Undeliverable As Addressed Mail Process

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Puget Sound Postal Customer Council

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$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

- Insurance
- Healthcare
- Financial Service
- Government
- Marketing
- Mail Service
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+

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

Impact of UAA mail on Industry, Pitney Bowes
Change of Address - Data Flow
## Mail Forwarding

<table>
<thead>
<tr>
<th>Service</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-Class Mail® / First-Class Package Service® / Priority Mail® service</td>
<td>12 months</td>
</tr>
<tr>
<td>Priority Mail Express®</td>
<td>12 months</td>
</tr>
<tr>
<td>Periodicals</td>
<td>60 days</td>
</tr>
<tr>
<td>USPS Marketing Mail™</td>
<td>Only forwarded IF the mailer specifies forwarding instructions</td>
</tr>
<tr>
<td>USPS Retail Ground®</td>
<td>12 months (only to domestic addresses)</td>
</tr>
<tr>
<td>Library Mail, Bound Printed Matter, and Media Mail®</td>
<td>12 months (only to domestic addresses)</td>
</tr>
</tbody>
</table>
How mail moves throughout the postal system

- Collection
- Business Mail Entry Unit (BMEU)
- Mail Box
- Drop Ship
- Mail Stream
- Retail Counter
Mail Processing Categories

Mail Stream

Parcels Letters Flats
Process - Letters (PARS)

1. Letters sorted according to 11 digit delivery point
2. Equipment looks up name when 11 digit has an active Change of Address order
3. Matches are sorted out by the Postal Automated Redirect System intercept
4. PARS intercept mail is sent to Computer Input Output Sub System
5. With CIOSS, current Address is the input and the new destination is the output
6. Mail not intercepted sorted for delivery
CIOSS directs mail according to:

- Class
- age of COA
- Ancillary Service Endorsements
Parcels and Flats are assumed deliverable and sorted to Carrier

Mail Stream

- Flats
- Letters
- Parcels

CIOSS

Letters not Intercepted by PARS

USPS Undeliverable As Addressed Process Flow pg. 7
Carrier - COA management

Customer submits COA

Carrier receives new COA order as printed a label

This Label is applied to a pink card and placed in the Carriers Case

Carrier identifies COA order according to delivery style

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

Photo Credit: Johnson, April 2017
Form 3982 in Carrier Case
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

Sort large envelopes, magazines and periodicals in deliver order (case flats) no flats sequencing is Seattle

Pick up mail sorted to route at the delivery unit (pull hot case)

Sort small parcels and rolls (case SPRs)

Check Hot Case for last minute mail (hot case, final pull)

Remove mail from sorting case and bundle in trays and tubs

Pick up trays of sequenced letters and load route in truck (pull DPS and Move to Street Time)
### Carrier Delivery

Carrier removes Nixie and CIF mail while delivering

<table>
<thead>
<tr>
<th>DEC</th>
<th>NMR</th>
<th>REF</th>
<th>TA</th>
</tr>
</thead>
<tbody>
<tr>
<td>DECEASED</td>
<td>NO MAIL RECEPITAL</td>
<td>REFUSED</td>
<td>TEMPORARY AWAY</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VAC</th>
<th>ANK</th>
<th>IA</th>
</tr>
</thead>
<tbody>
<tr>
<td>VACANT</td>
<td>ATTEMPTED NOT KNOWN</td>
<td>INSUFFICIENT ADDRESS</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NSS</th>
<th>UTF</th>
<th>UAA</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO SUCH STREET</td>
<td>UNABLE TO FORWARD</td>
<td>UNDELIVERABLE AS ADDRESSED</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NSN</th>
<th>UNC</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO SUCH NUMBER</td>
<td>UNCLAIMED</td>
</tr>
</tbody>
</table>
CIF and Nixie Processing

Letters
PARS CIOSS - Label is applied with reason for non delivery.
61 facilities

Flats
FPARS - Flats Postal Automated Redirect System processed on Advanced Flats Sorting Machine
17 facilities

Parcels
CFS - Computerized Forwarding System: scans parcel and clerk applies label
RFS - a CFS system available in many delivery units
22 facilities
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

Data for Address Change Service and Hard Copy Notices is transmitted to the National Customer Support Center.
2016 UAA Final Disposition

4.2%

Percentage of mail-stream Undeliverable As Addressed

https://ribbs.usps.gov/uaamail/uaamail_print.htm
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<sub>Link</sub> update lists with new mailing information prior to mailing
  - NCOA<sub>Link</sub> 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

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