

Postal Automation Redirection System PARS

PARS is a system to identify “Undeliverable as Addressed” (UAA) letter mail at the first machine handling and redirect it automatically to the current, correct destination.

PARS will automate the handling of:

- Change of Address (COA) forms - 3575
- Carrier Changes of Address Card - 3982
- Notification of Mailer- 3547
- Address Correct Services
- Forwarded Mail – UAA due to a move
- Carrier Return Mail – UAA due to a reason other than a move

PARS will not change the handling of UAA non-machineable letters, flats or parcels and rolls.

On April 9, 2002 the Board of Governors approved funding for the PARS program which had been tested at the Dulles, VA site. The APWU has been notified of the USPS intention to deploy PARS nationally with Phase 1 tentatively scheduled to begin in July, 2003 and completed by February, 2004.

PARS is designed to automatically intercept and redirect (initially around 50%) automated UAA letter mail at its origin and process all UAA letter mail on the new labeling machines at P&DCs. This new technology will also use OCRs to process the 43 million COA forms the USPS gets each year. The COA form will be redesigned to allow for scanning.

This program will eliminate mechanized terminals at the initial 40 CFS sites included in Phase 1. Since the PARS has image lift capabilities, it will require some additional terminals for data conversion operators at the 20 Remote Encoding Centers.

The USPS anticipates a reduction of 2.8 million work hours, of which approximately 64% will come from affected CFS units, 30 % from clerk delivery functions, 4 % from city and rural carrier functions and 2 % from P&DC operations. These savings are from Phase 1 only. They expect to save up to 5 million work hours upon completion of the program, possibly by 2006.

Phase 1 will see the elimination of data input of COAs in all 219 CFS units. Initially 86 CFS units will be outfitted with the necessary equipment to scan COAs. The remaining units will send their COAs to the 86 units with scanning and OCR capability to be scanned into the national data base, with the unresolved images being sent to RECs to be maintained and verified by DCOs.

Phase 1 will also see letters redirected from 40 CFS units. 53 Mail Processing Facilities will initially be intercepting UAA mail.

Phase 2 will see the remaining 179 CFS units have their letter mail redirected and all remaining MPFs will eventually intercept UAA mail.

Attached is official notification from the USPS as well as a deployment schedule.

The first article test is set for April-June, 2003 in Tampa and Mid-Florida District.



August 28, 2002

Certified Mail Number
7099 3400 0008 5899 2236

Mr. William A. Burrus
President
American Postal Workers Union, AFL-CIO
1300 L. Street, NW
Washington, DC 20005-4128

Dear Bill:

This provides an update to prior correspondence regarding the Postal Automation Redirection System (PARS) program.

Dulles, Virginia – Charleston, West Virginia Pilot sites

As previously communicated, a decision was reached to extend the PARS pilot to the Remote Encoding Center (REC) in Charleston, West Virginia. Keying equipment is being moved from Dulles, Virginia to the Charleston REC, and the current plan is to select ten REC volunteers who are normally scheduled to work from 3:30 p.m. to midnight for PARS training. REC keyers in Charleston will receive a 40-hour training session scheduled from August 26 through 30.

A selected number of Mail Processing Clerks in Dulles will receive a 2-hour training session on September 3 (either 1:00 - 3:00 p.m. or 3:30 - 5:30 p.m.) on how to operate the CIOSS (Combined Input Output Sub-System) machine. Employees from three Northern Virginia delivery units (Sterling, Manassas and Herndon) will receive training on August 26, from 2:00 to 4:00 p.m. on how to prepare mail to be sent to the plant for processing on the CIOSS machine.

The goal is to run 100,000 undeliverable-as-addressed, carrier-endorsed, nixie letter mail pieces through the CIOSS each day (50,000 images captured and forwarded to the RECs and same 50,000 mail pieces run again to apply re-direction labels). Two Dulles Mail Processors will be needed to run PARS mail for up to 4-5 hours per day, six days per week through the CIOSS machine. Mail Processors and REC keyers may process other mail types later in the tour if PARS volumes disappear.

By September 9, it is anticipated that carrier-endorsed nixie letter mail volume from selected zones will reach approximately 7,000 images per day. During the week of September 16, CFS letter mail volume from all zones will be added, with a goal to increase a mix of both nixie and CFS mail types by 5,000 each week until November 11. In the event that unforeseen circumstances significantly alter PARS operating schedules or plans, you will be notified as that information becomes available.

Maintenance of PARS equipment being tested will continue to be supported by the contractor during the pilot phase of the project or until the Postal Service accepts the equipment.

First Article Test (FAT)

The Mid-Florida Processing and Distribution Center has been identified as the site for the PARS First Article Test (FAT). During the FAT, rather than using prototype equipment, first production equipment will be used and tested to ensure it meets the Postal Service's functional and performance requirements, as well as quality standards. The Tampa REC will be the REC site in support of the FAT test, as it is already designated to key letter mail images for mid-Florida. The expected date for the test is April 30, 2003.

Employee Impacts

First phase impact projections (2.8 million work hour savings - 64% in CFS units, 30% in clerk delivery functions, 4% in city and rural carrier functions and the remaining 2% in P&DC operations) have not changed. This general impact information is also reflected in letters (4/02/01, 4/17/01, 8/24/01 and 5/02/02), and handouts provided at briefing sessions (12/10/01, 4/12/02 and 6/17/02). Site specific impact information is being developed in each Area, and when available, will be shared with area union designees. Where appropriate, positions will be withheld pending reversion, and transitional employees utilized to backfill as needed. There may also be reductions in part-time flexible workhours, and involuntary reassignments of excess employees.

It is important to re-emphasize that there are still no immediate plans to include flats, parcels or other non-machineable mail in the PARS pilot project. Therefore, Merrifield CFS employees domiciled at Dulles will continue to process those mail volumes in the normal manner.

If you have any questions regarding this matter, please contact Dee Scott of my staff at (202) 268-4398.

Sincerely,



Doug A. Tulino
Manager
Labor Relations Policies and Programs

McCarthy

Notification # GCCC20024
previously assigned

LABOR RELATIONS



Certified Mail Number
7099 3400 0008 5895 1042

May 2, 2002

Mr. William A. Burrus
President
American Postal Workers Union
1300 L Street, NW
Washington, DC 20005-4128



Dear Bill:

During a meeting held at the request of the American Postal Workers Union on Friday, April 12, your designee, James McCarthy, was provided a status update regarding the Postal Automation Redirection System (PARS) program. Information was provided about the status of the PARS pilot test being conducted at the Dulles, Virginia site, and the union was notified as well of the Postal Service's intent to transition towards national deployment of PARS.

On Tuesday, April 9, the Postal Service received funding approval from the Board of Governors for PARS. Immediate plans are underway to procure a contract with the developer of the technology so that equipment enhancements may be phased in at specific locations in the near future.

Phase I of PARS will be deployed at 40 Computerized Forwarding System (CFS) sites and 53 Processing and Distribution Centers (P&DCs). The objective is to automatically intercept and redirect nearly half of the total automated Undeliverable as Addressed (UAA) letter mail generated at origin and process all the remaining mail on the new labeling machines at the P&DCs. The PARS system will eliminate the need for mechanized terminals at the 40 CFS sites but will require some additional terminals for data conversion operators at the 20 Remote Encoding Centers.

It is projected that this first phase will result in approximately 2.8 million work hour savings (64% in CFS units, 30% in clerk delivery functions, 4% in city and rural carrier functions and the remaining 2% in P&DC operations). The majority of the savings projection is expected through technological replacement of mechanized terminal CFS keying with automated equipment. Savings will also result from a reduction in multiple UAA mail sorting, handling and transporting by clerks, carriers or other employees who interface with UAA mail at the wrong mailing destinations.

Through PARS technology, the Postal Service also anticipates improved customer service index scores as the time required to redirect UAA mail improves. Mail will be intercepted and properly labeled with change-of-address information while still in the automation mail stream, which will result in immediate improved service for customers.

After PARS is deployed, non-machinable letter mail that cannot be read through PARS automated equipment, as well as flats and parcels, will continue to be processed through CFS units. There will be 86 district CFS sites designated to scan Change-of-Address (COA) cards. Data maintenance and verification as well as all other tasks associated with the handling of COA forms will be eliminated at the remaining CFS sites. While Phase I is limited to UAA letter mail, as technology improves, it is anticipated that later PARS phases will include an even large percentage of UAA letter mail and may eventually handle UAA flats.


The pilot test in Dulles, Virginia will remain ongoing for the purpose of retaining a site where tests of the equipment may continue as more features and enhancements are added over time. As the PARS features and enhancements come to include a Remote Barcode Sorter (RBCS) connection, the Charleston, West Virginia Remote Encoding Center (REC) will begin processing UAA letter images captured at Dulles, Virginia. Equipment designated for processing readable UAA letter mail at Dulles will continue to be used for that purpose.

The sites to be included in Phase I are listed on the enclosed deployment site report. Site selections were made almost exclusively from among the 140 CFS units throughout the country that are co-located with P&DCs. The deployment dates, however, are tentative (between July 2003 and February 2004) and could change based on the procurement of the contract. A legend of the acronyms used in the report, as requested by Mr. McCarthy, is enclosed. A report of all CFS sites, their location and career staffing matrices will be developed and provided in the near future.

Meanwhile, the Postal Service looks forward to engaging the union in discussions about training needed at the REC sites where PARS will be deployed and plans for placement at sites where mail volumes begin to decline to a point where reassignments under Article 12 may become necessary.

If you have any questions regarding this matter, please contact Dee Scott of my staff at (202) 268-4398.

Sincerely,



Peter A. Sgro
Manager
Contract Administration

Enclosures

List of Acronyms and Glossary of Terms

Term	Definition	Description
ACS	Address Change Service	A United States Postal Service (USPS) service to provide address correction information to subscribers primarily by electronic means
AFCS/ISS	Advanced Facer Canceler System/Input Subsystem	A mail facing and canceling machine that incorporates Remote Bar Code Sorter (RBCS) Input Subsystem functions for image capture
AFR	Advanced Forwarding Reader	A device proposed by Siemens ElectroCom L.P. to provide recognition functions for use in redirection of mail
CARS	Change of Address Record Server	A database server that manages change of address (COA) records received from the National Customer Support Center (NCSC) and provides lookup services to various mail processing equipment
CFS	Computerized Forwarding System	A centralized, computerized address label-generating system used by the USPS to provide mail redirection and address correction services for customers who have moved
CIOSS	Combined Input-Output Subsystem	A mail processing machine, specifically designed to be used in the PARS project, that is capable of both image input and result output functions, as well as applying redirection labels
COA	Change of Address	Term applied to various aspects of mail redirection. Most commonly applied to the customer-supplied written request to forward mail (COA order) when the customer moves
CSBCS	Carrier Sequence Bar Code Sorter	USPS bar code sorting machine used for sorting mailpieces in order to get the letter carrier sequence
DBCS/ OCR	Delivery Bar Code Sorter/Optical Character Reader	Postal reader machine that reads bar codes optically and sorts envelopes to assigned bins using sortation software

List of Acronyms and Glossary of Terms (Continued)

Term	Definition	Description
DIOSS	Delivery Bar Code Sorter with Optical Character Reader, Input Subsystem, and Output Subsystem	A modified DBCS/OCR system that adds input and output subsystem capabilities to improve international mail processing capabilities
DVD	Digital Video Disk	High-capacity digital storage for data or programs on optical media
FCS	Forwarding Control System	The third-generation technology used by the USPS to provide mail redirection in the Computerized Forwarding System
IBIP	Information Based Indicia Program	Two-dimensional code used on some mail by the USPS
ID	Identification	Evidence of identity
IPSS	Image Processing Subsystem	The "heart" of RBCS that provides image management, video coding, and result storage functions
ISS	Input Subsystem	A mail transport type. Applied to machines with ID tag and image capturing features
MLOCR	Multiline Optical Character Reader	A mail processing machine with character recognition
MLOCR/ISS	Multiline Optical Character Reader/Input Subsystem	A mail processing machine with character recognition and ISS functions
MPBCS	Mail Processing Bar Code Sorter	Mail sorting machine usually equipped with Output Subsystem capability
NCSC	National Customer Support Center	Postal organization based in Memphis, Tennessee, that provides various levels of support to postal organizations and customers
OCR	Optical Character Recognition	Computer functionality to convert image data into ASCII or other usable data format
OSS	Output Subsystem	A mail processing machine specifically designed to retrieve the results of RBCS processing and print bar codes on mail that represent delivery ZIP Codes

Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal.

List of Acronyms and Glossary of Terms (Continued)

Term	Definition	Description
P&DC	Processing and Distribution Center	USPS mail processing facility
PARS	Postal Automated Redirection System	A system designed to intercept and process undeliverable as addressed mail using automated techniques
REC	Remote Encoding Center	A USPS facility where data conversion operators process image data to derive delivery address information
RCR	Remote Computer Reader	A component of the RBCS having OCR capability. Interfaces to the Image Control Unit
UAA	Undeliverable as Addressed	Term applied to mail that cannot be delivered to the address on the item due to customer move, incorrect address data, etc.
USPS	United States Postal Service	Independent agency of the Executive Branch, established in 1971

Postal Automated Redirection System (PARS)
DEPLOYMENT SITE REPORT

Page 1 of 5

CFS Units

	Scanning COAs?	Letters Redirected?	Mail Processing Facilities Intercepting UAA Mail
<u>Capital Metro Operations Area</u>			
1 Northern Virginia VA 014	Y	Y	1 Dulles VA
2 Gaithersburg MD 069		Y	2 Merrifield VA
3 Capitol Heights MD 194	Y	Y	3 Gaithersburg MD
4 Baltimore MD 038	Y	Y	4 Waldorf MD
			5 Baltimore MD
			6 Linthicum MD
<u>Eastern Area</u>			
5 Lexington KY 177		Y	7 Lexington KY
6 Charleston SC 141		Y	8 Charleston SC
7 Charleston WV 110		Y	9 Charleston WV
8 Columbus OH 018	Y	Y	10 Columbus OH
9 Youngstown OH 158		Y	11 Youngstown OH
10 Bowling Green KY 111		Y	12 Bowling Green KY
11 Cincinnati OH 008	Y	Y	13 Cincinnati OH
12 Lancaster PA 171	Y		
13 Cleveland OH 049	Y		
14 Philadelphia PA 028	Y		
15 Roanoke VA 080	Y		
16 Erie PA 162	Y		
17 Pittsburgh PA 033	Y		
18 Raleigh NC 073	Y		
19 Louisville KY 001	Y		
20 Harrisburg PA 135	Y		
21 Greenville SC 086	Y		
22 Norfolk VA 024	Y		
23 Charlotte NC 046	Y		
24 Akron OH 057	Y		
25 South Jersey NJ 003	Y		

April 2002

CFS Units

Scanning Letters
COAs? Redirected?

Mail Processing Facilities
Intercepting UAA Mail

Great Lakes Area

26 Flint MI 099		Y	14 Flint MI
27 Madison WI 068		Y	15 Madison WI
28 Gary IN 102		Y	16 Gary IN
29 Milwaukee WI 031	Y	Y	17 Milwaukee WI
30 Terre Haute IN 216		Y	18 Terre Haute IN
31 Chicago IL 026	Y		19 Bloomington IN
32 Palatine IL 215	Y		
33 Detroit MI 045	Y		
34 Grand Rapids MI 077	Y		
35 St Louis MO 023	Y		
36 Royal Oak MI 199	Y		
37 Indianapolis IN 013	Y		
38 Bloomington IL 184	Y		

New York Metro Area

39 Brooklyn NY 044	Y	Y	20 Brooklyn NY
40 Flushing NY 015		Y	21 Staten Island NY
41 NY (Morgan Str) NY 039	Y	Y	22 Queens NY
42 Red Bank NJ 222		Y	23 NY (Morgan Str) NY
43 Kingston NY 166	Y		24 Bronx NY
44 San Juan PR 143	Y		25 Monmouth NJ
45 Newark NJ 029	Y		
46 Long Island NY 236	Y		
47 New Brunswick NJ 183	Y		

CES Units

	Scanning <u>COAs?</u>	Letters <u>Redirected?</u>	Mail Processing Facilitie <u>Intercepting UAA Mail</u>
<u>Northeast Area</u>			
48 Waltham MA 235		Y	26 Waltham MA
49 North Reading MA 059	Y	Y	27 North Reading MA
50 Syracuse NY 062	Y	Y	28 Syracuse NY
			29 Watertown NY
51 Eastern ME 234	Y		
52 Boston MA 034	Y		
53 North (New) Haven CT 15	Y		
54 Chicopee MA 128	Y		
55 Rochester NY 019	Y		
56 Providence RI 081	Y		
57 Manchester NH 136	Y		
<u>Pacific Area</u>			
58 Van Nuys CA 032	Y	Y	30 Van Nuys CA
			31 Santa Barbara CA
			32 Oxnard CA
			33 Pasadena CA
			34 Mojave CA
59 City of Industry CA 037		Y	35 City of Industry CA
60 Oakland CA 056	Y	Y	36 Oakland CA
61 North Bay CA 210		Y	37 North Bay CA
62 Honolulu HI 094	Y		
63 Bakersfield CA 207	Y		
64 Long Beach CA 300	Y		
65 San Diego CA 012	Y		
66 Los Angeles CA 027	Y		
67 Sacramento CA 042	Y		
68 Santa Ana CA 189	Y		
69 San Francisco CA 047	Y		

CFS Units

	Scanning COAs?	Letters Redirected?	Mail Processing Facilitie Intercepting UAA Mail
<u>Southeast Area</u>			
70 Mid Florida FL 181	Y	Y	38 Orlando FL
71 Marietta GA 232	Y	Y	39 Lake Mary FL
72 Nashville TN 123	Y		40 Duluth GA
73 Lakeland FL 227	Y		
74 Jackson MS 153	Y		
75 Johnson City TN 237	Y		
76 Birmingham AL 011	Y		
77 Miami FL 106	Y		
78 Jacksonville FL 101	Y		
79 Macon GA 168	Y		
<u>Southwest Area</u>			
80 Dallas TX 092	Y	Y	41 Dallas TX
			42 Coppell TX
			43 Tyler TX
81 Abilene TX 205		Y	44 Abeline TX
82 Fort Worth TX 090	Y	Y	45 Fort Worth TX
83 North Houston TX 197	Y		
84 Baton Rouge LA 179	Y		
85 Little Rock AR 051	Y		
86 San Antonio TX 098	Y		
87 Oklahoma City OK 117	Y		

CFS Units

	Scanning COAs?	Letters Redirected?	Mail Processing Facilities Intercepting UAA Mail
<u>Western Area</u>			
88 Colorado Springs CO 107		Y	46 Colorado Springs CO
89 Anchorage AK 206	Y	Y	47 Anchorage AK
90 Portland OR 164	Y	Y	48 Portland OR
91 Yakima WA 212		Y	49 Pasco WA
92 Minneapolis MN 036	Y	Y	50 Minneapolis MN
93 Everett WA 233		Y	51 Everett WA
94 Seattle WA 211	Y	Y	52 Seattle WA
95 Provo East Bay UT 124		Y	53 Provo UT
96 Albuquerque NM 091	Y		
97 Fargo ND 132	Y		
98 Billings MT 208	Y		
99 Las Vegas NV 115	Y		
100 Phoenix AZ 006	Y		
101 Denver CO 203	Y		
102 Wichita KS 064	Y		
103 Salt Lake City UT 186	Y		
104 Spokane WA 139	Y		
105 Cedar Rapids IA 140	Y		
106 Kansas City MO 022	Y		
106 Totals:	86	40	53

Remote Encoding Centers (RECs)

1 Albany NY REC	11 Fort Wayne IN REC
2 Fishkill NY REC	12 Peoria IL REC
3 Princeton NJ REC	13 Duluth MN REC
4 Fayetteville NC REC	14 Wichita KS REC
5 Chattanooga TN REC	15 Salt Lake City UT REC
6 Tampa FL REC	16 Beaumont TX REC
7 Charleston WV REC	17 Glendale AZ REC
8 Pittsburgh PA REC	18 San Bernardino CA REC
9 Bowling Green KY REC	19 Selma CA REC
10 Akron OH REC	20 Modesto CA REC



POSTAL AUTOMATED REDIRECTION SYSTEM - PARS

- What is PARS
- Mail Redirection Process Today
- Mail Redirection Process with PARS
- How does PARS Redirect Mail
- Processes Automated by PARS
- Program Status
- PARS Pilot



POSTAL AUTOMATED REDIRECTION SYSTEM - PARS

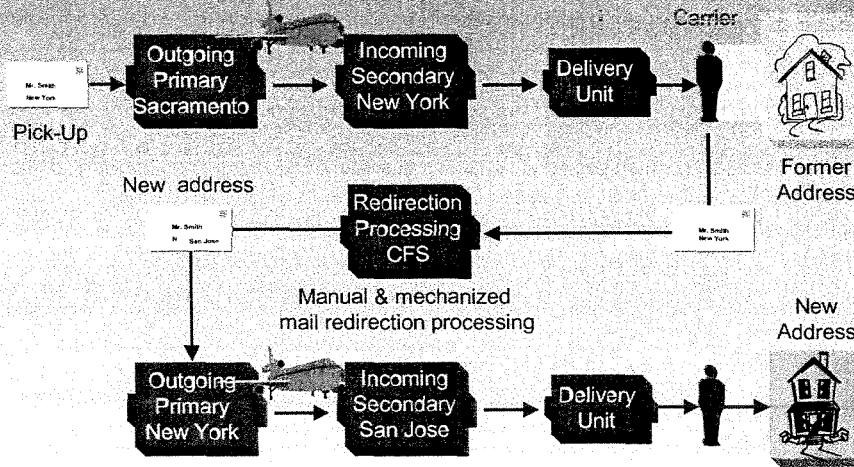
What is PARS

.... a system to identify
“Undeliverable as Addressed”
letter mail at the first machine
handling and redirect it
automatically to the current,
correct destination



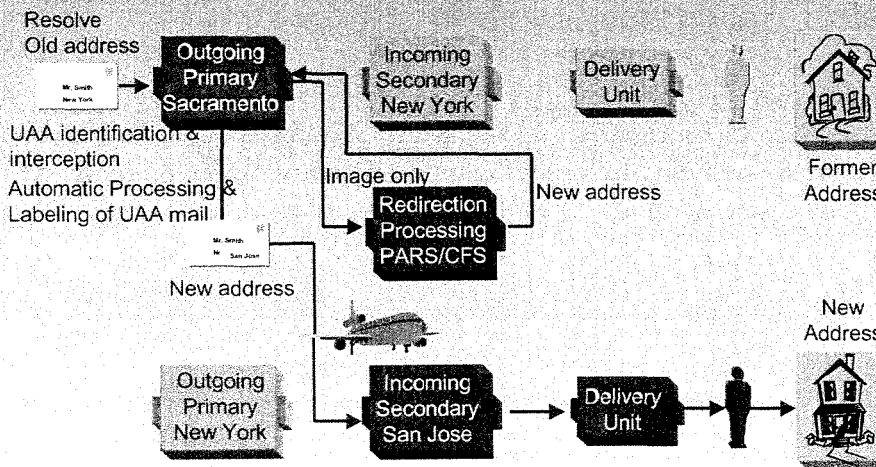
POSTAL AUTOMATED REDIRECTION SYSTEM - PARS

Mail Redirection Process Today



POSTAL AUTOMATED REDIRECTION SYSTEM - PARS

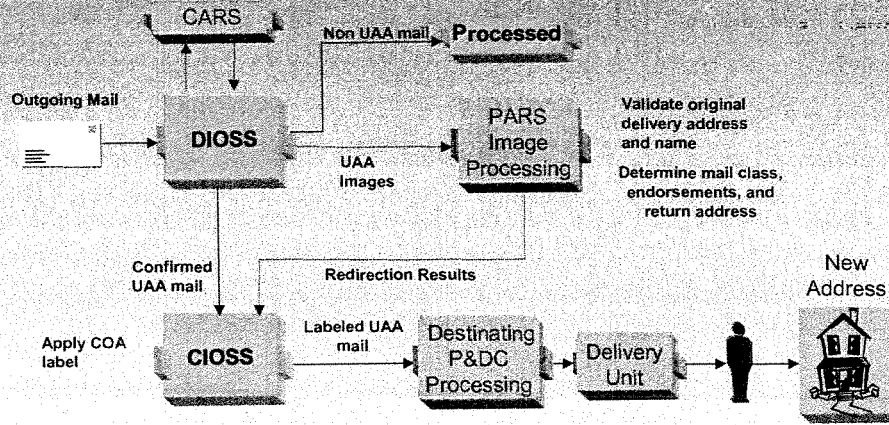
Mail Redirection Process with PARS





POSTAL AUTOMATED REDIRECTION SYSTEM - PARS

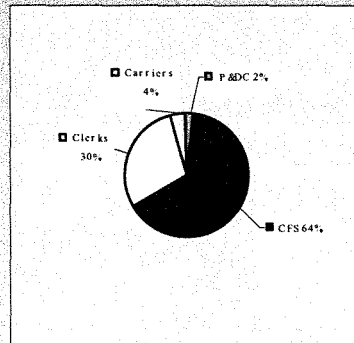
How PARS Redirects Outgoing Mail



POSTAL AUTOMATED REDIRECTION SYSTEM - PARS

PHASE 1 - HOURS SAVED BY FUNCTION

Description	Savings	%
Function 1		
P&DC	80,211	2%
Function 4		
Computerized Forwarding	1,981,877	64%
Delivery Unit Clerks	916,649	30%
Function 2		
Delivery Unit Carriers	116,444	4%
Total Savings	3,095,181	100%
Less Maintenance Costs	(27,412)	
Less Training Costs	(33,790)	
Less Remote Encoding Costs	(269,601)	
Net Savings	2,764,378	





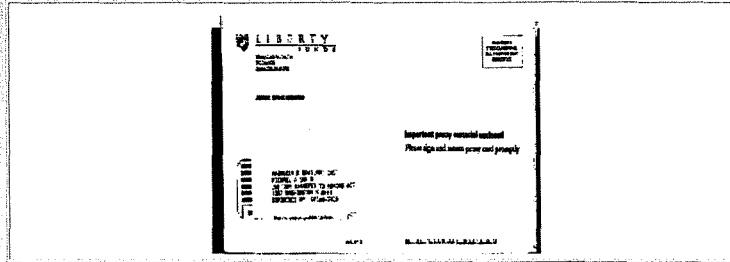
POSTAL AUTOMATED REDIRECTION SYSTEM - PARS

Form 3547



FORM 3547D fee due 60 ¢

First class mail
Postage and Fees Paid
USPS
Form No. G10



RETURN TO SENDER

Attempted-Not Known

PO BOX 1722
BOSTON MA 02105-1722

2001-08-14 10:38:51 010003



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POSTAL AUTOMATED REDIRECTION SYSTEM - PARS

Status of PARS Testing

- Field Demonstration Test - Completed, May 21 - June 15, 2001
- Pilot test - Ongoing
- Board of Governors Approval - April, 2002
- Contract Award - June, 2002
- Production First Article - April, 2003
- Phase One Deployment - July, 2003 - February, 2004

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POSTAL AUTOMATED REDIRECTION SYSTEM - PARS

Status of PARS Pilot

- Pilot test - Ongoing
- Next Steps
- PARS Coding at Remote Encoding Center (REC)
- Move Coding hardware to Charleston, WV REC
- Ramp up PARS Processing with Carrier ID Forwardable UAA
- Move to NIXIE processing
- Install PARS Hardware developments
 - WFOV Camera
 - MLOCR-ISS
 - AFCS-ISS

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POSTAL AUTOMATED REDIRECTION SYSTEM - PARS

Status of PARS Pilot

- Install PARS Hardware developments
 - DBCS
 - DIOSS
- On-line Interception of UAA
- Full up PARS Operation

10



POSTAL AUTOMATED REDIRECTION SYSTEM - PARS

Processes Automated by PARS

- Change of Address Forms - 3575
- Carrier Changes of Address Card - 3982
- Notification of Mailer - 3547
- Address Correct Services
- Forwarded Mail - UAA due to a move
- Carrier Return Mail - UAA due to a reason other than a move