Mailers' Technical Advisory Committe
Great Addressing to Improve the Value of Mail

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Preface

Mail is an important communication tool for businesses to communicate to their current customers and to inform potential customers of their products and services. Mail is most valuable to both the sender and recipient when messages are sent are those that the recipient desires to receive. Mail has significantly less value when it transmits a message that is unwanted by the recipient. The continuous receipt of unwanted mail produces a negative image in the recipient's overall perception of the value of the message and mail in general. Understanding and addressing current concerns connected to receipt of undesirable mail such as personal privacy protection, environmental impacts, and other concerns are necessary for both the mailing industry and the American public to maintain and improve mail as an effective communication medium.

The purpose of workgroup 116 was to explore address quality beyond the foundational elements of ensuring a complete, correct, and current address. The workgroup was asked to focus on ways the industry and the USPS could meet mail recipients preferences to make mail the best possible product from both sender's and receiver's perspectives.

The overall conclusion of WG 116, based on facts presented herein, confirms the vital role that mail continues to play in the American society. Our recommendations to the USPS and the mailing industry can be summarized as follows.

1. The USPS and the industry should collaboratively work to update the National Deliverability Index (NDI) report and encourage its use as a proactive tool to gauge the quality of a list prior to rental. This workgroup also recommends the USPS continue to work toward the implementation of a List Certification program as outlined in MTAC workgroup 104.

2. The USPS should continue to educate and expand awareness of address quality methodologies. Education should continue to be done via Postal Customer Councils, National Postal Forum, and other similar venues.

3. The mailing industry and the USPS should collaboratively work toward educating the public on the value of mail. Information, such as this report, should be made available in a public forum such as RIBBS.

4. The industry should continue to invest in address quality methodologies, best practices, and technology to ensure that addresses are complete, correct, and current. Care should also be taken to ensure the direct mail piece is appropriate for the intended recipient by using industry provided lists to improved targeted marketing efforts or to suppress names and addresses from recipients that chose not to receive certain types of mail pieces.

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Mail Value and Consumer Choice

Despite the growth of electronic communications, the mail, including direct mail, remains an important means of savings for many households. Also, for many small and medium sized businesses, mail is a critical vehicle for commerce and information exchange in the United States.

A recent survey by International Communications Research concluded that overall, people prefer receiving direct mail. Seventy-three percent of respondents said they prefer receiving new product announcements by mail, versus 18% for email. And, 86% of those surveyed said they prefer direct mail for official correspondence, such as bills, bank statements and financial reports, compared to 10% for e-mail. Finally, the survey also found that fewer people discard direct mail than email; 31% versus 53%.

Providing Consumer Value

According to a 2005 DMA survey, 69 percent of people shop from catalogs, on the Internet, over the phone or by mail. These numbers are intertwined because these mediums overlap a great deal in today's multichannel world (i.e. people place orders online for goods they see in catalogs).

When asked why they shop direct:
- 63 percent say direct shopping is more convenient
- 36 percent appreciate the additional choice and variety
- 34 percent say they save money

The average US household gets just over 18 pieces per week of standard advertising mail from businesses and nonprofit organizations, a figure that has held steady over the past five years.

And overall, it is mail that people are reading – the most recent USPS Household Diary study (2006) indicated that 81 percent of U.S. households usually read some or all of the advertising mail they receive. Millions of people take advantage of discounts on products and services from direct marketing which continues to positively impact the US economy and most importantly, local employment and small business growth.

Nonprofit organizations, including those serving environmental causes, used the mail to help raise nearly $200 billion in individual contributions in 2005. Direct mail also helps nonprofits recruit volunteers and educate consumers about important social issues. Nonprofit organizations can continue to help those in need without the need for additional calls at dinner time.

Making the Postal Service Possible

For television, print, radio and online communications, advertising revenue provides much of the revenue that makes the delivery of other content possible. The same is true for the postal service. Moreover, since the USPS does not

receive any funding from taxes, it must rely on the mailing industry to fund its operations.

According to the law (Title 39), the USPS must provide universal service that currently manifests itself as 6 day-a-week delivery services to more than 145 million separate delivery points across the country, a complex and expensive undertaking that is made possible by the significant contributions of advertising mail to postal service revenues. The USPS delivers a wide variety of mail ranging from Social Security and Welfare Assistance checks to those that depend on a frequent and timely delivery of their much needed income to so much less critical, yet very important customer communications mail.

Yet, mail restrictive legislation bills threaten the viability of the postal service through a loss of revenue and volume from advertising mail, leading to potentially significant cost increases in other classes of mail. This ultimately reduces services, options and choices to the American consumer, harms US businesses and results in increased costs to the consumer.

The United States Postal Service is at the core of a $900 billion industry, an industry that represents roughly 9% of the gross national product. There are 6 million jobs tied to the mailing industry, which represents nearly 1 out of every 15 individuals. Moreover, the USPS is the second largest employer in the United States, with a workforce of over 700,000. The USPS is committed to ensuring the "greening of mail" effort continues to increase the value of mail which includes using paper from sustainable forests, appropriately using recycled paper, effectively targeting mailing offers as well as the reduction of unwanted mail whenever possible.

Reducing Environmental Impacts

As a society, we've reached great awareness and have made great strides over the past decade in using our resources more efficiently, increasing recycling efforts and improving forest management. In fact, the amount of U.S. forestland today is nearly the same as it was in the early 1900's, despite our population tripling.

Contrary to some perception, direct mail accounts for only 2.4 percent (in weight) of the total municipal solid waste generated in the United States annually (according to the US Environmental Protection Agency). This figure is expected to reduce further as greater strides are made in paper recycling.

In 2006, a record 53.4 percent of the paper consumed in the US (53.5 million tons) was recovered for recycling. According to a recent survey by the American Forest & Paper Association, 66 percent of the U.S. population has access to recycling for magazines, catalog and direct mail paper.

Additionally, taking advantage of direct mail offers can replace shopping trips made by car benefiting the ecology and consumers in several ways including the reduction of pollution emitted by vehicles, the amount of gasoline consumed, and

the number of traffic accidents on American roadways. Also, direct mail saves time, which for most Americans has become a scarce resource.

In fact, by replacing just two shopping trips to the mall each year with shopping by catalogs or direct mail, DMA estimates that Americans could:

- Reduce the amount we drive by 3.3 billion miles

- Reduce carbon dioxide emissions by more than 3 billion pounds

- Save more than $490 million on gas costs

A Commitment to Consumer choice

Astute direct marketers know that direct mail works. According to the Direct Marketing Association, the return on investment for direct mail is nearly $12 to every $1 spent. However, an even greater return can be realized if the mail piece is targeted to the correct recipient based on their personal preferences.

A number of companies and associations are now beginning to offer consumers more choice in the types of mail they desire. This can assist direct mailers in forming more highly targeted mail pieces, which in turn yield a higher response rate.

One such association that offers consumers more choice in their mail is the Direct Marketing Association. The DMA (www.the-dma.org) has long had a requirement for their members to honor their mail preference service by suppressing names and addresses from registered mail recipients who chose to "opt-out" of direct marketing mailings.

The new program supports DMA's strong desire to empower consumers and build consumer trust. Consumers have strongly expressed their desire for choice over the types and volume of mail they receive. Today's consumers want safe and secure shopping experiences and for the many consumers who are environmentally conscious, the CCC gives them the ability to put their beliefs into action.

DMA's Commitment to Consumer Choice also reflects the strong belief within the marketing community that the evolving needs of consumers must be met to be successful in today's market. DMA believes the direct marketing community must be at the forefront of addressing consumer needs. Effective self-regulatory actions will directly respond to the advocates and regulators who otherwise would respond with their own initiatives.

Consumers can sign up for DMA's Mail Preference Service online for free via their web page. Or, for $1, they can sign up to the list via completion of a registration form and mailing it to DMA.

Since the formation of workgroup 116, numerous other mail preference lists have begun to emerge. By offering consumers more choice about what types of mail they wish to receive, consumers and businesses can continue to enjoy the

benefits that mail provides without taking the drastic and draconian method of unilaterally suppressing all mail, including mail that benefits non-profit associations, political campaigns, public awareness, and small businesses.

Advancements in Address Quality

One of the most effective ways to increase the value of mail is to ensure that mail reaches the intended recipient. Making effective use of Address Quality tools will help to accomplish this goal – increasing response rates and reducing the amount of mail going to waste (disposed of or delivered to un-interested parties).

There are two sources of Address Quality tools – the USPS and the Industry.

USPS:

CASS Certified software:

CASS is the annual certification program for ensuring commercial software solution can provide a crucial and foundational approach to address quality.

The certified solutions leverage USPS provided range-based address data to determine if an address should exist within a specified range. It standardizes address elements and helps to complete the address, thus ensuring improved match rates required by additional address quality solutions.

The shortcomings of CASS certified software is that it cannot definitively determine true mail deliverability of a specific address. Moreover, it cannot determine if an individual resides at the address or they recently moved.

DPV™:

Delivery Point Validation provides mailers with information as to the accuracy of an address. Records failing to DPV validate do not qualify for postage discounts as the USPS will need to perform additional efforts to attempt to deliver these pieces. Again, this means that the pieces may not get delivered to the optimal, intended person (as they may have moved) or may not get delivered at all. Mailers must evaluate if the additional postage and risk of non-delivery justifies mailing to such addresses. Or, should they be suppressed or sent for additional processing to attempt to obtain corrected and updated address information (processes include AEC, AEC II, and Industry Address Quality tools).

DPV also allows mailers to identify where an address may be currently vacant. Mailers can leverage this information to decide whether to send a mailpiece to the address or not. Where the mailpiece is targeted to a specific recipient at a vacant address, sending the mailpiece may be ineffective as that recipient is probably not there to receive the mailpiece. If a different customer has moved into the address in the interim, the mailpiece addressed to the previous recipient is also not likely to be of value unless it is addressed as "dear occupant."

Suite^Link^™:

The issue of unwanted mail is also an issue for Business to Business mailers. Missing or invalid secondary address information could result in mail being delivered to the wrong business within a building. Or, it could prevent a Move Match so mail for a former tenant is delivered to the current tenant. In either case, the receiver of these mail pieces must perform additional handling – and determines what happens to those mail pieces.

For business addresses, SuiteLink allows mailers to obtain, correct, or validate secondary address information based on the name of the business.

Move Update (including use of NCOA$^{Link®}$ and OneCode^{ACS}™):

Ensuring that mailing lists accurately reflects a recipient's current address information is a key to getting the right message to the right person. With outdated information, mail pieces may be getting delivered to unintended recipients (so lower response rates) or not delivered at all (disposed of by the USPS).

In addition to updating addresses with new address information provided by the USPS, these processes also flag addresses that the USPS knows or suspects that there may have been a Change of Address, but for which the USPS is unable to supply a corrected address. Mailer's should evaluate the ROI on these records to determine if additional processing is justified or if these should be suppressed.

Move Update processing should, at minimum, occur prior to Merge/Purge operations. One of the issues that recipients have expressed is annoyance and frustration with receiving multiple and/or duplicate mail pieces.

ANK^{Link}™:

This product can be used by mailers to determine if the names they have on their mailing list are outdated. ANK^{Link} is built from customer changes of address but the ANK^{Link} product does not provide the customer's new address. If the mailpiece being sent is directed to a specific recipient, ANK^{Link} can help identify whether the recipient is at the address to receive the mailpiece. This can help reduce the chance that the current resident at the address will see the mailpiece addressed to a prior resident as unwanted mail.

AEC & AECII:

AEC and AEC II are two of the processes that mailers can utilize to obtain corrected address information. As always, there are costs along with pros and cons to these processes. Mailers should evaluate the value of these operations to comparison (or conjunction) with other, industry based, address correction products and services.

Industry:

Industry can provide proprietary data sources to augment USPS provided data. This data is often leveraged as part of a service for advanced address cleansing after addresses have been processed using CASS certified solutions.

One recommendation to mailers is to consider not mailing to addresses that fail to result in a ZIP+4 after CASS and DPV processing. Obviously, these pieces are going to require higher postage and have a higher probability on non-delivery. Mailer's should evaluate if it is better to suppress these piece or utilize additional processes to correct the address information.

Many companies offer address quality processing utilizing 3rd party data. The key here is that the USPS's CASS and DPV processes only utilize address information. 3rd Party databases and processes can make use of additional available data (such as names, phone numbers, and Social Security Numbers) to determine the correct address information.

The benefits are both immediate and long reaching. First, these pieces no longer fail CASS and DPV processing, so they qualify for postage discounts, and will be delivered to the right target, faster. In the long run, having the correct name/address increases the likelihood of continuing to maintain contact with your target audience in the future (as they move).

3rd Party Move Update:

In addition to fixing CASS and DPV failures, 3rd party data can also be utilized to obtain "re-direct" or Move Update information. This augments the USPS Move Update processes. These offerings utilize consumer reported correction and move information to supply an alternate / corrected address to otherwise UAA mail pieces.

3rd Party Suppression:

Just as mailers can obtain mailing lists with specific characteristics of who they want to mail to, mailers can obtain additional information or specific lists (or purchase processing against information and lists) with specific characteristics of who they do not want to mail to. Such characteristics include: Deceased, under-aged, prison addresses, rental property, and, of course, the DMA's do not mail / mail preference file.

Additionally, some service providers offer to maintain a client's personal suppression list. As recipients express their desire to be removed from future mailings, the service provider maintains that list and processes any future mailing against that suppression list.

List Acquisition and Maintenance

It is often difficult to truly ascertain the quality of an acquired list without applying tools and technologies to determine if the addresses are complete, correct, and current. Reports such as a National Deliverability Index (NDI) or a PS3553 Qualitative Statistical Summary can help determine this. Samples of these reports and information about them are available in the appendix of this document.

In the end, though, the acquisition of a list is very much a caveat emptor (buyer beware) situation. Thus, here are some questions that can be considered when acquiring a rented list.

Complete:

1.   Are the addresses presented in their fully standardized presentation according to USPS guidelines? USPS Publication 28 can assist with this.

2.   Are all addresses in the list confirmed by CASS software as valid at both the primary and secondary address levels?

    2a. Are there addresses in the list provided that are missing a unit number?

Correct:

1.   Have address duplications been removed, especially when an address may be known by more than one representation? For example, are you mailing to both a street address and a PO Box address that are known through DSF2 to be for the same customer?

2.   Were all addresses that could be updated through LACS^{Link} converted to the new address representation?

3.   How many addresses presented in the list have a Unique ZIP Code with a default ZIP+4 Code assignment?

4.   Can the list provider assure that for all of the names and addresses supplied in the list represent names of persons that actually reside, or resided, at the address and that the name and address was not manufactured through association or linking of other persons that may have resided at the address?

5.   Are you mailing to only the addresses that meet your needs? For example, have business delivery addresses been removed if your mailing is directed at homeowner? Have apartment addresses been removed if your intention is to only mail to single-family dwelling units?

Current:

1.   Were all addresses flagged as "Vacant" by the CASS processing deleted from the list?

2.   Where names are included in the list, has NCOA^{Link} been used to update a customer's addresses, and to remove addresses where a customer is no longer residing?

> 2a. How long prior to list provision was the NCOA^{Link} processing performed?

> 2b. Was the list processed against the 48 month NCOA^{Link} database or the 18-month NCOA^{Link} database. If the 18-month NCOA^{Link} database, did the supplier also use the ANK^{Link} product to remove any records that matched?

> 2c. Did the NCOA^{Link} matching use the full range of matching options, Individual / Family / Business to capture all potential changes-of-address?

3.   Does the supplier use the USPS Address Change Service (ACS), OneCode^{ACS}, ancillary service endorsement, or return mail process to keep the list up-to-date?

> 3a. How frequently does the list supplier update the list with ACS, OneCode^{ACS}, ancillary service endorsement, or returned-mail information?

> 3b. Does the list provider offer a program to collect any undeliverable-as-addressed mailpieces from those that use the list for one-time rental to keep the list as current as possible?

4.   Does the list provider perform suppression on of the names and addresses of persons that have registered with the Direct Marketing Association Mail Preference Service?

> 4a. When was the last time that this processing was performed?

Once a list has been obtained, list hygiene and data management can offer win-win opportunities for direct marketers to practice environmental stewardship and reduce waste, while improving the deliverability of their mail. The following is a list of best practices in list maintenance that mailers can take today to minimize defective addresses, duplicate addresses, unwanted mail and undeliverable mail.

- **Maintain a do-not-rent list for customers** who wish to keep their names private.

- **Maintain an in-house suppression list** for consumers and former customers who do not wish to receive future solicitations, as well as

current customers who prefer electronic communications to receiving direct mail.

- **Subscribe to DMA's Mail Preference Service** (MPS). MPS is a file of consumers who have notified the DMA of their desire to receive less advertising mail. All DMA members are required to run their list of prospective customers against MPS, and to remove these individuals from their prospective mailing campaigns. Mailers can utilize MPS indirectly through service bureaus.

- **Merge/Purge thoroughly** by matching outside lists against each other, DMA's MPS, house lists and suppression files; using match definitions in merge/purge that minimize duplicates; and using "deceased" lists to eliminate names of deceased persons from mailings.

- **Maintain a more detailed suppression file** that enables customers and prospects to opt off of a company's mailing lists on a selective basis, such as by frequency or by category.

- **Clearly disclose customer options**. Provide periodic opportunities each year for customers to decide on these options.

- **Provide customer incentives** (such as a discount on their next purchase) to notify the company of duplicate mailings and incorrect addresses.

- **Ensure accuracy of all incoming names.** To maintain clean, deliverable files use:

    - **CASS certified software** – to confirm or correct ZIP Codes against the USPS address and city/state files

    - **Address standardization** – arranges names, titles, company names, and street addresses components according to USPS standards as outlined in USPS Publication 28.

    - **National Change Of Address (NCOA^{Link})** – reflects the most recent 48 months of new change-of-address information. NCOA^{Link} makes it possible to correct addresses before a mailing.

    - **USPS Address Change Service (ACS)** – corrects addresses, after a mailing.

- **Clean the lists.** Subject outside lists to the same list hygiene standards as a house list.

- **Target and mail efficiently**. Use segmentation and modeling to select with care the names to be mailed to.

- **Consider personalization techniques** to best target your messages. Take advantage of advances in digital printing and other technologies to help target mailings more efficiently.

- **Test a sample** of a list before mailing to the entire list. Consider testing different versions of catalogs.

Why is list hygiene important to your mailing? Consider the following example.

Suppose you have designed a mail campaign to promote your newest line of widgets. You rented two address lists from two different list providers to enhance your existing customer mailing base. Since all of the names and addresses are coming from different data sources, there is the potential that the same individual could show up three times. Not only would this triple the postage cost to mail your promotion to this individual, it could also send an unprofessional impression to your potential customer depending on their sensitivity level to excess mail and environmental issues.

Match criteria can be as simple or complicated as the information in your mailing list. Typical match result targets include; 1 copy to each household, 1 copy to each individual within a household, 1 copy to each company, 1 copy to each unique individual within the company. These are only a few of the options that are available and there are different match confidence levels within these categories.

Sources for More Information

The following sources can provide additional information about improving address quality and overall value of the mail.

http://preference.the-dma.org/ - for DMA Preference Services Subscriber Information.

www.the-dma.org/guidelines/ethicalguidelines.shtml - for DMA Guidelines for list management.

www.the-dma.org/envgen - for the DMA Environmental Planning Tool 7 Optional Policy Generator.

http://media.haymarketmedia.com/Documents/1/12_17%20feature_411.pdf - for the complete article related to the DMNews/Pitney Bowes survey.

http://www.usps.com/householddiary/USPS_HDS_06.htm - The USPS Household Diary Study for 2006

http://www.mailmovesamerica.org/ - Mail Moves America Coalition

http://ribbs.usps.gov/bestpractices.pdf - MTAC best practices in address quality methodologies

Appendix

The following sections were also discussed in MTAC workgroup 116, and are presented here as supporting information.

The DMA "Green 15"

In addition to their *Guidelines for Ethical Business Practice*, the Direct Marketing Association (DMA) is also incorporating environmental commitments into their membership requirements. In May 2007, DMA's Board of Directors enacted a resolution calling upon members to implement and benchmark a set of 15 baseline business practices known as the "Green 15". In June 2008, the DMA Board will establish target goals publicly for marketers in key areas addressed in the resolution and set timetables for measuring success.

The following list comprises the "Green 15".

1. Encourage your paper suppliers to increase wood purchases from recognized forest certification programs.

2. Require your paper suppliers to implement sustainable forestry practices that protect forest ecosystems and biodiversity as well as provide the wood and paper products that meet industry needs.

3. Ask your paper suppliers where your paper comes from before buying it with the intent of not sourcing paper from unsustainable or illegally managed forests.

4. Require your paper suppliers to document that they do not produce or sell paper from illegally harvested or stolen wood.

5. Evaluate the paper you use for marketing pieces, product packaging and internal consumption to identify opportunities for increased environmental attributes.

6. Comply with DMA Guidelines for list management, including:

   - Maintaining in-house do-not-market lists for prospects and customers who do not wish to receive future solicitations from you.

   - Using the Mail Preference Service (MPS) monthly for consumer prospect mail.

   - Providing existing and prospective customers with notice of an opportunity to modify or eliminate direct mail solicitations from your organization in every commercial solicitation.

7. Maintain "clean" mailing lists by using USPS or commercial equivalent files where applicable for: ZIP Code correction; address standardization; change of address, address element correction, delivery sequence file and/or address correction requested.

8. Apply predictive models and/or Recency-Frequency-Monetary (RFM) segmentation where appropriate.

9. Review your direct mail and printed marketing pieces, and test downsized pieces when and where appropriate.

10. Test and use production methods that reduce print order overruns, waste allowances and in-process waste.

11. Encourage packaging suppliers to submit alternate solutions for environmentally preferable packaging, in addition to quoting prices on approved or existing specifications.

12. Purchase office papers, packing and packaging materials made from recycled materials with post-consumer content where appropriate.

13. Integrate use of electronic communications (email, Web and intranets) for external and internal communications.

14. Ensure that all environmental labeling is clear, honest and complete, so that consumers and business customers may know the exact nature of what your organization is doing.

15. Participate in DMA's "Recycle Please" campaign and/or in another recycling campaign and/or demonstrate that your company or organization has in place a program to encourage recycling in your workplace and/or your community.

A Nation on the Move

The USPS has a massive delivery network, which spans hundreds of millions of delivery points serviced six days a week. As of December 9, 2007, this vast network consisted of the following delivery points.

Summary of USPS Address Management System Database:

Total Delivery Point File Master Records without Seeds: 170,975,879

Total Active Delivery Points: 149,028,795

Total Regular No Stat Deliveries: 18,476,021

Total CDS No Stat Deliveries: 3,471,063

Total Alternates: 1,028,729

Total APO/FPO Deliveries: 105,376

Total Carrier Routes: 661,718

Total 5 Digit Zips On DPF File: 41,706

According to the United States Postal Service (Federal Register Notice posted May 23, 2007), approximately 14 percent of all Americans move every year. In 2006, families and individuals filed over 41 million change-of-address orders. In that same year, there were 2.3 million business filings.

Great Addressing To Improve The Value Of Mail

The USPS captures and consolidates these multitudes of change-of-address (COA) requests through a number of methods. Chief among them is the PS 3575 form. However, two new methodologies for capturing COA information are continuing to expand and offer a way to minimize data capture errors. These include Internet change-of-address and telephone change-of-address.

The Postal Service goal is to increase the annual number of COAs submitted online from almost 7 million in 2007 to 12.5 million in 2010. Receiving COA information from movers electronically eliminates transcription errors and manual keying of COA data. It is usually more convenient for movers and can be linked to other move-related activities through Internet links. Most importantly, electronic COA allows instantaneous address validation when a customer submits the COA, reducing the number of incorrect or incomplete addresses, thereby improving service. To improve the quality of address information, the Postal Service will continue to promote the Internet as the primary method for change of address.

With such a dynamic environment, managing addresses affected by customer moves is also challenging for mailers. On average, the monthly rate of deterioration of address currency, due to family and individual moves alone, is approximately 1.2 percent. In just 6 months, about 7.2 percent of addresses in a typical mailing list have the potential to be inaccurate.

There are a number of strategies and tools mailers can leverage to keep up with customers on the move. These include pre-mailing and post-mailing strategies and are often a combination of USPS and industry provided data coupled with best practices in address quality methodologies.

Certain classes of mail also require a USPS approved method to comply with Move Update rules. Effective November 23, 2008, automation discounted mail for First Class and Standard Class must have a USPS approved address-update solution leveraged at least every 95 days before the mail date; twice as frequent as the current 185 day policy.

USPS approved Move Update methods include:
- NCOA^{Link}TM processing.
- MLOCR processing (letter mail only).
- Address Change Service (ACS), including the new OneCode^{ACS}TM
- Ancillary service endorsements under DMM 507.1.5, except "Forwarding Service Requested."

Many mailers choose to leverage Full Service and Limited Service providers, which are licensed by the USPS to offer change-of-address data. These NCOALink service providers have grown from seventeen licensed providers to well over 300.

Move Update Records Processed

	Processed	Percent of Total*	Matched	Match %
NCOA[Link] Total	**549,904,917,237**		**20,803,036,036**	**3.78%**
Full Service Providers	395,482,091,648	71	16,922,287,683	4.28%
Limited Service Providers	132,350,398,106	24	3,335,719,499	2.52%
End Users	22,072,427,483	4	545,028,854	2.47%
ANK[Link] Totals	36,607,045,010	6	709,544,454	1.94%
FAST*forward* MLOCR	**4,666,459,265**	**1**	**52,726,138**	**1.13%**

National Deliverability Index (NDI) Report

One of the many approaches to the improvement of address quality is the National Deliverability Index (NDI). After it became clear that a technique was needed to evaluate mailing lists that are sold or leased, the Postal Service™ worked closely with mailer associations and their members to develop criteria to determine the quality or deliverability of a particular list.

NDI assists in efforts to improve mail quality before the mail enters the mailstream. Using NDI, customers who lease or purchase lists have an opportunity to evaluate a list systematically by asking critical questions regarding its deliverability. As a result, the list purchaser can make informed choices when judging the quality of competing lists.

The Postal Service does not record or maintain NDI scores. Instead, the National Customer Support Center (NCSC) offers a certification process for vendor software that enables vendors to provide NDI scores for mailing lists. Vendors seeking certification to issue NDI scores receive a test file of 45,000 addresses to process through their address-matching software to calculate the score. Vendor-calculated scores must fall within a specified tolerance of the actual NDI score calculated by the Postal Service.

Mailers who lease or sell lists are encouraged to voluntarily have their lists processed by an NDI-certified vendor and to adopt and report these criteria to their customers. The rating (score of all seven factors) should be maintained and provided by each list supplier. Notice 41, National Deliverability Index, is available from the NCSC by calling 1-800-238-3150.

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                    NATIONAL DELIVERABLITY INDEX
                         CUSTOMER RATING
COMPANY:
IDENTIFICATION NUMBER:
DATE PROCESSED: 04/22/2004
FILE DATE: 04/20/2004
                          CLASSIFICATION
-------------------------------------------------------------------
| (1) | % OF TOTAL ADDRESSES CONTAINING CORRECT ZIP+4 CODES |         |
|     | IN ACCORDANCE WITH THE CURRENT USPS ZIP+4 FILE.     | 63.73 % |
|-----|-----------------------------------------------------|---------|
|     | % OF ADDRESSES CONTAINING APARTMENT NUMBERS FOR     |         |
| (2) | ADDRESSES DESTINED TO APARTMENT BUILDINGS IDENTIFIED |         |
|     | IN THE CURRENT USPS ZIP+4 FILE.                     | 36.36 % |
|-----|-----------------------------------------------------|---------|
|     | % OF ADDRESSES CONTAINING BOTH RURAL/HIGHWAY CONTRACT|         |
| (3) | ROUTE AND BOX NUMBERS FOR ADDRESSES DESTINED TO     |         |
|     | RURAL/HIGHWAY CONTRACT ROUTES.                      | 38.83 % |
|-----|-----------------------------------------------------|---------|
|     | % OF TOTAL ADDRESSES CONTAINING CORRECT ZIP CODES IN|         |
| (4) | ACCORDANCE WITH THE CURRENT USPS CITY/STATE AND     |         |
|     | 5-DIGIT FILE.                                       | 93.86 % |
|-----|-----------------------------------------------------|---------|
|     | % OF ADDRESSES CONTAINING CORRECT CARRIER ROUTES IN |         |
| (5) | ACCORDANCE WITH THE CURRENT USPS CRIS FILE.         | 65.51 % |
|-----|-----------------------------------------------------|---------|
|     | MOST RECENT DATE THE LIST WAS PROCESSED AND UPDATED |         |
| (6) | THROUGH A USPS APPROVED ADDRESS CORRECTION PROCESS. |   N/A   |
|-----|-----------------------------------------------------|---------|
|     | ALL "MOVED LEFT NO FORWARDING ADDRESS" RECORDS HAVE |         |
| (7) | BEEN DELETED.                                       |   YES   |
-------------------------------------------------------------------
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The National Deliverability Index is a rating process that measures the accuracy of the addresses in an address list using the following seven quality indicators.

1. Percent of total addresses that are matched and standardized with the USPS ZIP+4 file.

2. Percent of addresses that contain apartment numbers for addresses destined to apartment buildings identified in the in the ZIP+4 file.

3. Percent of addresses destined to Rural/Highway Contract Routes that contain both route and box numbers.

4. Percent of total addresses that contain correct 5-Digit Zip Codes that are in accordance with latest USPS City/State and 5-Digit files.

5. Percent of total addresses that contain correct carrier route codes that are in accordance with the current USPS carrier route file.

6. * The most recent date the address list was processed and updated through a USPS approved address correction process such as NCOA (National Change of Address) or ACS.

7. * Whether all addresses are deleted for those customers who have "Moved and Left No Forwarding Address".

   *Mailers who use simplified, occupant, or exceptional address format lists will not be rated in the category.

You can receive an NDI rating on your address information by:

1. CASS/NDI Vendors - These vendors are specifically authorized to provide NDI ratings to clients.

2. NCOA Vendors - National Change of Address licensees are authorized to provide clients with NDI ratings as a standard by-product of the NCOA process.

3. Becoming a CASS/NDI Vendor - To satisfy turn-around times, security issues, or other requirements, mailers may wish to become CASS/NDI certified to process and rate their own addressing information.

NDI ratings must be maintained in the job jacket for each mailing made under the System Certification Program and will be routinely checked through the System Certification Checklist. The Mail Piece Quality Control (MPQC) Specialist will certify that the list receiving the acceptable NDI score is the one used to produce the mailing. NDI ratings are valid for six (6) months unless the number of addresses on the list increases by more than 15% which would require that the list be reprocessed to obtain a new NDI rating.

Qualitative Statistical Summary

This information allows mailers and list processors to evaluate the quality of their address list processed through CASS software before its contents enter the mailstream. A significant number of Highrise default/rural route default match, although these addresses remain eligible for postal automation rate discounts at this time, increase the costs and reduce the efficient delivery of this mail. Mailer's should research to obtain secondary unit designator address information or highrise addresses and specific box number information for rural route addresses which are coded to default records on the National ZIP + 4 File.

Highrise Default/RR Default

Entries in this box show the number of addresses that were default matched. Defaults are matches made to addresses that contain invalid/missing secondary address or box information. A highrise default contains the building street address in the primary range field and spaces in the secondary range field. A rural route default contains the route number in the primary name but also has spaces in the primary address range.

LACS^{Link}TM System

Entries in this box show the number of addresses which have been converted through the LACSLink process. LACSLink is a data product provided by the Postal Service to allow addresses that have been converted due to USPS changes or for 911 emergency systems to be linked with their new address.

Early Warning System (EWS)

Entries in this box show the number of addresses on the processed address list that are new addresses not in the current US Postal Service ZIP + 4 File. These addresses are, however, valid addresses as formatted and should not be changed in any way since the Postal Service will assign ZIP + 4's to these addresses on the next monthly ZIP + 4 File.

SuiteLink™ System

Entries in this box show the number of ZIP+4/DPV confirmed addresses that matched to a highrise default, and the SuiteLink process returned the appropriate suite number. Only SuiteLink enabled software will return a value in this box (Check with your software vendor for obtaining this option). These address records are valid delivery points by the US Postal Service. Addresses that are not confirmed by DPV are either new addresses not available on the current Delivery Sequence File, or are not valid and the list holder should further investigate to determine the accuracy of these addresses. Mailers should make every effort to ensure the quality of their address list(s).

Roster of Workgroup 116 Participants

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