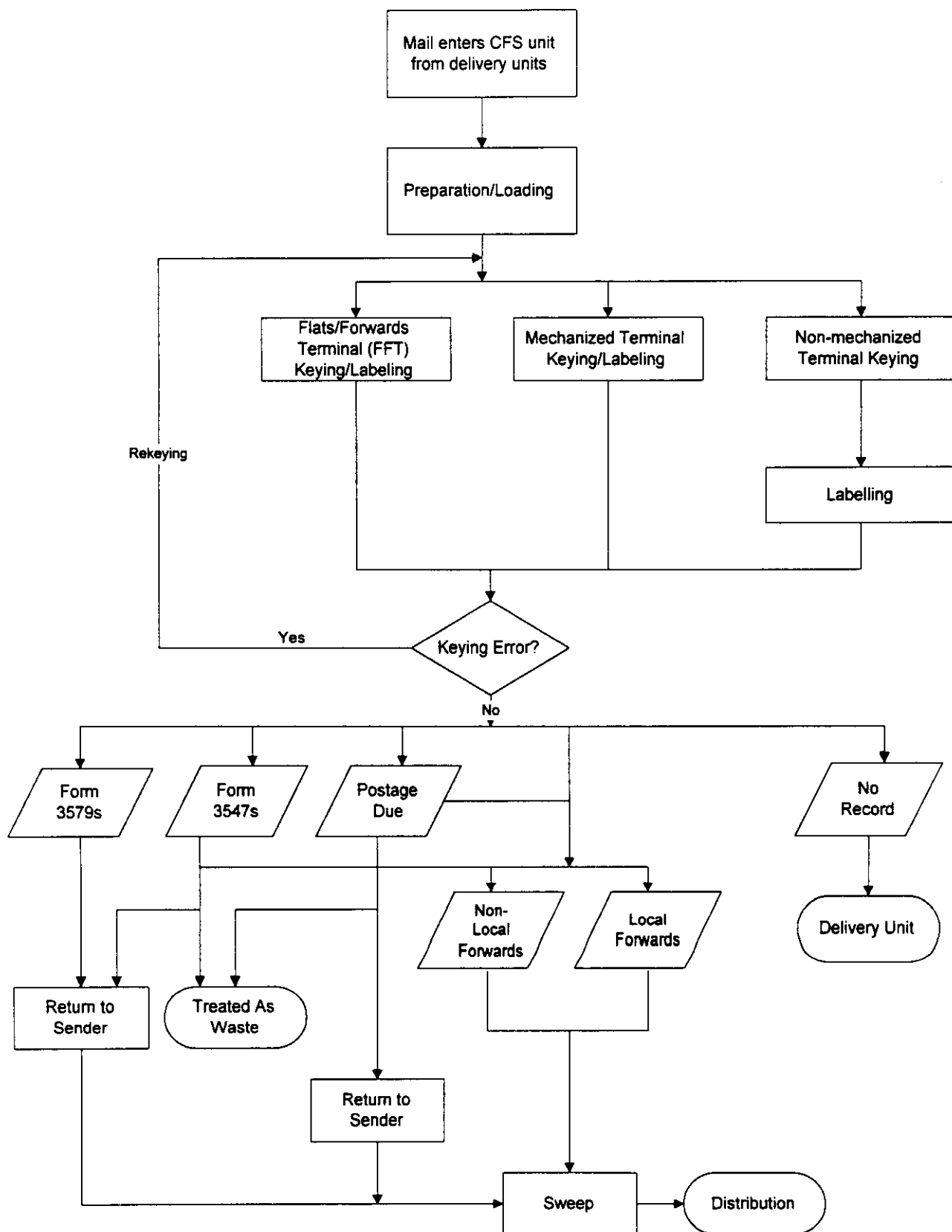
#### *Keying: Flats Forwarding Terminals (FFT's)*

An operator pulls a volume of mail from the tub and positions the mail piece such that it is readable or "faced". The operator then keys the seven-character extract code. Matching extract codes on the FFT is similar to the MT. When the proper match is found, a label is generated and the operator will take the label and apply it to the mail piece. The mail piece is then sorted to the appropriate container.

#### *Data Maintenance: Non-Mechanized Terminals (NMTs)*

Change-of-address (COA) cards are sent to CFS units from delivery units. The information on the COA cards is keyed into the CFS COA database by CFS clerks using the NMTs. The COA information is then electronically sent to the National Customer Service Center (NCSC) to be added to the NCOA database. For the change-of-address to become effective, a label is generated and used to verify the change-of-address information and placed on the Form 3575. The entered COA cards and associated labels are sent to the clerk to be affixed. The cards are then sorted to be sent back to the appropriate delivery unit.

**FIGURE 3.2**  
CFS Unit Operations Flow Chart



## **4.0 VOLUME PROFILE**

### **4.1 Method of Measurement**

When a delivery unit was sampled, the carrier set aside the mail determined to be UAA. Each piece of UAA mail was assigned an identification number, which referred to the recipient to whom the piece of UAA mail was addressed. The ID number, along with specific characteristics of each piece of UAA mail, was recorded on data collection Form 3, UAA/COA Profile. Measured characteristics included the following:

- Age (in months) of the change-of-address (COA) order
- Shape and class of the mail
- Origin and destination information
- Disposition of the UAA mail (Sent to CFS, Hand Forwarded, Treated As Waste, or Carrier Endorsed)
- Mailer ancillary service endorsements requested
- Special services requested

The recorded data was keyed and verified, edited in Microsoft Excel and the statistical software package SAS, and used to generate annual national estimates of UAA volume. During the two week sampling period, an estimated 1.25 million mail pieces were checked for UAA volume. A total of 34,094 pieces of UAA mail were found and analyzed. For each analysis, the sampled UAA volume was inflated to a national basis using a multiple step process. First, an average volume per route for a single delivery unit was calculated. Second, the average volume per route for all delivery units within each CAG was calculated. Third, volumes were expanded by the number of delivery units in each CAG. Finally, percents were applied to known national and annual volumes to determine final numbers.

### **4.2 Composition of UAA Mail**

Table 4.2 below shows FY 98 RPW (obtained from the FY 98 Revenue, Pieces and Weight report) and UAA volume by mail class. Approximately 5.4 billion pieces of mail were undeliverable-as-addressed (UAA) in FY 98. This represents 2.72 percent of total mail volume. The majority of UAA mail is First-Class, followed by Standard Mail (A), and Periodicals. As the table shows, the distribution by mail class of UAA mail is roughly the same as that of all mail. Approximately one in every 32 First-Class Mail pieces is UAA. For Standard Mail (A), about one mail piece in every 40 is UAA.

Please note that for the remainder of this report, the First-Class Mail category will consist of First-Class Mail, Priority Mail, Express Mail, International Mail, and Mailgrams, as they receive similar treatment when undeliverable-as-addressed.

The UAA estimates were developed incorporating information from the Daily Address Information Operation Analysis (3925 Report) and Forms 3, 4, and 6. For the number of mail pieces processed by CFS units, the 3925 Report included rekeys and CFS returns marked "no record." Therefore, it was adjusted to represent the actual number of UAA pieces processed at CFS units.



Table 4.2  
FY 98 RPW Volume and UAA Volume Comparison  
(Volume Reported in Millions)

<u>Mail Class</u>	<u>RPW Volume</u>	<u>Percent</u>	<u>UAA Volume</u>	<u>Percent</u>	<u>Percent UAA</u>
First Class	101,172.828	51.22%	3,121.947	58.03%	3.09%
Periodicals	10,316.591	5.22%	178.386	3.32%	1.73%
Standard A	82,874.650	41.96%	2,057.722	38.25%	2.48%
Standard B	971.434	0.49%	8.170	0.15%	0.84%
International	943.968	0.48%	4.630	0.09%	0.49%
Priority	1,163.831	0.59%	8.287 *	0.15% *	0.71% *
Express	66.244	0.03%	0.860	0.02%	1.30%
Mailgram	4.302	0.00%	0.000 *	0.00% *	0.00% *
Total	197,513.848	100.00%	5,380.002	100.00%	2.72%

\* This table cell has a small sample size.

### 4.3 Disposition Of UAA Mail

UAA mail may be forwarded, returned to sender, or treated as waste, depending on the treatment authorized for that class of mail. Table 4.3.1 displays the disposition of each class of UAA mail handled at the delivery units. According to the table, approximately 47 percent of UAA mail is sent to CFS units and about 34 percent is treated as waste at the delivery unit. The mail that is treated as waste is primarily Standard Mail (A).

Table 4.3.2 shows the disposition of UAA mail at CFS units. The majority of mail processed at the CFS unit is First-Class Mail (88%) and most of that (80%) is forwarded. Nearly 99 percent of mail treated as waste at the CFS units was Standard Mail (A) and Periodicals. First-Class Mail endorsed with "Change Service Requested" is also disposed of after providing the sender with notification of the new address or reason for nondelivery.

Table 4.3.3 combines the information from Tables 4.3.1 and 4.3.2. It shows that approximately 39 percent of UAA mail is forwarded, 24 percent is returned to sender, and 37 percent is treated as waste or sent to the Mail Recovery Center (dead letter office).

Table 4.3.1  
Disposition at Delivery Units  
(Volume Reported in Millions)

Disposition		First-Class		Periodicals		Standard A		Standard B		Total	
		Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
Carrier Endorsed / Returned to Sender	(1)	774.737	24.71%	6.291	3.53%	61.505	2.99%	1.383 *	16.93% *	843.916	15.69%
Hand Forwarded	(2)	140.312	4.47%	4.521	2.53%	34.836	1.69%	1.550 *	18.97% *	181.219	3.37%
Sent to CFS	(3)	2,220.169	70.80%	141.565	79.36%	166.472	8.09%	3.936	48.17%	2,532.141	47.07%
Treated as Waste	(4)	0.506 *	0.02% *	26.009	14.58%	1,794.909	87.23%	1.301	15.93%	1,822.726	33.88%
Total		3,135.723	100.00%	178.386	100.00%	2,057.722	100.00%	8.170	100.00%	5,380.002	100.00%

(1) UAA mail that cannot be forwarded is endorsed by the USPS with the reason for nondelivery. See DMM section F010.4.5, Exhibit 4.1.

(2) UAA mail in which the new (forwarding) address is manually written on the mailpiece.

(3) Mail which is UAA because the addressee has moved within the last 18 months is sent to CFS units for processing.

(4) UAA mail which is bulk business mail and does not have a mailer endorsement is properly disposed of as waste. Unendorsed First-Class Mail that cannot be forwarded or returned is sent to the Mail Recovery Center (dead mail office) - it is never disposed as waste in the delivery unit, except postcards with no return address.

\* This table has a small sample size.

Table 4.3.2  
Disposition at CFS Units  
(Volume Reported in Millions)

Disposition		First-Class		Periodicals		Standard A		Standard B		Total	
		Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
Forwarded		1,785.647	80.43%	79.468	56.14%	45.148	27.12%	1.709	43.43%	1,911.971	75.51%
Returned to Sender		433.498	19.53%	0.493	0.35%	31.111	18.69%	1.577	40.07%	466.679	18.43%
Treated as Waste	(1)	1.024	0.05%	61.604	43.52%	90.213	54.19%	0.650	16.50%	153.491	6.06%
Total		2,220.169	100.00%	141.565	100.00%	166.472	100.00%	3.936	100.00%	2,532.142	100.00%

(1) At CFS units, mail properly treated as waste includes mail for which an address correction is supplied to the mailer and the mail piece is treated as waste. This includes mail pieces with the change service requested endorsement as well as periodicals with no endorsement after the 60-day period.

Table 4.3.3  
Combined Disposition at Delivery and CFS units  
(Volume Reported in Millions)

Disposition		First-Class		Periodicals		Standard A		Standard B		Total	
		Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
Forwarded		1,925.958	61.42%	83.989	47.08%	79.984	3.89%	3.259	39.89%	2,093.190	38.91%
Returned to Sender		1,208.235	38.53%	6.784	3.80%	92.617	4.50%	2.960	36.23%	1,310.596	24.36%
Treated as Waste / Dead Mail		1.530	0.05%	87.614	49.11%	1,885.122	91.61%	1.951	23.88%	1,976.217	36.73%
Total		3,135.723	100.00%	178.386	100.00%	2,057.722	100.00%	8.170	100.00%	5,380.002	100.00%

#### **4.4 Reason for Nondelivery**

Table 4.4 details the distribution of UAA mail by class and the reasons for nondelivery. For mail that is returned to sender, the primary reason for nondelivery is that the forwarding order expired, followed by an unknown person at the address (Attempted, not known).

Table 4.4  
Reason for Nondelivery  
(Volume Reported in Millions)

	First-Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
Forwarded	1,925.958	61.42%	83.989	47.08%	79.984	3.89%	3.259	39.89%	2,093.190	38.91%
Returned to Sender by Delivery Unit										
Attempted, Not Known	203.314	6.48%	0.668	0.37%	12.251	0.60%	0.746 *	9.13% *	216.979	4.03%
No Such Number / No Such Street	72.904	2.32%	0.642	0.36%	5.703	0.28%	0.000 *	0.00% *	79.249	1.47%
Forwarding Order Expired	268.109	8.55%	2.395	1.34%	17.622	0.86%	0.055 *	0.67% *	288.181	5.36%
Insufficient Address	53.576	1.71%	0.489	0.27%	7.311	0.36%	0.104 *	1.27% *	61.480	1.14%
Refused	5.400	0.17%	0.224 *	0.13% *	0.080 *	0.00% *	0.231 *	2.83% *	5.934	0.11%
Deceased	4.901	0.16%	0.054 *	0.03% *	1.168 *	0.06% *	0.000 *	0.00% *	6.123	0.11%
Other	166.533	5.31%	1.819	1.02%	17.370	0.84%	0.247 *	3.03% *	185.970	3.46%
Returned to Sender by CFS Unit (1)	433.498	13.82%	0.493	0.28%	31.111	1.51%	1.577	19.30%	466.679	8.67%
Treated as Waste	1.530	0.05%	87.614	49.11%	1,885.122	91.61%	1.951	23.88%	1,976.217	36.73%
Total	3,135.723	100.00%	178.386	100.00%	2,057.722	100.00%	8.170	100.00%	5,380.002	100.00%

(1) Distribution of Return to Sender mail handled at CFS units across reason for nondelivery is not available. Reasons include Address Service Requested after 12 months, Forwarding Service Requested after 12 months, Return Service Requested, and Forwarding Order Expired.

\* This table cell has a small sample size.

## 4.5 Ancillary Service Endorsements

The current valid ancillary service endorsements are the following:

- Address Service Requested
- Forwarding Service Requested
- Return Service Requested
- Change Service Requested
- Temp – Return Service Requested

An invalid ancillary service endorsement would be any out-of-date endorsement, such as "Forwarding Requested" or "Address Correction Requested" or any endorsement not listed above. These are categorized as "Invalid Endorsements", but presented individually, in the following table, to provide detail. Several commonly used combinations such as an old endorsement used alone, or an old endorsement used in conjunction with a new one, are listed.

The majority, 85 percent, of UAA mail has no endorsement. Of all combinations listed, Address Service Requested, a valid endorsement used alone, is the most commonly used endorsement. In all cases where an old endorsement is used alone or with another endorsement, valid or invalid, the distribution is less than one percent. This shows that mailers have been converting to the new, valid endorsements. For a detailed description of the USPS action taken by mail class for each ancillary endorsement, see Section 1.3.

Table 4.5.1  
Mailer Ancillary Service Endorsements  
(Volume Reported in Millions)

	First-Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
<b>Current Ancillary Service Endorsements</b>										
Address Service Requested	296.953	9.47%	7.168	4.02%	27.626	1.34%	1.454 *	17.80% *	333.200	6.18%
Forwarding Service Requested	73.701	2.35%	2.891 *	1.62% *	29.185	1.42%	3.013	36.88%	108.790	2.02%
Return Service Requested	168.440	5.37%	0.585	0.33%	20.807	1.01%	0.143 *	1.75% *	189.875	3.53%
Change Service Requested	27.309	0.87%	6.189	3.46%	59.175	2.88%	0.388 *	4.75% *	93.041	1.73%
No Endorsement	2,507.099	79.95%	158.684	88.96%	1,908.597	92.75%	3.172	38.82%	4,577.552	85.08%
<b>Invalid Ancillary Service Endorsements</b>										
Address Correction Requested	17.549	0.56%	0.715 *	0.40% *	9.485	0.46%	0.000 *	0.00% *	27.729	0.52%
Forwarding and Address Correction Requested	10.668	0.34%	0.068 *	0.04% *	0.191 *	0.01% *	0.000 *	0.00% *	10.928	0.20%
Forwarding and Return Postage Guaranteed, Address Correction Requested	5.051	0.16%	0.896 *	0.50% *	0.933	0.05%	0.000 *	0.00% *	6.881	0.13%
Do Not Forward	4.997	0.16%	0.000 *	0.00% *	0.592 *	0.03% *	0.000 *	0.00% *	5.589	0.10%
Address Correction Requested (Used with a Current Endorsement)	1.730 *	0.06% *	0.000 *	0.00% *	0.059 *	0.00% *	0.000 *	0.00% *	1.788	0.03%
Do Not Forward (Used with a Current Endorsement)	0.233 *	0.01% *	0.000 *	0.00% *	0.000 *	0.00% *	0.000 *	0.00% *	0.233	0.00%
Forwarding and Return Postage Guaranteed, Address Correction Requested (Used with a Current Endorsement)	18.017 *	0.57% *	0.000 *	0.00% *	0.000 *	0.00% *	0.000 *	0.00% *	18.017	0.33%
Other Invalid Endorsements (Used with a Current Endorsement)	3.977	0.13%	1.212	0.68%	1.091	0.05%	0.000	0.00%	6.279	0.12%
<b>Total</b>	<b>3,135.723</b>		<b>178.386</b>		<b>2,057.722</b>		<b>8.170 *</b>		<b>5,380.002</b>	

\* This table cell has a small sample size.

Table 4.5.2  
Mailer Ancillary Service Endorsements for Mail Returned to Sender

	First-Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
<b>Returned Postage Due</b>	<b>0.000</b>	<b>0.00%</b>	<b>0.117</b>	<b>1.72%</b>	<b>12.051</b>	<b>13.01%</b>	<b>1.028</b>	<b>34.71%</b>	<b>13.196</b>	<b>1.01%</b>
Delivery Unit (1)	0.000	0.00%	0.101	1.61%	6.699	10.89%	0.100	7.20%	6.900	0.82%
CFS Unit (2)	0.000	0.00%	0.015	3.12%	5.352	17.20%	0.928	58.84%	6.296	1.35%
<b>Returned at No Charge</b>	<b>1,208.235</b>	<b>100.00%</b>	<b>6.667</b>	<b>98.28%</b>	<b>80.565</b>	<b>86.99%</b>	<b>1.833</b>	<b>65.29%</b>	<b>1,297.400</b>	<b>98.99%</b>
Delivery Unit	774.737	100.00%	6.189	98.39%	54.806	89.11%	1.284	92.80%	837.016	99.18%
CFS Unit	433.498	100.00%	0.478	96.88%	25.759	82.80%	0.649	41.16%	460.383	98.65%
<b>Total</b>	<b>1,208.235</b>	<b>100.00%</b>	<b>6.784</b>	<b>100.00%</b>	<b>92.617</b>	<b>100.00%</b>	<b>2.860</b>	<b>100.00%</b>	<b>1,310.596</b>	<b>100.00%</b>
Delivery Unit (3)	774.737	100.00%	6.291	100.00%	61.505	100.00%	1.383	100.00%	843.916	100.00%
CFS Unit (3)	433.498	100.00%	0.493	100.00%	31.111	100.00%	1.577	100.00%	466.679	100.00%

- (1) Certain mailer ancillary service endorsements will result in a mailpiece being returned postage due. For Standard A and Standard B mailpieces, these endorsements are Return Service Requested, Address Service Requested when the COA is over 12 months, and Forwarding Service Requested when the COA is over 12 months. Standard A and Standard B mailpieces will also be returned postage due if there is no ancillary service endorsement and the COA is over 12 months. Periodicals are returned postage due if the Address Service Requested endorsement is used and the COA is over 60 days.
- (2) Volume of postage due returns processed at CFS units.
- (3) The sum of delivery units adds to 100% and the sum of CFS units adds to 100%.

## **4.6 Customer Profile**

### **4.6.1 Change-of-address Order Location**

For all UAA mail, Table 4.6.1.1 shows whether the new address data on the change-of-address (COA) order was local, non-local, or if no new address (no COA order) was filed. A local address was defined to be within the same single- or multi-zipped city. About 41 percent of mail pieces were local forwards, whereas just over 52 percent were non-local. This represents a shift from the 1995 Mail Cost Study, which found that almost 47 percent of forwards were local and about 39 percent were non-local.

Table 4.6.1.2 shows the COA new address disposition for UAA mail forwarded from CFS units. According to the table, 46 percent of these mail pieces were local forwards, as opposed to 54 percent being non-local. Again, this represents a shift from the 1995 study, when almost 56 percent of forwards were local and about 44 percent were non-local.

### **4.6.2 Customer Volume Profile**

This section examines UAA mail with respect to the following:

- Age of COA orders
- Average volume per customer

Note that information for customers with COAs older than 18 months is an approximation since it is USPS policy to purge station/branch records after 18 months. While the COA is effective for 12 months, stations keep them on file for 18 months. UAA volume that appears for the "12-18 months" and "over 18 months" age categories is not forwarded, but rather returned to sender.

#### **4.6.2.1 Age of COA Orders**

Table 4.6.2.1.1 shows that nearly 40 percent of all COA volume is associated with customers whose COA orders are less than three months old, and about 60 percent are less than six months old. Table 4.6.2.1.1 also shows that the majority (70 percent) of COA mail (93% of the total UAA mail) is First-Class Mail. Tables 4.6.2.1.2 and 4.6.2.1.3 provide the breakdown between households and businesses. These tables show similar percentages across mail classes.

As expected, the volume of COA mail decreases as the age of the COA order increases.

#### **4.6.2.2 Average Volume per Customer**

Table 4.6.2.2.1 shows the overall average monthly COA volume per customer. An average customer receives 22 forwards per month as a result of a COA order that is less than 3 months old. Monthly volume per customer decreases as the age of the COA order increases. This is also true for households and businesses and institutions in Tables 4.6.2.2.2 and 4.6.2.2.3 respectively. However, the decrease is initially more rapid (in percent) for households than for businesses (from the 0-3 months to the 3-6 months period).

It is likely there are COA orders that had no mail during the test period. This study used the entire population of COA orders to calculate the averages.



Table 4.6.1.1  
Change-of-address Order Location  
All UAA Mail  
(Volume Reported in Millions)

<u>New Address</u>	<u>UAA Volume</u>	<u>Percent</u>
Local	2,202.157	40.93%
Non-local	2,813.165	52.29%
No New Address	364.680	6.78%
Total	5,380.002	100.00%

Table 4.6.1.2  
Change-of-address Order Location  
UAA Mail Forwarded from CFS Units  
(Volume Reported in Millions)

<u>New Address</u>	<u>UAA Volume</u>	<u>Percent</u>
Local	883.403	46.20%
Non-Local	1,028.568	53.80%
Total	1,911.971	100.00%

Table 4.6.2.1.1  
Age of COA Orders - Overall  
(Volume Reported in Millions)

Age of COA	First-Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
0-3 months	1,124.338	40.50%	99.997	54.93%	346.468	34.68%	4.255	74.76%	1,575.059	39.75%
3-6 months	610.898	22.01%	28.644	15.73%	157.993	15.81%	0.566 *	9.94% *	798.099	20.14%
6-9 months	387.579	13.98%	22.505	12.36%	160.609	16.07%	0.571 *	10.04% *	571.264	14.42%
9-12 months	313.264	11.28%	22.163	12.17%	118.640	11.87%	0.300 *	5.26% *	454.366	11.47%
12-18 months	149.313	5.38%	3.688	2.03%	78.233	7.83%	0.000 *	0.00% *	231.234	5.83%
over 18 months	190.639	6.87%	5.048	2.77%	137.186	13.73%	0.000 *	0.00% *	332.873	8.40%
Total	2,776.029	100.00%	182.044	100.00%	999.129	100.00%	5.692	100.00%	3,962.895	100.00%

\* This table cell has a small sample size.

Table 4.6.2.1.2  
Age of COA Orders - Mail Sent to Households  
(Volume Reported in Millions)

Age of COA	First-Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
0-3 months	940.305	43.31%	88.545	58.57%	319.525	39.25%	3.747	79.78%	1,352.121	43.05%
3-6 months	495.070	22.80%	25.445	16.83%	126.574	15.55%	0.469 *	9.99% *	647.557	20.62%
6-9 months	281.663	12.97%	17.488	11.57%	102.239	12.56%	0.294 *	6.26% *	401.683	12.79%
9-12 months	245.557	11.31%	15.275	10.10%	105.787	12.99%	0.186 *	3.97% *	368.805	11.68%
12-18 months	101.929	4.70%	2.195	1.45%	57.746	7.09%	0.000 *	0.00% *	161.869	5.15%
over 18 months	106.400	4.90%	2.232	1.48%	102.218	12.56%	0.000 *	0.00% *	210.850	6.71%
Total	2,170.923	100.00%	151.178	100.00%	814.088	100.00%	4.697	100.00%	3,140.886	100.00%

\* This table cell has a small sample size.

Table 4.6.2.1.3  
Age of COA Orders - Mail Sent to Businesses  
(Volume Reported in Millions)

Age of COA	First-Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
0-3 months	184.034	30.41%	11.452	37.10%	26.944	14.56%	0.508 *	51.06% *	222.937	27.12%
3-6 months	115.826	19.14%	3.200	10.37%	31.419	16.98%	0.097 *	9.70% *	150.541	18.31%
6-9 months	105.918	17.50%	5.018	16.26%	58.369	31.54%	0.277 *	27.87% *	169.581	20.63%
9-12 months	67.707	11.19%	6.888	22.31%	12.853	6.95%	0.113 *	11.37% *	87.581	10.65%
12-18 months	47.384	7.83%	1.493	4.84%	20.488	11.07%	0.000 *	0.00% *	69.365	8.44%
over 18 months	84.239	13.92%	2.816	9.12%	34.968	18.90%	0.000 *	0.00% *	122.023	14.84%
Total	605.107	100.00%	30.867	100.00%	185.041	100.00%	0.995	100.00%	822.009	100.00%

\* This table cell has a small sample size.

Table 4.6.2.2.1  
Average Monthly COA Volume per Customer - Overall

Age of COA	First-Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
0-3 months	14.00	45.76%	1.71	57.23%	6.06	37.39%	0.07	62.07%	21.84	43.77%
3-6 months	6.44	21.03%	0.46	15.23%	3.10	19.14%	0.02 *	17.24% *	10.01	20.06%
6-9 months	4.18	13.65%	0.35	11.80%	2.57	15.88%	0.02 *	13.79% *	7.12	14.27%
9-12 months	3.04	9.93%	0.30	9.90%	1.87	11.52%	0.01 *	6.90% *	5.21	10.43%
12-18 months	1.25	4.08%	0.11	3.81%	1.11	6.83%	0.00 *	0.00% *	2.47	4.94%
over 18 months	1.70	5.55%	0.06	2.03%	1.50	9.24%	0.00 *	0.00% *	3.26	6.53%

\* This table cell has a small sample size.

Table 4.6.2.2.2  
Average Monthly COA Volume per Customer - Mail Sent to Households

Age of COA	First-Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
0-3 months	10.58	46.51%	1.35	60.75%	5.31	42.02%	0.05	66.67%	17.29	45.89%
3-6 months	4.90	21.53%	0.36	16.21%	2.30	18.23%	0.02 *	19.05% *	7.57	20.11%
6-9 months	3.16	13.91%	0.23	10.41%	1.56	12.38%	0.01 *	9.52% *	4.96	13.18%
9-12 months	2.20	9.66%	0.18	8.02%	1.49	11.78%	0.00 *	4.76% *	3.86	10.26%
12-18 months	0.89	3.92%	0.07	3.07%	0.85	6.76%	0.00 *	0.00% *	1.81	4.81%
over 18 months	1.02	4.47%	0.03	1.54%	1.11	8.83%	0.00 *	0.00% *	2.17	5.75%

\* This table cell has a small sample size.

Table 4.6.2.2.3  
Average Monthly COA Volume per Customer - Mail Sent to Businesses and Institutions

Age of COA	First-Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
0-3 months	18.51	42.91%	2.07	47.25%	4.14	21.06%	0.08 *	50.00% *	24.80	36.83%
3-6 months	8.33	19.31%	0.52	11.93%	4.35	22.09%	0.02 *	12.50% *	13.22	19.62%
6-9 months	5.85	13.57%	0.64	14.68%	5.33	27.10%	0.04 *	25.00% *	11.87	17.62%
9-12 months	4.57	10.59%	0.70	16.06%	2.11	10.74%	0.02 *	12.50% *	7.40	10.99%
12-18 months	1.99	4.62%	0.24	5.50%	1.43	7.26%	0.00 *	0.00% *	3.66	5.44%
over 18 months	3.88	9.00%	0.20	4.59%	2.31	11.76%	0.00 *	0.00% *	6.40	9.50%

\* This table cell has a small sample size.

## 4.7 UAA Mail Characteristics

Tables 4.7.1, 4.7.2, and 4.7.3 show the distribution of UAA mail by shape and class. Table 4.7.1 shows the distribution for all mail. Table 4.7.2 includes mail not sent to CFS units, while table 4.7.3 only includes mail that was sent to CFS units. In all tables, the majority of UAA mail pieces are machinable letters, followed by flats, which are mainly Periodicals. As expected, the majority of Standard Mail (B) pieces are parcels, and this is true across all tables. The majority of mail not sent to CFS units is Standard Mail (A), disposed of at delivery units, while the majority sent to CFS units is First-Class Mail.

Table 4.7.1  
Mail Shape for All UAA Mail  
(Volume Reported in Millions)

	First-Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
Machineable Letter	2,864.590	91.35%	10.570	5.93%	1,266.520	61.55%	0.190 *	2.32% *	4,141.869	76.99%
Non-machineable Letter	100.719	3.21%	6.044	3.39%	163.897	7.96%	0.106 *	1.30% *	270.766	5.03%
Flat	155.139	4.95%	161.353	90.45%	616.185	29.95%	1.679	20.55%	934.356	17.37%
SPR / Parcel / IPP	15.276	0.49%	0.419 *	0.24% *	11.120	0.54%	6.195	75.83%	33.010	0.61%
Total	3,135.723	100.00%	178.386	100.00%	2,057.722	100.00%	8.170	100.00%	5,380.002	100.00%

\* This table cell has a small sample size.

Table 4.7.2  
Mail Shape for UAA Mail NOT Sent to CFS Units  
(Volume Reported in Millions)

	First-Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
Machineable Letter	521.281	91.08%	5.829 *	16.16% *	1,194.735	62.12%	0.000 *	0.00% *	1,721.845	67.91%
Non-machineable Letter	23.587	4.12%	2.325 *	6.45% *	155.375	8.08%	0.000 *	0.00% *	181.287	7.15%
Flat	25.805	4.51%	27.851	77.22%	562.743	29.26%	1.030 *	28.80% *	617.428	24.35%
SPR / Parcel / IPP	1.663 *	0.29% *	0.060 *	0.17% *	10.554	0.55%	2.545	71.20%	14.823	0.58%
Total	572.336	100.00%	36.065	100.00%	1,923.407	100.00%	3.575	100.00%	2,535.383	100.00%

\* This table cell has a small sample size.

Table 4.7.3  
Mail Shape for UAA Mail SENT to CFS Units  
(Volume Reported in Millions)

	First-Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
Machineable Letter	2,343.308	91.41%	4.741	3.33%	71.785	53.45%	0.190 *	4.13% *	2,420.024	85.07%
Non-machineable Letter	77.132	3.01%	3.720	2.61%	8.522	6.34%	0.106 *	2.31% *	89.479	3.15%
Flat	129.334	5.05%	133.503	93.80%	53.442	39.79%	0.649 *	14.12% *	316.928	11.14%
SPR / Parcel / IPP	13.613	0.53%	0.359 *	0.25% *	0.566	0.42%	3.650	79.44%	18.188	0.64%
Total	2,563.387	100.00%	142.321	100.00%	134.315	100.00%	4.595	100.00%	2,844.619	100.00%

\* This table cell has a small sample size.

## 4.8 Special Services

Table 4.8 details the disposition of UAA mail that had special services requested. Less than one percent of all UAA mail had a special service requested. The reason for this low percentage is primarily because persons using special services, by their nature, tend to use current, accurate addresses to ensure delivery. Special services include the following:

**Certified Mail** – A special service providing the sender with a mailing receipt and a record of delivery at the office of address. Certified mail is sent at regular First-Class postage rates and is dispatched and handled in transit as ordinary mail.

**Insured Mail** – A service to customers who pay a fee in advance to obtain reimbursement in the event that the mail is lost, rifled, or damaged.

**Certified and COD** – A special service providing the sender with a mailing receipt and a record of delivery at the office of address. Certified mail is sent at regular First-Class postage rates and is dispatched and handled as ordinary mail. COD is a domestic service for mailers who send articles for which they desire to receive payment from the addressee before delivery. The amount due to the sender and a money order fee are collected and the USPS remits a money order to the sender.

**Return Receipt/Service** – This is the mailing card (Form 3811 for domestic and Form 2865 for international) signed by the addressee of an article and mailed back to the sender as evidence of delivery. This supplemental mail service is available for a fee when using Express Mail or recorded delivery, certified mail, collect on delivery, mail insured for more than \$50, registered mail, or return receipt for merchandise.

**Special Handling** – A special service available only for Standard Mail (A) and Standard Mail (B). It provides preferential handling in dispatch and transportation but not expedited delivery.

Table 4.8  
Special Services  
(Volume Reported in Millions)

<u>Special Service</u>	<u>Volume</u>	<u>Percent</u>
Certified	11.775	75.79%
Insured	0.897 *	5.77% *
Certified and COD	0.318 *	2.05% *
Ret. Receipt/Service	0.248 *	1.59% *
Special Handling	2.299 *	14.80% *
Total	15.537	100.00%

\* This table cell has a small sample size.

## 4.9 Sender Profile

Table 4.9 shows the distribution of sender information for UAA mail by class. Nearly 91 percent of all UAA mail is sent by businesses. This is both First-Class Mail , which may be redirected (based upon endorsements) or Standard Mail (A), which is primarily Unendorsed Bulk Business Mail (UBBM) treated as waste in the delivery units. The proportions by mail class are essentially the same as they were in the 1994 Mail Cost Study data.

Table 4.9  
Sender information  
(Volume Reported in Millions)

Mailer	First-Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
Business	2,749.021	87.67%	168.616	94.52%	1,962.780	95.39%	7.881	96.46%	4,888.298	90.86%
Household	281.388	8.97%	2.696 (1)	1.51%	15.437 (1)	0.75%	0.289 *	3.54% *	299.811	5.57%
Unknown	105.315	3.36%	7.074	3.97%	79.505	3.86%	0.000 *	0.00% *	191.893	3.57%
Total	3,135.723	100.00%	178.386	100.00%	2,057.722	100.00%	8.170	100.00%	5,380.002	100.00%

(1) Data collected on UAA Form 3 indicated that households sent small amounts of Periodicals and Standard Mail (A). They may be businesses run from households or may be a mis-classification on the part of the data collector. Regardless, businesses remain the dominant source of UAA mail.

\* This table cell has a small sample size.



#### 4.10 Hold Mail Volume

Table 4.10 was developed based on UAA Study Form 10, Hold Mail, and shows information about hold orders on file. Estimates for hold mail volume were not made on an annual basis, but rather they reflect a particular point in time. According to Table 4.10, there were approximately 351,000 hold orders on file during one day of the study.

This is significantly less than was recorded in the 1994 Mail Cost Study. This differential may be explained by the sampling time period. The earlier study sampled hold mail during November 1993, when a significant number of Snowbirds, those people temporarily away from home during the winter, would have had hold orders in effect. This study, however, was conducted during the first two weeks of May 1999, a period when most Snowbirds would have returned home.

It should be noted that the length of time the orders are to be in effect are based on orders with stop dates on file. Approximately 63 percent of hold orders filed had stop dates. This represents a decrease from over 70 percent according to the 1994 study.

Table 4.10  
Hold Mail Volume based on Sampling Conducted May 5, 1999  
(Means computed on a per route basis)

	Number (in Millions)	Average per Route
Number of Current Orders on File	0.351	1.1
Number of Current Orders with Stop Dates	0.220	0.7
Length of time Current Orders are to be in Effect	N/A	7.5
Total Days all Orders have been in Effect (to date)	N/A	12.0
Total Hold Mail Volume on Current Orders (to date)	5.142	16.6

## 4.11 Comparisons with Previous Studies

Table 4.11 below provides a comparison between the former USPS Economics and Cost Benefits Division report, the 1994 UAA Mail Cost Study (Price Waterhouse), and this study. Data used were from years FY 81, FY 93, and FY 98 respectively. The most notable trend is the decrease in UAA mail as a percentage of annual national mail volume from FY 93 to FY 98. UAA mail volume increased (by 11.1 percent), but at a smaller rate than did overall mail volume (by 15.8 percent), indicating that address improvement programs (see section 1.4), helped to control the cost and volume of UAA mail processing.

UAA mail has been in the same overall distribution by mail class over all three studies. There has been a consistent decline in Periodicals UAA mail volume, while the volume of periodical mail has remained constant. Other classes have shown no clear trend. First-Class Mail remains the bulk of UAA mail, followed by Standard Mail (A) as expected based upon relative volumes.

The percent of UAA mail that is forwarded has shown a steady decline across the three studies. UAA mail that is treated as waste has decreased from FY 93 to FY 98, as reflected by a decrease in Standard Mail (A) that is UAA, the category with the highest percentage treated as waste. For FY 81 and FY 93, the majority of forwards were to a local new address. Table 4.11 shows that this trend has reversed itself in the past five years. Approximately 56 percent of forwarded UAA mail is now forwarded to a non-local address.

Table 4.11  
FY 81 - FY 93 - FY 98 Comparison  
(Volume Reported in Millions)

<u>UAA Mail Overview</u>	<u>FY 81</u>	<u>FY 93</u>	<u>FY 98</u>
Annual National Mail Volume	109,244.891	170,623.520	197,513.848
UAA Volume	2,755.300	4,842.271	5,380.002
UAA as a Percent of Annual Volume	2.52%	2.84%	2.72%
<u>UAA Mail Class Information</u>			
First Class	56.80%	51.30%	58.28%
Second Class / Periodicals	6.60%	4.40%	3.32%
Third Class / Standard A	36.10%	44.20%	38.25%
Fourth Class / Standard B	0.50%	0.10%	0.15%
<u>UAA Mail Disposition Information</u>			
Forwarded	46.60%	39.60%	38.91%
Returned to Sender	18.20%	17.30%	24.36%
Treated as Waste	35.20%	43.10%	36.73%
<u>Forwarding to Other Locations</u>			
Local Forwarding Order	51.90%	54.70%	43.91%
Non-local Forwarding Order	48.10%	45.30%	56.09%

## 5.0 COST PROFILE

### 5.1 Total Cost of UAA Mail

Costs were developed from the following sources:

- 1999 UAA field study
- FY 98 In-Office Cost System survey (IOCS)
- FY 98 Cost and Revenue Analysis, Cost Segments and Components section (CRA)
- FY 98 Revenue, Pieces and Weight data (RPW)
- R97 Rate Case
- National FY 98 3925 Report
- CFS Daily Report for Responding Units
- Management of Delivery Services Handbook
- Earlier UAA / Mail Markup Studies
- Additional USPS financial reports
- Observation / Interviews with USPS personnel

Productivities were developed from the field study. Application of AP 13 FY 98 labor rates to the derived productivities results in direct labor costs. FY 98 piggyback factors are applied to direct labor costs to compute total costs. IOCS yields total costs for functions at the originating delivery unit as defined in the survey, which are then burdened with the appropriate "piggyback" factor.

The total annual cost for processing UAA mail approximates \$1.5 billion as shown in Table 5.1, Summary of Costs. The annual costs of processing UAA mail according to disposition are:

- forward: \$438 million
- return to sender: \$768 million
- treat as waste: \$ 86 million

Note that returning postage due mail, which is a special type of return to sender mail, has an associated cost of \$151 million (Table 5.1, item, 3b). Tables 5.1.1 through 5.1.3 provide a breakdown of total costs associated with mail pieces forwarded, returned, and treated as waste.

Table 5.1  
Summary Costs for Processing Undeliverable-As-Addressed Mail

	A Annual Volume (Thousands)	B Cost/Piece	C Annual Cost (Thousands)
1. Processing Change of Address Cards	44,122 (1)	\$2.0678 (2)	<b>\$91,238</b>
2. Mail pieces Forwarded	2,093,190 (3)	\$0.2091 (4)	<b>\$437,610</b>
3. Mail pieces Returned			
a. Free	1,208,235 (5)	\$0.5104 (6)	\$616,672
b. Postage Due	102,361 (7)	\$1.4771 (8)	<u>\$151,193</u>
Mail pieces Returned Subtotal	1,310,596	\$0.5859 (9)	<b>\$767,865</b>
4. Mail pieces Treated As Waste	1,976,217 (10)	\$0.0434 (11)	<b>\$85,752</b>
5. Fulfilling Address Correction Requests			
a. Form 3547	192,985 (12)	\$0.3266 (13)	\$63,022
b. Form 3579	21,056 (14)	\$0.7559 (15)	<u>\$15,916</u>
Manual Hardcopy Processing Subtotal	214,042	\$0.3688	<b>\$78,938</b>
c. ACS Nixie at CFS Units	65,502 (16)	\$0.1661 (17)	\$10,879
d. ACS Nixie at Delivery Units	65,502 (16)	\$0.3298 (18)	\$21,604 (19)
e. ACS COA Processing (20)	106,245 (21)	\$0.2186 (22)	<u>\$23,222</u>
Electronic Notification Subtotal	171,747 (26)	\$0.3243	<u>\$55,705</u>
Fulfilling Address Correction Requests Subtotal			<b>\$134,643</b>
6. Other UAA Support			
a. Move Update			\$7,306 (23)
b. Address Quality			\$3,675 (24)
c. CFS Headquarters Operations			<u>\$8,697 (25)</u>
Other UAA Support Subtotal			<b>\$19,678</b>
<b>7. Total Overall Cost</b>			<b>\$1,536,786</b>
<b>8. Average Total Cost per Piece</b>			<b>\$0.2856</b>

- (1) Refer to Table 5.2.1.1, Row 1, Column D
- (2) This is the sum of Table 5.2.1.1, Row 4, Column G and Table 5.2.2, Row C, Column E, Data Maintenance (COA cards).
- (3) Refer to Table 5.1.1, Row 1, Column A.
- (4) Refer to Table 5.1.1, Row 11, Column E.
- (5) Refer to Table 5.1.2: this is the difference between Column A, Rows 1 and 4.
- (6) Refer to Table 5.1.2: this is the sum of Column E, Rows 1-3 and 5.
- (7) Refer to Table 5.1.2: Row 4, Column A.
- (8) Refer to Table 5.1.2: this is the sum of Column E, Rows 1-3 and Column B, Rows 4-7.
- (9) This is the sum of Column B, Rows 3a and 3b; weighted by volume. This unit cost is also found on Table 5.1.2, Row 8, Column E.
- (10) Refer to Table 5.2.1.2, Row 1.c, Column D.
- (11) Refer to Table 5.1.3, Row 4, Column B.
- (12) Refer to National Annual 3925 Report, 3547 volume, Line M23.
- (13) Refer to Table 5.1.4, Form 3547: Total Weighted Cost/Piece, Column C.
- (14) Refer to National Annual 3925 Report, 3579 Volume, Line M24.
- (15) Refer to Table 5.1.4, Form 3579: Total Weighted Cost/Piece, Column C.
- (16) Refer to National Annual 3925 Report, ACS 2nd Generation Nixie volume, Line M32.
- (17) Refer to Table 5.2.2, Row II.c, Column E.
- (18) This is the ratio of Row 5.d, Column A to Row 5.d, Column C.
- (19) Refer to Table 5.2.1.3, Row 1.c, Column H.
- (20) This is the additional cost for processing electronic ACS information at CFS units.
- (21) Refer to Table 5.2.2.2, Column A, Overall CFS Operations, ACS Mailpiece Volume.
- (22) Refer to Table 5.2.2: this is the sum of Column G, Section I Total and Column G, Section II Total.
- (23) Refer to Table 5.2.6.1, Row 1, Column D.
- (24) Refer to Table 5.2.6.1, Row 2, Column D.
- (25) Refer to Table 5.2.6.2, Column D.
- (26) The Electronic Notification Subtotal is the sum of 5e and 5c. The volume handled by the CFS Nixie is the same volume handled by the delivery unit Nixie.

Table 5.1.1  
Annual Cost for UAA Mail Being Forwarded

	A Annual Volume (Thousands)	B Actual Cost/Piece (1)	C Annual Cost (Thousands)	D Frequency	E Weighted Cost/Piece
1. Carrier Preparation	2,093,190 (2)	\$0.0325 (3)	\$68,117	1.000000	\$0.032542
2. Clerk Handling	151,555 (4)	\$0.3298 (5)	\$49,987	0.072404 (6)	\$0.023881
3. CFS Processing	1,941,635 (7)	\$0.1049 (8)	\$203,593	0.927596 (9)	\$0.097265
4. Originating Postage Due Unit	4,570 (10)	\$0.1314 (11)	\$601	0.002183 (12)	\$0.000287
5. Mailstream Processing	2,093,190 (2)	\$0.0535 (13)	\$111,930	1.000000	\$0.053474
6. Destinating Accountable Mail Unit	4,570 (10)	\$0.3966 (14)	\$1,812	0.002183 (12)	\$0.000866
7. Collection Postage Due - Carrier	2,116 (15)	\$0.4427 (16)	\$937	0.001011 (17)	\$0.000448
8. Collection Postage Due - Call Window	1,903 (18)	\$0.0431 (19)	\$82	0.000909 (20)	\$0.000039
9. Refused Mail, Returned to Sender	472 (21)	\$0.8381 (22)	\$396	0.000226 (23)	\$0.000189
10. Prepare and Mail Form 3546	45 (24)	\$3.4184 (25)	\$155	0.000022 (26)	\$0.000074
11. Total					\$0.209064

- (1) This is the actual cost/piece for processing the mail through the operation indicated.
- (2) Refer to Table 5.2.1.2, Row 3.b, Column D.
- (3) Refer to Table 5.2.1.2, Row 3.b, Column G.
- (4) This is the product of Row 1, Column A and Row 2, Column D.
- (5) This is the ratio of Table 5.2.1.3, Column H, and Table 5.2.1.3.1, Column A, Row 4.
- (6) This is the portion of forwarded mail that the Nixie clerk forwards at the delivery unit (Table 5.2.1.3.1, Row 2, Column A divided by the sum of Table 5.2.1.3.1, Row 2, Column A and Table 4.3, "Disposition at CFS Unit", Total Forwarded.)
- (7) This is the product of Row 1, Column A and Row 3, Column D.
- (8) Refer to Table 5.2.2, Column G, Label Generation Total.
- (9) This is the proportion of forwarded mail that the CFS unit forwards (Table 4.3, "Disposition at CFS Unit", Total Forwarded divided by the sum of Table 5.2.1.3.1, Row 2, Column A and Table 4.3, "Disposition at CFS Unit", Total Forwarded.)
- (10) Based on a 2-week sample period, developed from UAA Form 3 (See Appendix A), Table 4.5, and Table 4.7.1. This is the volume of Standard Mail (B) that is forwarded nonlocally.
- (11) Refer to Table 5.2.3, Row 2, Column G.
- (12) This is the portion of forwarded mail that is postage due, the ratio of Column A, Rows 4 and 1.
- (13) Refer to Table 5.2.4.1, Row 1, Column F.
- (14) Refer to Table 5.2.5.1, Row 3, Column E.
- (15) This is the postage due mail volume that has postage paid to carriers (the ratio of Column G, Rows I and I.c, applied to the ratio of Row I, Columns A and G) of all mail processed at the accountable mail unit. Refer to Table 5.2.5.2 for factor development.
- (16) Refer to Table 5.2.5.3, Column G.
- (17) This is the portion of UAA mail to be forwarded postage due that has postage paid to carriers. Refer to Table 5.2.5.2: Row 1, Column F, applied to the ratio of Row 1, Columns E and A; applied to Row 6, Column D.
- (18) This is the postage due mail volume that has postage paid at the call window (the ratio of Column G, Rows I and I.c, applied to the ratio of Row I, Columns A and G) of all mail processed at the accountable mail unit. Refer to Table 5.2.5.2 for factor development.
- (19) Refer to Table 5.2.5.4, Row 4, Column G.
- (20) This is the portion of UAA mail to be forwarded postage due that has postage paid at the call window. Refer to Table 5.2.5.2: Row 1, Column F, applied to the ratio of Row 1, Columns E and A; applied to Row 6, Column D.
- (21) This is the postage due mail volume that was refused and must be returned to sender. The factor is the ratio of Column G, Rows 2 and 5, in Table 5.2.5.2.
- (22) Refer to Table 5.1.2. This is the sum of Rows 6,7, and a portion of Row 5. Refer to Section 4.0, Volume Profile, Table 4.5; to determine the portion of return to sender mail (Row 5) that is endorsed Return Postage Guaranteed.
- (23) This is the portion of UAA mail forwarded postage due that is refused and returned to sender. This is the product of Table 5.2.5.2, Row 2, Column H and Table 5.1.1, Row 6, Column D.
- (24) This volume is the ratio of Column E, Rows 5 and 6 in Table 5.2.5.2.
- (25) Refer to Table 5.2.5.5, Row 7, Column E.
- (26) This is the portion of UAA mail forwarded postage due that is refused and requires a Form 3546. This is the product of Table 5.2.5.2, Row 6, Column F and D.

Table 5.1.2  
Annual Cost for UAA Mail Being Returned to Sender  
Due to COA Orders and Invalid Addresses

	A Annual Volume (Thousands)	B Actual Cost/Piece (1)	C Annual Cost (Thousands)	D Frequency	E Weighted Cost/Piece
1. Carrier Preparation	1,310,596 (2)	\$0.0577 (3)	\$75,598	1.00	\$0.0577
2. Clerk Handling	506,646 (4)	\$0.3298 (5)	\$167,104	0.39 (6)	\$0.1275
3. CFS Processing	466,679 (7)	\$0.1049 (8)	\$48,934	0.36 (9)	\$0.0373
4. Originating Postage Due Unit	102,361 (10)	\$0.1314 (11)	\$13,455	0.08 (12)	\$0.0103
5. Mailstream Processing	1,310,596 (2)	\$0.2879 (13)	\$377,280	1.00	\$0.2879
6. Destinating Accountable Mail Unit	102,361 (10)	\$0.3966 (14)	\$40,594	0.08 (12)	\$0.0310
7. Collection Postage Due - Carrier	102,361 (10)	\$0.4386 (15)	\$44,900	0.08 (12)	\$0.0343
<b>8. Total</b>					<b>\$0.5859</b>

(1) This is the actual cost/piece for processing the mail through the operation indicated.

(2) Refer to Table 5.2.1.2, Row 3.a, Column D.

(3) Refer to Table 5.2.1.2, Row 3.a, Column G.

(4) Refer to Table 5.2.1.3.1. This is the sum of Row 1, Column A and a portion of Row 3, Column A. Refer to Volume Section, Volume Profile, Table 4.3, "Disposition at CFS Unit", of the portion of mail that is returned to sender.

(5) This is the ratio of Table 5.2.1.3, Column H, and Table 5.2.1.3.1, Column A, Row 4.

(6) This is the portion of return to sender mail that is returned by the Nixie clerk at the delivery unit, along with the portion of ACS Nixie that is returned at the CFS unit. This is the ratio of Rows 2 and 1, Column A.

(7) Refer to Volume Section, Volume Profile, Table 4.3, "Disposition at CFS Unit", Total Returned.

(8) Refer to Table 5.2.2, Column G, Total.

(9) This is the portion of return to sender mail returned from the CFS unit, along with the portion of ACS Nixie that is returned from the CFS unit. This is the ratio of Rows 3 and 1, Column A, Table 5.2.2.

(10) Refer to Volume Section, Volume Profile, Table 4.3.3, "Combined Dispositions for Delivery Units and CFS Units." From this table, the percents returned to sender for Periodicals, Standard Mail (A), and Standard Mail (B) were developed.

These were applied to the total return to sender volume and summed.

(11) Refer to Table 5.2.3, Row 2, Column G.

(12) This is the portion of return to sender mail that is postage due, the ratio of Column A, Rows 6 and 4.

(13) Refer to Table 5.2.4.1, Row 2, Column F.

(14) Refer to Table 5.2.5.1, Row 3, Column E.

(15) Refer to Table 5.2.5.3, Column G, total.

Table 5.1.3  
Cost Per Piece for UAA Mail Treated as Waste  
In Delivery and CFS Units Combined

	A Actual <u>Cost/Piece (1)</u>	B <u>Frequency</u>	C Weighted <u>Cost/Piece</u>
1. Carrier Preparation	\$0.0325 (2)	1.0000	\$0.0325
2. Clerk Handling	\$0.3298 (3)	0.0082 (4)	\$0.0027
3. CFS Processing	\$0.1049 (5)	0.0777 (6)	\$0.0081
<b>4. Total</b>			<b>\$0.0434</b>

- (1) This is the actual cost/piece for processing the mail through the operation indicated.
- (2) Refer to Table 5.2.1.2, Row 3.c, Column G.
- (3) This is the ratio of Table 5.2.1.3, Row 1.c, Column H to Table 5.2.1.3.1, Row 3, Column A.
- (4) This is the ratio of the volume of mail treated as waste at the CFS units (excluding forwarded mail) that requires clerk handling to the total volume of mail treated as waste. Refer to Table 5.2.1.3.1, Row 3, Column A, applied to the ratio of Table 4.3.2 (Total Returned to Sender) divided by the sum of Table 4.3.2 (Total Returned to Sender and Total Treated as Waste), divided by Table 5.2.1.2, Row 1.c, Column D.
- (5) Refer to Table 5.2.2, Column H, Section I Total.
- (6) This is the ratio of Table 4.3.2, Column H (Total Volume Treated as Waste) to Table 5.2.1.2, Row 1.c, Column D.

Table 5.1.4  
Forms 3547 and 3579 Costs Not Included  
in Tables: 5.1.1, 5.1.2, and 5.1.3

	A Actual <u>Cost/Piece (1)</u>	B <u>Frequency (2)</u>	C Weighted <u>Cost/Piece</u>
1. Form 3547 (Notice to Mailer of Correction in Address)			
a. Dual - Photo and Forward			
a1. CFS	\$0.0814 (3)		
a2. Mailstream	\$0.0887 (4)		
a3. Accountable Mail Clerk	\$0.3890 (5)		
a4. Carrier Delivery/Collection of Postage Due	\$0.0215 (6)		
a Subtotal	\$0.5806	0.46	\$0.2673
b. Photo and Treat as Waste			
b1. CFS	\$0.0814 (3)		
b2. Mailstream	\$0.0887 (4)		
b3. Accountable Mail Clerk	\$0.3890 (5)		
b4. Carrier Delivery/Collection of Postage Due	\$0.0215 (6)		
b Subtotal	\$0.5806	0.10	\$0.0593
2. Total			\$0.3266
3. Form 3579 (Undeliverable Periodicals, Standard A, and Standard B Mail)			
3.1. CFS	\$0.5367 (7)		
3.2. Mailstream	\$0.0985 (8)		
3.3. Accountable Mail Clerk	\$0.1143 (9)		
3.4. Carrier Delivery/Collection of Postage Due	\$0.0063 (10)		
4. Total	\$0.7559	1.00	\$0.7559

(1) This is the actual cost/piece for processing the mail through the operation indicated.

(2) Refer to Table 5.2.2.3, Column A.

(3) Refer to Table 5.2.2, Row A, Column E.

(4) Refer to Table 5.2.4.2, Row 1, Column G.

(5) Refer to Table 5.2.5.1, Row 3, Column E, divided by Table 5.2.4.2, Row 1, Column B (batch size).

(6) This is the portion of postage due mail that requires carrier collection divided by the number of forms per mail piece. Refer to Table 5.2.5.3, Column G, Total multiplied by 5% (management estimate) divided by Table 5.2.4.2, Row 1, Column B.

(7) Refer to Table 5.2.2, Row B, Column E.

(8) Refer to Table 5.2.4.2, Row 3, Column G.

(9) Refer to Table 5.2.5.1, Row 3, Column E, divided by Table 5.2.4.2, Row 3, Column B (batch size).

(10) This is the portion of postage due mail that requires carrier collection divided by the number of forms per mail piece. Refer to Table 5.2.5.3, Column G, Total multiplied by 5% (management estimate) divided by Table 5.2.4.2, Row 3, Column B.



## 5.2 Specific Operations and Associated Costs

### 5.2.1 Processing at Originating Delivery Unit

#### *Change-of-address Orders*

If an individual or business moves to a new location, a Form 3575, Change of Address Order (COA), should be completed by the customer and submitted to the Postal Service. The customer can complete the COA order at the delivery unit and give it to the window clerk, who can assist the customer filling out the order, or place it in a mail receptacle to be delivered to the originating delivery unit. Copies of the form 3575 are available in the *Mover's Guide* at any Post Office, or through MoversNet found via the internet (at [www.usps.gov/moversnet](http://www.usps.gov/moversnet)).

Upon receipt of the COA, the information is entered onto a Form 3982, Change of Address, by the carrier at the delivery unit of the original address. Form 3982 is maintained at the carrier's case to aid in determining if a customer has moved from the route. If the customer subsequently moves a second time within 18 months, a customer's new delivery unit is responsible for forwarding a Form 3546, Forwarding Order Change Notice, to the delivery unit of the old address. The carrier at the old address delivery unit will send the form to the CFS unit. After processing at the CFS unit, COA orders, with new address labels affixed, (originating from both 3575s and 3546s) return to the delivery unit to be filed. The total cost per piece of processing a COA at the originating delivery unit is \$1.6277 as detailed in Table 5.2.1.1.

#### *Carrier Processing*

When a mail piece is determined to be UAA due to a COA, it is sent to a CFS unit. The carrier cases the pieces to be sent to CFS, then bundles the mail with the route number and carrier's initials annotated on the top piece. The carrier then moves the UAA bundles to a centrally located area for storage, prior to transportation to the CFS unit. If there is no match for a mail piece's extract code during CFS processing, the piece of mail is sent back to the delivery unit as a no record for further processing. The carrier will verify that the name and mailing address are correct. If there is an error, the carrier will correct it and send it back to the CFS unit to be rekeyed. If a COA order has since been filed at the delivery unit, the piece is returned to the CFS for processing. If there is no COA order on file and the name and address information are not correct for that delivery point, the piece will be returned to sender or treated as waste, depending on the mail class and the endorsement.

If a piece of mail is returned to sender from the delivery unit, the carrier must endorse the piece with the reason for nondelivery. Some of the most common carrier endorsements are listed below.

- |                                   |  |
|-----------------------------------|--|
| • Forwarding order expired:       | Mail arrives at the delivery unit addressed to a customer with an expired forwarding order.  |
| • No such number/ No such street: | Addressed to nonexistent number/street and correct number/street not known.  |
| • Insufficient address:           | Mail from another post office without number, street, box number, route number, or geographical section of city or city and state omitted and correct address not known. |
| • Deceased:                       | Used only when known that addressee is deceased and mail is not properly deliverable to another person. This endorsement must be made personally                         |

by delivery employee and under no circumstance may it be rubber-stamped.

- Attempted -- not known: Delivery attempted, addressee not known at place of address.
- Refused: Addressee refused to accept mail or pay postage charges on it.
- Other: See Appendix B for this report, or current DMM, for a complete list of carrier endorsements.

Mail that is treated as waste at the delivery unit is primarily UAA Standard Mail (A) bulk business mail with no endorsement. Other mail may be treated as waste when they are undeliverable Periodicals with no endorsement, or the mail piece does not possess a sufficient return address. UAA mail to be treated as waste is bundled with the carrier's name and route number annotated on the top piece. The bundles are moved to the staging area to be treated as waste according to prescribed regulations, which may include sending to Mail Recovery Center.

Carriers must hand forward non-ACS Standard Mail (B) parcels that can not be processed at CFS units.

The total cost per piece for carrier processing of UAA mail as described above is \$0.0387, as detailed by Table 5.2.1. Note, this cost includes processing CFS returns, which include no record mail and Unendorsed Bulk Business Mail (UBBM). The burdened figure is developed according to the mail piece's eventual disposition and is detailed in Table 5.2.1.2.

#### *Clerk Processing*

UAA mail that is undeliverable for reasons other than a customer move is processed by a Nixie clerk. This mail is forwarded, returned to sender, or sent to the CFS unit as Address Change Service (ACS) Nixie mail. The total cost per piece for Nixie clerk processing, \$0.3298, is summarized in Table 5.2.1 and developed in Tables 5.2.1.3 and 5.2.1.3.1.

#### *No Record Found*

Some of the mail pieces that are sent to the CFS unit as UAA mail are sent back to the delivery unit for further processing when a COA is not on file in the computer. This is referred to as No Record Found mail. There are many possible reasons for No Record Found mail including changes that are beyond the 18 months maintained by the database (these are returned to sender as forwarding order expired – FOE). Other reasons include mail that is deliverable, but inadvertently sent to the CFS unit, mail that should be returned to sender with a carrier endorsement and mail that is addressed to someone who has moved, but the record is not yet in the database. UBBM mail that is sent to the CFS unit is also returned. In 1998, 10.4% of all mail that was sent to the CFS units was returned to the delivery units as No Record Found mail. Table 5.2.1.4 shows the cost of processing this mail. Since it has gone through the CFS process, each piece incurs the full cost of CFS processing, as well as the additional handling costs in the delivery unit. Programs are in place to identify the causes and reduce this cost.

Table 5.2.1  
Cost per Piece for Processing at Originating Delivery Unit

	A Total Cost (Thousands)	B Volume (Thousands)	C Total Cost/Piece
1. Process COA Cards	\$71,818 (1)	44,122 (2)	\$1.6277
2. Processing UAA Mail	\$208,025 (3)	5,380,002 (4)	\$0.0387
3. Nixie Clerk Processing	\$221,674 (5)	672,098 (6)	\$0.3298
<b>4. Total</b>	<b>\$429,699 (7)</b>		

- (1) Refer to Table 5.2.1.1, this is the product of Row 1, Column D and Row 4, Column G.
- (2) Refer to Table 5.2.1.1, Row 1, Column D.
- (3) Refer to Table 5.2.1.2, this is the sum of the products of Columns D and G, for Rows a through c.
- (4) Refer to Table 5.2.1.2, this is the sum of Rows a through c, Column D.
- (5) Refer to Table 5.2.1.3, Column H, Total.
- (6) Refer to Table 5.2.1.3.1, Column A, Total.
- (7) This is the cost associated with processing UAA mail and consists of Rows 2 and 3.

Table 5.2.1.1  
Cost per Piece for Carrier and Clerk Processing Change-of-address Cards

	A	B	C	D	E	F	G
	<u>Hours/Piece</u>	<u>Labor Rate</u>	<u>Total Cost</u>	<u>Volume</u>	<u>Cost/Piece</u>	<u>Piggyback</u>	<u>Total</u>
	N/A	N/A	(Thousands)	(Thousands)		Factor	Cost/Piece
1. Window Service	N/A	N/A	\$5,114 (1)	44,122 (2)	\$0.1159	41.9% (3)	\$0.1645
2. Delivery Processing	0.0333 (4)	\$25.79 (5)	N/A	N/A	\$0.8589	35.6% (6)	\$1.1649
3. Clerk - Filing	0.0076 (7)	\$24.94 (8)	N/A	N/A	\$0.1895	57.4% (9)	\$0.2983
<b>4. Total</b>							<b>\$1.6277</b>

(1) Developed from FY 98 IOCS survey data (18.F.P), comprising handing out Form 3575 and providing assistance to fill out.

(2) Refer to National Fiscal Year 3925 Report, Line M25.

(3) Based on the FY 98 CRA, piggyback factor for clerk window service.

(4) Carrier is allowed two minutes per piece. Refer to "Management of Delivery Services Handbook (M-39)." dtd. 1/30/81, Exh. 2-7, line 12.

(5) This is a weighted average of the carrier labor rate and the mail processing labor rate. The factors are based on a 2-week sample period. Delivery processing for box-sections is done by clerks and mailhandlers, and all other route types are done by carriers.

(6) This is a weighted average of the carrier piggyback factor and the mail processing piggyback factor. The factors are based on a 2-week sample period. Delivery Processing for box-sections is done by clerks and mailhandlers, and all other route types are done by carriers.

(7) Refer to 1977 Mail Markup Study, conducted by the former Economic and Costs Benefits Division.

(8) A/P 13 FY 98 labor rate for mail processing.

(9) Based on the FY 98 CRA, piggyback factor for mail processing.

Table 5.2.1.2  
Cost per Piece for Processing UAA Mail at Originating Delivery Unit by Disposition

	A	B	C	D	E	F	G
	Hours/Piece	Labor Rate (1)	Overall Cost (Thousands)	Volume (Thousands)	Cost/Piece	Piggyback Factor (2)	Total Cost/Piece
1. Overall Disposition (3)							
a. UAA Mail - Return to Sender	N/A	N/A	\$50,437 (4)	1,310,596 (5)	\$0.0385	28.6%	\$0.0495
b. UAA Mail - Forward	N/A	N/A	\$39,636 (6)	2,093,190 (5)	\$0.0189	28.6%	\$0.0244
c. UAA Mail - Treat as Waste	N/A	N/A	\$37,421 (7)	1,976,217 (5)	\$0.0189	28.6%	\$0.0244
2. CFS Returns							
a. No Record Mail	0.0045 (8)	\$24.94	N/A	297,214 (9)	\$0.1129	57.4%	\$0.1777
b. Unendorsed Bulk Business Mail (UBBM)	0.0045 (10)	\$24.94	N/A	6,388 (11)	\$0.1129	57.4%	\$0.1777
3. Overall Disposition Including Processing CFS Returns (12)							
a. UAA Mail - Return to Sender	N/A	N/A	\$58,785 (13)	1,310,596 (5)	\$0.0449	28.6%	\$0.0577
b. UAA Mail - Forward	N/A	N/A	\$52,968 (14)	2,093,190 (5)	\$0.0253	28.6%	\$0.0325
c. UAA Mail - Treat as Waste	N/A	N/A	\$50,008 (15)	1,976,217 (5)	\$0.0253	28.6%	\$0.0325

(1) A/P 13 FY 98 labor rates.

(2) Based on the R97 rate case, piggyback factor for in-office carriers (sections 1 and 3) and mail processing (section 2).

(3) The volumes in this section comprise the final disposition of all mail pieces.

(4) Developed from FY 98 IOCS survey data. Comprising a portion (the percent of total mail that is UAA from Table 4.2) of 16.F.A and 16.F.B; and 100% of 16.F.D; adjusted to reflect the percent of UAA mail returned to sender (from Table 4.3).

(5) Refer to Table 4.3, Totals.

(6) Developed from FY 98 IOCS survey data. Comprising a portion (the percent of total mail that is UAA from Table 4.2) of 16.F.A and 16.F.B; and 100% of 16.F.D; adjusted to reflect the percent of UAA mail forwarded (from Table 4.3).

(7) Developed from FY 98 IOCS survey data. Comprising a portion (the percent of total mail that is UAA from Table 4.2) of 16.F.A and 16.F.B; and 100% of 16.F.D; adjusted to reflect the percent of UAA mail treated as waste (from Table 4.3).

(8) Based on a 2-week sample period, developed from UAA Form 6 (See Appendix A).

(9) Refer to the National Fiscal Year 3925 Report, Line M26.

(10) Analogy to no record mail productivity.

(11) Refer to the National Fiscal Year 3925 Report, Line M27.

(12) The volumes in this section comprise the final disposition of all mail pieces and the costs reflect those in section 1, burdened with the cost of processing CFS returns.

(13) This cost is Row a, Column C burdened with a portion of the CFS returns cost.

(14) This cost is Row b, Column C burdened with a portion of the CFS returns cost.

(15) This cost is Row c, Column C burdened with a portion of the CFS returns cost.

Table 5.2.1.3  
Development of Cost to Process UAA Mail by Nixie Clerk

	A	B	C	D	E	F	G	H
		Clerk and Mailhandler Cost	Carrier Cost	Clerk Piggyback Factor (1)	Carrier Piggyback Factor (1)	Total Clerk and Mailhandler Cost	Total Carrier Cost	Overall Total Cost
	<u>Percent</u>	<u>(Thousands)</u>	<u>(Thousands)</u>			<u>(Thousands)</u>	<u>(Thousands)</u>	<u>(Thousands)</u>
1. Nixie Clerk Processing								
a. Return to Sender	68.05% (2)	\$94,691	\$1,402	57.4%	28.6%	\$149,044	\$1,803	\$150,847
b. Forward	22.21% (2)	\$30,899	\$458	57.4%	28.6%	\$48,634	\$588	\$49,223
c. ACS Nixie to CFS	9.75% (2)	\$13,561	\$201	57.4%	28.6%	\$21,346	\$258	\$21,604
<b>Total</b>	<b>100.00%</b>	<b>\$139,151 (3)</b>	<b>\$2,061 (4)</b>			<b>\$219,024</b>	<b>\$2,650</b>	<b>\$221,674</b>

(1) Based on the FY 98 CRA, piggyback factor for mail processing (Column D) and in-office carriers (Column E).

(2) Refer to Table 5.2.1.3.1, Column A.

(3) Developed from FY98 IOCS Cost System (18.E.G), Nixie work for clerks.

(4) Developed from FY98 IOCS Cost System (18.E.G), Nixie work for carriers.

Table 5.2.1.3.1  
Distribution of UAA Mail Processed by the Nixie Clerk  
at the Delivery Unit

	A Volume (Thousands)	B Percent (1)
1. Return to Sender by Nixie Clerk	457,356 (2)	68.05%
2. Forward by Nixie Clerk	149,240 (2)	22.21%
3. Sent to CFS as ACS Nixie	65,502 (3)	9.75%
<b>4. Total</b>	<b>672,098 (2)</b>	<b>100.00%</b>

(1) Based on a 2-week sample period, developed from UAA Form 11 (See Appendix A).

(2) Derived from Row 3, Column A and the appropriate percent.

(3) Refer to National Fiscal Year 3925 Report, ACS 2nd Generation Volume, Line M32.

Table 5.2.1.4  
Cost for Processing No Record Found Mail

	A Volume (Thousands)	B Total Cost/Piece	C Total Cost (Thousands)
Delivery Unit Costs	297,214 (1)	\$0.1777 (2)	\$52,802
CFS Unit Costs	297,214 (1)	\$0.1049 (3)	\$31,165
<b>Total Processing Cost</b>		<b>\$0.2825</b>	<b>\$83,967</b>

(1) Refer to Table 5.2.1.2, Row 2.a, Column D.

(2) Refer to Table 5.2.1.2, Row 2.a, Column G.

(3) Refer to Table 5.2.2, Total Section I, Column G.



## 5.2.2 Processing at CFS Units

The final disposition of a UAA mail piece being processed at a CFS unit is either:

- forward
- return to sender
- treat as waste

The class of mail along with any mailer ancillary endorsement will determine the disposition of a mail piece. In the first 12 months after a COA is filed, certain mailer ancillary service endorsements such as Address Service Requested and Change Service Requested require that address correction notifications be supplied to the mailer. The Return Service Requested ancillary service endorsement returns the mail piece to the mailer with the new address attached. The CFS process is outlined in accordance with Table 5.2.2 and can be viewed in Figure 5.2.

### *Mail Preparation*

UAA mail bundles enter the CFS unit in trays separated by ZIP Codes. The trays are sorted by: mail shape, traditional envelope size vs. flats, and ACS Nixie mail. Mail preparation encompasses obtaining the trays from the staging area and properly arranging them for distribution to the two types of terminals: Mechanized Terminals (MTs) and Flats Forwarding Terminals (FFTs). As shown on Table 5.2.2, the unit cost of mail prep is \$0.0076.

### *Loading*

Machinable letter mail is loaded for keying by being placed onto the Mechanized Terminals' (MTs') feeder by a clerk referred to as a "load/sweeper." Non-machinable letters and flats arrive at the CFS unit in trays or "flat tubs" as described above. The load/sweeper places the trays on a conveyor belt that spans the length of the Mechanized Terminals (MTs) or directly in front of the terminal. The unit cost for loading, estimated together with sweeping mail, is \$0.0066.

### *Keying: Mechanized Terminals (MTs)*

As stated above, keying takes place on one of two different types of terminals: the Mechanized Terminals (MTs) and the Flats Forwarding Terminals (FFT). Keying at the MT is initiated when a mail piece is mechanically fed through the transport and positioned in front of the operator. The operator enters an extract code consisting of the first four letters of the surname and the last three digits of the street address. The basic extract code may be extended to include the class of mail and an abbreviation of the mailer's ancillary service endorsements (when included) when the mail piece is anything other than unendorsed First-Class Mail. An extract code can be no more than eleven characters in length. The CFS computer searches the CFS COA database for a match to the extract code. When multiple matches are found, they are displayed on a monitor, allowing the operator to choose the correct match based on the full name and address. Once a choice is made, a label containing the customer's new address is mechanically generated. The mail piece continues through the transport stopping while the label is automatically applied. When only one match is found, the label is generated and the mail piece continues through the transport to receive the label. The mail piece is then distributed to one of seven stackers.

Occasionally, an operator miskeys an extract code. If the operator realizes a miskey has occurred, the mail piece is pulled from the transport prior to labeling, and placed in the original position. The extract code is then re-entered and the process returns to searching for a match. If a miskey occurs and is not detected by the operator, since no match will be found, the piece is distributed to stacker #5. The mail contained in stacker #5 is deemed "No Record" mail as the CFS computer was unable to find a record to match the extract code in the database. This type of mail is sent back to the delivery unit. The unit cost for keying non-ACS information on the

Mechanized Terminal, as shown in Table 5.2.2, is \$0.0497. This cost is based on the keyed volume, adjusted for the rekey volume. The adjustment is detailed in Table 5.2.2.1.

### *Sweeping*

The seven mail stackers on the Mechanized Terminal are:

1. Local Forwards
2. Non-local Forwards
3. Forms 3547 (Address Correction and Forward)
4. Return to Sender
5. No Record Mail / Unendorsed Bulk Business Mail (UBBM)
6. Forms 3547 (D) / Forms 3579 (Address Correction only)
7. Postage Due Mail / Waste / Rejects

### *Keying: Flats Forwarding Terminals (FFT)*

The task of keying starts when an operator pulls a flats tub from the conveyor belt and removes a volume of mail from the tub. The mail is positioned such that it is readable in front of the operator on the mail holder. The operator then keys the seven-character extract code. Again, the basic extract code may be extended to include the class of mail and an abbreviation of the mailer's ancillary service endorsements (when included) when the mail piece is anything other than unendorsed First-Class Mail. An extract code can be no more than eleven characters in length. Matching extract codes on the FFT is similar to the MT. When the proper match is found, a label is generated. As with the MT, miskeys can occur. When discovered by the operator, the piece is rekeyed. When unnoticed, a no record can result. After keying the mail piece, the operator holds the mail piece over the labeling port at the same time checking the monitor for the visual image of the label to ensure keying accuracy. The information for sorting the mail piece is reverse highlighted on the computer monitor. After labeling, the clerk sorts the labeled flats mail into the flats tub rack located to their left. The separations in the FFT flats tub rack are similar to the MT with the exception that no separation is made for local and non-local forwardable flats. The unit cost for keying non-ACS information on the FFT is \$0.1950 as detailed by Table 5.2.2.

### *Data Maintenance: Non-Mechanized Terminals (NMT)*

Change-of-address (COA) cards are sent to CFS units from delivery units. The information on the COA cards is keyed into the CFS COA database by CFS clerks using the NMTs. The COA information is then electronically sent to the NCSC to be added to the NCOA database. For the change-of-address to become effective, a label is generated and used to verify the change-of-address information and placed on the Form 3575. The cards are then sorted to be sent back to the appropriate delivery unit. The electronic information sent to the NCSC will be used to generate a Move Verification Letter that will be sent to the old address and a Customer Notification Letter (CNL) that will be sent to the new address. The per piece cost, \$0.4401, for processing COA cards at the CFS unit is illustrated by Table 5.2.2.

### *Support and Other Hours*

All activities necessary to the maintenance of the CFS unit are accounted for in the support and other hours category. The unit cost for support/other is \$0.0161, as shown by Table 5.2.2.

### *Address Change Service (ACS)*

The Address Change Service (ACS) program allows participating mailers to receive automated address corrections. ACS participants are identified by a unique code that is entered after the extract code, during keying. Upon entering the identifier (extract) code (7 characters), the system first prompts the operator for the ACS code (7 characters), then for a keyline code (usually 16 characters). If a keyline (a unique customer identifier) exists, then that also is keyed. Then, an ACS record is generated.

It is estimated that the number of keystrokes required to enter ACS information, as described above, is approximately twice the number of keystrokes required to enter non-ACS information (extract code and keystrokes for rekeying). Hence the cost to key ACS information is twice the cost to key non-ACS information. As detailed by Table 5.2.2.2, the ACS per piece keying cost on the Mechanized Terminal is \$0.0994, while on the Flats Forwarding Terminal it is \$0.1761.

### *Address Correction*

The three ways of effecting an address correction are:

1. Form 3547
  - a. Return to Sender with on-piece correction. In this case an address correction label has been generated and applied to the original mail piece to be returned to sender, thus providing an address correction.
  - b. Forward and photocopy with address correction to be returned to mailer. The original mail piece will be forwarded with the address correction label applied, and a photocopy of the mail piece will be returned to the sender, thus, providing an address correction.
  - c. Photocopy and treat original as waste. In this case, the original mail piece will be treated as waste. A photocopy of the original mail piece is returned to the sender that shows both the customer's old and new address information.

Forms 3547 (On Piece Address Corrections) returned to the sender are sorted to stacker #4. Forms 3547 (Photo and Forward) are sorted to stacker #3. Forms 3547D - Photo and Discard are sorted to stacker #6. The sweeper takes the Forms 3547 (Photo and Forward) to the photocopy operator who copies the mail piece to be returned to the sender with the address correction, allowing the original mail piece to be forwarded. Forms 3547 (On Piece Address Corrections) returned to the sender are placed into the mailstream. Forms 3547D (Photo and Discard) are taken to the photocopy operator who copies the mail piece and discards the mail piece as waste. The photocopy showing the customer's old and new address is returned to the sender. This is done to ensure that the mail piece is under one ounce. This helps control postal service costs for manual address corrections. The unit processing cost of Form 3547s is \$0.0814. This cost is illustrated by Table 5.2.2.

2. Form 3579

Forms 3579 are associated with Periodicals and are processed manually. The clerk removes the front cover, with the change-of-address label affixed, and places it into either a 'major mailer' case or an 'alphabetical' case. On a weekly basis, the covers for the

same mailer are consolidated and placed in an envelope. To address the envelope there are several methods utilized. Some CFS units utilize preprinted address labels. Others utilize the database in the CFS computer as a specialized mailer database generating labels. Still other units prepare the addresses utilizing a stand-alone PC with a mailer database. Regardless of which method is used, the resulting address label is affixed to the envelope containing the address corrections. The remainder of the publication is treated as waste. The operator calculates the postage due based on the number of covers included and annotates this figure on the envelope prior to return to mailer. The per piece cost, \$0.5367, of processing Form 3579 after labeling is illustrated by Table 5.2.2.

3. ACS Nixie

Mail that is sent to the CFS unit as ACS Nixie is also processed on the Flats Forwarding Terminal. An ACS record is sent to the National Customer Support Center (NCSC) notifying the mailer that the mail piece was undeliverable for reasons other than a customer move. This task is also included in Table 5.2.2, and totals \$0.1661.

Table 5.2.2  
Cost per Piece for Processing at CFS Units

	A	B	C	D	E	F	G
	<u>Hours/Piece</u>	<u>Labor Rate (1)</u>	<u>Cost/Piece</u>	<u>Piggyback Factor (2)</u>	<u>Total Cost/Piece</u>	<u>Frequency</u>	<u>Weighted Total Cost/Piece</u>
I. Label Generation							
A. Mail Preparation	0.00021 (3)	\$24.94	\$0.0052	45.70%	\$0.0076	1.00	\$0.0076
B. Keying and Labeling: Mechanized Terminal	0.00147 (4)	\$24.94	\$0.0367	45.70%	\$0.0535		
- Non-ACS					\$0.0497 (5)	0.83 (6)	\$0.0412
- ACS					\$0.0994 (7)		
C. Flats Forwarding Terminal Data Maintenance and Labeling (COA Cards) - NMT	0.01211 (8)	\$24.94	\$0.3021	45.70%	\$0.4401	N/A	N/A
Keying and Labeling	0.00572 (4)	\$24.94	\$0.1426	45.70%	\$0.2078		
- Non-ACS					\$0.1950 (9)	0.17 (10)	\$0.0333
- ACS					\$0.3901 (11)		
D. Load and Sweep	0.00018 (3)	\$24.94	\$0.0045	45.70%	\$0.0066	1.00	\$0.0066
E. Support and Other	0.00044 (3)	\$24.94	\$0.0111	45.70%	\$0.0161	1.00	\$0.0161
Total Non-ACS							\$0.1049
II. Address Correction							
A. Form 3547	0.00224 (3)	\$24.94	\$0.0559	45.70%	\$0.0814	N/A	N/A
B. Form 3579	0.01477 (3)	\$24.94	\$0.3684	45.70%	\$0.5367	N/A	N/A
C. ACS Nixie	0.00504 (3)	\$24.94	\$0.1256	32.20%	\$0.1661	N/A	N/A
D. ACS Keying							
- Mechanized Terminal	N/A	N/A	N/A	N/A	\$0.0994 (12)	0.85 (13)	\$0.0846
- Flats Forwarding Terminal	N/A	N/A	N/A	N/A	\$0.1950 (14)	0.15 (15)	\$0.0291
ACS Keying Subtotal							\$0.1137

(1) A/P 13 FY 98 labor rates.

(2) Based on the FY 98 CRA, piggyback factor for CFS operations.

(3) Based on a 2-week sample period, developed from the Daily Address Information Operation Analysis (3925 Report).

(4) Refer to Table 5.2.2.1, Column C.

(5) Refer to Table 5.2.2.2, Column C, Row I.

(6) This is the proportion of UAA mail processed on the Mechanized Terminal. Refer to Table 5.2.2.1, Column D, Adjusted Subtotals.

(7) Refer to Table 5.2.2.2, Column B, Row I.

(8) Based on a 2-week sample period developed from the CFS Daily Report.

(9) Refer to Table 5.2.2.2, Column C, Row II.

(10) This is the proportion of UAA mail processed on the Non-Mechanized Terminal (NMT). Refer to Table 5.2.2.1, Column D, Adjusted Subtotals. Every piece of mail that is keyed on the NMT must be labeled. Thus, these tasks occur with the same frequency.

(11) Refer to Table 5.2.2.2, Column B, Row II.

(12) Refer to Column E, Row I.b, ACS.

(13) This is the proportion of UAA mail at CFS units that is machinable letters. It is assumed this is an appropriate proxy for estimating the proportion of ACS mail processed on the Mechanized Terminal. For factor development, refer to Section 4.0, Volume Profile, Table 4.7, "Mail Shape for UAA Mail Sent to CFS Units", percent machinable letters.

(14) Refer to Column E, Row I.c, ACS.

(15) This is the proportion of UAA mail at CFS units that is Nonmachinable letters. It is assumed this is an appropriate proxy for estimating the proportion of ACS mail processed on the Non-Mechanized Terminal. For factor development, refer to Section 4.0, Volume Profile, Table 4.7, "Mail Shape for UAA Mail Sent to CFS Units", percent nonmachinable letters, flats, and SPR/Parcel/IPP.

Table 5.2.2.1  
Keying and Labeling Productivities Adjusted for Rekey Volumes

	A Hours (Thousands)	B Volume (Thousands)	C Hours/Piece
1. Mechanized Terminal			
a. Keying and Labeling	3,455 (1)	2,368,863 (1)	0.00146
b. Rekey	N/A	22,667 (2)	
c. Adjusted Subtotal	3,455	2,346,197 (3)	0.00147
2. Flats Forwarding Terminal			
a. Keying and Labeling	2,763 (1)	490,825 (1)	0.00563
b. Rekey	N/A	7,666 (2)	
c. Adjusted Subtotal	2,763	483,159 (3)	0.00572

- (1) Based on a 2-week sample period, developed from the Daily Address Information Operation Analysis (3925 Report).
- (2) Based on a 2-week sample period, developed from UAA Form 4 (See Appendix A).
- (3) This is the difference between key and rekey.

Table 5.2.2.2  
Development of Keying Costs for ACS and Non-ACS Mail pieces, by Terminal Type

	A	B	C	D	E
	Volume	ACS	Non-ACS	Total Cost	Total
	(Thousands)	Keystroke	Keystroke	(Thousands)	Cost/Piece
		Cost (1)	Cost (1)		
<b>Overall CFS Operations</b>					
ACS Mail pieces	106,245 (2)				
Non-ACS Mail pieces	2,753,443 (3)				
Total	2,859,688 (4)				
<b>I. Mechanized Terminal</b>					
ACS Mail pieces	90,387 (5)	\$0.0994 (6)	\$0.0497 (6)	\$13,483	\$0.1492
Non-ACS Mail pieces	2,283,248 (7)		\$0.0497 (6)	\$113,531	\$0.0497
Subtotal	2,373,634 (8)			\$127,015 (9)	\$0.0535
<b>II. Flats Forwarding Terminal</b>					
ACS Mail pieces	15,858 (10)	\$0.3901 (11)	\$0.1950 (11)	\$9,279	\$0.5851
Non-ACS Mail pieces	470,195 (12)		\$0.1950 (11)	\$91,707	\$0.1950
Subtotal	486,054 (8)			\$100,986 (13)	\$0.2078

- (1) It is estimated that the cost to key ACS information (Column B) is twice the cost to key Non-ACS information (Column C), within terminal type. This is based on the fact that twice as many keystrokes (approximately) are required for keying Non-ACS information as for keying ACS information.
- (2) Refer to National Annual 3925 Report: this is the difference of Total ACS Records Processed (Line 33) and ACS 2nd Generation/Nixie Volume (Line M32). This volume represents only those ACS records which produced electronic notices. Hence, this is an extremely conservative estimate.
- (3) This is the difference of Overall CFS Total Volume and Overall CFS ACS Volume.
- (4) Refer to section 4.0, Volume Profile, Table 4.3.2, "Disposition at CFS Units", Overall Total.
- (5) This is a portion of the Overall CFS Operations, ACS Volume. For factor development, refer to Table 5.2.2, Column F, Row II.D., Mechanized Terminal.
- (6) This cost was developed by solving the ACS and Non-ACS equations (product of: Column B and/or C with A) such that the sum of Column D, ACS Mail pieces and Non-ACS Mail pieces for the Mechanized Terminal is equal to Column D, Subtotal.
- (7) This is a portion of the Overall CFS Operations, Non-ACS Volume. For factor development, refer to Table 5.2.2, Column F, Row I.B. Non-ACS.
- (8) This is the sum of the ACS and Non-ACS Volume, within a given terminal type.
- (9) This is the sum of the ACS and Non-ACS Total Cost, for the Mechanized Terminal (the product of Column A, Subtotal, and Table 5.2.2, Column E, Row I.B.
- (10) This is a portion of the overall CFS Operations, ACS Volume. For factor development, refer to table 5.2.2, Column E, Row I.B.)
- (11) This cost was developed by solving the ACS and Non-ACS equations (product of: Column B and/or C with A) such that the sum of Column D, ACS Mail pieces and Non-ACS Mail pieces for the Flats Forwarding Terminal is equal to Column D, Subtotal.
- (12) This is a portion of the Overall CFS Operations, Non-ACS Volume. For factor development, refer to Table 5.2.2, Column F, Row I.B., ACS.
- (13) This is the sum of the ACS and Non-Acs Total Cost, for the Flats Forwarding Terminal (the product of Column A, Subtotal, and Table 5.2.2, Column E, Row I.C, Keying.)

Table 5.2.2.3  
Form 3547 Distribution by Category

	A Volume (Thousands)	B Percent (1)
<b><u>Form 3547 (Notice to Mailer of Correction in Address)</u></b>		
On-Piece Address Corrections Returned to Sender	84,447	43.76%
Dual - Photo and Forward	88,845	46.04%
Photo and Treat as Waste	19,694	10.20%
<b>Total</b>	<b>192,985 (2)</b>	<b>100.00%</b>

(1) Based on a 2-week sample period, developed from UAA Form 8 (See Appendix A).

(2) Refer to National Fiscal Year 3925 Report, 3547 Volume, Line M23.

Table 5.2.2.4  
Form 3547 Distribution by Equipment Type

	A Volume (Thousands)	B Percent (1)
<b><u>1. Form 3547 (Notice to Mailer of Correction in Address) on Mechanized Terminal</u></b>		
On-Piece Address Corrections Returned to Sender	74,446	45.70%
Dual - Photo and Forward	79,736	48.95%
Photo and Treat as Waste	8,702	5.34%
<b>Total</b>	<b>162,883 (2)</b>	<b>100.00%</b>
<b><u>2. Form 3547 (Notice to Mailer of Correction in Address) on Flats Forwarding Terminal</u></b>		
On-Piece Address Corrections Returned to Sender	10,001	33.22%
Dual - Photo and Forward	9,109	30.26%
Photo and Treat as Waste	10,992	36.52%
<b>Total</b>	<b>30,102 (2)</b>	<b>100.00%</b>

(1) Based on a 2-week sample period, developed from UAA Form 8 (See Appendix A).

(2) Based on the National Fiscal Year 3925 Report, 3547 volume, Line M23.



Table 5.2.2.5  
Forms 3547 and 3579 Distribution by Terminal within Category

	A Volume (Thousands)	B Percent (1)
1. Form 3547 (Notice to Mailer of Correction in Address), On-Piece Address Corrections Returned to Sender		
<u>Mechanized Terminal</u>	74,446	88.16%
Flats Forwarding Terminal	10,001	11.84%
<b>Total</b>	84,447 (2)	100.00%
2. Form 3547 (Notice to Mailer of Correction in Address), Dual - Photo and Forward		
<u>Mechanized Terminal</u>	79,736	89.75%
Flats Forwarding Terminal	9,109	10.25%
<b>Total</b>	88,845 (2)	100.00%
3. Form 3547 (Notice to Mailer of Correction in Address), Photo and Treat as Waste		
<u>Mechanized Terminal</u>	8,702	44.19%
Flats Forwarding Terminal	10,992	55.81%
<b>Total</b>	19,694 (2)	100.00%
4. Form 3579 (Undeliverable Periodicals, Standard A, and Standard B)		
<u>Mechanized Terminal</u>	10,102 (3)	47.98%
Flats Forwarding Terminal	10,954 (3)	52.02%
<b>Total</b>	21,056 (4)	100.00%

(1) Based on a 2-week sample period, developed from UAA Form 8 (See Appendix A).

(2) Based on the National Fiscal Year 3925 Report, 3547 volume, Line M23.

(3) Based on distribution of Form 3579, "Volumes, Characteristics, and Costs of Processing Undeliverable-As-Addressed Mail", 1995, applied to Form 3579 Total Volume.

(4) Based on the National Fiscal Year 3925 Report, 3579 volume, Line M24.

### 5.2.3 Processing at Originating Postage Due Unit

UAA mail entering the originating postage due unit consists primarily of *Standard Mail (B) non-local forwards* along with *Standard Mail (A)* and *Standard Mail (B)* to be returned to sender. After being rated (*this may also be done at the CFS unit*), postage due mail is sent to outgoing primary distribution centers to enter the mailstream. The cost per piece for rating mail, \$0.1314, is illustrated in Table 5.2.3.

Table 5.2.3  
Cost of Rating UAA Mail at the Originating Postage Due Unit

	A	B	C	D	E	F	G
	<u>Hours/Piece (1)</u>	<u>Labor Rate (2)</u>	<u>Cost/Piece</u>	<u>Piggyback Factor (3)</u>	<u>Total Cost/Piece</u>	<u>Frequency</u>	<u>Weighted Cost/Piece</u>
1. Rating Postage Due							
a. Letters and Flats	0.0025	\$24.94	\$0.0618	57.4%	\$0.0972	0.84 (4)	\$0.0819
b. Parcels and Rolls	0.0080	\$24.94	\$0.1995	57.4%	\$0.3139	0.16 (5)	\$0.0496
<b>2. Total</b>							\$0.1314

(1) Based on a 2-week sample period, developed from UAA Form 5A and UAA Form 5B (See Appendix A).

(2) A/P 13 FY98 labor rates.

(3) Based on the FY98 CRA, Piggyback factor for mail processing.

(4) Based on a 2-week sample period, developed from UAA Form 5A and UAA Form 5B. This is the ratio of letters and flats to the volume of mail rated postage due.

(5) Based on a 2-week sample period, developed from UAA Form 5A and UAA Form 5B. This is the ratio of parcels and rolls to the volume of mail rated postage due.

## 5.2.4 Mailstream Processing

After leaving CFS units, UAA mail enters the mailstream and is either forwarded to the new address or returned to the sender. The development of unit costs for mailstream processing is presented below.

### *General Approach*

Data from the FY 98 In-Office Cost System survey (IOCS) was used as the basis in estimating mailstream processing costs. The FY 98 CRA and RPW were also used.

The cost to transport the mail piece is constant with respect to the disposition. UAA mail that is forwarded is primarily machinable letter mail, while UAA mail that is returned to sender, although primarily machinable letter mail, must be processed manually due to the inability of automated sortation equipment / programs to automatically process using the return address section. One reason that manual processing is required is the position of the return address. The location is non-standard and, if present at all, could be on the back of the envelope. Process improvements are being made which are resulting in the ability to increase the use of automation equipment. At the present time, however, mailstream processing costs for forwarded UAA mail differ from return to sender costs for UAA mail.

### *Mailstream Processing Costs by Method of Disposition*

From FY 98 IOCS survey data, mail processing costs were developed for the two dispositions using First-Class Mail pieces (consisting of letters, postcards, flats, parcels, and IPPs). Mail pieces to be forwarded are recorded in IOCS via question 23.D.F (mail characteristics-single piece, ancillary supplemental mail service, 'forwarded'). Mail pieces to be returned to sender are recorded in IOCS via question 23.D.D and 23.D.E (mail characteristics-single piece, ancillary supplemental mail service, 'address correction on piece' and 'return to sender'). Of the pieces handled by clerks or mailhandlers, only those with the proper uniform operation codes associated with mail processing activities were used for mail processing costing purposes.

In addition to mail processing costs, transportation costs associated with mailstream processing exist. This unit cost is the ratio of the cost for transporting First-Class Mail, as detailed in the FY 98 CRA, Cost Segment 14: Transportation; and the total volume of First-Class Mail pieces, as detailed by the 1998 RPW.

As illustrated by Table 5.2.4.1, the mail stream processing unit cost for forwarded UAA mail is \$0.0535, while the mailstream processing unit cost for return to sender UAA mail is \$0.2879.

### *Mailstream Processing Cost for Forms*

The volume variable unit mailstream processing costs for flats and cards were used along with calculated batch sizes to determine the cost per piece for mailstream processing of forms. Table 5.2.4.2 shows that there is an average of 3.47 Form 3579s in an envelope. Based on this batch size, the average mailstream processing cost for a Form 3579 is \$0.0985.

Table 5.2.4.1  
Mailstream Processing Unit Cost for First-Class Mail, by Disposition

	A	B	C	D	E	F
	Mail Processing Overall Cost (Thousands)	Volume (Thousands) (1)	Mail Processing Cost/Piece	Transportation Cost/Piece (2)	Piggyback Factor (3)	Total Cost/Piece
1. Forward	\$49,704 (4)	1,925,958	\$0.0258	\$0.0082	57.4%	\$0.0535
2. Return to Sender	\$211,108 (5)	1,208,235	\$0.1747	\$0.0082	57.4%	\$0.2879

(1) Refer to Section 4.0, Volume Profile, Table 4.3.3, First-Class Mail.

(2) This is the ratio of Cost Segment 14: Transportation (FY 98 CRA), for First-Class Mail and the total volume of First-Class Mail pieces from the 1998 RPW.

(3) Based on the FY 98 CRA, piggyback factor for mail processing.

(4) Developed from FY 98 IOCS survey data. This is the cost of mail processing for forwarded (23.D.D) First-Class Mail pieces of the following shapes: letters, postcards, flats, parcels, and IPPs.

(5) Developed from FY 98 IOCS survey data. This is the cost of mail processing for return to sender (23.D.C) First-Class Mail pieces of the following shapes: letters, postcards, flats, parcels, and IPPs.

Table 5.2.4.2  
Cost per Piece for Mailstream Processing of Forms

	A Total Mailstream Processing Cost per <u>Mailpiece (1)</u>	B  Forms per <u>Mailpiece</u>	C Total Mailstream Processing Cost per <u>Form (2)</u>
1. Form 3547	\$0.0904	1.02 (3)	\$0.0887
2. Form 3546	\$0.0904	1	\$0.0904
3. Form 3579	\$0.3418	3.47 (4)	\$0.0985
4. Form 3575	\$0.0904	1.02 (3)	\$0.0887

- (1) FY98 Volume Variable Unit Mailstream Processing Costs.  
 (2) The cost per form is obtained by dividing the mailstream processing cost per mail piece by the average number of forms in a mail piece.  
 (3) Based on a 2-week sample period, developed from UAA Form 7 (See Appendix A).  
 (4) Based on a 2-week sample period developed from the CFS Daily Report.

### 5.2.5 Processing at the Delivery Unit of the New Address

Upon entering the delivery unit of the new address, UAA mail is initially processed through the incoming primary and secondary distribution operations. These costs are included in mailstream processing. Costs for casing and delivery by the carrier are not additional costs, since they now represent the normal flow of operations that was interrupted when the mail piece was identified as UAA. Costs for UAA mail at the delivery unit of the new address therefore consist of the costs of activities required for UAA mail that was forwarded or returned postage due.

#### *Accountable Mail Unit*

UAA mail, not bearing postage due, is separated to the carrier route for delivery. Postage due UAA mail is separated to the accountable mail unit, where the clerk prepares and "charges out" postage due mail, along with other types of accountable mail, to the carrier for delivery. The accountable mail is prepared for carrier acceptance using a standard distribution case. Prior to leaving for delivery, the carrier receives and signs for postage due mail associated with his/her route. Upon returning to the delivery unit, the carrier produces any monies collected and/or undelivered postage due pieces if the customer either refused to pay or was unavailable to accept the mail and pay the due postage. The unit cost of accountable mail clerks preparing, accepting, and clearing postage due mail, \$0.3966, while the cost of preparing a Form 3546 is \$1.4423. These costs are summarized in Table 5.2.5.1.

Table 5.2.5.2 summarizes the disposition of mail at the accountable mail unit and the call window, and is used to develop Tables 5.2.5.3 through 5.2.5.5.

#### *Carrier Delivery*

At the destination delivery unit, the carrier receives UAA mail from the incoming distribution operation and the accountable mail unit. At the accountable mail unit, the carrier receives his/her keys and all accountable mail assigned to his/her route. The carrier must sign for the amount of postage due or give the clerk cash to receive the postage due mail. When attempting delivery of postage due mail, the carrier is required to make a hand-to-hand delivery after receiving the postage due from the addressee. If the addressee refuses to pay the postage due, the carrier will not effect delivery, but will endorse the mail piece, indicating the reason for refusal. If delivery cannot be made for any other reason, the carrier will endorse the piece accordingly, and complete and leave Form 3849, Delivery Notice/Reminder/Receipt. After returning to the delivery unit, the carrier clears all signature and postage due mail with the accountable clerk, including mail that was refused and mail for which no one was home to accept or reject.

For the purpose of this study, only additional carrier costs associated with forwarded/returned UAA mail were measured. The additional costs are limited to the carrier's time for receiving and clearing postage due mail with the accountable mail clerk, and the delivery of said mail. The casing and delivery costs associated with forwarding non-postage due UAA mail are not included, as the postage, initially paid by the customer, covers these services. It is further assumed that when a carrier effects delivery of a forwarded postage due mail piece there is generally only one piece per delivery. However, when UAA mail is returned to sender, the sender will generally be a non-household, and the carrier will effect delivery of the returned piece, along with other accountable items. Tables 5.2.5.2 and 5.2.5.3 detail the development of carrier delivery of UAA postage due mail. The unit cost for postage due mail to be forwarded is \$0.4427, and the unit cost for postage due mail to be returned is \$0.4386.

### *Call Window*

Postage due UAA mail that was undeliverable because the customer was not there is sent to the call window. In this study, the cost of processing UAA mail at the call window is based on time spent preparing mail, conducting transactions, and preparing Forms 3546.

Mail preparation consists of receiving mail from the accountable mail unit and sorting it by route number. When the customer presents USPS Form 3849 (Delivery Notice / Reminder / Receipt), the window clerk must leave the window to retrieve the mail from the storage area, and upon returning explains to the customer that payment of postage due is required to receive the mail. If the customer tenders the required monies, the clerk releases the piece. If the customer refuses the piece, it is returned to the sender. Tables 5.2.5.2 and 5.2.5.4. detail the development of the unit cost, \$0.0431 associated with call window processing.

When a customer refuses to pay postage due on all forwarded mail, the clerk fills out Form 3546, which is sent to the delivery unit of the original address. At the delivery unit of the original address, the carrier processes Form 3546 and sends the information to the CFS unit as discussed in section 5.3.1. Table 5.2.5.5 develops a weighted unit cost, \$3.4184, for preparing and processing Form 3546, while the cost for the clerk to prepare and fill out Form 3546 is \$0.9822, as illustrated by Table 5.2.5.4.



Table 5.2.5.1  
Cost per Piece in the Postage Due/Accountable Mail Unit for UAA Mail with Postage Due

	A	B	C	D	E
	<u>Hours/Piece (1)</u>	<u>Labor Rate (2)</u>	<u>Cost/Piece</u>	<u>Piggyback Factor (3)</u>	<u>Total Cost/Piece</u>
1. Preparation	0.0041	\$24.94	\$0.1028	57.4%	\$0.1619
2. Accept and Clear	0.0060	\$24.94	\$0.1491	57.4%	\$0.2347
<b>3. Total</b>					<b>\$0.3966</b>
4. Prepare Form 3546	0.0367	\$24.94	\$0.9164	57.4%	\$1.4423

(1) Based on a 2-week sample period, developed from UAA Form 1 (See Appendix A).

(2) A/P 13 FY 98 labor rates.

(3) Based on FY 98 CRA, piggyback factor for mail processing.

**Table 5.2.5.2**  
**Disposition of UAA Postage Due Mail that is Forwarded**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
	<b>Accountable Mail Unit</b>		<b>Call Window</b>		<b>Total</b>		<b>Adjusted Total (1)</b>	
	<b>Volume</b>		<b>Volume</b>		<b>Volume</b>		<b>Volume</b>	
	<b>(Thousands) (2)</b>	<b>Percent</b>	<b>(Thousands) (3)</b>	<b>Percent</b>	<b>(Thousands)</b>	<b>Percent (4)</b>	<b>(Thousands)</b>	<b>Percent</b>
1. Pieces Paid	5,312	63.00%	4,776	89.63%	10,087	87.95%	10,260	87.95%
2. Returned to Sender	829	9.83%	357	6.69%	1,185	10.34%	1,206	10.34%
3. Treated as Waste	0	0.00%	196	3.68%	196	1.71%	200	1.71%
4. Notice Left	2,291	27.17%	N/A	N/A	196			
<b>5. Total</b>	<b>8,432</b>	<b>100.00%</b>	<b>5,328</b>	<b>100.00%</b>	<b>11,665</b>	<b>100.00%</b>	<b>11,665</b>	<b>100.00%</b>
6. Form 3546 Preparation	79		37		116	1.00%		

(1) The adjusted volumes contain the appropriate percentage of Row 4, Column E.

(2) Based on a 2-week sample period, developed from UAA Form 1 (See Appendix A).

(3) Based on a 2-week sample period, developed from UAA Form 2 (See Appendix A).

(4) These percents are based on the sum of Rows 1 through 3.

Table 5.2.5.3  
Cost per Piece for Carrier Delivery of UAA Mail Requiring Postage Due

	A	B	C	D	E	F	G
	<u>Hours/Piece (1)</u>	<u>Labor Rate (2)</u>	<u>Cost/Piece</u>	<u>Frequency</u>	<u>Weighted Cost/Piece</u>	<u>Piggyback Factor (3)</u>	<u>Total Cost/Piece</u>
1. Postage Due Mail Forwarded							
a. Sign For and Clear Accountable Items	0.0060	\$25.94	\$0.1551	1.00	0.1551	28.6%	\$0.1994
b. Attempt Delivery and Collect Postage Due	N/A	N/A	\$0.1771 (4)	1.00	0.1771	35.1%	\$0.2392
c. Leave Notice/Process Pieces Refused	N/A	N/A	\$0.1771 (4)	0.02 (5)	0.0030	35.1%	\$0.0040
<b>Total</b>							<b>\$0.4427</b>
2. Postage Due/Address Correction Mail Returned							
a. Sign For and Clear Accountable Items	0.0060	\$25.94	\$0.1551	1.00	0.1551	28.6%	\$0.1994
b. Attempt Delivery and Collect Postage Due	N/A	N/A	\$0.1771 (4)	1.00	0.1771	35.1%	\$0.2392
<b>Total</b>							<b>\$0.4386</b>

(1) Refer to Table 5.2.5.1, Row 2, Column A.

(2) A/P 13 FY 99 labor rates.

(3) Based on R98 CRA, piggyback factors for in-office carriers (Row 1a and Row 2a, Column F) and street carriers (Rows 1b, 1c, and 2b, Column F).

(4) Estimated as a portion of FY 98 City Delivery Carrier Cost for special services, COD. The factor was obtained from "Volumes, Characteristics, and Costs of Processing Undeliverable-As-Addressed Mail", 1995, Table 5.3.5.3. After applying the factor, the cost was spread over the number of annual transactions (see FY 98 RPW).

(5) This is the percent of notices left. Refer to Table 5.2.5.2, Row 4, Column E divided by Row 5, Column E.

**Table 5.2.5.4**  
**Cost per Piece for UAA Mail Forwarded with Postage Due and Delivered at Call Window**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
	<u>Hours/Piece (1)</u>	<u>Frequency</u>	<u>Weighted Hours/Piece</u>	<u>Labor Rate (2)</u>	<u>Cost/Piece</u>	<u>Piggyback Factor (3)</u>	<u>Total Cost/Piece</u>
1. Preparation	0.0008	1.00	0.00076	\$24.94	\$0.0191	41.9%	\$0.0271
2. Collection of Postage Due	0.0005	0.90 (4)	0.00041	\$24.94	\$0.0101	41.9%	\$0.0144
3. Postage Due Not Collected at Window	0.0005	0.10 (5)	0.00005	\$24.94	\$0.0012	41.9%	\$0.0017
<b>4. Total</b>							<b>\$0.0431</b>
5. Form 3546 Preparation for Refusing Postage	0.0278	1.00	0.02775	\$24.94	\$0.6922	41.9%	\$0.9822

(1) Based on a 2-week sample period, developed from UAA Form 2 (See Appendix A).

(2) A/P 13 FY98 labor rates.

(3) Based on R97 rate case, piggyback factor for clerk window service.

(4) This represents the percent of postage due mail that customers 'buy' at the call window. Refer to Table 5.2.5.2, Row 1, Column C, divided by Row 5, Column C.

(5) This represents the percent of postage due mail that customers refuse at the call window. Refer to Table 5.2.5.2, the sum of Rows 2 and 3, Column C, divided by Row 5, Column C.

Table 5.2.5.5  
Cost per Piece for Preparation and Processing of Form 3546

	A	B	C	D	E
	<u>Cost/Piece</u>	<u>Frequency</u>	<u>Weighted Cost/Piece</u>	<u>Piggyback Factor (1)</u>	<u>Total Cost/Piece</u>
1. Preparation - Accountable Mail Unit	\$0.9164 (2)	0.68 (3)	\$0.6210	57.4%	\$0.9775
2. Preparation - Call Window	\$0.6922 (4)	0.32 (5)	\$0.2231	41.9%	\$0.3165
3. Preparation Subtotal					\$1.2940
4. Mail Processing Form 3546	\$0.0535 (6)	1.00	\$0.0535	57.4%	\$0.0842
5. Carrier Processing Form 3546	N/A	N/A	\$1.3773 (7)	28.6%	\$1.7712
6. Clerk - Filing Form 3546	\$0.1895 (8)	1.00	\$0.1895	41.9%	\$0.2690
7. Total					\$3.4184

- (1) Based on R97 rate case, piggyback factor for mail processing (Rows 1 and 4), clerk window service (Rows 2 and 6), and in-office carriers (Row 5).
- (2) Refer to Table 5.2.5.1, Row 4, Column C.
- (3) Refer to Table 5.2.5.2, Row 6, Column A divided by Row 6, Column E.
- (4) Refer to Table 5.2.5.4, Row 5, Column E.
- (5) Refer to Table 5.2.5.2, Row 6, Column C divided by Row 6, Column E.
- (6) Refer to Table 5.2.4.1, Row 1, Column F.
- (7) Estimated as a portion of Row 3, Column C. Factor developed from 1982 Mail Forwarding Cost Study, Table V-20, Rows 3 and 5, Column C.
- (8) Estimated as an analogy to filing Form 3575. Refer to Table 5.2.1.1, Row 3, Column E.

## 5.2.6 Other Process Support Costs

### *National Customer Support Center*

USPS Address Management at the National Customer Support Center (NCSC) in Memphis, Tennessee, is chartered with administering USPS address management policies. NCSC UAA programs are divided into two categories: Move Update and Address Quality.

#### **Move Update**

**National Change of Address (NCOA)** consists of more than 115 million permanent change-of-address (COA) orders which cover 36 months of COA activity. The data is updated weekly.

22 commercial NCOA licensees offer:

- Address change updating before mailing
- Standardization of all input addresses
- ZIP+4 coding
- CASS certification requirement
- National Deliverability Index (NDI) report

**FASTforward (MLOCR and MLC)** system contains an estimated 25 million permanent change-of-address (COA) records, reflecting the most recent 8 months of COA activity. The data is updated weekly. FASTforward consists of a licensed computer system with name and address matching software and the COA database. There are two versions of *FASTforward*:

- Multi-line OCR (mail processing)
- Mailing List Correction (list processing)

**Address Change Service (ACS)** is an automated electronic enhancement to the traditional manual process for providing address correction information for UAA mail.

**Computerized Forwarding Systems (CFS)** operations support by the NCSC includes maintaining the communication network between the over 220 local CFS units. Responsibilities include the polling and consolidating the local database information daily and enabling the fulfillment of the National Move Update services (NCOA, *FASTforward*, ACS, etc.)

#### **Address Quality**

**Delivery Sequence File (DSF)** is a high-quality address matching service provided through 10 licensees. DSF includes:

- Address validation and standardization
- ZIP+4 coding
- Deliver point and carrier route ID coding
- Delivery sequencing
- Seasonal and vacant delivery indicators
- Undeliverable addresses other than COA's

**Address Element Correction (AEC)** is a quality process developed by the Postal Service with industry support. AEC focuses on inaccurate addresses, specifically those addresses that cannot be matched to ZIP+4 code using commercially available software. AEC uses special programs to resolve ambiguous addresses, standardizing them and supplying the missing or correct address elements.

**Coding Accuracy Support System (CASS)** measures the accuracy of address matching software.

**Multiline Accuracy Support System (MASS)** is an extension of CASS. MASS measures the ability of multiline optical character readers to apply accurate delivery point barcodes.

**Locatable Address Conversion System (LACS)** is an address quality matching tool used by licensed vendors to provide:

- Updates of addresses changed due to 911 addressing conversions
- Updates for rural route addresses that have been converted to city style addresses
- Updates for addresses in communities with similar type adjustments (renaming or renumbering)

**National Deliverability Index (NDI)** provides uniform methodology to evaluate deliverability of address lists.

- Addresses on lists are matched and standardized against the ZIP+4 file
- NDI includes apartment / suite numbers and other critical address elements
- Processes and report generated through NCOA and *FASTforward* (MLC) providers

## ***CFS Headquarters Operations***

CFS Headquarters operations include staff members responsible for overseeing CFS field operations, monitoring performance, handling equipment deploys, establishing policy, and developing future enhancements. It also covers the cost of programming changes and support for the existing software.

Supplies and equipment required for CFS operations can be obtained from either central supply or a local CFS purchase. Those purchased locally, by the unit itself, are expendable items of smaller dollar thresholds. Equipment purchases through central supply can be either recurring or non-recurring. The total cost of USPS labor, contract labor, and supplies (local and national) is \$8.7 million, as illustrated by Table 5.2.6.2.

Table 5.2.6.1  
Total Cost for Applicable Programs at the National Customer Support Center

	A USPS Labor Costs (Thousands) (1)	B Contract Labor Costs (Thousands) (2)	C Non-Labor Costs (Thousands) (3)	D Total Cost (Thousands)
1. Move Update	\$342	\$2,507	\$4,457	\$7,306
• National Change of Address (NCOA)				
• Fastforward (MLOCR & MLC)				
• Address Change Service (ACS)				
• Computerized Forwarding System (CFS)				
2. Address Quality	\$819	\$1,481	\$1,375	\$3,675
• Address Management System (AMS)				
• Delivery Sequence File (DSF)				
• Address Element Correction (AEC)				
• Coding Accuracy Support System (CASS)				
• MLOCR Accuracy Support System (MASS)				
• Locatable Address Conversion System (LACS)				
• National Delivery Index (NDI)				
3. Total	\$1,161	\$3,988	\$5,832	\$10,981

(1) Based on NCSC annual budget figures.

(2) These are loaded labor rates, originating from the Orkand labor contract.

(3) These costs are based on annual capital and expense budget figures.

Table 5.2.6.2  
Total Cost of CFS Headquarters Operations Support

	A USPS Labor Costs (Thousands) (1)	B Contract Labor Costs (Thousands) (2)	C Equipment and Supplies (Thousands) (3)	D Total Cost (Thousands)
CFS Headquarters Operations Support	\$330	\$845	\$7,522	\$8,697

(1) Based on CFS annual budget figures.

(2) These are loaded labor rates, originating from the negotiated labor contract.

(3) These costs are based on annual capital and expense budget figures. Also included are local purchases by CFS Units based on a 2-week sample period, developed from UAA Form 7 (See Appendix A).



## 6.0 MOVE UPDATE

### 6.1 The Effect of USPS Change-of-Address Quality Tools (Cost Avoidance)

In 1998, with an average match rate of 4.41%, NCOA licensees identified more than 4.8 billion mail addresses, from their customers mailing lists, that had changed and would have resulted in the mail becoming UAA (requiring additional handling). The effect of those pieces, had they been created and sent without address changes, would have been to significantly increase (almost double) the total UAA volume handled by the US Postal Service. Including address change identification from *FASTforward* processing and notifications from USPS ACS systems (ACS electronic notification and 3547, 3579 hardcopy notifications), the total UAA volume would have increased by more than 5.2 billion mail pieces. The additional (USPS) cost would have exceeded \$1.5 billion. This extra cost does not include additional capital requirements that would have been necessary to allow the increased volume to be processed. The total weighted cost per piece of UAA mail (\$0.2856) was used to determine the USPS costs that were avoided by use of these move update tools.

According to USPS volumes as reported by NCOA / *FASTforward* providers and CFS units:

Volume avoided by NCOA matching	4,830,521,256
Volume avoided by <i>FASTforward</i>	
MLOCR	24,453,007
MLC	56,386,376
Volume of ACS updates	143,571,443
Volume of address correction updates	
3547	192,985,251
3579	21,056,495
Conservative estimate of UAA volume avoided	5,268,973,828
Unit cost per UAA piece (total weighted cost)	\$ 0.2856
Total Costs avoided	\$ 1,504,818,925

**Total cost avoided because of the NCOA, *FASTforward*, ACS address change or Address Change (hardcopy) notification is estimated at \$1.5 billion in 1998.**

This savings has allowed the USPS to keep costs down and manage the address redirections that are required without significant capital investment. The volume does not include address corrections that resulted from use of other USPS address list quality tools such as DSF, AEC or LACS.

## 6.2 Background

The United States Postal Service has identified more than 145 million delivery points in the United States. In 1998, more than 44 million address change requests were filed with the USPS. Statistics reported by the US Census Bureau confirm that about 43 million persons or 17-20% of the US population moves each year. When the addressee no longer accepts mail at the delivery point indicated on the mail piece, one of three things will happen. Depending upon the class of mail and the length of time that the change of address request has been in effect, the Postal Service will do one of the following:

- Forward or redirect to the new or correct address
- Return to sender
- Treat as waste

The NCOA database, accessed through one of the matching engines (NCOA or *FASTforward*), provides a reliable means of redirecting mail to persons or businesses that have changed the location where they receive mail. With the increasing transitory nature of the US population, it is difficult to imagine what the costs and service levels would be like without NCOA and the other change-of-address quality tools. These Move Update processes provide customers with an opportunity to have future mail pieces correctly addressed and redirected to the new delivery point. Once a form 3575 is submitted and verified by USPS, the change is entered into the NCOA database. The USPS uses this database to redirect mail and to provide address change information in accordance with specific guidelines. When a piece of mail enters the USPS process and still requires redirection, the additional costs are quite significant. Forwarding costs are (on average) \$0.21 to forward and \$0.59 to return a mail piece. First class mail pieces are redirected for one year at no additional cost to either the mailer or the addressee.

USPS Address Management at the National Customer Support Center (NCSC), located in Memphis, Tennessee is chartered with administering USPS address management policies. They maintain the National Change of Address (NCOA) database, promoting the use of the database to redirect mail internally (through the CFS processes) and externally (pro-actively, primarily through NCOA and *FASTforward* licensees). The cost for address correction through the NCOA and *FASTforward* processes is relatively low (about \$2-5 per 1000 names checked) and the value of these updates is well understood. In 1998, more than 109 billion records were compared to the database by mailers using NCOA processing. A match rate of 4.41% which equals more than 4.8 billion mail pieces that could have been sent through the USPS processes and would have required special handling were identified and changes automatically made. Other processes used for mailing list maintenance include *FASTforward* and Address Change Service (ACS). The *FASTforward* processes checked more than 5 billion mail pieces or names on lists and identified (and updated) 81 million. ACS provided 144 million address corrections.

One way to keep the cost of the additional handling to a minimum is to reduce the volume of mail that is undeliverable as originally addressed (UAA). When a mailer uses the NCOA database and related processes to maintain their mailing lists and prevent UAA mail from entering the mail stream, they help keep the costs down.

In 1997, the USPS introduced the Move Update requirement. The purpose of this requirement was to encourage customers to use mailing list maintenance practices that would maximize the number of First Class mail pieces that are deliverable as addressed. The primary purpose is to maintain the focus on updating due to change-of-address.

The Move Update requirement requires mailers to select from one of the following four methods to remain eligible for discounted First Class rates:

- National Change of Address (NCOA)
- Address Change Service (ACS)
- *FASTforward*
- Ancillary Service Endorsements

There are some mailers who have earned an exemption from this requirement by maintaining (and routinely verifying) UAA volumes of less than 1%. These are primarily utilities or other mailers who employ strict means of insuring address accuracy.

The response to the Move Update requirement is varied. Many had been using the NCOA or ACS process or ancillary endorsements for years. (*FASTforward* was not available until 1997). Some mailers will check their list prior to each mailing. Others will divide their list into sixths and process only one portion per month. Some use ancillary endorsements, which require payment for separate address change information or for the return of each piece of UAA mail. Since address correction is manual, the mailer may or may not correct their mailing list. Although it is not required for Standard (A) mail, many mailers recognize the value and maintain their lists using one of the Move Update processes. In fact, one government agency computed an annual savings of more than \$3 million each of the past two years along with the added benefits of improved service levels and increased customer satisfaction.

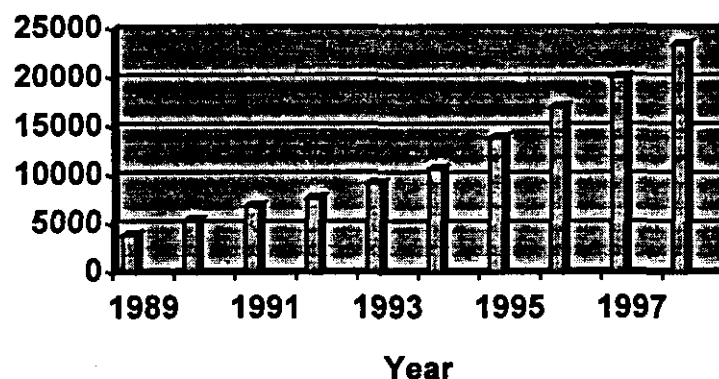
## 6.3 USPS Address Management Tools (Move Update)

### 6.3.1 National Change of Address (NCOA)

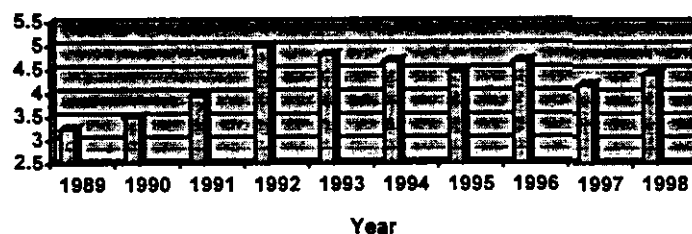
The most widely used method of address maintenance is through the use of the address-matching service known as NCOA. Twenty-two commercial NCOA licensees provide services that verify or correct ZIP codes, standardize the format for addresses, city and state names, and append ZIP+4 codes, carrier route codes and delivery point barcode information. Then, the list is compared to the NCOA database and new addressing information is provided for the names and old addresses that exactly match.

In 1998, more than 23,400 customers compared their lists to the NCOA database. More than 109 billion records were compared; more than 4.8 billion records (4.41%) matched (identifying potential mail pieces that would require re-direction).

### NCOA Users



### NCOA Matches (%)



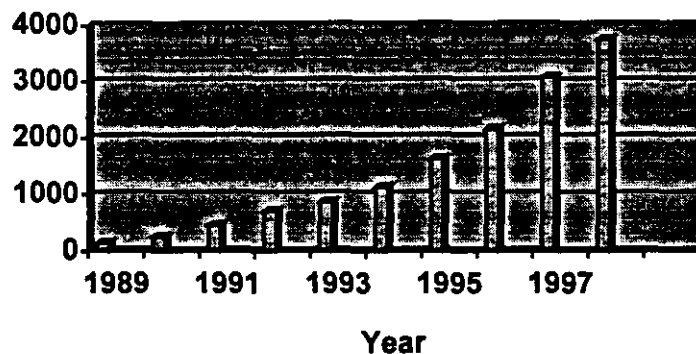
These graphs show that the volume of mail that was compared to the NCOA database has been consistently rising since NCOA was introduced. This makes sense since both the mailer and the USPS save as a result. The mailer receives updated address information, which allows a higher percentage of outgoing mail to reach the targeted customer in the targeted geography. The USPS avoids significant additional cost and is able to keep presorted mail rates low, competitive and attractive to mailers.

### 6.3.2 Address Change Service (ACS)

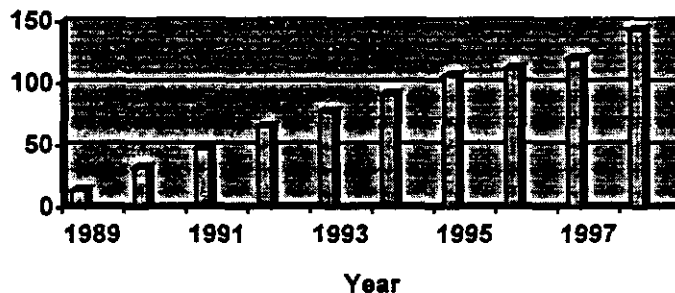
Participants add a unique code to each mail piece that identifies the ACS participant and another one that identifies the person to whom the mail piece is being sent. Information regarding the addressee that no longer receives mail at the identified address is provided to the ACS participant either electronically or by hardcopy. The new address or reason for non-delivery is provided to the mailer. Participants are charged for this service on a per-piece basis.

In 1998, more than 3740 subscribers and 144 million pieces were processed using ACS.

**ACS Subscribers**



**ACS Volume (millions)**



ACS is a cost-effective process that quickly notifies subscribers of address changes in a manner (digitally) that allows for rapid update of the mailing process, with the potential of eliminating subsequent mailings that would require redirection. Although a hardcopy option is available, the electronic version, which is less expensive and more efficient for both the subscriber and the USPS, is the preferred method of address change notification.

### 6.3.3 *FASTforward*

The *FASTforward* system consists of two different product offerings. The first product (MLOCR) compares letter mail that has already been addressed. The names and addresses are compared against the most recent 8 months of information from the NCOA database. Records (mail pieces that are scanned with Optical Character Reading (OCR) equipment are compared and those that match are identified, the new addresses and both the ZIP+4 and Delivery Point Sequencing (DPS) information are applied. The second product (MLC) compares mailing lists against the same 8 months data. Matches are handled in a manner similar to NCOA processed records. The equipment and software for both *FASTforward* products is the property of the USPS and is provided to qualified licensees.

In 1997, *FASTforward* debuted. In 1998, more than 2.3 billion records were processed using the MLOCR product with more than 24 million matches (1.03%). The MLC product was used to identify more than 56 million address changes (1.86%) from more than 3 billion records checked.

### 6.3.4 Ancillary Service Endorsements

Another acceptable method for complying with the Move Update requirement and securing the reduced First Class rate is through the use of ancillary service endorsements. The purpose of these endorsements is to inform the USPS of how to notify the mailer of a changed address and the desired manner of processing the UAA mail piece. There are 3 different eligible endorsements: Return Service Requested, Address Service Requested and Change Service Requested. Forwarding Service Requested does not satisfy the Move Update requirement. Address Correction Requested (ACR) is no longer a valid endorsement.

The following descriptions of the effect of the endorsements refer only to First Class mail products. For other mail classes, the effects may be slightly different.

**Return Service Requested** will result in notification of the address change or the reason for non-delivery on the original mail piece that is returned to the sender at no additional charge.

**Address Service Requested** will forward the mail piece for the first 12 months, while separately notifying the mailer of the new address (fee charged). During the next 6 months, the mail piece is returned with the new address. After 18 months, or if undeliverable, the mail piece is returned with the reason for non-delivery.

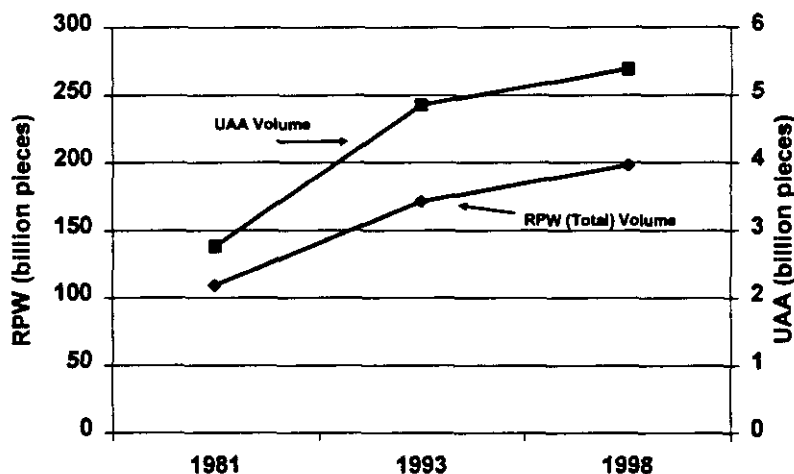
**Change Service Requested** is used in conjunction with electronic ACS. The ACS participant receives address change notification without forwarding or return of the mail piece.

The use of an ancillary service endorsement allows mailers who do not use automated equipment to receive the new address information. These endorsements may also be used in conjunction with one of the address hygiene services (such as NCOA or *FASTforward*) to further increase the accuracy of mailing lists.

## 6.4 Value of Move Update

The total volume of UAA mail has been quantified three times since 1980. Between 1981 and 1993, while the total mail volume increased by 56%, the UAA volume grew at a rate of 76%. From 1993 to 1998, with the total mail volume increasing 16%, the UAA volume only increased by 11%.

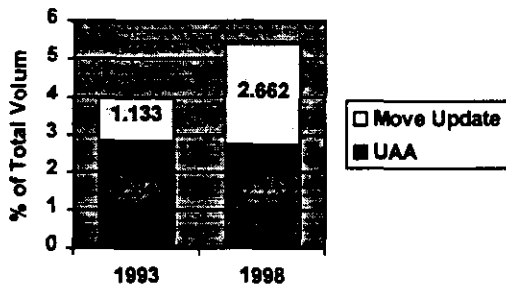
**RPW and UAA Volume Comparison – 1981, 1993, 1998**



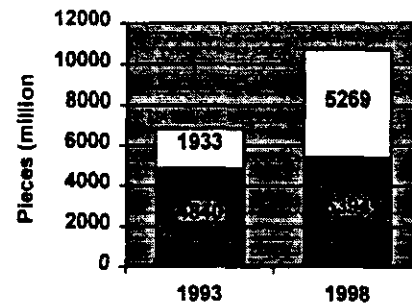
Move update programs have been introduced to help reduce the volume of mail that enters the USPS system, ultimately requiring additional handling and redirection. The graphs below show the effectiveness of the NCOA database, with its use through either external licensees or internal processes (CFS). Comparisons of the 1998 data and the previous (1993) study data show the value of the move update services quite clearly. These assume that each updated record from the NCOA database would prevent one piece of mail from becoming UAA.

The first two graphs show the value of Move Update products and services. The upper sections of the bar graphs (labeled Move Update) show the volume and percentage of total mail volume that ~~the~~ never reaches the USPS mail stream. The lower sections (labeled UAA) show the actual volumes that were processed in USPS facilities. During this timeframe, it should be noted, the total mail volume increased by 27 billion.

**Value of Move Update  
(% of Total Mail)**



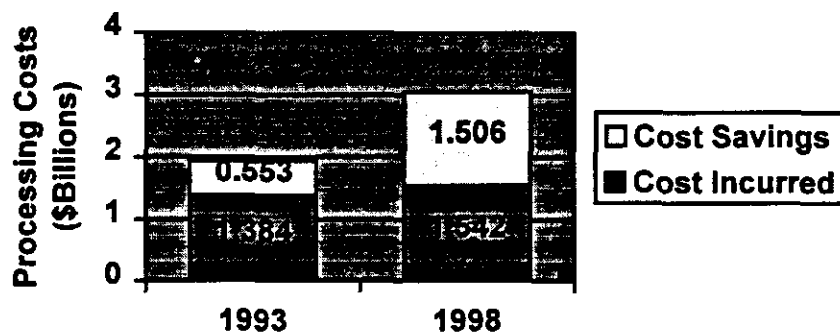
**Value of Move Update  
(Million pieces)**



This final graph shows the costs that the USPS did not incur as a result of mailers checking and correcting their lists. The total UAA volume managed by the USPS, and the volume that was identified and changed prior to the USPS mail stream amounted to 6.8 billion pieces 1993 and 10.7 billion pieces in 1998.

The Move Update savings has helped keep postage rates lower than they otherwise would have been. In fact, the cost savings to the mailers is even greater because of the increased delivery of their mail pieces to the desired customer, at the anticipated location, without time delays, wasted effort or materials (including postage).

**Value of Move Update  
(\$Billions)**





# **APPENDIX A**

---

*Data Collection Forms and Instructions*

## Summary of Delivery Unit Forms and Reports

Form Number	Form Name	Give Tally Sheet To:	Days to be Completed	Total Number of Forms to be Mailed In	Date(s) to be Mailed In
FORM 1	Postage Due Mail	Postage Due Clerk	Mondays - Fridays	2	May 7, 1999 May 14, 1999
FORM 2	Call Window	Window Clerks (leave a tally sheet at each window)	Mondays - Fridays	2	May 7, 1999 May 14, 1999
FORM 3	COA/UAA Profile	Carriers for selected routes (clerks for selected PO Boxes)	Mondays – Fridays (see enclosed route list for the sampling schedule)	As Needed	May 7, 1999 May 14, 1999
FORM 5B	Postage Due (Delivery Unit)	Postage Due Clerk	Mondays - Fridays	2	May 7, 1999 May 14, 1999
FORM 6	No Record Returns (From CFS)	Employee performing this function	Mondays - Fridays	2	May 7, 1999 May 14, 1999
FORM 9	NIXIE Clerk at Delivery Unit	Nixie Clerk	Mondays - Fridays	2	May 7, 1999 May 14, 1999
FORM 10	Hold Mail	Carriers for selected routes	Once on Wednesday 5/5/99 for all 5 routes	1	May 7, 1999
DSIS Report	--	--	Mondays - Fridays	10	May 7, 1999 May 14, 1999

## Summary of CFS Data Collection Forms and Reports

Form Number	Form Name	Give Tally Sheet To:	Days of Completion	Total Number of Forms to be Mailed In	Date(s) to be Mailed In
FORM 4	Rekey Function (Clerk Errors Only)	One Keying Clerk per day, selected at random	Saturdays - Fridays	2	May 7, 1999 May 14, 1999
FORM 5A	Postage Due (CFS)	Clerk rating postage due mail	Saturdays - Fridays	2	May 7, 1999 May 14, 1999
FORM 7	General Information (CFS)	--	Once on 5/5/99	1	May 7, 1999
FORM 8	Form 3547 (CFS)	2 keying clerks (1 MT, 1 NMT), selected at random each day	Saturdays - Fridays	2	May 7, 1999 May 14, 1999
CFS Daily Report	--	--	Once at end of each week in the study period	2	May 7, 1999 May 14, 1999
CFS 3925 Report	--	--	Once at end of each week in the study period	2	May 7, 1999 May 14, 1999

## FORM 1 -- Additional Instructions

The delivery unit manager should distribute Form 1 tally sheets to the postage due clerk.

### Preparation of Accountable Mail

- This function includes obtaining mail, distribution of all accountable mail to routes, boxes, etc., sweeping and preparation of **Postage Due Bill** (Forms 3582-A & B).
- For the preparation of accountable mail, the postage due clerk will record their time and volume on Form 1 tally sheet A. (Do not include time for recording information in trust fund accounts.)

### Acceptance and Clearance of Accountable Mail

- This function measures the volume and time it takes for a carrier/clerk to accept and clear their postage due mail with the postage due mail clerk.
- Each time a carrier/clerk accepts their accountable mail, the postage due clerk will record the time and volume on Form 1 tally sheet A.
- Each time a carrier/clerk clears their accountable mail, the postage due clerk will record the time on Form 1 tally sheet A.
- If the "mobile accountable cart" system is used, a separate tally sheet must accompany the cart.

### Characteristics of Forwarded Postage Due Mail

- *Only pieces which are postage due as a result of having been forwarded should be counted.*
- This function captures the final disposition of postage due mail (Paid, Notice Left, Returned To Sender) that carrier has delivered or attempted to deliver.
- When the carrier/clerk clears their postage due mail, the postage due clerk will record the total volume of mail pieces that are paid, notice left, and returned to sender on Form 1 tally sheet B.

### Preparation of Form 3546

- Consider forms only if the customer has refused to pay all forwarding costs on all future parcels.

The postage due clerk should return completed tally sheets to the delivery unit manager at the end of their shift each day.

FORM NUMBER

0 1 1-2

UNIT NUMBER

3-5

STUDY WEEK NUMBER

6

TO BE COMPLETED BY: Delivery Unit Manager

## U.S. POSTAL SERVICE UNDELIVERABLE-AS-ADDRESSED MAIL COST STUDY

## POSTAGE DUE MAIL

If you have questions, please call Matt Porembski (PricewaterhouseCoopers) at (703) 741-1107.

Instructions -- For more detail, please see enclosed Form 1 Additional Instructions.

1. The delivery unit manager will maintain a separate Form 1 for each week of the test period.
2. The postage due clerk should maintain a separate tally sheet each day to record and accumulate their time and volume for the functions shown below.
3. At the end of each day, the delivery unit manager will gather the postage due clerk's tally sheet, total the entries, and enter the results in appropriate line and column below.
4. The completed form for study week 1 is to be returned on 5/7/99. The completed form for study week 2 is to be returned on 5/14/99. Please use the return mailing labels provided.
5. If you have any comments, please check the box below and use the space provided.

Record volumes, times, and Level/Step as 4-digit numbers. (i.e., 400 pieces = 0400, 1 hr. 45 min. = 0145 (hhmm), and Level 5, Step 12 = 0512.)

Enter zero when there are no volumes or times.

7-8		Monday				Tuesday				Wednesday				Thursday				Friday			
		9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
	<b>Distribution and Preparation of Accountable Mail</b>																				
1	Total Volume of Accountable Mail Distributed																				
2	Total Time for Distribution of Accountable Mail																				
3	Average Level and Step of Clerk																				
	<b>Acceptance/Clearance of Accountable Mail</b>																				
4	Total Accountable Volume Accepted by Clerks/Carriers																				
5	Total Time Spent Accepting & Clearing Accountable Mail																				
	<b>Volume of Forwarded Postage Due Mail</b>																				
6	Paid																				
7	Notice Left																				
8	Returned to Sender																				
9	Number of Form 3546s (Refuse Postage Due) Completed																				
10	Total Time Processing Form 3546s (Refuse Postage Due)																				

29 ☐ Comments:

## FORM 2 -- Additional Instructions

**The delivery unit manager should distribute a Form 2 tally sheets to each clerk window.**

### Preparation/Storage of Call Mail

- This function includes obtaining postage due mail that has been "called for" by customers.
- The employee who prepares and stores call mail will record the time and volume on Form 2 tally sheet B.

### Forwarding Postage Due -- Window Transactions

- This function measures the volume and time it takes for a window clerk to complete a "call mail" transaction where the mail piece is postage due *as a result of being forwarded*.
- Each time a customer "calls for" a piece of postage due mail, the window clerk will record the time and volume on Form 2 tally sheet A.
- Note: If a transaction is for both postage due and another class of mail or service, enter the total time and volume of mail for that transaction.

### Characteristics of Forwarded Postage Due Mail

- *Only pieces which are postage due as a result of having been forwarded should be counted.*
- This function captures the final disposition of postage due mail (Paid, Returned To Sender, Treated As Waste) after notice has been left by the carrier.
- When a customer calls for postage due mail, the window clerk will record the total volume of mail pieces that are paid, returned to sender, and treated as waste on Form 2 tally sheet A.

### Preparation of Form 3546

- Consider forms only if the customer has refused to pay all forwarding costs on all future parcels. Record the volumes on Form 2 tally sheet B.

**Window clerks should return completed tally sheets to the delivery unit manager at the end of their shifts each day.**

FORM NUMBER

0 2 1-2

UNIT NUMBER

3-5

STUDY WEEK NUMBER

6

TO BE COMPLETED BY: Delivery Unit Manager

## U.S. POSTAL SERVICE UNDELIVERABLE-AS-ADDRESSED MAIL COST STUDY

## CALL WINDOW

If you have questions, please call Jen Barkin (PricewaterhouseCoopers) at (703) 741-1541.

Instructions -- For more detail, please see enclosed Form 2 Additional Instructions.

1. The delivery unit manager will maintain a separate Form 2 for each week of the test period.
2. Each window clerk assigned to this operation should maintain a separate tally sheet each day to record and accumulate their time and volume for functions shown below.
3. At the end of each day, the delivery unit manager will gather each window clerks' tally sheets, total the entries, and enter the results in appropriate line and column below.
4. The completed form for study week 1 is to be returned on 5/7/99. The completed form for study week 2 is to be returned on 5/14/99. Please use the return mailing labels provided.
5. If you have any comments, please check the box below and use the space provided.

Record volumes, times, and Level/Step as 4-digit numbers. (i.e., 400 pieces = 0400, 1 hr. 45 min. = 0145 (hhmm), and Level 5, Step 12 = 0512.)

Enter zero when there are no volumes or times.

7-8		Monday				Tuesday				Wednesday				Thursday				Friday				
		9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	
	Preparation/Storage of "Call Mail"																					
1	Total Volume of "Call Mail" Prepared																					
2	Total Time Spent Preparing "Call Mail"																					
	Forwarding Postage Due - Window Transactions																					
3	Total Volume "Called for" by Customers																					
4	Total Time Spent on "Call" Transactions																					
5	Total Transactions																					
	Volume of Forwarded Postage Due Mail																					
6	Paid																					
7	Returned to Sender																					
8	Treated As Waste																					
9	Number of Form 3546s (Refuse Postage Due) Completed																					
10	Total Time Processing Form 3546s (Refuse Postage Due)																					
11	Average Level and Step of Clerk																					

## FORM 3 -- Additional Instructions

The delivery unit manager should distribute Form 3 tally sheets to the carriers assigned to each predetermined route. See the Route Sampling Schedule in the Instructions Packet for the list of routes. The routes to be sampled will also be printed on Form 3 itself.

### GENERAL INSTRUCTIONS

The delivery unit manager will advise carriers (clerks in the case of PO Boxes) of the routes (city delivery routes, rural routes, and box sections) to be measured. When measuring box sections, also include caller services and general delivery sections. Each sampled route will be tested once per week for two weeks.

Instruct delivery personnel responsible for selected routes to set aside all Change of Address/Undeliverable As Addressed (COA/UAA) mail for pickup by supervisor on day of test, after having separated and prepared it as usual. COA/UAA mail includes the following:

- UBBM;
- mail sent to CFS;
- mail forwarded by the delivery unit; and
- carrier endorsed mail.

COA/UAA accountable items should be included, but do not include hold mail. Proper completion of this form requires a thorough understanding of mail disposition regulations. Submit form(s) at the end of each test day to the unit supervisor.

*\*See the Form 3 Example in the delivery unit manager's instruction packet for reference on completing Form 3.*

**INSTRUCTIONS FOR BLOCK A** - The carrier supervisor, with assistance from the carriers, should complete this form on a daily basis for all COA/UAA mail for an entire route. Test a different route or box section each day, based on the sample selected by the study coordinator.

**Identifier Number.** A unique two-digit identifier will correspond to each recipient of COA/UAA mail. Enter the names of recipients of COA/UAA mail on the Form 3 tally sheet, which includes ID numbers 01-40. Use only as many rows as needed. Refer to this tally sheet each time you have a piece of COA/UAA mail, making sure that you enter the right ID number for each recipient on Form 3. However, ID numbers do not have to correspond to the same recipients in Week 2 as they did in Week 1.

**Forms:** Place a check or X if Form 3575 has been received. If it has, enter Age of COA Code (see front of form for codes). This information is available on Forms 3575 or 3982.

**Mail Characteristics:** Enter Class of Mail Code (see front of form for codes). Place a check or X to indicate whether the mail is machineable letter, non-machineable letter, flat, or parcel. A non-machineable letter is letter-sized mail that CFS has defined as non-machineable (e.g., *Jet*, *TV Guide*).

**Sender Data:** Place a check or X to indicate whether the mail piece was sent by a household or business. This information is available from indicia and/or return address on piece.

**New Address Data:** Place a check or X to indicate whether any forwarding order on file applies to a family, individual, or business. Place a check or X to indicate whether the forwarding address is local, non-local, or not on file (e.g., MLNA, Box Closed No Order). A local address is within the same single- or multi-zipped city. This information is available from "new address" information on Form 3575 or 3982.

**Disposition:** Place a check or X in the appropriate disposition column. If it was carrier endorsed, mark the box with the specific endorsement (Carrier Endorsed- "Other Reason" includes No Mail Receptacle, Unclaimed, Vacant, etc.).

**Endorsements:** Place a check or X to indicate all mailer ancillary service endorsements that the mailer has printed on the mailpiece. If the mailer ancillary service endorsement is invalid, please indicate that in the boxes provided for "Invalid Endorsements."

**Special Services:** Place a check or X in all appropriate special services that apply. Services included with Return Receipt for Service are Registered, Certified, Insured, and COD mail.

**DPS:** Place a check or X in the appropriate column based on whether the mailpiece was from pre-sorted DPS trays, non-DPS trays, or of unknown origin.

**Carriers should return completed tally sheets to the delivery unit manager at the end of their shifts each day.**



FORM NUMBER

UNIT NUMBER

STUDY WEEK NUMBER

TO BE COMPLETED BY:

U.S. POSTAL SERVICE UNDELIVERABLE-AS-ADDRESSED MAIL COST STUDY

## COA/UA PROFILE

If you have questions, please call Jen Barkin (PricewaterhouseCoopers) at (703) 741-1541.

Carriers

ROUTE IDENTIFIER

## Block A Codes

## Age of COA Code

0-3 months = A  
 3-6 months = B  
 6-9 months = C  
 9-12 months = D  
 12-18 months = E  
 Over 18 months = F

## Mail Class Code

First = 1  
 Standard (A) = 2  
 Standard (B) = 3  
 Periodicals = 4  
 Priority = 5  
 Express = 6  
 International = 7  
 Mailgram = 8

1. If you have any comments, please check the box below and use the space provided.  
 2. For more detail, please see enclosed Form 3 Additional Instructions.

**Block A:** Complete a separate column for each COA/UA mailpiece, including accountables. Record ALL COA/UA mailpieces for an entire carrier route per day.

		11-12	13	14	15	16	17	18	19	20	21	22	
Identifier		1											
		2											
Forms	Form 3575/3546 On File?	3											
	Age of COA (use code at left)	4											
Mail Characteristics	Mail Class (use code at left)	5											
	Mail Shape	Machineable letter	6										
		Non-machineable Letter	7										
		Flat	8										
		SPR/Parcel/IPP	9										
Sender Data	Sent by												
	Household	10											
	Business or Institution	11											
New Address Data	Family	12											
	Individual	13											
	Business	14											
	Local Forward	15											
	Non-local Forward	16											
	No Forwarding Address	17											
Disposition	Sent to CFS	18											
	Hand Forwarded/Sent to Nixie	19											
	Treated as Waste	20											
	If Carrier Endorsed, (not hand forwarded)	Attempted, Not Known	21										
		No Such No./Street	22										
		Fwd. Order Expired	23										
		Insuff. Add.	24										
		Refused	25										
		Deceased	26										
		Other Reason	27										
Endorsements (check all that apply)	Address Service Requested	28											
	Forwarding Service Requested	29											
	Return Service Requested	30											
	Change Service Requested	31											
	Invalid Endorsement	Address Correction Requested	32										
		Fwding and Add. Corr. Req.	33										
		Do Not Forward	34										
		Fwding And Return Postage	35										
		Guaranteed, Add. Corr. Req.	36										
	Other	37											
No Endorsement	38												
Special Services (check all that apply)	Registered	39											
	Certified	40											
	Insured	41											
	COD	42											
	Ret. Receipt/Service	43											
	Ret. Receipt/Merchandise	44											
	Special Delivery	45											
Special Handling	46												
DPS	DPS	47											
	Non-DPS	48											
	Unknown	49											

Comments:

FORM NUMBER

0 4 1-2

UNIT NUMBER

3-5

STUDY WEEK NUMBER

6

TO BE COMPLETED BY: CFS Manager

U.S. POSTAL SERVICE UNDELIVERABLE-AS-ADDRESSED MAIL COST STUDY

**REKEY FUNCTION (CLERK ERRORS ONLY)**

If you have questions, please call Dan Mullins (PricewaterhouseCoopers) at (703) 741-1723.

**Instructions**

1. The CFS manager will maintain a separate Form 4 for each week of the test period.
2. Select one clerk at random each day. They should maintain a separate tally sheet each day to record and accumulate daily rekey volumes (**clerk errors only**) on both mechanized and non-mechanized terminals (non-mechanized includes keying on FFT terminals).
3. At the end of each day, the CFS manager will gather the clerk's tally sheet, total the entries, and enter the results in appropriate line and column below.
4. If rekey volumes are done on both non-mech and mech terminals, then split the volumes appropriately between the two columns below.
5. Complete questions below indicating how time for keying is captured on 3925 report.
6. The completed form for study week 1 is to be returned on 5/7/99. The completed form for study week 2 is to be returned on 5/14/99. Please use the return mailing labels provided.
7. If you have any comments, please check the box below and use the space provided.

Record volumes as 5-digit numbers. (i.e., 400 pieces = 00400.)  
Enter zero when there are no volumes.

How is time for keying on non-mechanized terminals reported on Form 3925? Enter "1" if mail prep; "2" if support; ☐ 7  
"3" if other hours; "4" if NMT hours; "5" if MT hours; "6" if FFT hours; "7" if otherwise.

How is time for keying on mechanized terminals reported on Form 3925? Enter "1" if mail prep; "2" if support; "3" ☐ 8  
if other hours; "4" if NMT hours; "5" if MT hours; "6" if FFT hours; "7" if otherwise.

		Non-Mechanized Terminals										Mechanized Terminals									
		Rekey Volume					Total Volume					Rekey Volume					Total Volume				
Day	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25				
Saturday	1																				
Sunday	2																				
Monday	3																				
Tuesday	4																				
Wednesday	5																				
Thursday	6																				
Friday	7																				

26 ☐ Comments:

<b>FORM NUMBER</b> <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">0</div> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">5</div> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">A</div> <span>1-3</span> </div> <b>UNIT NUMBER</b> <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;"></div> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;"></div> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;"></div> <span>4-6</span> </div> <b>STUDY WEEK NUMBER</b> <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;"></div> <span>7</span> </div> <b>TO BE COMPLETED BY:</b> CFS Manager	<b>U.S. POSTAL SERVICE UNDELIVERABLE-AS-ADDRESSED MAIL COST STUDY</b>  <b>POSTAGE DUE (CFS)</b>  If you have questions, please call Dan Mullins (PricewaterhouseCoopers) at (703) 741-1723.
---	---

<b>Does your CFS unit rate postage due mail <u>that has been processed in the CFS?</u></b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No (If No, stop. Thank you.)	8
--	------------------------------	---	---

**Instructions**

- If "Yes" is answered to the question above, the CFS manager will maintain a separate Form 5A for each week of the test period.
- The clerk assigned to this operation should maintain a separate tally sheet each day to record and accumulate their time and volume. Clerks should count only those volumes which are postage due as a result of having been processed in the CFS. Do not include rating 3579s (i.e., yellow label on mailpiece).
- At the end of each day, the CFS manager will gather the clerk's tally sheet, total the entries, and enter the results in appropriate line and column below. In addition, the manager will enter the average level and step of the clerk performing this function.
- Complete the question below indicating how time for rating postage due is captured on 3925 report.
- The completed form for study week 1 is to be returned on 5/7/99. The completed form for study week 2 is to be returned on 5/14/99. Please use the return mailing labels provided.
- If you have any comments, please check the box below and use the space provided.  
*Record volumes as 5 or 6-digit numbers as appropriate. (i.e., for 5 digits: 400 pieces = 00400, for 6 digits: 400 pieces = 000400)*  
*Record times and Level/Step as 4-digit numbers. (1 hr. 45 minutes = 0145 (hhmm), and Level 5, Step 12 = 0512.)*  
*Enter zero when there are no volumes or times.*

How is time for rating postage due reported on Form 3925? Enter "1" if mail prep; "2" if support; "3" if other hours; "4" if NMT hours; "5" if MT hours; "6" if FFT hours; "7" if otherwise.	<input type="checkbox"/>	9
--	--------------------------	---

		Flat/Letter Volume						Flat/Letter Time Hours Minutes				Parcel/Roll Volume					Parcel/Roll Time Hours Minutes				Clerk Paid at Level Step			
Day	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33
Saturday	1																							
Sunday	2																							
Monday	3																							
Tuesday	4																							
Wednesday	5																							
Thursday	6																							
Friday	7																							

34	<input type="checkbox"/>	<b>Comments:</b>
----	--------------------------	------------------

<b>FORM NUMBER</b> <div style="border: 1px solid black; display: inline-block; padding: 2px;">0 5 B</div> 1-3 <b>UNIT NUMBER</b> <div style="border: 1px solid black; display: inline-block; padding: 2px;"> </div> 4-6 <b>STUDY WEEK NUMBER</b> <div style="border: 1px solid black; display: inline-block; padding: 2px;"> </div> 7 <b>TO BE COMPLETED BY:</b> <b>Delivery Unit Manager</b>	<b>U.S. POSTAL SERVICE UNDELIVERABLE-AS-ADDRESSED MAIL COST STUDY</b> <b>POSTAGE DUE (Delivery Unit)</b> <small>If you have questions, please call Jen Barkin (PricewaterhouseCoopers) at (703) 741-1541.</small>
---	---

**Does your delivery unit rate postage due mail that has been processed in the CFS?**

☐ Yes    ☐ No (If No, stop. Thank you.)

8

**Instructions**

1. If "Yes" is answered to the question above, the CFS manager will maintain a separate Form 5A for each week of the test period.
2. The clerk assigned to this operation should maintain a separate tally sheet each day to record and accumulate their time and volume. Clerks should count only those volumes which are postage due as a result of having been processed in the CFS. Do not include rating 3579s (i.e., yellow label on mailpiece).
3. At the end of each day, the delivery unit manager will gather each clerk's tally sheet, total the entries, and enter the results in appropriate line and column below. In addition, the manager will enter the average level and step of the clerk performing this function.
4. Complete the question below indicating how time for rating postage due is captured on 3925 report.
5. The completed form for study week 1 is to be returned on 5/7/99. The completed form for study week 2 is to be returned on 5/14/99. Please use the return mailing labels provided.
6. If you have any comments, please check the box below and use the space provided.  

*Record volumes as 5 or 6-digit numbers as appropriate. (i.e., for 5 digits: 400 pieces = 00400, for 6 digits: 400 pieces = 000400)*  
*Record times and Level/Step as 4-digit numbers. (1 hr. 45 minutes = 0145, and Level 5, Step 12 = 0512.)*  
*Enter zero when there are no volumes or times.*

		Flat/Letter Volume								Flat/Letter Time Hours    Minutes				Parcel/Roll Volume						Parcel/Roll Time Hours    Minutes				Clerk Paid at Level    Step			
Day		9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32		
Monday	1																										
Tuesday	2																										
Wednesday	3																										
Thursday	4																										
Friday	5																										

33 ☐ **Comments:**

FORM NUMBER

0 6 1-2

UNIT NUMBER

3-5

STUDY WEEK NUMBER

6

TO BE COMPLETED BY:

Delivery Unit Manager

U.S. POSTAL SERVICE UNDELIVERABLE-AS-ADDRESSED MAIL COST STUDY

**NO RECORD RETURNS (FROM CFS)**

If you have questions, please call Jen Barkin (PricewaterhouseCoopers) at (703) 741-1541.

**Instructions**

1. The delivery unit manager will maintain a separate Form 6 for each week of the test period.
2. The employee performing this function should maintain a separate tally sheet each day to record and accumulate their time and volume for the functions shown below.
3. At the end of each day, the delivery unit manager will gather each employee's tally sheet, total the entries, and enter the results in appropriate line and column below.
4. The completed form for study week 1 is to be returned on 5/7/99. The completed form for study week 2 is to be returned on 5/14/99. Please use the return mailing labels provided.
5. If you have any comments, please check the box below and use the space provided.

Record volumes, times, and Level/Step as 4-digit numbers. (i.e., 400 pieces = 0400, 1 hr. 45 min. = 0145 (hhmm), and Level 5, Step 12 = 0512.)

Enter zero when there are no volumes or times.

		Total Volume of CFS Returns					Volume Sent Back to CFS Because of Keying Error					Time Spent on This Process				Employee Paid at			
												Hours Minutes				Level Step			
Day	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		
Monday	1																		
Tuesday	2																		
Wednesday	3																		
Thursday	4																		
Friday	5																		

24 ☐ Comments:

<b>FORM NUMBER</b> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 20px; text-align: center;">0</td><td style="width: 20px; text-align: center;">7</td></tr></table> 1-2 <b>UNIT NUMBER</b> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 20px; text-align: center;"> </td><td style="width: 20px; text-align: center;"> </td><td style="width: 20px; text-align: center;"> </td></tr></table> 3-5 <b>STUDY WEEK NUMBER</b> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 20px; text-align: center;"> </td></tr></table> 6 <b>TO BE COMPLETED BY:</b> <b>CFS Manager</b>	0	7					<b>U.S. POSTAL SERVICE UNDELIVERABLE-AS-ADDRESSED MAIL COST STUDY</b>  <div style="text-align: center;"><b>GENERAL INFORMATION (CFS)</b></div> If you have questions, please call Dan Mullins (PricewaterhouseCoopers) at (703) 741-1723.
0	7						

**Instructions**

1. This form is to be completed **Wednesday, May 5, 1999** and returned on 5/7/99 using the return mailing labels provided.
2. If you have any comments, please check the box below and use the space provided.

**Block A**

- |  |   |                |                |                |   |  |  |  |   |  |  |  |   |  |  |  |
|--|---|----------------|----------------|----------------|---|--|--|--|---|--|--|--|---|--|--|--|
|  | Level 3 clerk:  | Level 4 clerk: | Level 5 clerk: | Level 6 clerk: |   |  |  |  |   |  |  |  |   |  |  |  |
| 1. On average, what percent of the "Total Hours" listed on Line 13 of a 3925 Report are paid as: | <table border="1" style="display: inline-table;"><tr><td style="width: 20px; text-align: center;"> </td><td style="width: 20px; text-align: center;"> </td><td style="width: 20px; text-align: center;"> </td></tr></table> % |                |                |                | <table border="1" style="display: inline-table;"><tr><td style="width: 20px; text-align: center;"> </td><td style="width: 20px; text-align: center;"> </td><td style="width: 20px; text-align: center;"> </td></tr></table> % |  |  |  | <table border="1" style="display: inline-table;"><tr><td style="width: 20px; text-align: center;"> </td><td style="width: 20px; text-align: center;"> </td><td style="width: 20px; text-align: center;"> </td></tr></table> % |  |  |  | <table border="1" style="display: inline-table;"><tr><td style="width: 20px; text-align: center;"> </td><td style="width: 20px; text-align: center;"> </td><td style="width: 20px; text-align: center;"> </td></tr></table> % |  |  |  |
|  |   |                |                |                |   |  |  |  |   |  |  |  |   |  |  |  |
|  |   |                |                |                |   |  |  |  |   |  |  |  |   |  |  |  |
|  |   |                |                |                |   |  |  |  |   |  |  |  |   |  |  |  |
|  |   |                |                |                |   |  |  |  |   |  |  |  |   |  |  |  |
|  | 7-9   | 10-12          | 13-15          | 16-18          |   |  |  |  |   |  |  |  |   |  |  |  |
2. On average, what percent of "Support Hours" listed on Line 7 of 3925 Report are attributable to employees sorting waste mail?
- |  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|

 %
- 19-21
3. What percent of your 3547s do you process manually (not on MLOC)?
- |  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|

 %
- 22-24
4. What percent of your 3579s do you process manually (not on MLOC)?
- |  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|

 %
- 25-27

**Block B**

**Instructions**

1. On 5/5/99, have the employee batching 3547s record on a tally sheet the number of envelopes that contain **multiple 3547s only**.
2. The CFS manager will collect the employee's tally sheet, and record the totals in the appropriate line and column below.

Number of 3547s in an Envelope	Volume		
28	29	30	31
2			
3			
4			
5			
6			
7			
7+			

**Block C**

Enter the total estimated cost in postal FY98 for all items purchased *specifically by the CFS, not out of Central Supply or Procurement* for the CFS unit. Do not include items purchased by the national office for the CFS unit.

Supplies/Equipment	Postal FY98 Total Cost							
Photocopy Supplies (Including Paper, Toner, Ribbons, and Oil)								32-38
PC's								39-45
Toner Cartridges & Paper (HP II, HP III, etc., Laserjet Printers)								46-52
Furniture (Including Tables, Chairs, Cases, Conveyor Belt)								53-59
3579 Envelopes								60-66
Total for Other Costs (Please Itemize)								67-73

FORM NUMBER

0 8 1-2

UNIT NUMBER

3-5

STUDY WEEK NUMBER

6

TO BE COMPLETED BY:

CFS Manager

U.S. POSTAL SERVICE UNDELIVERABLE-AS-ADDRESSED MAIL COST STUDY

FORM 3547 (CFS)

If you have questions, please call Dan Mullins (PricewaterhouseCoopers) at (703) 741-1723.

## Instructions

- The CFS manager will maintain a separate Form 8 for each week of the test period.
- The clerk performing this function should maintain a separate tally sheet each day to record and accumulate volumes for the functions shown below.
- Sample 1: Select a random mechanized terminal.**
  - Clean out stackers and then begin to process mail as usual for 1 hour.
  - At the end of the hour, sample and record the volumes of Form 3547 (ignore 3579 pieces) that are to be:
    - Forwarded and photocopied with address correction to be returned to mailer (Photo and Forward),
    - Returned to sender with on-piece correction (On-Piece), and
    - Photocopied with address correction applied and returned to sender. Original mailpiece is treated as waste (Photo and Treat as Waste.)
- Sample 2: Select a random non-mechanized or Flat Forwarding terminal depending upon which you use to process more 3547s.**
  - Clean out collection containers and then begin to process mail as usual for 1 hour.
  - At the end of the hour, sample and record the volumes of Form 3547 (ignore 3579 pieces) that are to be:
    - Forwarded and photocopied with address correction to be returned to mailer (Photo and Forward),
    - Returned to sender with on-piece correction (On-Piece), and
    - Photocopied with address correction applied and returned to sender. Original mailpiece is treated as waste (Photo and
- At the end of each day, the CFS manager will gather the clerk's tally sheet, total the entries, and enter the results in appropriate line and column below.
- Complete the question below indicating NMT or FFT processing.
- The completed form for study week 1 is to be returned on 5/7/99. The completed form for study week 2 is to be returned on 5/14/99. Please use the return mailing labels provided.
- If you have any comments, please check the box below and use the space provided.  
Record volumes as 4-digit numbers. (i.e., 400 pieces = 0400)  
Enter zero when there are no volumes.

Do you more often use a NMT or FFT for processing 3547s? Enter "1" for NMT, or "2" for FFT.

☐ 7

		Sample 1 - Mechanized Terminals																Sample 2 - Non-mechanized/FFT Terminals															
		3547 Photo and Forward Volume					3547 On-Piece Volume					3547 Photo & Treat as Waste Volume						3547 Photo and Forward Volume				3547 On-Piece Volume				3547 Photo & Treat as Waste Volume							
Day		8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32							
Saturday	1																																
Sunday	2																																
Monday	3																																
Tuesday	4																																
Wednesday	5																																
Thursday	6																																
Friday	7																																

33 ☐ Comments:

FORM NUMBER

0 9 1-2

UNIT NUMBER

3-5

STUDY WEEK NUMBER

6

TO BE COMPLETED BY: Delivery Unit Manager

U.S. POSTAL SERVICE UNDELIVERABLE-AS-ADDRESSED MAIL COST STUDY

## NIXIE CLERK AT DELIVERY WINDOW

If you have questions, please call Matt Porembski (PricewaterhouseCoopers) at (703) 741-1107.

## Instructions

1. The delivery unit manager will maintain a separate Form 11 for each week of the test period.
2. The Nixie Clerk should maintain a separate tally sheet each day to record and accumulate their time and volume for functions shown below.
3. At the end of each day, the delivery unit manager will gather the Nixie clerk's tally sheet, total the entries, and enter the results in the appropriate line and column below.
4. The completed form for study week 1 is to be returned on 5/7/99. The completed form for study week 2 is to be returned on 5/14/99. Please use the provided return mailing label.
5. If you have any comments, please check the box below and use the space provided.

Record volumes and times as 4-digit numbers. (i.e., 400 pieces = 0400, and 1 hr. 45 min. = 0145 (hhmm))

Enter zero when there are no volumes or times.

7		Monday				Tuesday				Wednesday				Thursday				Friday			
		8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
	UAA Mail Returned to Sender by NIXIE Clerk																				
1	Total Volume																				
2	Total Time Spent																				
	UAA Mail Forwarded by NIXIE Clerk																				
3	Total Volume																				
4	Total Time Spent																				
	NIXIE Mail Sent to CFS as ACS NIXIE																				
5	Total Volume																				
6	Total Time Spent																				

28 ☐ Comments:



FORM NUMBER

1 0 1-2

UNIT NUMBER

3-5

STUDY WEEK NUMBER

6

TO BE COMPLETED BY: Delivery Unit Manager

U.S. POSTAL SERVICE UNDELIVERABLE-AS-ADDRESSED MAIL COST STUDY

## HOLD MAIL

If you have questions, please call Matt Porembski (PricewaterhouseCoopers)  
at (703) 741-1107.Block A – Number of Days Each Hold Order  
is to be in effect.

7-8	9	10
Days	Volume	
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
28+		
No End Date		

Block B – Number of Days Each Hold Order  
has already been in effect.

11-12	13	14
Days	Volume	
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
28+		
No End Date		

## Instructions

1. This form is to be completed on  
**Wednesday, May 5, 1999** and returned on  
5/7/99 using the return mailing labels  
provided.

2. The carriers for each route selected to  
participate in this study should maintain a  
separate tally sheet to record and  
accumulate volume for hold mail and hold  
mail orders.

3. At the end of the day, the delivery unit  
manager will gather the carriers' tally sheets,  
total the entries, and enter the results in the  
appropriate line and column to the left and  
below.

4. If you have any comments, please check  
the box below and use the space provided.

*Record hold order volumes as 2-digit numbers.  
(i.e., 4 pieces = 04)*

*Record hold mail volumes as 2-digit numbers.  
(i.e., 4 pieces = 04)*

*Enter zero when there are no volumes.*

## Block C

15-18	Total Number of Hold Mail Orders on File		Total Number of Mail Pieces on Hold		
	19	20	21	22	23
Route Number					
1					
2					
3					
4					
5					

## **APPENDIX B**

---

*Domestic Mail Manual:  
Ancillary Service Endorsements and  
Section F: Forwarding and Related Services*

# Ancillary Service Endorsements

<b>Overview</b> (F010.4)	Ancillary service endorsements are used by mailers to request an addressee's new address and to provide the USPS with instructions on how to handle undeliverable pieces. The endorsements consist of one keyword: "Address," "Forwarding," "Return," or "Change," followed by the two words "Service Requested." The endorsements are the same for all classes of mail, but the treatment and cost differ by class of mail.
<b>General</b> (M012.4)	Proper placement of the endorsement is required. If the endorsement cannot be seen or understood, you might not receive the service requested. A return address as presented in A010 must be used and placed in the upper left corner of the address side of the mailpiece or the upper left corner of the addressing area. If a return address is a multiple delivery address, it must show a unit designation (e.g., apartment number). The endorsement and return address must read in the same direction as the delivery address.
<b>Other Physical Standards</b> (M012.4)	An endorsement must be printed in no smaller than 8-point type, and it must stand out clearly against its background. Brilliant colored envelopes and reverse printing are not permitted. There must be a 1/4-inch clear space around (above, below, and both sides) the endorsement.
<b>OCR Read Area</b> (M012.4)	Any printing (including an endorsement or return address) on upgradable letter-size First-Class Mail or Standard Mail (A) must not interfere with the delivery address lines within the OCR read area defined in C830.

JAMES WARRICK RUSS GALLERY LTD 4016 MAIN ST FORT WORTH TX 76133-5559	<b>Address Service Requested<sup>3</sup></b>	<div>Presorted First-Class Mail U.S. POSTAGE PAID Fort Worth, TX 76133 Permit No. 1</div>
<b>Address Service Requested<sup>1</sup></b>		<b>Address Service Requested<sup>4</sup></b>
	<b>Address Service Requested<sup>2</sup></b>	
	JOHN DOE 10 ELM ST ANYTOWN NY 12345-6789	

The endorsement must be placed in one of these four positions:

- <sup>1</sup> Immediately below the return address.
- <sup>2</sup> Immediately above the delivery address area (which includes the delivery address block and any related nonaddress elements such as a barcode, keyline, or optional endorsement line).
- <sup>3</sup> Immediately to the left of the postage area and below any rate marking.
- <sup>4</sup> Immediately below the postage area and below any rate marking.

The chart on the reverse highlights commonly used endorsements. For a complete listing, see F010.5. For assistance, contact your postal business center (G041).

This guide is an overview only. For the specific DMM standards applicable to this category of mail, consult the DMM sections referenced above and the general sections within each DMM module.

# Ancillary Service Endorsements

For a complete selection of endorsements and USPS actions, see F010.

Mailer Endorsement and USPS Action	Fees		
	Priority Mail and First-Class Mail	Standard Mail (A)	Standard Mail (B)
<b>Address Service Requested<sup>1</sup></b> <i>Forwarding and return. New address notification provided.</i>			
Months 1 through 12: mailpiece forwarded; separate notice of new address provided; address correction fee charged.	Forwarding at no charge.	Forwarding at no charge.	Forwarded locally at no charge; out of town as postage due.
Months 13 through 18: mailpiece returned with new address attached.	No charge.	Weighted fee charged. <sup>2</sup>	Return postage charged at appropriate single-piece rate.
After 18 months or if undeliverable: mailpiece returned with reason for nondelivery attached.	No charge.	Weighted fee charged. <sup>2</sup>	Returned if undeliverable or if addressee refused to pay postage due. Forwarding (where attempted) and return postage charged at appropriate single-piece rate.
<b>Forwarding Service Requested</b> <i>Forwarding and return. New address notification provided only for return.</i>			
Months 1 through 12: mailpiece forwarded.	No charge.	No charge.	Forwarded locally at no charge; out of town as postage due.
Months 13 through 18: mailpiece returned with new address attached.	No charge.	Weighted fee charged. <sup>2</sup>	Return postage charged at appropriate single-piece rate.
After 18 months or if undeliverable: mailpiece returned with reason for nondelivery attached.	No charge.	Weighted fee charged. <sup>2</sup>	Returned if undeliverable or if addressee refused to pay postage due. Forwarding (where attempted) and return postage charged at appropriate single-piece rate.
<b>Return Service Requested</b> <i>No forwarding, only return. New address notification provided.</i>			
Mailpiece returned with new address or reason for nondelivery attached.	No charge.	Single-piece First-Class Mail or Priority Mail rate charged.	Return postage charged at appropriate single-piece rate.
<b>Change Service Requested</b> <i>No forwarding or return. New address notification provided.</i>			
Manual notice:	Manual notice:	Manual notice:	Manual notice:
\$0.50 each.	\$0.50 each.	\$0.50 each.	\$0.50 each.
Automated notice:	Automated notice:	Automated notice:	Automated notice:
\$0.20 each.	\$0.20 each.	\$0.20 each.	\$0.20 each.
Separate notice of new address or reason for nondelivery provided; mailpiece disposed of by USPS.	See footnote 3.	See footnote 1.	See footnote 1.
<b>Temp—Return Service Requested</b> Pieces returned with new address or reason for nondelivery attached. If temporary change of address, pieces forwarded; no separate notice of new temporary change of address provided.			
No charge.	N/A	N/A	N/A
<b>No Endorsement</b> <i>UAA handled by class of mail.</i>			
Same as USPS action for "Forwarding Service Requested."	Mailpiece disposed of by USPS.	Same as USPS action for "Forwarding Service Requested."	

<sup>1</sup>Valid for all mailpieces including Address Change Service (ACS) participating mailpieces.

<sup>2</sup>Weighted fee is the appropriate Single-Piece First-Class or Priority Mail rate multiplied by 2.472 and rounded up to the next whole cent.

<sup>3</sup>Option available only via electronic Address Correction Service (ACS) and only for First-Class Mail and Priority Mail pieces containing perishable matter that bear the endorsement "Perishable" and the proper ACS codes. Not available for mail with special services (e.g., certified or registered mail), for Priority Mail containing non-perishable matter, or for any mail that contains live animals.

# Forwarding and Related Services

---



DMM Issue 54 Plus Postal Bulletin Changes Through PB 22004 (8-12-99)

## Contents

### **F000 Basic Services**

F010 Basic Information

F020 Forwarding

F030 Address Correction, Address Change, *FASTforward*, and Return Services

F000 Basic Services

**F010 Basic Information**

010

**1.0 NONDELIVERY OF MAIL**

Mail can be undeliverable for these reasons:

- a. No postage.
- b. Incomplete, illegible, or incorrect address.
- c. Addressee not at address (unknown, moved, or deceased).
- d. Mail unclaimed.
- e. Mail refused by the addressee at time of delivery.
- f. Mail refused by the addressee after delivery when permitted.
- g. Minimum criteria for mailability not met.

**2.0 USPS ADDRESS ADJUSTMENTS****Types of Adjustments****2.1**

Mail can be undeliverable because of USPS adjustments such as the following:

- a. Renumbering of houses.
- b. Renaming of streets.
- c. Conversion from rural-style addresses (rural route and box number or highway contract route and box number) to city-style addresses (house number and street name).
- d. Realignment of rural or highway contract routes.
- e. Conversion from rural or highway contract service to city delivery service.
- f. Consolidation of routes.
- g. Consolidation of post offices or adjustment of delivery districts.

**Charges****2.2**

For 3 years after the date when the new address information appears in Address Information System (AIS) products, a mailer who regularly sends bulk mailings into an area affected by USPS adjustments is not charged for requested corrections to galley lists *when such corrections relate to those adjustments*.

**Disposal****2.3**

Mail that is undeliverable because of USPS adjustments is redirected and delivered to the destination without an additional postage charge as follows:

- a. For an adjustment under 2.1a through 2.1c, for 1 year from the date when the new address appears in the AIS bimonthly products released in February, April, June, August, October, and December.
- b. For an adjustment under 2.1d through 2.1g, for 1 year from the end of the month in which the adjustment occurs.
- c. For mail bearing the simplified address "Rural Route Box Customer," "Highway Contract Route Box Customer," or "Post Office Box Customer," either for 90 days or until the next June 30, whichever is later.

**Records****2.4**

Records of address changes caused by USPS adjustments are kept by the local post office for 3 years.

**3.0 DIRECTORY SERVICE**

USPS letter carrier offices give directory service to the types of mail listed below that have an insufficient address or cannot be delivered at the address given (the USPS does not compile a directory of any kind):

- a. Mail with special services (certified, COD, registered, special handling).
- b. Foreign, except circulars. (Foreign mail received in quantities with letter-class postage but the general characteristics of circular mail is not given directory service.)
- c. Mail from overseas Armed Forces.
- d. Parcels mailed at any Standard Mail (B) rate or endorsed by the mailer.
- e. Perishable matter.
- f. Official USPS mail.
- g. Express Mail Next Day Service (Post Office to Addressee only).

**4.0 BASIC TREATMENT**

**General**  
4.1 All nonmailable and nonstandard mailpieces are returned to the sender. Other mail that is undeliverable as addressed is forwarded, returned to the sender, or treated as dead mail, as authorized for the particular class of mail. Undeliverable-as-addressed mail is endorsed by the USPS with the reason for nondelivery as shown in Exhibit 4.1.

**Official Mail**  
4.2 Official mail is treated the same as mail for the general public. All fees and services must be paid or collected on delivery of mail or address correction notices.

**Mailer Endorsement**  
4.3 A mailer endorsement is used to request forwarding, return, or address correction service. This endorsement (and other marking) must be prepared under M012. The endorsements authorized for each class of mail and the required wording are listed in the charts according to class of mail.

**Order**  
4.4 The information in these charts is associated with a customer's change-of-address order. Information on temporary changes of address is not provided.

**Special Services**  
4.5 Mail with special services is treated as follows:

- a. Undeliverable-as-addressed certified mail is treated as First-Class Mail.
- b. All insured First-Class Mail is forwarded and returned free of charge. A sender who insures an article at any Standard Mail rate guarantees to pay forwarding and return postage charges, unless the article is otherwise endorsed.
- c. Parcels undeliverable as originally addressed and forwarded to the addressee at a new address receive special handling service without an additional special handling fee. Additional postage for Standard Mail (B) matter is collected on delivery as permitted in 5.4.
- d. Undeliverable-as-addressed return receipt for merchandise mail receives the treatment appropriate for the class of mail of the host piece.

**USPS Endorsements  
for Mail Undeliverable  
as Addressed**  
[04-24-99]  
Exhibit 4.1

Endorsement	Reason for Nondelivery
Attempted—Not Known	Delivery attempted, addressee not known at place of address.
* Box Closed—No Order	Post office box closed for nonpayment of rent.
Deceased	Used only when known that addressee is deceased and mail is not properly deliverable to another person. This endorsement must be made personally by delivery employee and under no circumstance may it be rubber-stamped. Mail addressed in care of another is marked to show which person is deceased.
Delivery Suspended to Commercial Mail Receiving Agency	Failure to comply with D042.2.5 through D042.2.7.
* Illegible	Address not readable.
* In Dispute	Mail returned to sender by order of chief field counsel (or under D042) because of dispute about right to delivery of mail and cannot be determined which disputing party has better right to mail.
* Insufficient Address	Mail from another post office without number, street, box number, route number, or geographical section of city or city and state omitted and correct address not known.
Moved, Left No Address	Addressee moved and filed no change-of-address order.
* No Mail Receptacle	Addressee failed to provide a receptacle for receipt of mail.
* No Such Number	Addressed to nonexistent number and correct number not known.
* No Such Office in State	Addressed to nonexistent post office.
* No Such Street	Addressed to nonexistent street and correct street not known.
Not Deliverable as Addressed—Unable to Forward	Mail undeliverable at address given; no change-of-address order on file; forwarding order expired; forwarding postage not guaranteed by sender or addressee; or mail endorsed with sender's instructions "DO NOT FORWARD."
* Outside Delivery Limits	Addressed to location outside delivery limits of post office of address. Hold mail for out-of-bounds customers in general delivery for specified period unless addressee filed order.
* Refused	Addressee refused to accept mail or pay postage charges on it.
* Returned for Better Address	Mail of local origin incompletely addressed for distribution or delivery.
Returned for Postage	Mail without postage or indication that postage fell off.
* Returned to Sender Due to Addressee's Violation of Postal False Representation and Lottery Law	Mail returned to sender under false representation order and lottery order.
* Returned to Sender Due to Addressee's Violation of Postal False Representation Law	Mail returned to sender under false representation order.
* Returned to Sender Due to Addressee's Violation of Postal Lottery Law	Mail returned to sender under lottery order.
* Temporarily Away	Addressee temporarily away and period for holding mail expired.
* Unclaimed	Addressee abandoned or failed to call for mail.
* Vacant	House, apartment, office, or building not occupied. (Use only if mail addressed "Occupant.")
* When an alternative address format is used on Periodicals, the publisher is notified of nondelivery only for those reasons marked with an asterisk (*). The exceptional address format may not be used on: Express Mail; mail sent registered, certified, insured, or COD; or mail sent with an address correction service endorsement or any other type of endorsement.	

## 5.0 CLASS TREATMENT FOR ANCILLARY SERVICES

### Priority Mail and First-Class Mail 5.1

Undeliverable Priority Mail and First-Class Mail (including stamped cards and postcards) are treated as described in the chart below. During months 13 through 18, pieces are returned to the sender with an on-piece address



correction at no charge. Forwarding address information is not provided for mail with the exceptional address format. The Priority Mail portion of a Priority Mail drop shipment receives the forwarding, return, and address correction services described in this chart. The mail enclosed in a Priority Mail drop shipment receives the services appropriate for its class. First-Class Mail and Priority Mail that bear Standard Mail (A) markings and endorsements as permitted in E620 and P100 receive forwarding, return, and address correction services for Standard Mail (A) under 5.3.

Mailer Endorsement	USPS Action on UAA Pieces
"Address Service Requested" <sup>a</sup>	<p><b>Months 1 through 12:</b> piece forwarded; no charge; separate notice of new address provided; address correction fee charged.</p> <p><b>Months 13 through 18:</b> piece returned with new address attached; no charge.</p> <p><b>After month 18, or if undeliverable:</b> piece returned with reason for nondelivery attached; no charge.</p>
"Forwarding Service Requested"	<p><b>Months 1 through 12:</b> piece forwarded; no charge.</p> <p><b>Months 13 through 18:</b> piece returned with new address attached; no charge.</p> <p><b>After month 18, or if undeliverable:</b> piece returned with reason for nondelivery attached; no charge.</p>
"Return Service Requested"	Piece returned with new address or reason for nondelivery attached; no charge.
"Change Service Requested"	<p>Separate notice of new address or reason for nondelivery provided; in either case, address correction fee charged; piece disposed of by USPS.</p> <p>Use of this endorsement is limited to mail participating in electronic Address Change Service (ACS). It may be used only for: 1) pieces mailed at First-Class rates (excluding live animals) that bear the proper ACS codes, and 2) mailpieces mailed at Priority Mail rates that contain perishable matter (excluding live animals), bear the proper ACS codes, and that bear the endorsement "Perishable."</p> <p>This endorsement is not available for mail with special services (e.g., certified or registered mail) or for Priority Mail containing non-perishable matter, or for any mail that contains live animals.</p>
"Temp—Return Service Requested"	Piece returned with new address or reason for nondelivery attached; no charge. If temporary change of address, piece forwarded; no charge. No separate notice of new temporary change-of-address provided.
No endorsement	Same as USPS action for "Forwarding Service Requested."

a. Valid for all pieces, including Address Change Service (ACS) participating pieces.

## Periodicals

### 5.2

Undeliverable Periodicals publications (including publications pending Periodicals authorization) are treated as described in the chart below and under these conditions:

- When a change of address is filed, copies of Periodicals publications bearing the old address are forwarded to the new address even if the copies show the sender's request for return.
- Address correction service is mandatory for all Periodicals publications, and the address correction service fee must be paid for each notice issued.

- c. Address correction service (including Address Change Service (ACS)) is provided for the first issue after 60 days for all publications, unless copies are to be returned at the publisher's request. ACS participants may receive the change notice before day 60, if so requested. Copies received after the address correction notice is mailed are disposed of by the USPS. When copies of the publication cannot be forwarded, the address correction notice is prepared for the first undeliverable issue of the publication received. Forms 3579 are mailed to publishers at least once a week.
- d. Publications with an exceptional form of address are delivered to the address when possible; they are not forwarded. A notice with the reason for the nondelivery of a publication is sent to the publisher only if the copy cannot be delivered to the current address.
- e. The publisher may request the return of copies of undelivered Periodicals publications by printing the endorsement "Address Service Requested" on the envelopes or wrappers, or on one of the outside covers of unwrapped copies, immediately preceded by the sender's name, address, and ZIP+4 or 5-digit ZIP Code. The per piece rate charged for return is the appropriate single-piece First-Class Mail or Priority Mail rate as applicable for the weight of the piece. When the address correction is provided incidental to the return of the piece, there is no charge for the correction. This endorsement obligates the publisher to pay return postage.
- f. A publisher of Periodicals publications may request a refund of the fees paid for duplicate address correction notices on Forms 3579 provided by the USPS if the customer submitted a change-of-address order and the first and duplicate notices are provided on magnetic tape by ACS or on hard copy by a Computerized Forwarding System (CFS) unit. The refund request must be supported by documentation showing the number of duplicate notices received. The USPS does not process refunds for duplicate notices if:
  - (1) The customer did not submit a change-of-address order.
  - (2) The original and duplicate notices are not provided both by ACS or both by CFS.
  - (3) The publisher does not submit documentation to support the refund amount.
- g. Periodicals matter is forwarded only to domestic addresses.

Mailer Endorsement	USPS Action on UAA Pieces
"Address Service Requested"	<b>First 60 days:</b> piece forwarded; no charge. <b>After 60-day period, or if undeliverable:</b> piece returned with address correction or reason for nondelivery attached; single-piece First-Class or Priority Mail rate as applicable for weight of piece charged.
"Forwarding Service Requested"	Not available for Periodicals.
"Return Service Requested"	Not available for Periodicals.
"Change Service Requested"	Not available for Periodicals.
No endorsement <sup>1</sup>	<b>First 60 days:</b> piece forwarded; no charge. <b>After 60-day period, or if undeliverable:</b> separate address correction or reason for nondelivery provided; address correction fee charged; piece disposed of by USPS.

a. Valid for all pieces, including Address Change Service (ACS) participating pieces.

#### Standard Mail (A) 5.3

Undeliverable Standard Mail (A) is treated as described in the chart below and under these conditions:

- a. Mail that qualifies for a single-piece Special Standard or Library Mail Standard Mail (B) rate under the applicable standards is forwarded and returned at that rate, if the mailer's endorsement includes the name of the applicable Standard Mail (B) rate.
- b. Mail that qualifies for Shipper Paid Forwarding (F020) under the applicable standards is forwarded at and (if necessary) returned at the single-piece First-Class or Priority Mail rate as applicable for the weight of the piece.
- c. If a piece or any attachment is not opened by the addressee and the mailer has guaranteed forwarding and return postage, the addressee may refuse delivery of the mail and have it returned to the mailer without affixing additional postage. If a piece or any attachment is opened by the addressee, the addressee must pay the required postage to return the mail to the sender.
- d. Address correction service is not provided for mail with the exceptional address format.
- e. When a large volume of identical-weight pieces originates from a single mailer and is endorsed "Return Service Requested," the USPS may use the weight of a sample of at least 25 pieces and divide that weight by the number of pieces in the sample. After the average per piece weight is determined, the pieces are weighed in bulk to determine the number of pieces subject to the single-piece rate for return. Pieces of identical weight counted in this manner, regardless of weight, are returned to the sender with the new address or the reason for nondelivery endorsed on the piece.
- f. The weighted fee is the appropriate single-piece First-Class or Priority Mail rate, as applicable for the weight of the piece, multiplied by 2.472 and rounded up to the next whole cent (if the computation yields a fraction of a cent). The weighted fee is computed (and rounded if necessary) for each piece individually. Neither the applicable postage, the factor, nor any necessary rounding is applied cumulatively to multiple pieces. The fee is charged when an unforwardable or undeliverable piece is returned to the sender and the piece is endorsed "Address Service Requested" or "Forwarding Service Requested." These endorsements obligate the sender to pay the weighted fee on all returned pieces.
- g. Mail that qualifies for Bulk Parcel Return Service (BPRS) under the applicable standards in S924 is returned at the BPRS per piece fee if the mailer uses one of the endorsements that includes "— BPRS."

Mailer Endorsement	USPS Action on UAA Pieces
"Return Service Requested — BPRS"	Piece returned with new address or reason for nondelivery attached; only the Bulk Parcel Return Service fee charged (address correction fee not charged).
"Address Service Requested — BPRS"	<p><b>Months 1 through 12:</b> piece forwarded; no charge to addressee; separate ACS notice of new address provided; ACS address correction fee and postage at single-piece First-Class or Priority Mail rate as applicable for weight of piece charged via ACS participant code.</p> <p><b>Months 13 through 18:</b> piece returned with new address attached; only the Bulk Parcel Return Service fee charged (address correction fee not charged).</p> <p><b>After month 18, or if undeliverable:</b> piece returned with reason for nondelivery attached; only Bulk Parcel Return Service fee charged (address correction fee not charged).</p>

h. Standard Mail (A) is forwarded only to domestic addresses.

Mailer Endorsement	USPS Action on UAA Pieces
<b>"Address Service Requested"</b> <sup>a</sup>	<p><b>Months 1 through 12:</b> piece forwarded; no charge; separate notice of new address provided; address correction fee charged.</p> <p><b>Months 13 through 18:</b> piece returned with new address attached; only weighted fee charged (address correction fee not charged).</p> <p><b>After month 18, or if undeliverable:</b> piece returned with reason for nondelivery attached; only weighted fee charged (address correction fee not charged).</p>
<b>"Forwarding Service Requested"</b>	<p><b>Months 1 through 12:</b> piece forwarded; no charge.</p> <p><b>Months 13 through 18:</b> piece returned with new address attached; only weighted fee charged (address correction fee not charged).</p> <p><b>After month 18, or if undeliverable:</b> piece returned with reason for nondelivery attached; only weighted fee charged (address correction fee not charged).</p>
<b>"Return Service Requested"</b>	Piece returned with new address or reason for nondelivery attached; only return postage at single-piece First-Class or Priority Mail rate as applicable for weight of piece charged (address correction fee not charged).
<b>"Change Service Requested"</b> <sup>a</sup>	Separate notice of new address or reason for nondelivery provided; in either case, address correction fee charged; piece disposed of by USPS.
No endorsement	Piece disposed of by USPS.

a. Valid for all pieces, including Address Change Service (ACS) participating pieces.

#### Standard Mail (B) 5.4

Undeliverable Standard Mail (B) is treated as described in the chart below and under these conditions:

- Forwarding address information is not provided for mail with an exceptional address format.
- If the piece or any attachment is not opened by the addressee, the addressee may refuse delivery of the mail and have it returned to the sender without forwarding or return postage and still have other Standard Mail (B) forwarded. If a piece or any attachment is opened by the addressee, it may not be refused and additional postage is required for remailing. If the addressee does not want to pay forwarding postage for all Standard Mail (B), the addressee must request the postmaster of the new address to use Form 3546 to notify the postmaster of the old address to discontinue the forwarding of Standard Mail (B).
- The appropriate single-piece rates and conditions apply to the forwarding and return of Standard Mail (B) items mailed at single-piece and presorted rates.
- Standard Mail (B) bearing a postage meter stamp from a customer meter that is unaddressed and without a return address (undeliverable) is returned to the post office of mailing. The reason for nondelivery is attached without charging the address correction fee. The piece is returned to the meter licensee on payment of the return postage.

e. Standard Mail (B) is forwarded only to domestic addresses.

Mailer Endorsement	USPS Action on UAA Pieces
"Address Service Requested" <sup>a</sup>	<p><b>Months 1 through 12:</b> piece forwarded locally at no charge; forwarded out of town as postage due; separate notice of new address provided; address correction fee charged.</p> <p><b>Months 13 through 18:</b> piece returned with new address attached; only return postage at appropriate single-piece rate charged (address correction fee not charged).</p> <p><b>After month 18, or if undeliverable, or addressee refused to pay postage due:</b> piece returned with reason for nondelivery attached; only forwarding (where attempted) and return postage at appropriate single-piece rate charged (address correction fee not charged).</p>
"Forwarding Service Requested"	<p><b>Months 1 through 12:</b> piece forwarded locally at no charge; forwarded out of town as postage due.</p> <p><b>Months 13 through 18:</b> piece returned with new address attached; only return postage at appropriate single-piece rate charged (address correction fee not charged).</p> <p><b>After month 18, or if undeliverable, or addressee refused to pay postage due:</b> piece returned with reason for nondelivery attached; only forwarding (where attempted) and return postage at appropriate single-piece rate charged (address correction fee not charged).</p>
"Return Service Requested"	Piece returned with new address or reason for nondelivery attached; only return postage at appropriate single-piece rate charged (address correction fee not charged).
"Change Service Requested" <sup>a1</sup>	Separate notice of new address or reason for nondelivery provided; in either case, address correction fee charged; piece disposed of by USPS
No endorsement	Same as USPS action for "Forwarding Service Requested."

a. Valid for all pieces, including Address Change Service (ACS) participating pieces.

### Express Mail 5.5

Undeliverable Express Mail is treated as described in the chart below and under the conditions in 5.5a through 5.5d. During months 13 through 18, pieces are returned to the sender with an on-piece address correction at no charge.

- Directory service is provided for Express Mail that cannot be delivered because of an incorrect or incomplete address.
- The Express Mail portion of an Express Mail drop shipment receives the forwarding, return, and address correction services described in the chart below. The enclosed mail receives the services appropriate for its class.
- Undeliverable and unclaimed Express Mail, for which the sender has not provided instructions, is held by the USPS for 5 workdays unless the article is refused or the sender has specified that the article be held longer (not to exceed 30 days).

- d. Undeliverable Express Mail that is not held under 5.5c or that is unclaimed after 5 workdays is returned to the sender at no additional postage. (The sender may place an instruction in the return address directing the return of undeliverable items after fewer than 5 workdays.)

Mailer Endorsement	USPS Action on UAA Pieces
"Address Service Requested"	<p><b>Months 1 through 12:</b> piece forwarded; no charge; separate notice of new address provided; address correction fee charged.</p> <p><b>Months 13 through 18:</b> piece returned with new address attached; no charge.</p> <p><b>After month 18, or if undeliverable:</b> piece returned with reason for nondelivery attached; no charge.</p>
"Forwarding Service Requested"	<p><b>Months 1 through 12:</b> piece forwarded; no charge.</p> <p><b>Months 13 through 18:</b> piece returned with new address attached; no charge.</p> <p><b>After month 18, or if undeliverable:</b> piece returned with reason for nondelivery attached; no charge.</p>
"Return Service Requested"	Piece returned with new address or reason for nondelivery attached; no charge.
"Change Service Requested"	Not available for Express Mail.
No endorsement	Same as USPS action for "Forwarding Service Requested."

## 6.0 ENCLOSURES AND ATTACHMENTS

### Periodicals

6.1

Undeliverable Periodicals publications (including publications pending Periodicals authorization) with a nonincidental First-Class Mail attachment or enclosure are returned at the single-piece First-Class Mail or Priority Mail rate as applicable for the weight of the piece. The weight of the attachment or enclosure is not included when computing the charges for return of the mailpiece. Undeliverable Periodicals publications (including publications pending Periodicals authorization) with an incidental First-Class Mail attachment or enclosure are treated as dead mail unless endorsed "Address Service Requested."

### Standard Mail (A)

6.2

Undeliverable, unendorsed Standard Mail (A) with a nonincidental First-Class Mail attachment or enclosure is returned at the single-piece First-Class Mail or Priority Mail rate as applicable for the weight of the piece. The weight of the First-Class Mail attachment or enclosure is not included when computing the charges for return of the mailpiece. Undeliverable, unendorsed Standard Mail (A) with an incidental First-Class Mail attachment or enclosure is treated as dead mail.

### Standard Mail (B)

6.3

Undeliverable, unendorsed Standard Mail (B) with a nonincidental First-Class Mail attachment or enclosure is either forwarded or returned at the single-piece Standard Mail (B) rate. The weight of the First-Class attachment or enclosure is not included when computing the charges for return of the mailpiece. Undeliverable, unendorsed Standard Mail (B) with incidental First-Class attachments or enclosures is returned at the single-piece Standard Mail (B) rate.

**7.0 MIXED CLASSES****Combination With First-Class**

7.1

Combination mailings of First-Class Mail with Standard Mail are provided the forwarding and return service of Standard Mail, as appropriate:

- a. An undeliverable combination mailpiece, including a piece that cannot be forwarded, one part of which is First-Class Mail (other than an incidental First-Class attachment or enclosure), must be returned to the sender, subject to the charge for return according to its class. The weight of the First-Class piece is not included when computing the charge for return of the Periodicals or Standard Mail part.
- b. Items with incidental First-Class enclosures or attachments are returned according to the class of the host piece.
- c. An undeliverable combination mailpiece *that is not returnable to the sender*, of which one part is First-Class Mail, is given the treatment that applies to the class of the other part.

**Other Combinations**

7.2

Pieces of Periodicals or Standard Mail with other classes of mail attached or enclosed (other than incidental First-Class attachments or enclosures) must be forwarded as specified for the host piece by the applicable standards. Neither the enclosures nor the host piece are provided the forwarding service of First-Class Mail.

**Host Piece**

7.3

Any undeliverable combination mailpiece that does not include First-Class matter is given the treatment applicable to the host piece.

**Parcel**

7.4

A combination parcel containing Special Standard Mail and Bound Printed Matter is charged postage at the Parcel Post zone rate when forwarded or returned.

**8.0 DEAD MAIL****Basic Information**

8.1

Dead mail is matter deposited in the mail that is or becomes undeliverable and cannot be returned to the sender from the last office of address. Every reasonable effort is made to match articles found loose in the mail with the envelope or wrapper from which lost and to return or forward the articles.

- a. Nonmail matter (e.g., wallets and bank deposits) found in collection boxes or at other points within USPS jurisdiction is returned postage due at the single-piece First-Class Mail or Priority Mail rate for keys and identification devices that is applicable based on the weight of the matter.
- b. Undeliverable, unendorsed Standard Mail (A), printed matter, circulars, newspapers, magazines, and other publications, and unidentified articles that have no value are disposed of as waste.
- c. Undeliverable articles of \$10 or more in value are treated as dead mail.
- d. Dead letters are opened at mail recovery centers to determine the name and address of the addressee or sender to permit delivery or return.
- e. Except for unendorsed Standard Mail (A), all undeliverable Standard Mail, and insured First-Class Mail containing Standard Mail enclosures, that cannot be returned because of an incorrect, incomplete, illegible, or missing return address is opened and examined to identify the sender or addressee.

- f. Dead parcels are opened at mail recovery centers to determine name and address of the addressee or sender to permit delivery or return. Dead parcels returned to the sender or delivered to the addressee are rated postage due at the zone rate from the dead parcel branch. If parcels are endorsed to show that they are USPS property, or that the sender refused to pay postage due on return as undelivered, the parcels are considered USPS property.

**Books and Sound  
Recordings**

8.2

Books and sound recordings are disposed of by the USPS under 8.1 and 8.3, unless the publisher or distributor requests that books and sound recordings bearing specific trade names, company names, or other organizational identifications be released to the requester or its representative. The requester must submit a written application to the Manager, Policy and Program Development, Office of Consumer Advocate, USPS Headquarters. The application must state that the requester is the publisher or distributor of the books and sound recordings listed. The request may specify only one location where the books and sound recordings are to be picked up. If the request is approved, instructions and conditions for release are established. The approval stays in effect for 5 years or until canceled in writing by the requester or the USPS.

**USPS Policy and  
Procedures**

8.3

The *Postal Operations Manual* contains USPS policy and procedures for handling and disposing of dead mail (including through sale at auction or by donation to institutions).





F000 Basic Services

**F020 Forwarding****1.0 CHANGE-OF-ADDRESS ORDER**

**Normal Time Limit**  
1.1 Records of permanent change-of-address orders are kept by city delivery post offices for 18 months, for forwarding and for address correction purposes, from the end of the month when the change takes effect. A record of change-of-address orders from general delivery to a permanent local address without time limit is kept 6 months. A record of change-of-address orders to other than a permanent local address is kept 30 days.

**Time Limit Extension**  
1.2 When a customer notifies the post office of a permanent change in mailing address or the USPS changes a customer's mailing address, the postmaster may extend the forwarding period for 1 additional year if mail is regularly received addressed to the old address. To qualify for this extension, the customer must show that a financial hardship will ensue if extended forwarding is not granted. The customer must also show that reasonable effort is being made to notify correspondents of the new address.

**Temporary Forwarding**  
1.3 A customer temporarily moving away may have mail forwarded for a specific time, but not to exceed 12 months. The customer must show beginning and ending dates in the change-of-address order.

**Individual at Business Address**  
1.4 A customer may inform the post office of a change of address by using Form 3575, Form 3575-WWW, or other written or personal notice. A change of address may not be filed with the USPS for an individual's mail addressed to an organization, or to the individual at his or her place of employment, business, or other affiliation either during or after the termination of the employment, business, or other relationship. The organization may change the address (but not the name) on mail to redirect it to such individuals; obliteration of any barcode on the piece prevents missorting on automated equipment.

**2.0 FORWARDABLE MAIL**

**Classes**  
2.1 Forwarding is available for all classes of mail, subject to the corresponding conditions described in F010.

**Reforwarding**  
2.2 The address (but not the name) may be changed and the mail reforwarded as many times as necessary to reach the addressee.

**Discontinued Post Office**  
2.3 All Express Mail, First-Class Mail, Periodicals, and Standard Mail (B) addressed to a discontinued post office may be forwarded without added charge to a post office that the addressee designates as more convenient than the office to which the USPS ordered the mail sent.

**Rural Delivery**  
2.4 When rural delivery service is established or changed, a customer of any office receiving mail from the rural carrier of another office may have all Express Mail, First-Class Mail, Periodicals, and Standard Mail (B) forwarded to the latter office for delivery by the rural carrier without added charge, if the customer files a written request with the postmaster at the former office.

**Converted Service**  
2.5 Mail addressed to post office, rural, or highway contract route boxholders is delivered to customers residing in the affected area until June 30 following

establishment of, or conversion to, city delivery service or for 90 days, whichever is later.

**Mail for Military Personnel**  
2.6 All Express Mail, First-Class Mail, Periodicals, and Standard Mail (B) addressed to persons in the U.S. Armed Forces (including civilian employees) serving where U.S. mail service operates is forwarded at no added charge when the change of address is caused by official orders. This free forwarding also applies to mail for household members whose change of address is caused by official orders to persons serving in or who are civilian employees of the U.S. Armed Forces. If the official permanent change of station order is to an overseas APO/FPO address, military authorities forward mail between the United States and those addresses; forwarding is limited to 60 days.

**Mail Addressed to CMRA Customers**  
2.7 [04-24-99] Mail addressed to an addressee at commercial mail receiving agency (CMRA) is not forwarded through the USPS. The CMRA customer may make special arrangements for the CMRA operator to re-mail the mail with payment of new postage. A CMRA must accept and re-mail mail to former customers for at least 6 months after termination of the agency relationship. After the 6-month period, the CMRA may refuse mail addressed to a former customer.

### 3.0 POSTAGE FOR FORWARDING

**Origin**  
3.1 Forwarding postage is computed by using the forwarding office as the origin office.

**Express Mail**  
3.2 Express Mail is forwarded without charge.

**First-Class Mail**  
3.3 First-Class Mail (including postcards and stamped cards) and Priority Mail are forwarded without charge when postage is fully prepaid by the sender.

**Periodicals**  
3.4 Periodicals publications (including publications pending Periodicals authorization) are forwarded without charge for 60 days when postage is fully prepaid by the sender.

**Standard Mail (A)**  
3.5 Generally, Standard Mail (A) is subject to collection of additional postage from the mailer when forwarding service is provided by charging the Standard Mail (A) weighted fee on all returns. Shipper Paid Forwarding, used in conjunction with Address Change Service (F030), provides mailers of Standard Mail (A) machinable parcels an option of paying forwarding postage at the single-piece First-Class or Priority Mail rate as applicable for the weight of the piece. Mail that qualifies for Bulk Parcel Return Service (BPRS) is returned at the BPRS per piece charge if the mailer uses one of the ancillary service endorsements that specifies BPRS (e.g., "Return Service Requested—BPRS").

**Standard Mail (B)**  
3.6 Standard Mail (B) is subject to the collection of additional postage at the applicable rate for nonlocal forwarding. Unless endorsed "Change Service Requested," all Standard Mail (B) is delivered as directed without additional postage charge when the old and new addresses are served by the same post office. The addressee may refuse any piece of Standard Mail (B) that has been forwarded. This refusal does not revoke the right to have other Standard Mail (B) forwarded. If the addressee does not want to pay forwarding postage for all Standard Mail (B), the addressee must ask the postmaster of the new address to use Form 3546 to notify the postmaster of the old address to discontinue the forwarding of Standard Mail (B).

**Special Services**

3.7

Certified, collect on delivery (COD), insured, registered, and special handling mail is forwarded without additional special service fees, subject to the applicable postage charge (to a domestic address only).

020



F000 Basic Services

## F030 Address Correction, Address Change, *FASTforward*, and Return Services

030

### 1.0 ADDRESS CORRECTION SERVICE

**Purpose**  
1.1 If mail cannot be delivered as addressed, address correction service allows the sender on request, using the appropriate ancillary service endorsement under F010, to obtain the addressee's new (forwarding) address (if the addressee filed a change-of-address order with the USPS) or the reason for nondelivery. Address correction service is available alone or in combination with forwarding and return service.

**Invalid Endorsement**  
1.2 Any obsolete ancillary service endorsement or similar sender endorsement not shown in F010 is considered invalid for address correction service. A mailpiece bearing an invalid endorsement is handled as follows:

- a. If forwarding is implied, "Address Service Requested" is provided.
- b. If forwarding is not implied, "Return Service Requested" is provided.

**Periodicals**  
1.3 Address correction service is provided automatically for 60 days after the effective date of the addressee's change of address for all Periodicals publications (including publications pending Periodicals authorization). Address corrections are available either on-piece or, at the mailer's request, on separate notices for a fee.

**Other Classes**  
1.4 When possible, "on-piece" address correction is provided for First-Class Mail, Express Mail, Priority Mail, and Standard Mail. If the piece cannot be forwarded, it is returned with the address information or reason for nondelivery attached. Generally, when separate corrections are necessary, Form 3547 is returned to the sender with the address correction fee charged and the mail is forwarded. This service is not available for Express Mail, First-Class Mail, or Standard Mail addressed for delivery to the addressee by military personnel at any military installation, including APOs and FPOs.

**Fee and Return Postage**  
1.5 Unless excepted, the applicable fee for address correction service is charged for each separate notification of address correction or the reason for nondelivery. When "on-piece" address correction is provided, no address correction fee is charged but return postage can be charged, depending on mail class.

### 2.0 ADDRESS CHANGE SERVICE (ACS)

**Description**  
2.1 Address Change Service (ACS) centralizes, automates, and improves the processing of address correction requests for mailers. ACS involves transmitting address correction information to a central point where the changes are consolidated electronically by unique publication or mailer identifier. These records are sequentially organized by USPS-assigned codes and distributed to each participating mailer. ACS can also be used to pay forwarding postage on most Standard Mail pieces using Shipper Paid Forwarding under 2.5.

**Availability**  
2.2 Where mail is marked with ACS symbols under M013, ACS is available to mailers who keep their address records on computers and whose mail bears the correct endorsement to obtain address correction. ACS is available monthly, weekly, or more frequently, depending on the mailer's requirements and ACS volume.

Because ACS is associated with USPS computerized forwarding operations, the service is not available at all post offices. For information, write to the National Customer Support Center (see G043 for address).

**Periodicals**  
2.3 Address correction by ACS is provided automatically for 60 days after the effective date of the addressee's change of address for participating Periodicals publications (including publications pending Periodicals authorization).

**Fee**  
2.4 Unless excepted, the applicable fee for address correction is charged for each separate notification of address correction or the reason for nondelivery provided.

**Shipper Paid Forwarding**  
2.5 Shipper Paid Forwarding (SPF) is an ACS fulfillment vehicle. It allows mailers of Standard Mail (A) machinable parcels and most Standard Mail (B) to pay forwarding charges via approved ACS participant code(s). For information, write to the National Customer Support Center (see G043 for address).

### 3.0 **FASTforward<sup>SM</sup>**

**Purpose**  
3.1 *FASTforward<sup>SM</sup>* is an automated system that interfaces with addressing and automation systems, such as computer-based mailing list correction processes, multiline optical character reader (MLOCR), or remote video encoding (RVE) technologies, to identify names and addresses for which current change-of-address orders are on file with the USPS. The *FASTforward* Mailing List Correction application updates name and address mailing lists before pieces are prepared for mailing. Approved *FASTforward* MLOCR and RVE systems print an on-piece address correction (text and delivery point barcode of the new address) for identified pieces before entry in the mailstream. Technical and licensing information is available from the National Customer Support Center (see G043 for address).

**Addressing**  
3.2 When MLOCR and/or video image technologies are used with *FASTforward*, all name lines and lines of the delivery address as defined in A010 on each mailpiece must have a uniform left margin and be entirely within the OCR read area defined in C830. The term name lines includes recipient's name, firm name, and building name. An optional information line (e.g., keyline or optional endorsement line) is permitted if placed above the top line of the address block. Any alternative format under A040 is not permitted.

**Barcoding**  
3.3 When MLOCR and/or video image technologies are used with *FASTforward*, each mailpiece must have a barcode clear zone in the lower right corner, free of any printing and barcode, that meets the standards in C840. An envelope that contains a window that intrudes into the barcode clear zone is not eligible for *FASTforward*. If a *FASTforward* match is made, a new barcode representing the new address is printed in the barcode clear zone and, for mail processing, takes precedence over the old barcode (and address) in the address block. The new barcode must meet the barcoding standards in C840.

### 4.0 **SENDER INSTRUCTION**

**Mail Not Forwarded**  
4.1 The following types of mail are not forwarded:

- a. Mail addressed to "Occupant" or "Postal Customer."
- b. Mail with exceptional address format.
- c. Mail showing specific instructions of the sender (e.g., "Return Service Requested" or "Change Service Requested").

- d. Perishable items not marked to abandon that cannot be delivered before spoiling, or day-old poultry that cannot be delivered within 72 hours after hatching. These items are returned to the sender immediately, if the return can be made before spoilage or within the 72-hour period.

**Special Services**

4.2

A change-of-address order covers certified, collect on delivery (COD), insured, registered, and return receipt for merchandise mail unless the sender gives other instructions or the addressee moves outside the United States. This mail is treated as follows:

- a. COD mail is not forwarded to overseas military post offices.
- b. Ordinary, insured, and COD parcels marked on the envelope or wrapper with the mailer's instructions to abandon or sell perishable items are treated following the instructions, such as:
  - (1) "Do not forward or return. If not accepted within \_\_\_\_\_ days, treat as abandoned. Notify mailer of disposition."
  - (2) "Do not forward or return. If undelivered after \_\_\_\_\_ days, sell contents to highest bidder and remit proceeds, less commission, to mailer." (A commission of 10%, but not less than \$0.25, is kept by the USPS from the amount for which perishable items are sold.)
- c. When the mailer so requests, Form 3849-D is sent to the mailer. The mailer then may designate a new addressee or alter the amount of COD charges by submitting a written request to the postmaster and paying the proper fee. The USPS returns the article to the mailer after the holding period if no response is received. The postage charge, if any, is collected from the mailer for returning the mail (but not registration or COD fees). When COD mail is addressed to a person who moved and left no forwarding address, Form 3849-D is not sent, and the mail is returned to the mailer.
- d. Insured Standard Mail (A) without any other endorsement is treated as though endorsed "Forwarding Service Requested." The USPS forwards the mail and, if still undeliverable as addressed, returns it to the sender with the new address or reason for nondelivery attached.
- e. Insured Standard Mail (B) without any other endorsement is forwarded at no charge locally and postage due nonlocally. (For forwarding, local means within the same post office.) If the mailpiece is undeliverable, the USPS returns it to the sender with the new address or the reason for nondelivery. The sender is charged for the return of the piece only and the attempted forwarding, when appropriate.
- f. The USPS holds undeliverable certified, insured, registered, and return receipt for merchandise mail for no fewer than 3 days nor more than 15 days (unless the sender specifies fewer).
- g. The USPS holds undeliverable collect on delivery (COD) mail for no fewer than 3 nor more than 30 days (unless the sender specifies fewer).

**Express Mail Pouch**

4.3

The USPS opens an undeliverable-as-addressed Express Mail pouch to find a delivery address on any envelope or article inside. The USPS does not open the wrappers or envelopes or break the seals of any Express Mail article in the pouch. If no address information is found, the pouch is treated as dead mail. Express Mail is held no more than 5 workdays unless the sender sets a shorter period.

**Holding Mail**

4.4

At the sender's request, the delivery post office holds mail, other than registered, insured, certified, COD, and return receipt for merchandise, for no fewer than 3 days nor more than 30 days. A specific retention time of not less than 3 nor more



than 30 days, if requested, must be included by the sender in the return address on the mailpiece (e.g., "Return in 30 days to" followed by sender's return address).

## 5.0 RETURNING MAIL

**Nonmailable** Nonmailable matter is returned to the sender immediately.

5.1

**Refused Mail** Returnable mail is returned if refused by the addressee.

5.2

**Express Mail, Priority Mail, First-Class Mail** Undeliverable-as-addressed mailpieces sent as Express Mail, Priority Mail, and First-Class Mail that cannot be forwarded or delivered as addressed are returned when possible to the sender at no additional charge. Mail of all other classes is returned to the sender if appropriately endorsed to guarantee return postage.

5.3

**Exception:** Excluding pieces containing live animals, ACS pieces mailed at Priority Mail rates that are marked "Perishable" and ACS pieces mailed at First-Class Mail rates that are endorsed "Change Service Requested" and that cannot be forwarded or delivered as addressed are disposed of by the USPS.

**Other Classes** Other returnable mail is treated as appropriate for the class of mail and the sender's instructions except as noted below.

5.4

**Special Services** If a return receipt is attached to a certified, collect on delivery (COD), numbered insured, registered, return receipt for merchandise, or Express Mail piece to be returned, the reason for nondelivery is shown on the face of the piece. The receipt stays attached to the piece and is returned to the sender. Registered mail is returned through the registry system. The sender must sign a delivery receipt for returned Express Mail and for certified, COD, numbered insured, registered, and return receipt for merchandise mail.

5.5

**No Sender Instructions** Mail without a specific address or instructions from the sender is held:

5.6

- a. For 5 days if for delivery by rural or highway contract route carrier.
- b. For 10 days if for general delivery at an office with city carrier service. If the addressee notifies the postmaster of a delay in claiming the mail, the postmaster may hold such mail up to 30 days.
- c. For 15 days if for general delivery at an office without city carrier service.

**Post Office Box** Deliverable mail addressed to a post office box is not returned until after the box is declared vacant, except for certified, collect on delivery (COD), insured, registered, postage due, and perishable mail.

5.7

**Franked Mail** Unclaimed franked mail from a Member of Congress and unclaimed official mail are returned to the origin post office (if known) or the Washington, DC, Post Office.

5.8

## **APPENDIX C**

---

*Glossary of Postal Terms*

## GLOSSARY OF RELEVANT POSTAL SERVICE TERMS

**Accountable Mail** - Mail that requires a signature upon receipt, such as certified, insured, or registered.

**Accounting Period (A/P)** - A four-week period beginning on a Saturday which separates the fiscal year into thirteen divisions.

**Address** - A complete mailing address is one that contains all address elements necessary to allow an exact match with the USPS ZIP+4 file to obtain the finest level of ZIP+4 code for the point of delivery.

**Address Change Service (ACS)** - An automated process to provide change-of-address information for all classes of mail. The change information is captured in the Computerized Forwarding System units and electronically sent to mailers, eliminating manual processing of change information.

**Address Correction** - If mail cannot be delivered as addressed, address correction service allows the mailer to obtain the addressee's new (forwarding) address (if the addressee filed a change-of-address order with the USPS), or the reason for nondelivery. The sender can request this service via a mailer endorsement on the mail piece.

**Address Element Correction (AEC)** - Service to improve the quality of mailers' address lists. Addresses are compared against several different address lists and unmatched addresses are sent to the delivery unit where corrections are made by the letter carrier.

**Address Management System (AMS)** - Integrated database at the San Mateo Postal Data Center, which is maintained by the local address information systems unit (AISU). It is the official source of address information for ZIP+4, carrier route file, and 5-digit ZIP Code and city-state schemes and directories.

**Attributable Costs** - Those direct or indirect costs which vary with volume, or, though fixed, are the consequence of providing one specific service (specific fixed costs). The USPS defines as: a) variable costs plus specific fixed costs, or b) those costs causally related to a mail class or service.

**Carrier Endorsed** - Undeliverable-as-addressed mail that has no forwarding address on file is endorsed by the USPS with the reason for nondelivery. (See current Domestic Mail Manual or Appendix B of this report).

**Carrier Route File** - A listing of all city and non-city delivery post offices in a standardized computer-based format. This file contains city, rural highway, contract route, and post office box schemes. The data is formatted by ZIP Code, street name, and street number range. Delivery statistics (possible deliveries) for each carrier route are included.

**Certified Mail** - A special service providing the sender with a mailing receipt and a record of delivery at the office of address. Certified mail is sent at regular First-Class postage rates and is dispatched and handled in transit as ordinary mail.

**Change-of-address (COA) order** - Signed notification of a customer's move filed on Form 3575 or similar format.

**Coding Accuracy Support System (CASS)** - A process designed to measure the accuracy of address matching software. This is accomplished by providing service bureaus, commercial mailers, and software vendors with a common platform to measure the quality of address matching software and provide useful diagnostics to correct software deficiencies.

**Collect On Delivery (COD)** - A domestic service for mailers to send articles for which they desire to receive payment from the addressee before delivery. The amount due the sender and a money order fee are collected and the USPS remits a money order to the sender.

**Computerized Forwarding System (CFS)** - A centralized, computerized address label-generating operation to forward mail for customers who have moved. CFS Units also handle undeliverable-as-addressed mail. (See **markup**.)

**Cost and Revenue Analysis (CRA)** - A data processing system which determines a summary of revenue and costs for major service categories and relevant statistics by class of mail.

**Delivery Sequence File (DSF)** -- This is a high quality address matching service that provides address validation and standardization, ZIP+4 coding, delivery point and carrier route ID coding, delivery sequencing, seasonal and vacant delivery indicators, and undeliverable addresses other than COAs.

**Domestic Mail Manual (DMM)** - Manual containing the regulations for postage rates, mail classification and preparation requirements and detailed instructions regarding postal services and classes of mail provided in the domestic mail service.

**Endorsement** - Marking placed on undeliverable-as-addressed mail indicating the reason for nondelivery. See also **mailer endorsement**.

**Express Mail** - A class of mail available for preferential shipment of anyailable matter. May also be used to expedite movement of any other class of mail from one domestic postal facility to another under drop-ship procedures.

**FASTforward<sup>SM</sup>** - A USPS-licensed automated system that updates addresses by identifying names and addresses for which current change-of-address orders are on file. A piece updated with FASTforward<sup>SM</sup> can be delivered directly to the new address instead of forwarded from the old address. There are two available applications. First, the FASTforward<sup>SM</sup> systems interface with USPS-approved automation systems such as multiline optical character readers (MLOCs). The second option is the Mailing List Correction application, which updates computerized name and address mailing lists before mail piece creation. The MLOC application provides an on-piece address correction during mail processing before deposit into the mailstream.

**First-Class Mail (FCM)** - A mail class that includes all matter wholly or partly in handwriting or typewriting, all actual and personal correspondence, all bills and statements of account, and all matter sealed or otherwise closed against inspection. First-Class Mail comprises three subclasses: Post and Postal Cards, Letters and Sealed Parcels, and Priority Mail. Anyailable matter may be sent as First-Class Mail. First-Class Mail is a USPS trademark.

**Fiscal Year (FY)** - (See **Postal Fiscal Year**.)

**Hand Forwarding** - Manually writing the new (forwarding) address on a piece of undeliverable-as-addressed mail.

**Hold Mail Service** - Service provided to postal customers who will be temporarily away from their address for up to 30 days.

**In-Office Cost System (IOCS)** - A data processing system which provides estimates of the time spent by each type of employee on each type of mail or service.

**Insured Mail** - A service to customers who pay a fee in advance to obtain reimbursement in the event that mail is lost, rifled, or damaged.

**International Mail** - Mail originating in one country and destinating in another. It is classified as Postal Union Mail (that is, letters and cards (LC) and other articles (AO)), postal parcels, and Express Mail International Service.

**Locatable Address Conversion System (LACS)** - The LACS cross-references files by translating all rural or other types of addresses into new city type delivery addresses.

**Mail** - All catalogs, circulars, letters, newspapers, packets, parcels, and other mailable matter posted for delivery by a postal customer.

**Mailer Endorsement** - A special handling instruction placed on the mail piece by a mailer to request forwarding, return, or address correction service. (See current Domestic Mail Manual.)

**Mail Flow** - The path that a mail piece follows through the postal system including the functional areas of receipt, processing, handling and delivery.

**Mail Forwarding** - Service provided to postal customers who receive mail at a new address. Depending on the class of mail it may be forwarded free or be charged single piece mail rates.

**Mailgram Messages** - Messages electronically transmitted by Western Union to a post office for processing and delivery to the addressee.

**Mail Recovery Center (MRC)** - A postal facility designated only to receive and attempt to return undeliverable and unforwardable mail of obvious value (this type of mail was previously known as dead mail). Unpaid mail without a return address is also sent to one of these facilities.

**Markup** - Mail supplied with the new address of addressee who has moved, and mail endorsed with the reason for being undeliverable.

**Multiline Optical Character Reader (MLOCR)** - An optical character reader that reads and interprets more than one line of the delivery address on a mail piece.

**National Change Of Address (NCOA)** - The service provided by USPS licensed private companies to provide business mailers with change-of-address information for customers on their mailing lists. The companies maintain databases of change-of-address information submitted by customers over the past three years.

**National Deliverability Index** - The NDI is an index that allows mailers to compare deliverability factors among several address lists prior to purchase or lease. It identifies and scores seven factors deemed critical for optimum mail processing and delivery.

**NIXIE** - Mail that is not deliverable because of incorrect, illegible, or insufficient address.

**Periodicals** - A mail class (formerly called second-class mail) consisting of magazines, newspapers, or other publications formed of printed sheets that are issued at least four times a year at regular, specified intervals (frequency) from a known office of publication. Periodicals usually must have a list of subscribers and/or requestors, as appropriate.

**Postal Addressing Standards (Publication 28)** - This guide provides enhanced and standardized address content; standardized format for address output to mail piece; and facilitates customer use of AIS products. Elements are last line standardization and delivery address line standardization.

**Postal Fiscal Year (PFY)** - The PFY consists of 13 accounting periods. Each accounting period has 28 days. The PFY is therefore 364 days long. The federal government FY is 365 days long, running from October 1st to September 30 but the PFY start and end dates vary, always starting on a Saturday and ending on a Friday between mid-September and mid-October.

**Priority Mail** - A category of First-Class Mail weighing more than 11 ounces and any other mail matter weighing 11 ounces or less for which Priority Mail postage is paid and the mail piece is identified as such. Priority Mail offers economical two-day service to any address in the country for mail weighing up to 70 pounds. Priority Mail is a USPS trademark.

**Registered Mail** - The most secure service offered by the USPS which monitors the movement of the mail piece from the point of acceptance to delivery and provides indemnity in case of loss or damage.

**Remote Encoding Center** - A USPS unit that uses advanced technology to assign barcodes to hand-addressed mail pieces physically located at a general mail facility. After the mail piece image is displayed on a computer terminal, an operator, who is at the center, keys in the ZIP code and the street address in order to match this information with that in the database. This allows for the imprinting of the barcode and automated mail processing at the general mail facility.

**Revenue, Pieces And Weight (RPW) report** - Quarterly and annual report of USPS revenues, pieces and total weight by class of mail.

**Standard Mail** - A mail class consisting of mailable matter that is not mailed as First-Class Mail or entered as Periodicals. Standard Mail includes matter formerly classified as third-class and fourth-class mail. Though combined in Standard Mail, matter from each former class remains subject to separate and specific classification, eligibility, and preparation standards. Matter formerly classified as third-class and fourth-class mail are now referred to as Standard Mail (A) and Standard Mail (B), respectively.

**Standard Mail (A)** - Standard Mail matter that weighs less than 16 ounces. It comprises the subclasses of Regular Standard Mail, Nonprofit Standard Mail, Enhanced Carrier Route Standard Mail, Nonprofit Enhanced Carrier Route Standard Mail, and Single-Piece Standard Mail. These subclasses include circulars, printed matter, pamphlets, catalogs, newsletters, direct mail, and merchandise. Standard Mail (A) may be sent at presorted rates and at automation rates.

**Standard Mail (B)** - Usually Standard Mail that weighs 16 ounces or more. It comprises four subclasses: Bound Printed Matter, Library Mail, Parcel Post, and Special Standard Mail.

**Throwback Case** - A separation case in delivery units for deposit of undeliverable and forwardable letters and flats.

**Undeliverable-As-Addressed (UAA) Mail** - All mail that bears an address to which the mail will not or cannot be delivered. UAA mail may be forwarded, returned to the sender, properly treated as waste, or treated as dead mail, depending on the treatment authorized for that class of mail and any endorsements that the mailer places on the mail piece.

**Unendorsed Bulk Business Mail (UBBM)** - Mail pieces deposited at bulk third-class postage rates which do not have a mailer endorsement such as "Address Correction Requested" or "Forwarding and Return Postage Guaranteed."

## FORMS

**Form PS 3546 - Forwarding Order Change Notice** - Form PS 3546 is used to notify the postmaster of the old address when a subsequent change-of-address has occurred or to discontinue the forwarding of mail when forwarding charges are refused.

**Form PS 3547 - Notice To Mailer Of Correction In Address** - Form PS 3547 with address label affixed is used to notify the mailer of an address change or reason for mail being undeliverable.

**Form PS 3575 - Change Of Address Order** - Form PS 3575 is used by customers to notify their postmaster when they are moving or have moved to a new address.

**Form PS 3576 - Change Of Address Notice For: Correspondents, Publishers And Businesses** - Form PS 3576 is used by customers to notify their correspondents of their correct address.

**Form PS 3579 - Undeliverable Periodicals or Standard Mail** - Form PS 3579 is used to notify mailers of the addressee's new address, or the reason why the mail piece is undeliverable when the mail piece is not returned to the sender.

**Form PS 3849 - Delivery Notice/Reminder/Receipt** - Form PS 3849 has the following five uses: a) delivery receipt for an accountable mail article, b) notification form for mail that cannot be delivered immediately, c) second notice or reminder for an unclaimed article, d) claim check for retrieving mail at post office, and e) record for accountable mail article returned to sender.

**Form PS 3982 - Changes Of Address** - Form PS 3982 is used by the carrier to maintain a record of customer address changes or special instructions such as residence vacant, or hold mail.

**Form PS 8076 - Authorization To Hold Mail** - Form PS 8076 is used by customers to request that their mail be held.

## POSTAL ABBREVIATIONS AND ACRONYMS

<b>ACS</b>	Address Change Service
<b>AEC</b>	Address Element Correction
<b>AMS</b>	Address Management System
<b>A/P</b>	Accounting Period
<b>CAG</b>	Cost Ascertainment Grouping
<b>CASS</b>	Coding Accuracy Support System
<b>CDS File</b>	Computerized Delivery Sequence File
<b>CFS</b>	Computerized Forwarding System
<b>COD</b>	Collect On Delivery
<b>CRA</b>	Cost And Revenue Analysis
<b>DMM</b>	Domestic Mail Manual
<b>DPBC</b>	Delivery Point Barcode
<b>FCM</b>	First-Class Mail
<b>FY</b>	Fiscal Year
<b>IOCS</b>	In-Office Cost System
<b>IPP</b>	Irregular Parcels And Pieces
<b>LACS</b>	Locatable Address Conversion System
<b>MLOCR</b>	Multiline Optical Character Reader
<b>MT</b>	Mechanized Terminal
<b>NCOA</b>	National Change Of Address
<b>NDI</b>	National Deliverability Index
<b>NMT</b>	Non-Mechanized Terminal
<b>NPHSR</b>	National Payroll Hour Summary Report
<b>NWRS</b>	National Workhour Reporting System
<b>PDC</b>	Processing And Distribution Center
<b>PFY</b>	Postal Fiscal Year
<b>RPW</b>	Revenue, Pieces And Weight System
<b>SPR</b>	Small Parcels And Rolls
<b>UAA</b>	Undeliverable-As-Addressed
<b>UBBM</b>	Unendorsed Bulk Business Mail



## **APPENDIX D**

---

### *List of Sampled Sites*

## Sampled Delivery Units

DELIVERY UNIT	LIST ZIP	DELIVERY ZIP	SAMPLED ROUTES		
			<i>City</i>	<i>Rural</i>	<i>Box Sections</i>
ACTON	01720	01720	0	1	4
HOLLISTON	01746	01746	1	2	2
WOBURN DMU	01803	01803	3	0	2
ANDOVER	01810	01810	1	1	3
HINGHAM	02043	02043	3	0	2
WARWICK	02886	02886	5	0	0
BAILEY ISLAND	04003	04003	0	0	4
BIDDEFORD	04005	04005	1	0	4
SANFORD	04073	04073	1	0	4
DANVILLE	04223	04223	0	0	1
HARTFORD	06101	06101	1	0	4
MILFORD	06477	06460	0	0	5
NORWALK	06856	06853	0	0	5
PLAINFIELD	07061	07060	0	0	5
RUTHERFORD	07070	07070	4	0	1
SOUTH PLAINFIELD	07080	07080	4	0	1
CHATHAM	07928	07928	2	0	3
WHIPPANY	07981	07981	4	0	1
CHERRY HILL	08034	08002	0	0	5
KIRKWOOD VOORHEES	08043	08043	3	0	2
BELLMAWR	08099	08099	0	0	5
NORTHFIELD	08225	08225	1	0	4
MILLVILLE	08332	08332	5	0	0
PRINCETON	08540	08540	5	0	0
TOMS RIVER	08753	08753	4	1	0
PISCATAWAY	08854	08854	5	0	0
OLD BRIDGE	08857	08857	3	0	2
PERTH AMBOY	08861	08861	5	0	0
MAIN OFFICE	10314	10314	4	0	1
HARRISON	10528	10528	3	0	2
NEW ROCHELLE	10802	10802	0	0	5
FLORAL PARK	11001	11001	5	0	0
GREAT NECK BOX SECTION	11022	11022	0	0	5
MANHASSET	11030	11030	5	0	0
NEW HYDE PARK	11040	11040	3	0	2
FLUSHING	11351	11351	0	0	1
VALLEY STREAM	11580	11580	5	0	0
HUNTINGTON STATION	11746	11746	4	0	1
AMSTERDAM	12010	12010	0	2	3
CLINTONDALE	12515	12515	0	0	5
TICONDEROGA	12883	12858	0	0	5
EAST SYRACUSE	13057	13057	1	0	4
WESTDALE	13483	13483	0	0	3

DELIVERY UNIT	LIST ZIP	DELIVERY ZIP	SAMPLED ROUTES		
			<i>City</i>	<i>Rural</i>	<i>Box Sections</i>
SOUTH KORTRIGHT	13842	13842	0	0	3
DEPEW	14043	14043	4	0	1
GREENSBURG	15601	15601	4	0	1
CHAMBERSVILLE	15723	15723	0	0	1
BROCKWAY	15824	15824	1	0	4
WARREN	16365	16365	2	0	3
EAST YORK	17402	17402	2	3	0
BETHLEHEM	18016	18015	0	0	5
BARTONSVILLE	18321	18321	0	0	5
SCRANTON	18505	18505	3	0	2
BALA CYNWYD	19004	19004	1	0	4
CHESTER	19013	19013	5	0	0
LANGHORNE	19047	19047	3	0	2
MEDIA ANNEX	19063	19017	0	0	5
WAYNE	19087	19080	2	0	3
STERLING	20164	20164	5	0	0
HERNDON	20170	20170	3	2	0
CAPITOL HEIGHTS	20790	20731	0	0	5
SILVER SPRING	20907	20907	0	0	5
COLUMBIA	21045	21044	0	0	5
LUTHERVILLE TIMONIUM	21093	21093	3	2	0
ROCK HALL	21661	21661	0	0	5
GORDONSVILLE	22942	22942	0	0	5
ROANOKE	24022	24001	0	0	5
BRISTOL	24201	24201	4	1	0
FOREST	24551	24551	0	4	1
PETERSTOWN	24963	24963	0	0	5
CHARLESTON CARRIER ANNEX	25301	25301	5	0	0
HUNTINGTON	25704	25703	0	0	5
MORGANTOWN	26505	26505	5	0	0
SHELBY	28150	28150	1	4	0
FAYETTEVILLE	28302	28301	0	0	5
WILMINGTON	28401	28401	5	0	0
HICKORY	28603	28603	0	0	5
GLENDALE SPRINGS	28629	28629	0	0	3
PINEY CREEK	28663	28663	0	0	3
AIKEN	29801	29801	3	2	0
NORCROSS	30071	30003	0	0	5
FAYETTEVILLE	30214	30214	3	1	1
BLUE RIDGE	30513	30513	0	0	5
MACON	31213	31208	0	0	5
VALDOSTA	31603	31603	0	0	5
ALBANY	31706	31704	0	0	5
DAWSON	31742	31742	2	1	2
LIVE OAK	32060	32060	0	5	0

DELIVERY UNIT	LIST ZIP	DELIVERY ZIP	SAMPLED ROUTES		
			City	Rural	Box Sections
GENERAL MAIL FACILITY	32608	32607	0	0	5
ALTAMONTE SPRINGS	32714	32714	4	1	0
MOUNT DORA	32757	32756	0	0	5
HOLLYWOOD	33022	33022	0	0	5
FORT LAUDERDALE	33310	33310	0	0	5
BRANDON	33511	33509	0	0	5
MANGO	33550	33550	0	0	5
SAINT PETERSBURG	33730	33733	0	0	5
LEHIGH ACRES	33936	33936	3	2	0
STUART	34994	34994	5	0	0
DOWNTOWN ANNEX	35203	35203	5	0	0
HALEYVILLE	35565	35565	1	3	1
HUNTSVILLE	35813	35812	0	0	5
ANNISTON	36201	36201	5	0	0
FRANKLIN	37064	37064	3	2	0
ALCOA	37701	37701	3	0	2
COVINGTON	38019	38019	4	0	1
SOMERVILLE	38068	38068	1	1	3
VINE GROVE	40106	40106	0	0	5
FRENCHBURG	40322	40322	0	0	5
DANVILLE	40422	40422	3	2	0
ASHLAND	41101	41101	5	0	0
PAINTSVILLE	41240	41240	0	0	5
LANCASTER	43130	43130	2	2	1
WOOSTER	44691	44691	3	0	2
SANDUSKY	44870	44870	5	0	0
MANSFIELD	44901	44901	0	0	5
DALTON	45234	44618	0	0	5
LIMA	45802	45802	0	0	5
BLOOMINGTON	47401	47401	3	2	0
JUDSON	47856	47856	0	0	1
BIRMINGHAM	48012	48009	0	0	5
TROY	48099	48007	0	0	5
DETROIT	48233	48232	0	0	5
GILFORD	48736	48736	0	0	2
EAST LANSING	48823	48823	5	0	0
ELSIE	48831	48831	0	0	5
LANSING	48924	48909	0	0	5
KALAMAZOO	49001	49001	5	0	0
BATTLE CREEK	49016	49016	0	0	5
ALLENDALE	49401	49401	0	3	2
RACINE	53401	53401	0	0	5
LODI	53555	53555	0	2	3
OSSEO	55311	55311	0	3	2
WESTERN MALL	57106	57106	5	0	0

DELIVERY UNIT	LIST ZIP	DELIVERY ZIP	SAMPLED ROUTES		
			City	Rural	Box Sections
ELGIN	60120	60120	3	2	0
CAROL STREAM	60188	60188	1	0	4
HOFFMAN ESTATES	60194	60192	4	0	1
BEDFORD PARK	60499	60499	0	0	5
COMPTON	61318	61318	0	0	2
BLOOMINGTON	61701	61701	5	0	0
CLINTON	61727	61727	1	1	3
HAZELWOOD	63042	63042	4	0	1
PERRYVILLE	63775	63775	2	2	1
HARRISONVILLE	64701	64701	1	0	4
OLATHE	66061	66051	0	0	5
ARLINGTON	67514	67514	0	0	5
PIERCE STREET STATION	68108	68108	5	0	0
LINCOLN	68501	68501	0	0	5
GRAND ISLAND	68802	68802	0	0	5
NEW ORLEANS	70113	70113	5	0	0
WINNSBORO	71295	71295	0	0	5
SOUTH PARK STATION	71301	71301	5	0	0
CARROLLTON	75006	75006	5	0	0
SHERMAN	75090	75090	3	2	0
SAN ANGELO	76902	76902	0	0	5
HUNTSVILLE	77340	77340	3	2	0
SPRING	77373	77373	5	0	0
GALVESTON	77550	77550	5	0	0
LAKE JACKSON	77566	77566	3	0	2
POTH	78147	78147	0	0	5
ABILENE	79604	79604	0	0	5
FORT COLLINS	80525	80525	4	1	0
PINEHURST	83850	83850	0	0	5
SCOTTSDALE	85251	85251	5	0	0
DOWNTOWN	85301	85301	5	0	0
LAS CRUCES CARRIER ANNEX	88001	88001	5	0	0
CRESCENT	90213	90213	0	0	5
CYPRESS	90630	90630	0	0	5
WOODLAND HILLS	91367	91365	0	0	5
LAUREL CANYON	91615	91615	0	0	5
BALDWIN PARK	91706	91706	4	0	1
CHINO	91710	91708	0	0	5
EL MONTE	91734	91733	0	0	5
LA PUENTE	91747	91744	0	0	5
ONTARIO	91761	91758	1	1	3
CHULA VISTA	91910	91910	5	0	0
DESCANSO	91916	91916	0	0	5
CARLSBAD	92008	92008	5	0	0
HUNTINGTON BEACH	92647	92647	4	0	1

DELIVERY UNIT	LIST ZIP	DELIVERY ZIP	SAMPLED ROUTES		
			<i>City</i>	<i>Rural</i>	<i>Box Sections</i>
OXNARD	93030	93030	5	0	0
BAKERSFIELD	93380	93380	0	0	5
SAN LUIS OBISPO	93401	93401	3	2	0
ALAMEDA	94501	94501	1	0	4
HAYWARD	94544	94540	0	0	5
BERKELEY	94704	94701	0	0	5
MISSION RAFAEL	94901	94901	5	0	0
ROHNERT PARK	94928	94927	0	0	5
JOHN SANCHEZ ANNEX	95050	95050	5	0	0
SAN JOSE	95101	95161	0	0	5
MERCED	95340	95340	3	2	0
SANTA ROSA	95402	95402	0	0	5
SMITH RIVER	95567	95567	0	0	5
WOODLAND	95695	95695	4	1	0
INDUSTRIAL	95799	95798	0	0	5
WAHIAWA	96786	96786	4	0	1
BEAVERTON	97005	97005	5	0	0
WILSONVILLE	97070	97070	0	1	4
GOLD BEACH	97444	97444	0	0	5
BEND	97701	97701	4	1	0
BELLEVUE	98009	98006	0	0	5
YAKIMA	98903	98903	2	1	2
RIVERSIDE	99210	99201	0	0	5
MIDTOWN	99599	99524	0	0	5
MENDENHALL	99803	99803	0	0	5

## Sampled CFS Sites

CFS Site	Zip Code	CFS Site	Zip Code
LOUISVILLE, KY	40231	SALEM, OR	97301
S JERSEY NJ	08099	WORCESTER, MA	01613
PHOENIX, AZ	85034	DES MOINES, IA	50309
MCALLEN TX	78501	TUCSON, AZ	85726
CINCINNATI, OH	45234	ROANOKE, VA	24022
WASHINGTON, DC	20018	PROVIDENCE, RI	02904
HARTFORD, CT	06114	KALAMAZOO, MI	49009
BIRMINGHAM, AL	35222	WILMINGTON, DE	19707
SAN DIEGO, CA	92110	PENSACOLA, FL	32503
INDIANAPOLIS, IN	46241	BINGHAMTON, NY	13902
NORTHERN, VA	20101	FT WORTH, TX	76161
LUBBOCK, TX	79413	SAGINAW, MI	48602
SAN JOSE, CA	95101	LANSING, MI	48924
COLUMBUS, OH	43216	ATLANTA, GA	30354
ROCHESTER, NY	14692	RENO, NV	89510
HACKENSACK, NJ	07606	SAN ANTONIO, TX	78233
KANSAS CITY, MO	64108	FLINT, MI	48502
ST LOUIS, MO	63103	TACOMA, WA	98409
ALBANY, NY	12288	JACKSONVILLE, FL	32256
CHICAGO, IL	60607	GARY, IN	46401
PHILADELPHIA, PA	19104	SOUTH BEND, IN	46624
MILWAUKEE WI	53203	MIAMI, FL	33122
VAN NUYS, CA	91383	COLORADO SPRINGS, CO	80910
PITTSBURGH, PA	15290	FT WAYNE, IN	46802
AMARILLO, TX	79120	NEW ORLEANS, LA	70113
MINNEAPOLIS, MN	55401	CHARLESTON, WV	25350
BALTIMORE, MD	21233	TUPELO, MS	38801
NEW YORK, NY	10199	MUNCIE, IN	47302
EL PASO, TX	79910	LAS VEGAS, NV	89199
SACRAMENTO, CA	95813	W JERSEY, NJ	07999
BUFFALO, NY	14206	POCATELLO, ID	83202
SAN FRANCISCO, CA	94105	NASHVILLE, TN	37229
RICHMOND, VA	23232	PROVO, UT	84606
HICKSVILLE, NY	11747	OSHKOSH, WI	54901
CAROL STREAM, IL	60199	BOISE, ID	83708
DAYTON, OH	45401	ROCKFORD, IL	61125
OAKLAND, CA	94615	FARGO, ND	58102
AKRON, OH	44302	AUGUSTA, GA	30901
INGLEWOOD, CA	90311	HARRISBURG, PA	17107
N READING, MA	01889	SPOKANE, WA	99205
PORTLAND, ME	04102	CEDAR RAPIDS, IA	52401
SYRACUSE, NY	13220	CHARLESTON, SC	29423
WEST PALM BEACH, FL	33409	SAN JUAN, PR	00936
SANTA BARBARA, CA	93199	FAYETTEVILLE, NC	28303
EUGENE, OR	97477	ROCKY MOUNT, NC	27804

<b>CFS Site</b>	<b>Zip Code</b>
GRAND JUNCTION, CO	81501
EVANSVILLE, IN	47708
MONTGOMERY, AL	36119
MADISON, WI	53714
GAITHERSBURG, MD	20898
CORPUS CHRISTI, TX	78469
TOPEKA, KS	66618
NORFOLK, NE	68701
ERIE, PA	16515
PORTLAND, OR	97208
JOHNSTOWN, PA	15904
MACON, GA	31206
NORTH PLATTE, NE	69101
RAPID CITY, SD	57701
FLORENCE, SC	29501
SCRANTON, PA	18505
FREDERICK, MD	21701
WACO, TX	76705
MID-FLORIDA, FL	32799
S SUBURBAN, IL	60499
DULUTH, MN	55806
BEAUMONT, TX	77707
FT MYERS, FL	33913
SANTA ANA, CA	92711
SAVANNAH, GA	31406
CAPITOL HEIGHTS, MD	20790
ASHEVILLE, NC	28810
ROYAL OAK, MI	48083
FT SMITH, AR	72903
DENVER, CO	80266
ABILENE, TX	79601
ANCHORAGE, AK	99502
BAKERSFIELD, CA	93380
ROSWELL, NM	88201
N BAY CA	94999
SEATTLE, WA	98168
PALATINE, IL	60095
TERRE HAUTE, IN	47802
CAPE GIRARDEAU, MO	63701
FORT LAUDERDALE, FL	33306
REDBANK, NJ	07799
BRYAN, TX	77801
LONG BEACH, CA	90809
WESTERN NASSAU, NY	11599
LINCOLN, NE	68501