

Undeliverable As Addressed Mail Process

April 20th, 2017

Puget Sound Postal Customer Council

Mark Ramsey Johnson | James Shiller | Ian Isherwood

© Isherwood 2017



\$20 billion

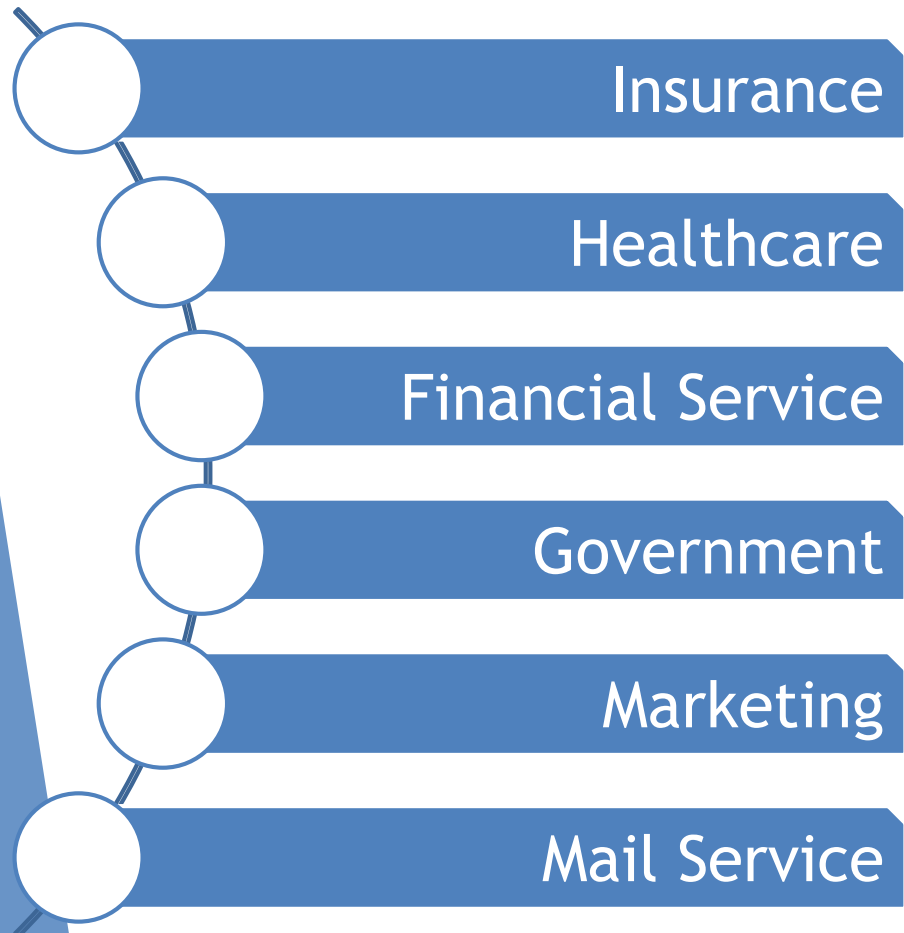
Estimated Annual Cost to Mailers

In 2016, 6.5 billion pieces of mail
were processed as Undeliverable As
Addressed by the USPS
Cost to the USPS: \$1.4 billion

Agenda

1. **What is Undeliverable As Addressed (UAA) mail?**
2. **Impact on your organization**
3. **Outline The USPS® Process for Handling UAA Mail**
4. **Options for Managing UAA mail in your organization and Reducing Cost**

Undeliverable As Addressed Seminar for: Business Mail Owners and Mail Service Providers



What is Undeliverable As Addressed mail?

- ▶ Recipient Not at Address
- ▶ Not a Delivery Point
- ▶ Illegible
- ▶ Unable to reach recipient

Actual Business Impact

most of the cost is hidden

\$50+

Operational Area	Task	Expense
Print & Postage Budget	Recurring statements being sent to the same incorrect address	\$2-\$5 each
Call Center	Receives in-bound customer service call relating to missing statement, benefits, etc.	\$5 per call
Mail Capture	Employee opens, extracts and handles physical UAA mail	\$10-\$20 per hr.
Research	Employee researches undeliverable mail for possible resolution	\$10-\$20 per hr.
Host Update, IT	Employee keys information or loads batch file into host to note mail has been returned UAA	\$10-\$30 per hr.
Finance	Outstanding Cash Flow due to undeliverable billing and manual handling	\$50-\$1,500 per bill
Finance	Receivables written to bad debt and/or sent to collection agency	18-30% of receivables

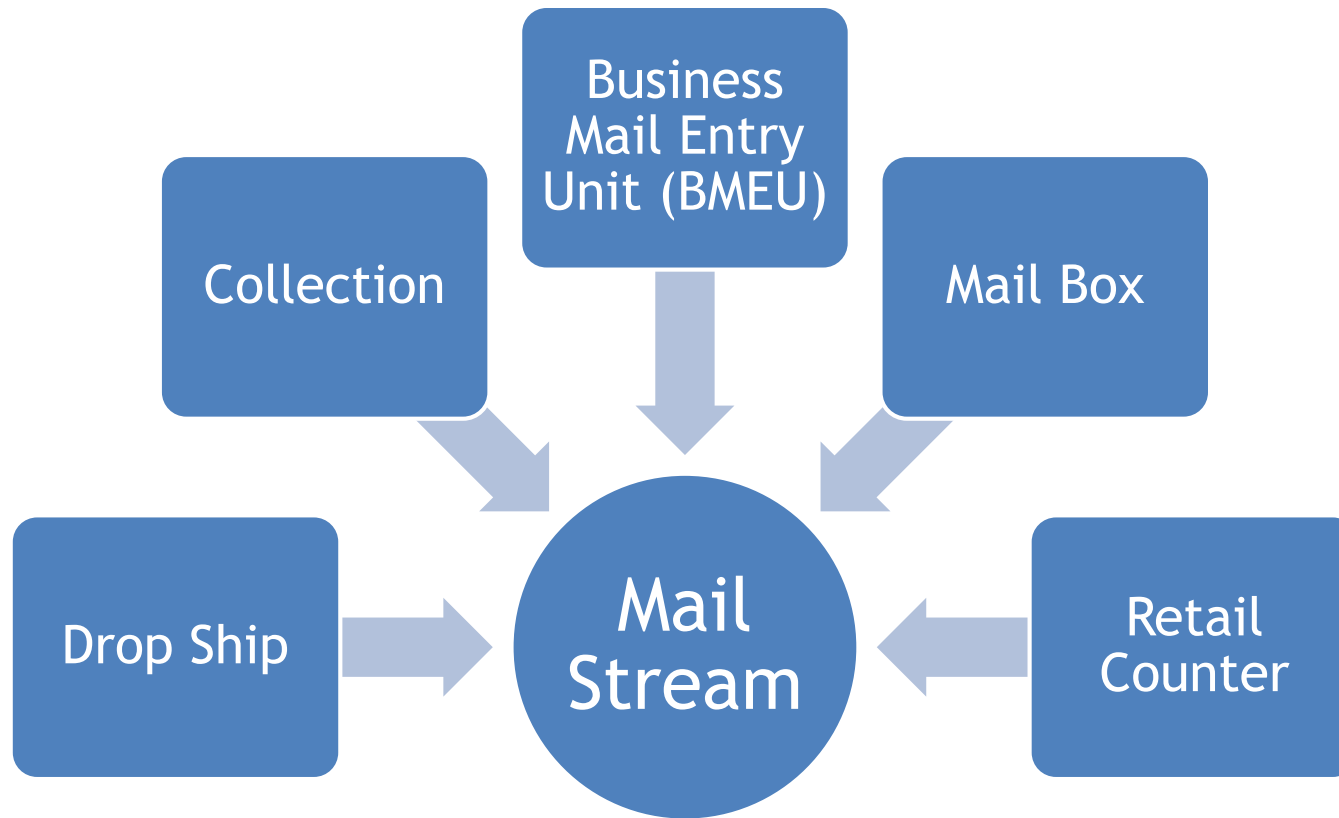
Change of Address - Data Flow



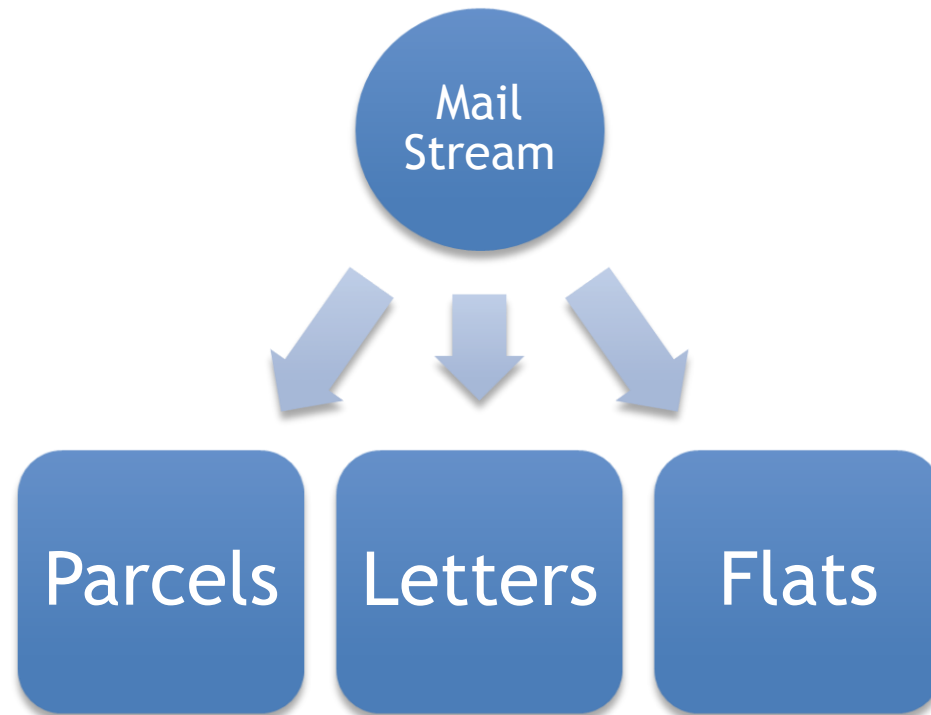
Mail Forwarding

First-Class Mail® / First-Class Package Service® / Priority Mail® service	12 months
Priority Mail Express®	12 months
Periodicals	60 days
USPS Marketing Mail™	Only forwarded IF the mailer specifies forwarding instructions
USPS Retail Ground®	12 months (only to domestic addresses)
Library Mail, Bound Printed Matter, and Media Mail®	12 months (only to domestic addresses)

How mail moves throughout the postal system



Mail Processing Categories



Process - Letters (PARS)

Letters sorted according to 11 digit delivery point

Equipment looks up name when 11 digit has an active Change of Address order

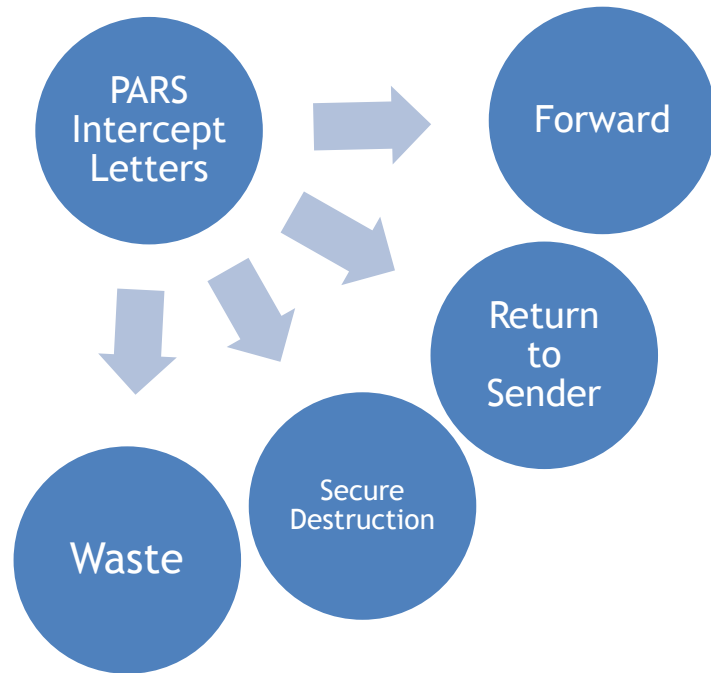
Matches are sorted out by the Postal Automated Redirect System intercept

Mail not intercepted sorted for delivery

PARS intercept mail is sent to Computer Input Output Sub System

With CIOSS, current Address is the input and the new destination is the output

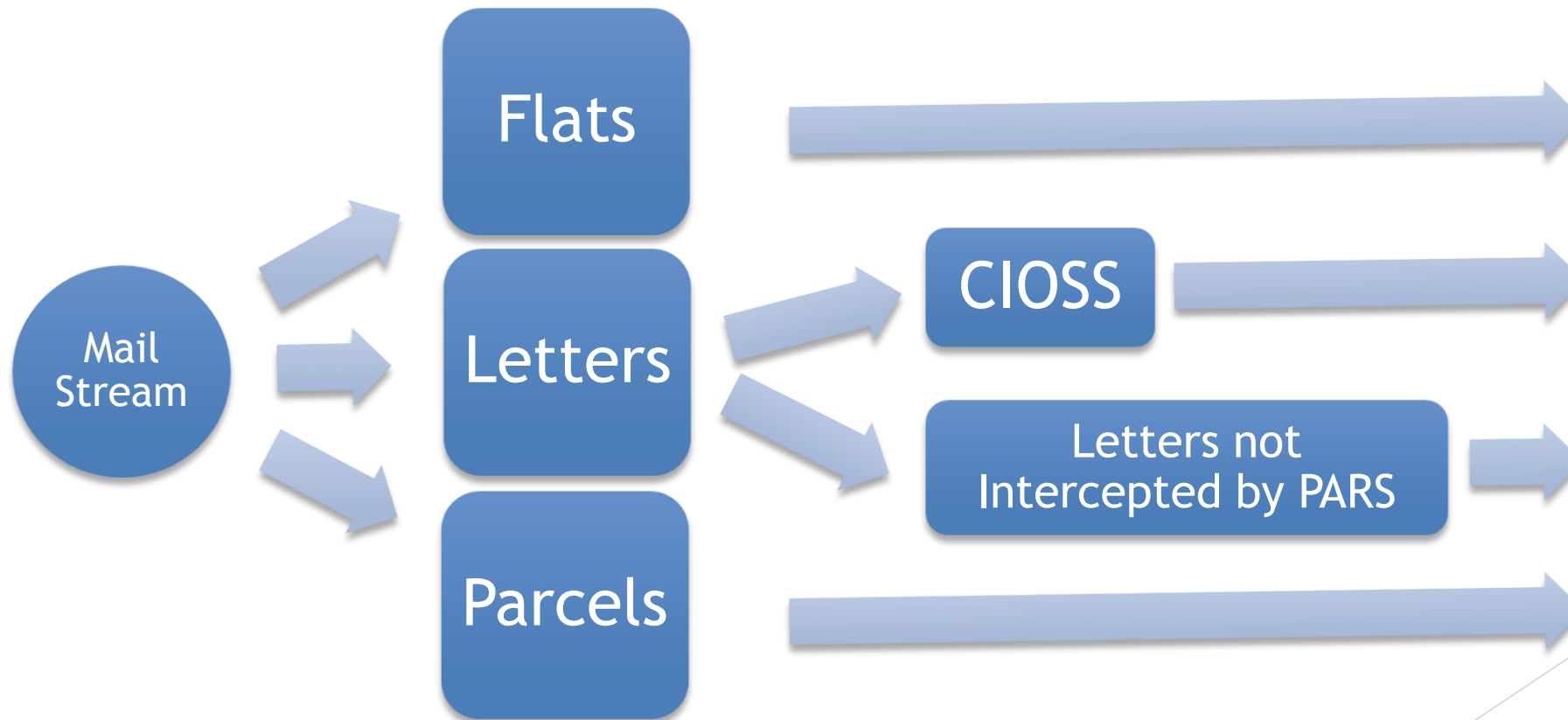
Process - Intercept Letters



CLOSS directs mail according to:

- Class
- age of COA
- Ancillary Service Endorsements

Parcels and Flats are assumed deliverable and sorted to Carrier



Carrier - COA management



Addresses with COA is flagged in the carriers case with a yellow bar



Forwards recorded on cards and sorted into the route



COA order noted on mail box

Form 3982 in Carrier Case



Photo Credit: Johnson April 2017



Carrier - Route C061 Ballard

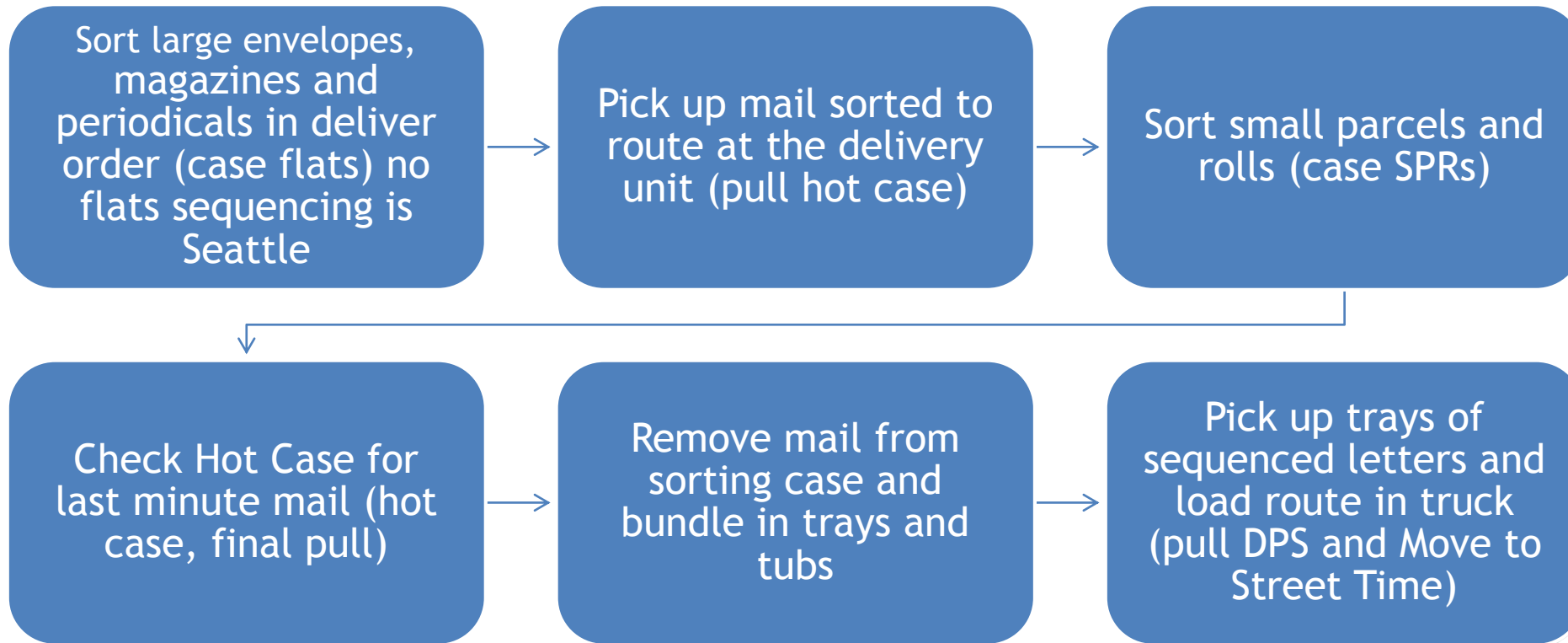
850 deliveries

- ▶ 75% residential 25% business
- ▶ Multiunit offices and apartments
- ▶ 300 deliveries in one apartment building
- ▶ **80 active COAs**

Average volume

- ▶ 2,200 sequenced letters
- ▶ 300 flats
- ▶ 200 parcels

Process - Carrier Route Preparation



Carrier Delivery

Carrier removes Nixie and CIF mail while delivering

DEC DECEASED	NMR NO MAIL RECEPTICAL	REF REFUSED	TA TEMPORARY AWAY
VAC VACANT	ANK ATTEMPTED NOT KNOWN	IA INSUFFICIENT ADDRESS	NSN NO SUCH NUMBER
NSS NO SUCH STREET	UTF UNABLE TO FORWARD	UAA UNDELIVERABLE AS ADDRESSED	UNC UNCLAIMED



No Presort Standard
And Non-Standard
w/ exception of
Address/Electronic
Service Requested

FWD CFS

FWD CFS

UTF/FOE

RTS
Please face mail
right side up
or you will get
it back!

UTF/FOE

RTS ANK

NSN

RTS

C76 C10
C71

FWD

CFS

CFS4

UTF flats

UTF flats

IA

UNC, NMR
DEC, VAC

Fwd CFS

TARE WEIGHT
1.5A LBS
PRINTING
DATE

TARE WEIGHT
1.5A LBS
PRINTING
DATE

TARE WEIGHT
1.5A LBS
PRINTING
DATE

LABEL
OTHER
END

CFS Parcels

Parcels

ANK Parcels

ANK flats

NSN flats

UNC, NPIE
DEC, UNC, PA

LABEL
OTHER
END

LABEL
OTHER
END

LABEL
OTHER
END

LABEL
OTHER
END

LABEL
OTHER
END

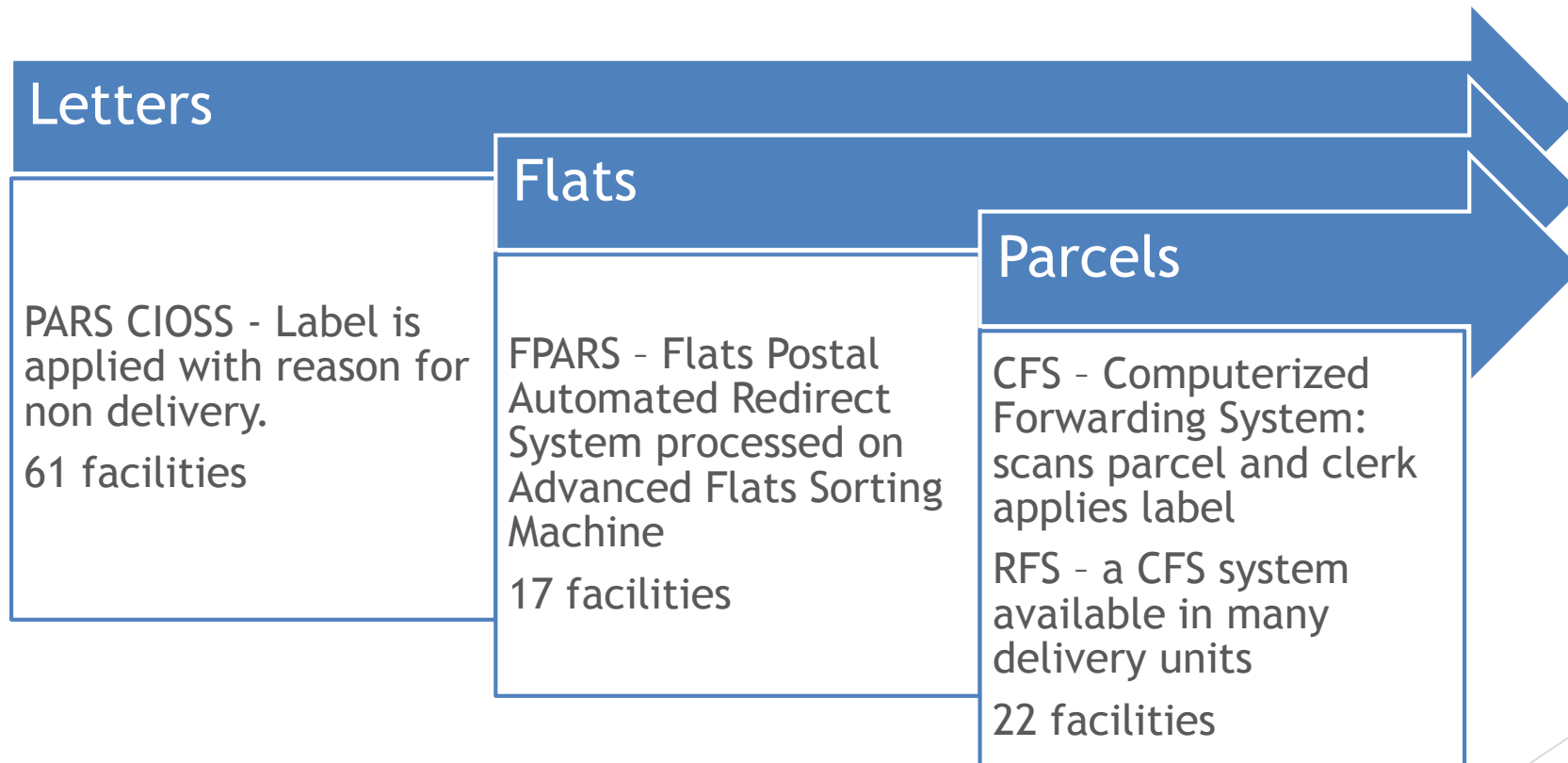
LABEL
OTHER
END

LABEL
OTHER
END

LABEL
OTHER
END

Photo Credit: Johnson, April 2017

CIF and Nixie Processing



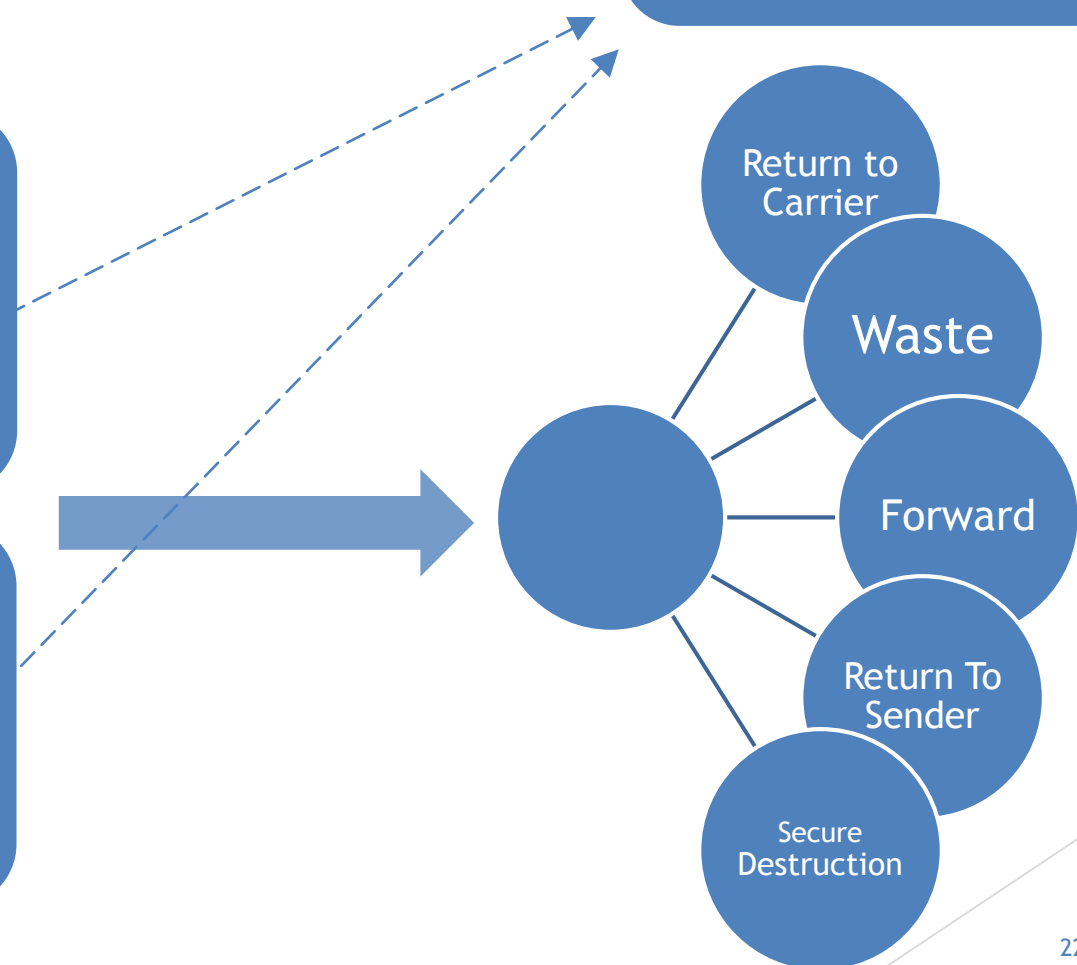
CIF and Nixie Processing

PARS and FPARS

- processed by batch according to Nixie category or Carrier Identified Forward
- Labels are applied by machine

Computerized Forwarding System

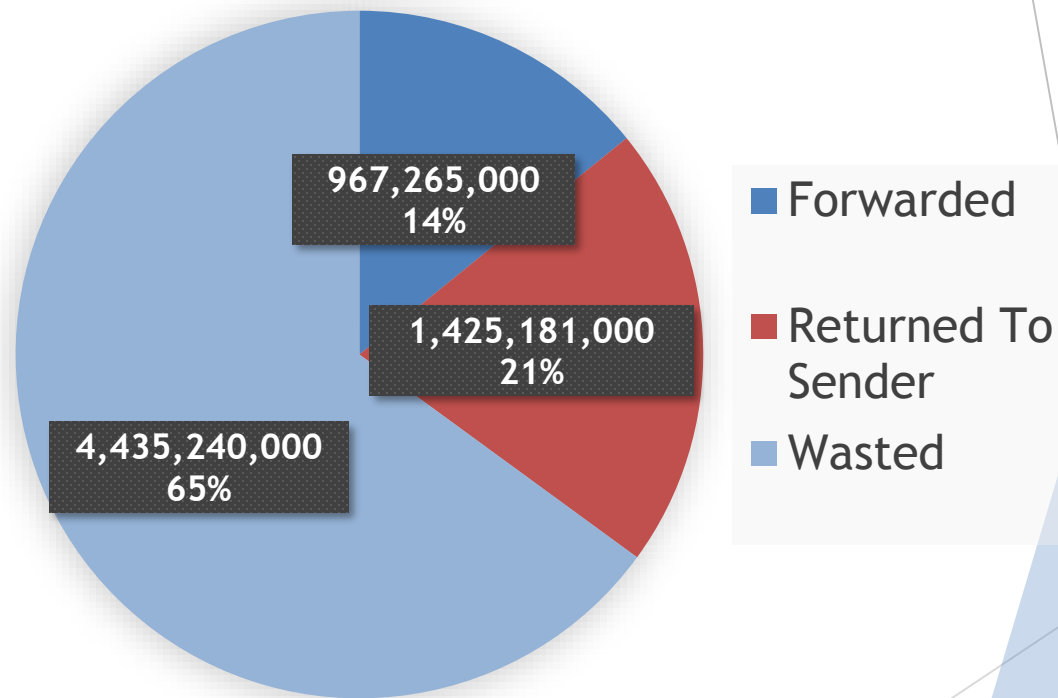
- labels are applied by hand



2016 UAA Final Disposition

4.2%

Percentage of mail-stream
Undeliverable As Addressed



Customers Move

- ▶ 76% of Undeliverable As Addressed mail is directly related to moves
- ▶ One in six families move each year
- ▶ 19% of Businesses move each year
- ▶ 40% of movers never file a Change of Address

How addresses are managed

- ▶ **Where do new addresses come from?**
 - ▶ Counties and Cities
 - ▶ Letter Carriers - manual Edit Book
 - ▶ Customers
 - ▶ Delivery Unit WebEES, electronic edit sheet
- ▶ **What types information does the postal service store for each address?**
 - ▶ Delivery mode
 - ▶ Centralized, Curbside, Sidewalk, Door
 - ▶ If door is not accessible
 - ▶ Vacant
 - ▶ If it is a Business address
 - ▶ If address is known but USPS does not deliver - “No-Stat”

How to reduce UAA mail costs - Pre mailing address Hygiene

- ▶ Standardize and Correct
 - ▶ Formatted according to USPS Addressing Standards
 - ▶ Address Element Correction
- ▶ Verify
 - ▶ Delivery Point Validation
 - ▶ CASS and MASS certification
- ▶ Maintain and Stay Compliant
 - ▶ NCOA^{Link} update lists with new mailing information prior to mailing
 - ▶ NCOA^{Link} MPE mail to the correct address without delay and update lists with returned info

How to reduce UAA mail costs - Post mailing address Hygiene

Updating data sources

- ▶ Manual lookup
- ▶ Ancillary Service Endorsements
 - ▶ Address Service Requested
 - ▶ Return Service Requested
 - ▶ Temp-Return Service Requested
- ▶ Address Change Service
 - ▶ Traditional ACS
 - ▶ Full Service ACS
 - ▶ OneCode ACS
- ▶ Third Party Return Mail Processing
 - ▶ Includes 48 months of NCOA^{Link} and other public databases and proprietary databases

Conclusion

- ▶ UAA Mail represents a significant cost to both Mailers and the Postal Service
- ▶ Business cost is more than just printing and postage
- ▶ UAA mail is processed by the postal service using a combination of Automated and Manual Handling
- ▶ Mailers can reduce UAA mail volume using a combination of Pre-Mailing and Post-Mailing strategies
- ▶ Using third party vendors is helpful to find the 40% of customers who do not submit a change of address

Special Thanks

- ▶ Mark Johnson - USPS Letter Carrier
- ▶ James Schiller - USPS Address Management
- ▶ John Lee - USPS Forwarding
- ▶ Jane Sinko - Pitney Bowes Return Mail Solution
- ▶ Christine Erna - Novitex Enterprise Solutions
- ▶ Mike Belk - Consolidated Press
- ▶ Kellan Wood - graphic design