



Addressing Updates Cycle 0 (CASS & NCOALink)

Adam Collinson
Director of Address Intelligence
GrayHair Software

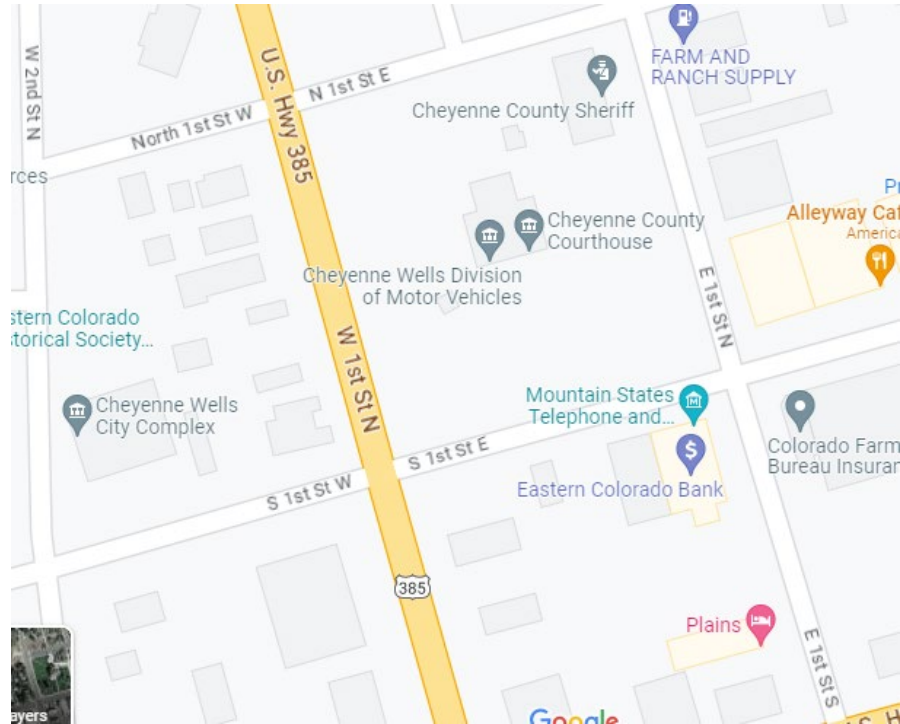
June 1, 2023



GRAYHAIR

Welcome

WE ALL KNOW THAT ADDRESSES CAN BE CHALLENGING



Google Maps



Google Street View



Cycle O - Summary

WHAT IS IT

- ▶ Commonly referred to as a CASS Cycle. While it mainly includes changes to CASS requirements:
 - ▶ CASS changes often impact down stream operations as well (NCOALink, Presort)
 - ▶ Also changes specific to other processes that are / are not part of CASS (DPV, LACSLink, SuiteLink, NCOALink,...)
- ▶ Timing:
 - ▶ Used to be yearly, but have not had one in over a decade
 - ▶ After multiple delays, required implementation date set at 8/1/2023
- ▶ What is special about this CASS Cycle:
 - ▶ Majority of Changes were Industry Driven
 - ▶ Provides greater insight into the nature of an address to make more intelligent business decisions



Cycle O Timeline / status

| | | | |
|--|-------------------|-------------|---|
| Partnership in Tomorrow (PIT) Meeting | September 30 | 2019 | ✓ |
| Task Team #29 Recommendations & USPS Responses | July | 2020 | ✓ |
| Final Rules Released | August 14 | 2020 | ✓ |
| TotalDPS Stage 1 File Release | April 9 | 2021 | ✓ |
| Send Static Data | April 9 | 2021 | ✓ |
| Stage I Release | May 21 | 2021 | ✓ |
| Alpha Stage 1 Release (Cycle O Impacted Categories) | October 15 | 2021 | ✓ |
| Dual Fulfillment Cycle N / Cycle O Data (Link) | January | 2022 | ✓ |
| Production Stage 1 (CASS Cycle O Categories) | March | 2022 | ✓ |
| Production Stage 2 (ALL Categories) | May July | 2022 | ✓ |
| CASS Cycle O Testing Begins (Cycle O Categories ONLY) | May July | 2022 | ✓ |
| MASS Cycle O Testing Begins (Manufacturer Only) | July September | 2022 | ✓ |
| Cycle N Testing/Grading Ends | August December | 2022 | ✓ |
| <i>CASS Developers Certification Completed</i> | <i>December</i> | <i>2022</i> | |
| <i>MASS Manufacturers Certification Completed</i> | <i>January</i> | <i>2023</i> | |
| <i>Developer send Cycle O to End Users for Testing</i> | <i>January</i> | <i>2023</i> | |
| <i>Recommended Software Released to End Users</i> | <i>February</i> | <i>2023</i> | |
| <i>Cycle N Data (Link) & Dual Fulfillment Ends</i> | <i>May</i> | <i>2023</i> | |
| <i>Expiration of CASS Cycle N</i> | <i>July 31</i> | <i>2023</i> | |
| <i>Implementation of CASS Cycle O</i> | <i>August 1</i> | <i>2023</i> | |
| <i>NCOA ^{Link} Reporting Changes</i> | <i>November 7</i> | <i>2023</i> | |
| <i>NCOA ^{Link} MPE Automated Reports Required</i> | <i>November 7</i> | <i>2023</i> | |
| <i>CASS Cycle O Expiration</i> | <i>July 31</i> | <i>2028</i> | |



Industry Concerns Driving Some Cycle O Changes

- ▶ Rising Costs / Wasted Costs
 - ▶ Undeliverable mail
 - ▶ Being able to determine quality and nature of an address
 - ▶ Returned mail
 - ▶ Inconsistent (delays) preventing actions prior to subsequent mailings
- ▶ Risks
 - ▶ Incorrectly / inconsistently delivered mail (requires carrier to try to determine delivery location)
 - ▶ Fraud / Theft
 - ▶ Industry specific regulations regarding the use of certain types of addresses
 - ▶ Non-Physical addresses
 - ▶ Cross State Addresses



Rising UAA Rates

Cycle O includes new data to identify Undeliverable As Addressed

- <https://postalpro.usps.com/UAARollup>

| | First-Class | | | | | Marketing* | | | |
|--------|--------------|----------|---------------|----------|------------|--------------|----------|---------------|----------|
| | Forwarded | | Not Delivered | | | Forwarded | | Not Delivered | |
| | Volume (000) | % Mailed | Volume (000) | % Mailed | % As Waste | Volume (000) | % Mailed | Volume (000) | % Mailed |
| FY2011 | 1,025,579 | 1.39% | 1,484,668 | 2.02% | 4.12% | 21,290 | 0.03% | 4,286,836 | 5.06% |
| FY2012 | 1,027,451 | 1.48% | 1,509,692 | 2.17% | 4.20% | 20,386 | 0.03% | 3,994,450 | 5.01% |
| FY2013 | 964,552 | 1.45% | 1,480,321 | 2.22% | 5.05% | 24,890 | 0.03% | 4,101,230 | 5.07% |
| FY2014 | 927,991 | 1.44% | 1,450,121 | 2.25% | 4.60% | 22,905 | 0.03% | 4,010,686 | 4.99% |
| FY2015 | 921,637 | 1.46% | 1,471,100 | 2.32% | 6.36% | 17,260 | 0.02% | 3,867,789 | 4.83% |
| FY2016 | 902,159 | 1.45% | 1,448,971 | 2.33% | 7.11% | 17,347 | 0.02% | 4,266,698 | 5.27% |
| FY2017 | 821,573 | 1.38% | 1,332,687 | 2.23% | 7.61% | 15,221 | 0.02% | 3,808,619 | 4.86% |
| FY2018 | 785,161 | 1.37% | 1,333,267 | 2.32% | 9.48% | 15,431 | 0.02% | 3,601,358 | 4.66% |
| FY2019 | 792,594 | 1.42% | 1,474,229 | 2.65% | 11.51% | 15,507 | 0.02% | 3,592,824 | 4.75% |
| FY2020 | 733,792 | 1.39% | 1,492,831 | 2.82% | 16.43% | 13,481 | 0.02% | 2,891,769 | 4.51% |
| FY2021 | 773,344 | 1.52% | 1,497,335 | 2.94% | 14.38% | 13,196 | 0.02% | 3,154,070 | 4.76% |
| FY2022 | 734,948 | 1.50% | 1,517,152 | 3.09% | 15.75% | 11,597 | 0.02% | 3,145,314 | 4.69% |

Impacts:

USPS:

\$1.39B

Businesses:

\$20+B

*NOTE: not all UAA Marketing mail is counted by the USPS

Best 4 Years

Middle 4 Years

Worst 4 Years - with worst year in Bold



The Opportunity of Best Practices

Not Delivered:

| Mail Volume | Mail Type | Industry Averages | Best Practice Averages | Savings Potential |
|-------------|----------------------|-------------------|------------------------|-------------------|
| 100,000,000 | Operational | 2 – 4% | 0.5 – 1% | \$1.875M |
| 300,000,000 | Marketing (Consumer) | 5 – 10% | < 2% | \$8.437M |
| 50,000,000 | Marketing (SMB) | 10 – 25% | 5 – 8% | \$3.750M |



The Perspectives of Address **Data** Quality?

Address Data Quality means different things to different groups

USPS (discounts):

- Complete
- Correct
- Current

Mailer:

- Complete
- Correct
- Current
- Current (format)
- Correct (for mail)

Business:

- Complete
- Correct
- Current
- Current (format)
- **Correct for intended use (mailing vs. shipping vs. physical)**
- **Compliant with industry specific regulations (Financial, Healthcare, Telco, Government,...)**
- **Correct for the intended recipient**
- **Credible (Fraud Risk)**



Cycle O - Summary

- PO Box™ Only Delivery Zones
- 5-Digit ZIP Validation
- Hash & Flat File Changes
- DPV® & DSF2® Flags
 - NoStats reason codes ←
 - Secondary Address Info (needed / not needed) ←
- *CMRA – PMB Identifier & DPV® Confirmation*
- Single Trailing Alpha on a Primary Number ←
- *Deliverable Street / Highrise Default*
- SuiteLink® Requirements
- Military Addressing
- Cross State Addresses ←
- TotalDPS?
- Informed Addressing?

Many of these will be completely behind the scenes for mailers.

Some will only benefit mailers in certain industries / mailing certain items.

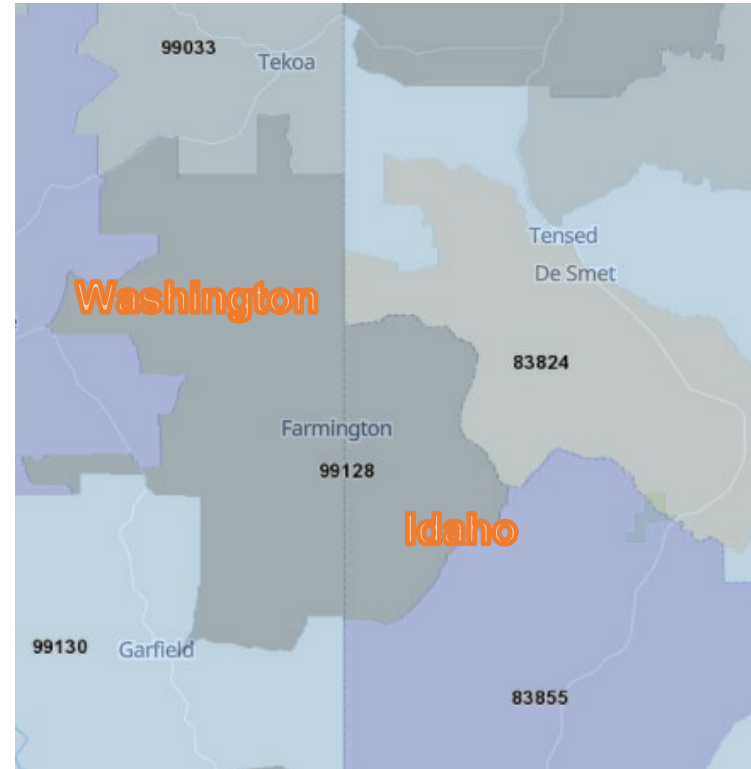
Some will be of value to almost all mailers.



Cross State Addresses

- Location needed:
 - Fees / Service Rates
 - Tax Rates
 - Eligibility (offers, coverage,...)
 - Sales Commissions
- Cycle O -Physical vs. Mailing State will match
 - Will see some addresses change State
 - Will see some addresses change City & State
 - Will see some addresses change ZIP & ???

Farmington WA 99128



Google Maps



DPV[®] & DSF²[®] Flags

- DNA = Door Not Accessible
- NSL = No Secure Location
- NDD = Non-Delivery Days
- PO Box™ Throwback Table
- NSR = NoStat Reason Code ←
- LACS Only Table (DSF²[®])
- DPV[®] Codes Clarified ←
- Enhanced DPV[®] Codes ←
- DPV[®] Footnotes – Redefined & New
 - R777/779 Route Matching
 - PBSA Identifier

Potential Impacts / Values:

- All Delivery
- Package Delivery
- Signature Required



DPV[®] Codes Clarified and Enhanced

Big change is related to Secondary Address Information

- Current:
 - Secondary present, and matched
 - Secondary present, and not matched
 - Secondary required, not present
- Problem:
 - Why not matched:
 - Does not match the secondary data USPS has for the address
 - USPS does not have secondary data for the address – so, nothing to match to
 - Due to trailing alpha in the primary number treated like secondary (123A MAIN ST)
 - What to do – suppress or mail?
 - **GH TEST: Current Secondary Not Matched a 46/54 split between needed / not needed**
- Cycle O: new indicators
 - Secondary required, present, and matched ← Mail
 - Secondary required, present, and not matched ← Mail?
 - Secondary required, not present ← Mail??
 - Secondary not required, present ← Mail
 - Secondary not required, trailing alpha in Primary ← Mail



NoStats

- Definition: The USPS does not have statistical information on the final delivery location because the USPS does not handle delivery to the final location
 - Recognized physical address in an area where USPS does not deliver to individual locations (R777/9 addresses)
 - Vacant Lot (delivery not yet established)
 - Rural Route address that has gone vacant
 - Drop Address (gated community, some high rises, colleges / universities)
- Cycle O:
 - **NoStats Reason Codes!!!!**
 - R777/9's Flagged in new DPV Codes + no longer qualifies for discounts

NoStats – Stats

- General
 - Processed: ?%
 - ACS NIXIES: ??%



NoStats

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 - Vacant Lot (delivery not yet established)
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- Cycle O:
 - **NoStats Reason Codes!!!!**
 - R777/9's Flagged in new DPV Codes + no longer qualifies for discounts

Fraud Risk, Signature Required, Deliverability

Additional Note: Not all R777/9's flag as a NoStat

NoStats – Stats

- General
 - Processed: 3%
 - ACS NIXIES: 15%
- R777/9
 - Processed: 0.5%
 - ACS NIXIES: 3%
- Business Mailing Using Alternative Addressing
 - ACS NIXIES: 40%



Best Practices – Address Data Quality

Cycle O impacts all processes

Best Practices requires actions in multiple processes and operations



ADDRESS ENTRY

- ✓ Verify Address



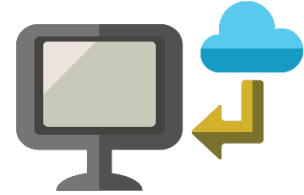
DATABASE MAINTENANCE

- ✓ CASS
- ✓ NCOA
- ✓ Prior ACS
- ✓ Proprietary Address Database
- ✓ Exception / Correction



JUST IN TIME

- ✓ CASS
- ✓ NCOA
- ✓ Prior ACS
- ✓ Proprietary Address Database
- ✓ Exception / Correction
- ✓ Custom Suppression



UPDATES AFTER MAILING / RETURNS

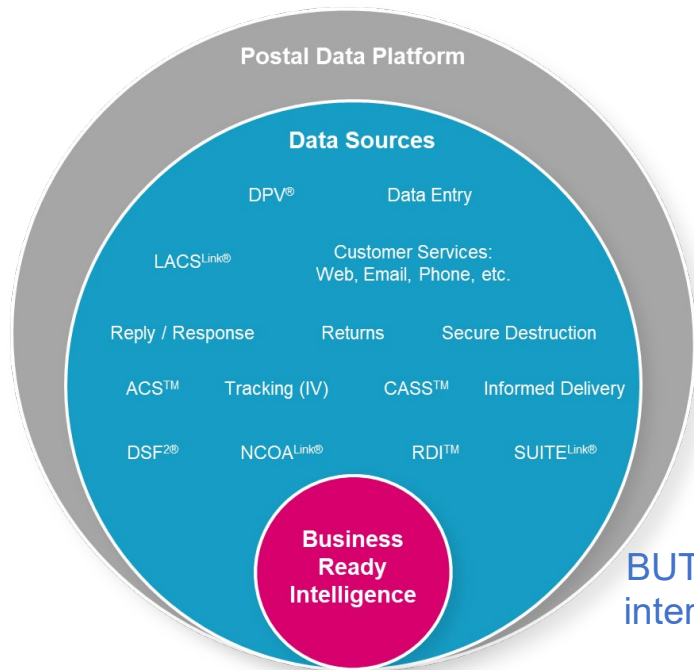
- ✓ ACS
- ✓ Secure Destruction
- ✓ Mail Tracking



Transforming Postal Data

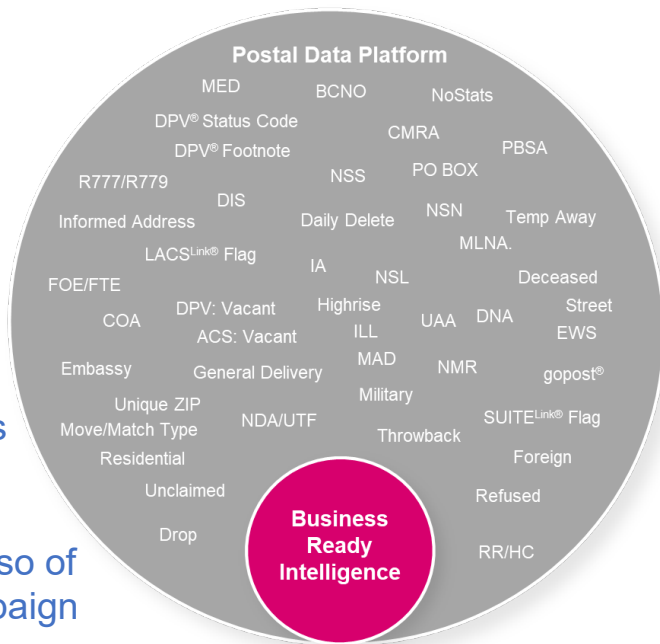
Ingest, Aggregate, Analyze

Implement in manageable, justified stages for continuous improvement (and one size does not fit all)



<--- Many USPS Tools
+
Dozens of Data Points -->
=
Thousands of Combinations

BUT, generally only a dozen or so of interest for a given mailing campaign / business operation



Questions for you:

- Do you know your UAA rates (and root causes)?
- Do you know the types of addresses being utilized (and any associated risks)?
- When was the last time you reviewed your business processes around address information?
 - **Have you reviewed and planned for changes associated with Address Quality Cycle O (CASS and NCOA^{Link}) scheduled for required use as of 8/1/2023?**



Questions & How to Get Information

- Adam Collinson: acollinson@grayhairsoftware.com 630-715-2316
 - GrayHair: Info@grayhairsoftware.com
- USPS Postal Pro: <https://postalpro.usps.com/site-index>
 - CASS Cycle O: <https://postalpro.usps.com/certifications/cass>
 - Executive Summary, Rules Presentation, Announcements



QUIZ

Address

DPV

xx EMS D18A1 LN Syracuse IN

xx 1/2 B 1/4 Rd Grand Junction CO

xxxx 8 1/2 8 3/4 ST, Cumberland WI

xx 1st ST, Anatone WA / xx Fir St, Anatone WA

Valid address within a few blocks of Post Office

65 S Randall Rd Unit xxx, North Aurora IL

xxx W 75th St Unit xxx, Naperville IL

xxxx Gopost #xxxxx-xxxx



QUIZ

| Address | DPV | Deliverable |
|---|---------|-------------|
| xx EMS D18A1 LN Syracuse IN | Y | |
| xx 1/2 B 1/4 Rd Grand Junction CO | Y | |
| xxxx 8 1/2 8 3/4 ST, Cumberland WI | Y | |
| xx 1 st ST, Anatone WA / xx Fir St, Anatone WA | Blank/Y | |
| Valid address within a few blocks of Post Office | Y | |
| 65 S Randall Rd Unit xxx, North Aurora IL | Y | |
| xxx W 75 th St Unit xxx, Naperville IL | Y | |
| xxxx Gopost #xxxxx-xxxx | Y | |



QUIZ

| Address | DPV | Deliverable | Install Address |
|---|---------|------------------------|-----------------|
| xx EMS D18A1 LN Syracuse IN | Y | Y | |
| xx 1/2 B 1/4 Rd Grand Junction CO | Y | Y | |
| xxxx 8 1/2 8 3/4 ST, Cumberland WI | Y | Y | |
| xx 1 st ST, Anatone WA / xx Fir St, Anatone WA | Blank/Y | N/N(R777/9) | |
| Valid address within a few blocks of Post Office | Y | Often N (R777/9) | |
| 65 S Randall Rd Unit xxx, North Aurora IL | Y | Y | |
| xxx W 75 th St Unit xxx, Naperville IL | Y | Y/N (CMRA missing PMB) | |
| xxxx Gopost #xxxxx-xxxx | Y | Only Packages | |



QUIZ

| Address | DPV | Deliverable | Install Address | Legal, Physical Address |
|---|-------------|---------------------------|-------------------|-------------------------|
| xx EMS D18A1 LN Syracuse IN | Y | Y | Y | |
| xx 1/2 B 1/4 Rd Grand Junction CO | Y | Y | Y | |
| xxxx 8 1/2 8 3/4 ST, Cumberland WI | Y | Y | Y | |
| xx 1 st ST, Anatone WA / xx Fir St, Anatone WA | Blank/ Y | N/N(R777/9) | N/Y | |
| Valid address within a few blocks of Post Office | Y | Often N (R777/9) | Y | |
| 65 S Randall Rd Unit xxx, North Aurora IL | Y | Y | N (PBSA) | |
| xxx W 75 th St Unit xxx, Naperville IL | Y | Y/N (CMRA missing PMB) | Y/N (who for?) | |
| xxxx Gopost #xxxxx-xxxx | Y | Only Packages | N | |



QUIZ

| Address | DPV | Deliverable | Install Address | Legal, Physical Address | COA |
|---|---------|------------------------|-----------------|-------------------------|-----|
| xx EMS D18A1 LN Syracuse IN | Y | Y | Y | Y | |
| xx 1/2 B 1/4 Rd Grand Junction CO | Y | Y | Y | Y | |
| xxxx 8 1/2 8 3/4 ST, Cumberland WI | Y | Y | Y | Y | |
| xx 1 st ST, Anatone WA / xx Fir St, Anatone WA | Blank/Y | N/N(R777/9) | N/Y | N/Y | |
| Valid address within a few blocks of Post Office | Y | Often N (R777/9) | Y | Y | |
| 65 S Randall Rd Unit xxx, North Aurora IL | Y | Y | N (PBSA) | N | |
| xxx W 75 th St Unit xxx, Naperville IL | Y | Y/N (CMRA missing PMB) | Y/N (who for?) | Y/N (who for?) | |
| xxxx Gopost #xxxxx-xxxx | Y | Only Packages | N | N | |



QUIZ

| Address | DPV | Deliverable | Install Address | Legal, Physical Address | COA |
|---|-------------|------------------------|-----------------|-------------------------|----------------|
| xx EMS D18A1 LN Syracuse IN | Y | Y | Y | Y | Y |
| xx 1/2 B 1/4 Rd Grand Junction CO | Y | Y | Y | Y | Y |
| xxxx 8 1/2 8 3/4 ST, Cumberland WI | Y | Y | Y | Y | Y |
| xx 1 st ST, Anatone WA / xx Fir St, Anatone WA | Blank/ Y | N/N(R777/9) | N/Y | N/Y | ?/N |
| Valid address within a few blocks of Post Office | Y | Often N (R777/9) | Y | Y | N (R777/9) |
| 65 S Randall Rd Unit xxx, North Aurora IL | Y | Y | N (PBSA) | N | Y (Restricted) |
| xxx W 75 th St Unit xxx, Naperville IL | Y | Y/N (CMRA missing PMB) | Y/N (who for?) | Y/N (who for?) | Y/N (who for?) |
| xxxx Gopost #xxxxx-xxxx | Y | Only Packages | N | N | N |

