

Office of Inspector General | United States Postal Service

RARC Report

Delivering Peace of Mind: Certified Mail and the U.S. Postal Service

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Executive Summary

Since its creation in 1955, Certified Mail has become both a financially important product for the U.S. Postal Service, and one that fulfills a critical legal and business need for American citizens. It has grown to be the largest of the Ancillary Services offered by the Postal Service. In 2016, 197 million pieces of mail included Certified Mail service, generating \$670 million of direct revenue. When base postage and other related services, such as Return Receipts, are included, the total, combined revenue was over \$1 billion.

Originally proposed as an offshoot of the Registered Mail system, Certified Mail was an innovation that provided a way for citizens to send critical business and legal documents with similar visibility and accountability, but at a lower price. Over time, citizens' trust in Certified Mail has made it an essential communication channel between citizens and government, as it is used to transmit documents such as tax returns and a variety of important public notices. By including tracking and verification that a letter was sent and delivered, Certified Mail provides customers peace of mind about their most important mail items.

However, diversion to electronic alternatives, legal changes, and service disruptions pose potential threats. Since 2010, Certified Mail has experienced declines, losing nearly one-quarter of its volume over that period. In light of the importance of Certified Mail, the U.S. Postal Service Office of Inspector General (OIG) examined possible explanations for these recent declines as well as potential improvements or modernizations that could protect and enhance the service.

The OIG's research identified a number of explanations. OIG interviews with Certified Mail users and responses to the Postal Service's customer experience survey revealed negative perceptions about wait times in line at post offices, difficulty filling out Certified Mail forms, and missing or unreadable signatures on receipts. The cost of Certified Mail, \$3.35 on top of base postage, is also leading some state and local governments to seek out free or low-cost digital alternatives.

The Postal Service has several opportunities to address these issues. The OIG observed a number of effective best practices at local delivery stations and post offices with large Certified Mail volumes. The wider adoption of such practices, as well as closer adherence to current, well-designed Postal Service operating policies, could greatly improve the efficiency and customer perception of Certified Mail. This is particularly true of post offices that handle Certified Mail in large volumes.

However, though such improvements may be necessary, they would not be sufficient to reverse current declines on their own. After consulting with a number of postal industry and technology experts, as well as both large and small customers, the OIG surveyed Americans about four potential product enhancements: digitizing the sender's receipt, taking a picture of the recipient, providing automatic tracking updates to senders through a mobile phone app, and offering a completely digital document transmission service with the benefits of Certified Mail. Each of these enhancements was viewed positively by a majority of Americans, and respondents reported that the enhancements would make them more likely to purchase Certified Mail in the future. These suggested enhancements are hardly exhaustive. Ultimately, Certified Mail is so high in value and importance that it could merit its own dedicated product manager or even product team to develop additional creative solutions for Certified Mail users. The Postal Service also could consider consulting with one of many outside experts in product redesign to conduct such an effort.

The Postal Service has a long history of improving its processes and products as new technology arises. From the time it was introduced, Certified Mail has met the changing needs of postal customers. For the benefit of both the Postal Service and the American public, the time has come again to focus on enhancing and modernizing this essential mail service.

Observations

Introduction

From its introduction, Certified Mail was designed to provide peace of mind for customers sending their most important mail. Originally proposed as an offshoot of the Registered Mail system, Certified Mail provides a way for citizens to send critical business and legal documents with similar visibility and accountability, but at a lower price. After its introduction in 1955, Certified Mail volume continued to increase steadily, peaking at 286 million pieces in fiscal year (FY) 1997. Today, Certified Mail is an essential tool for citizens and businesses and an important source of revenue for the Postal Service. Alone it generated \$670 million of revenue in FY 2016, the most of any Ancillary Services. When base postage and other services commonly purchased with Certified Mail such as Return Receipts are included, these mail pieces accounted for roughly \$1 billion in revenue.

Certified Mail was developed as a lower-cost option to Registered Mail for mail contents with no intrinsic monetary value.

Certified Mail performs an important legal function and has competitive advantages over other methods of transmitting important documents. However, since 2010, it has experienced declines, losing nearly one-quarter of its volume over that period. Some of these losses are likely due to the external trends affecting all mail volume, namely diversion to electronic alternatives. These declines could pose a problem for the Postal Service if they continue unabated.

This paper will examine a variety of factors that could be contributing to Certified Mail's challenges. It also will explore potential modernizations to the product's form and function that could better address customer needs and ultimately preserve or increase use of this essential mail service.

Certified Mail: Past and Present

Historical Background

In 1947, John King, the Post Office Department's director of the Division of Registered Mail, noted a potential opportunity for a new product. At the time, Registered Mail was being used in large part for letters important to senders but which had no intrinsic monetary value. King proposed an entirely new mail service that would later be called Certified Mail. Processed and transported alongside regular First-Class letters, Certified Mail did not include the insurance coverage or secure storage that were the essential but very expensive features of Registered Mail. Instead, Certified Mail would simply provide the sender with a mailing receipt and require the delivery to be documented. King argued that without this new, lower-cost product, volume from price-sensitive customers could be lost entirely.¹

When Postmaster General Arthur Summerfield formally introduced the product in February 1955, he said that Certified Mail would provide improved service and reduced cost for at least 25 million letters per year that customers had previously sent as Registered Mail.² Certified Mail volume grew rapidly over the ensuing decades, reaching its peak volume of 286 million pieces in FY 1997 (Figure 1). However, volume declines began in 2010.³ Its revenue also grew until FY 2010, when it reached \$752 million, but has declined modestly since then (Figure 2).

¹ Letters from John A. King, Director, Division of Registered, Insured and C.O.D. Mails, to Nelson B. Wentzel, Third Assistant Deputy Postmaster General, May 8, 1947 and March 16, 1949.

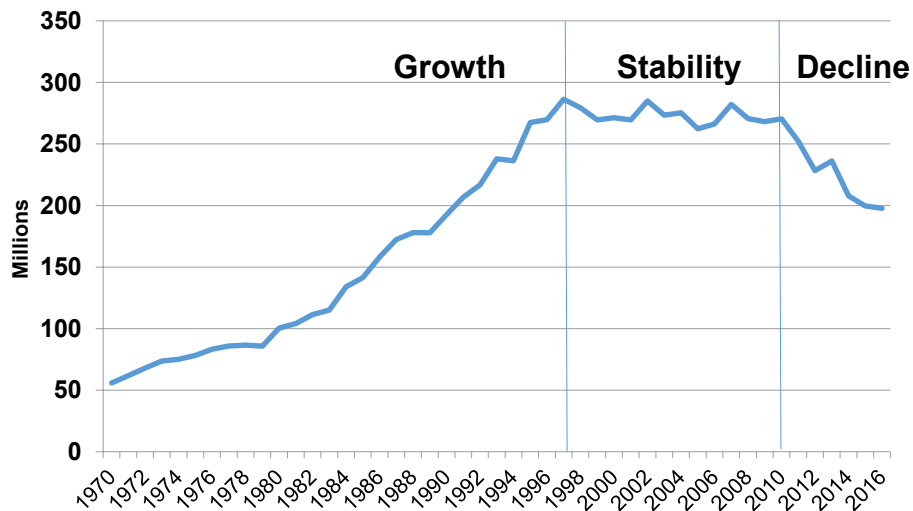
² As of early 1955, the revenues of the "registry service," or Registered Mail, did not cover its expenses, which exceeded revenues by over \$5 million in FY 1954 (in nominal dollars, or over \$45 million in 2017 dollars). Moving "no-value mailings" from Registered Mail to the new Certified Mail service was intended in part to allow this type of mail to more easily cover its own costs – and at a lower price for the customer as well. Edwin Riley, "1955 Budget Topics – Registered Mail," memorandum to Clarence Bruce, Chief of Finance, Post Office Department, January 19, 1955. While the minimum charge for using Registered Mail was 30 cents at this time, Certified Mail would cost only 15 cents. "Certified Mail: Background," provided to Karen Owczarski, April 18, 2013, and Carl W. Albrecht, "Certified Mail in the U.S.: the First Forty Years," Pacific 97 Handbook, World Philatelic Exhibition, June 7, 1997, p. 261.

³ Through the 3rd quarters of FY 2017, Certified Mail volume is actually up 3.5 percent over FY 2016 volume for the same time period. OIG analysis of USPS Quarterly Revenue, Piece, and Weight documents for 2017, <http://about.usps.com/who-we-are/financials/welcome.htm>.

Figure 1: Certified Mail Volume, 1970 - 2016

Certified Mail Volume Has Remained Steady Until Recently

After its introduction in 1955, Certified Mail volume grew rapidly until its peak in 1997, cementing itself as an essential mail service for individuals and businesses requiring a legally acceptable way to track their mail. Volume remained consistent for the decade that followed, including during the time of the Great Recession.



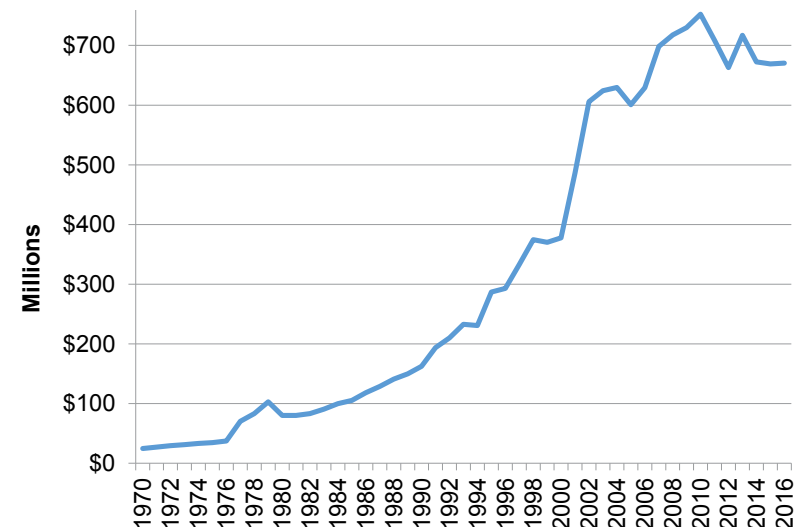
Source: OIG Analysis of USPS data from PRC rate case filing.

Despite declines in volume and revenue since 2010, Certified Mail continues to be among the most important of the Postal Service's add-on mail services. As one of the Ancillary Services, customers must purchase it with another mail product such as First-Class Mail, Priority Mail, or First-Class Package Service. It accounts for more than half of all Ancillary Services revenue, with over \$670 million in FY 2016. However, this number underestimates the total financial impact of Certified

Figure 2: Certified Mail Revenue, 1970 - 2016

Certified Mail Revenue Has Consistently Increased until Recently

While First-Class Mail revenue has been steadily declining for more than a decade, revenue from Certified Mail has only started declining recently, beginning in 2010. This slower decline in revenue may be due in part to the legal requirements that some communications must be sent with this service.



Source: OIG Analysis of USPS data from PRC rate case filing.

Mail because customers often purchase it along with other Ancillary Services, such as Return Receipt Requested, Restricted Delivery, and Adult Signature Required, that they would not have purchased otherwise. In FY 2016, more than half of all retail Certified Mail transactions included at least one such additional service, bringing its total revenue including base postage to over \$1 billion.⁴

4 According to USPS transactional data, 54 percent of Certified Mail, or 106,796,340 pieces, sold in FY 2016 included a physical Return Receipt. A piece of First-Class Mail weighing one ounce costs \$0.49. Certified Mail costs \$3.35 as of September 2017. A physical Return Receipt costs \$2.75. The total price for a one-ounce mail piece with all three charges is currently \$6.59. Using the public Revenue, Piece, and Weight (RPW) report for FY 2016, all Certified Mail revenue came to \$670,497,000. Base postage of \$0.49 for 197,771,000 pieces sold resulted in revenue of \$96,907,790. Return Receipt revenue from pieces sold with Certified Mail totaled \$293,689,935. Together this amounts to a total revenue of \$1.06 billion. For current prices, see <https://www.usps.com/ship/insurance-extra-services.htm>. For 2016 RPW data, see <http://about.usps.com/who-we-are/financials/revenue-pieces-weight-reports/fy2016.pdf>.

Over the last decade, Certified Mail revenue has declined at a slower rate than the underlying revenue for First-Class Mail overall. The slower decline can be partially accounted for by a lower decline in volume and price increases for the service, shown in Figure 3.⁵ These price increases have sometimes accompanied changes in service that brought greater value to postal customers but which increased costs for the Postal Service during their initial implementation.⁶ Since 2007, price increases have been smaller because the Postal Accountability and Enhancement Act of 2006 prohibits the Postal Service from increasing the price of Certified Mail beyond an established price cap. While the average revenue per piece for Certified Mail was \$3.39 in FY 2016, the average cost per piece was \$2.64 – resulting in a cost coverage of 129 percent. This is positive but below the average for all market dominant mail and services.⁷ Much of the cost associated with Certified Mail comes from the specialized service and handling procedures in place for accountable mail.⁸ Together, clerks, city carriers, and rural carriers accounted for 71 percent of the attributable cost of Certified Mail in FY 2016.⁹

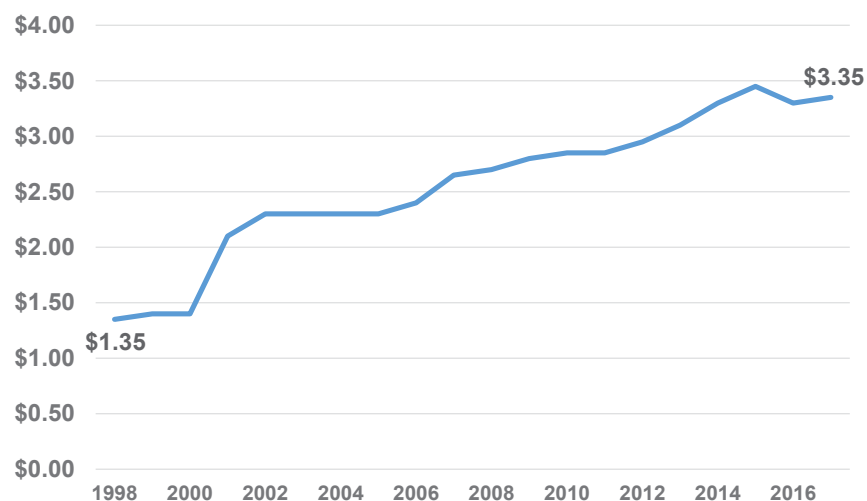
Key Differences Between Certified Mail and Registered Mail

Perhaps because Certified Mail was derived from Registered Mail, customers and postal experts alike sometimes confuse the two services. While Registered Mail is designed to provide maximum security and a documented chain of custody throughout the postal network for items with high intrinsic value (such as the Hope Diamond, famously transported from New York City to Washington, D.C. by Registered Mail in 1958), Certified Mail is designed to prove that mail has been sent and to confirm that delivery or a delivery attempt has been made.¹⁰ Whether sent as First-Class Mail or Priority Mail, Certified Mail is transported with

Figure 3: Certified Mail Price Changes 1998 - 2017

Price of Certified Mail Has Increased as the Service Features Have Changed

As Certified Mail's features have become more complex, the price has also increased. From 2000 to 2002, the price of Certified Mail increased more than 60 percent as the Postal Service invested in new technology to capture and store digital signatures. Since 2002, the price has grown slowly but consistently.



Source: OIG Analysis of USPS data from PRC rate case filing.

- 5 The price of Certified Mail increased from \$0.15 to \$3.35, a 2100 percent increase, according to data from the Postal Regulatory Commission. Meanwhile, the yearly average consumer price index over the same period increased from 26.8 to 240.0, almost an 800 percent increase, https://inflationdata.com/Inflation/Consumer_Price_Index/HistoricalCPI.aspx?reloaded=true.
- 6 For example, in 1999 the Postal Service petitioned the Postal Regulatory Commission (PRC) for a 50 percent fee increase to help fund a new system of electronic record keeping for Certified Mail recipient signatures. Prior to this time, physical signatures were kept in post offices where the mail was delivered. PRC Docket No. R 2001-1, Direct Testimony of Susan W. Mayo (USPS-T-39), p. 40, <https://www.prc.gov/dockets/document/20214>.
- 7 The average cost coverage of all market dominant mail and services is 180 percent. OIG analysis of U.S. Postal Service, *Cost and Revenue Analysis Report, FY 2016*, <http://about.usps.com/who-we-are/financials/cost-revenue-analysis-reports/fy2016.pdf>.
- 8 According to the Postal Service, "accountable mail" is defined as, "Mail that requires the signature of the addressee or addressee's agent upon receipt to provide evidence of delivery or indemnification for loss or damage. Accountable mail includes Priority Mail Express service and Special Service mail such as Certified Mail, Collect on Delivery, Insured Mail for more than \$200, Registered Mail, Return Receipt, and Signature Confirmation." U.S. Postal Service, About, Postal Terms, https://about.usps.com/publications/pub32/pub32_terms.htm.
- 9 Unlike accepting a regular piece of First-Class Mail, post office clerks must enter the destination address for each individual piece and physically postmark a Certified Mail receipt. Often, clerks must help customers properly fill out the form and properly attach it to the mail piece, which can be time consuming. Likewise, Certified Mail service adds complexity to delivery procedures, requiring carriers to take extra steps like checking out Certified Mail pieces from the accountable mail clerk, sorting out Certified Mail from the mail that arrives in delivery point sequence (DPS), and obtaining a signature for every piece of Certified Mail delivered, which takes more time than just slipping a piece of mail into a mailbox. For a small percentage of customers that live too far from a post office, rural carriers act as a mobile post office, performing both clerk and carrier functions.
- 10 Nancy Pope, "Delivering the Hope Diamond," *Pushing the Envelope*, Smithsonian's National Postal Museum Blog, November 8, 2012, <http://postalmuseumblog.si.edu/2012/11/delivering-the-hope-diamond.html>.

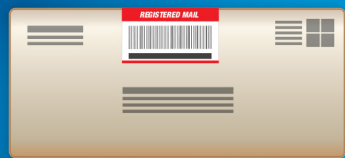
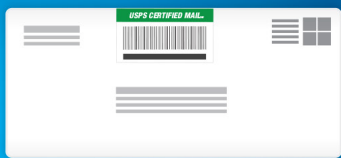
the normal mail stream for those products, not in a secured chain of custody. Certified Mail also provides tracking, and is the lowest-cost tracking option for letter mail. Finally, it records the signature of the recipient, which the delivery Postal Service keeps on file for two years. The sender can receive this signature confirmation for an additional fee. Figure 4 highlights the different features of Certified and Registered Mail. Another major difference between the products is their volume: the Postal Service sells substantially more Certified Mail than Registered Mail: 198 million and 2 million pieces, respectively, in FY 2016.

Legal Importance of Certified Mail

Certified Mail serves a critical legal function. Parties in legal proceedings frequently must prove that they mailed relevant documents to other parties and that those documents were received. The mailing receipts and delivery notifications that Certified Mail provides allow it to be used as *prima facie* evidence in legal proceedings.¹¹ Before its introduction, there was no nationwide agreement about what mail products met this legal standard. This service led a number of state and local governments to pass laws requiring the use of Certified Mail for the transmission of certain documents, such as foreclosure notices and health insurance policy cancellations. Governments also frequently use Certified Mail for important communications with citizens, such as jury duty summonses, tax assessments, and citations.

The use of Certified Mail to send such important documents indicates the trust that postal customers place in it, leading some customers to use Certified Mail even when they are not legally required to do so. For example, the IRS does not require tax returns to be sent as Certified Mail, but many taxpayers use it for their returns nonetheless. This allows them to prove that they sent the returns and to confirm that the IRS received them if they have to prove so in court in the future. It is no surprise that Certified Mail volume tends to increase in the third quarter of the fiscal year, when tax returns are due.¹² Moreover, there is no true competitive substitute. To send a tax return using some other type of method

Figure 4: Comparison of Registered and Certified Mail Service

	
REGISTERED MAIL	CERTIFIED MAIL
<ul style="list-style-type: none"> Provides sender with a mailing receipt; delivery confirmation available on request Protects mail in locked drawers, cabinets, safes, or registry sections Uses a system of records to track the movement and custody of mailed items through the entire mail stream Allows the addition of up to \$50,000 worth of insurance 	<ul style="list-style-type: none"> Provides sender with a mailing receipt; delivery confirmation available on request Handles in transit as ordinary mail Maintains record of delivery, including signature of the recipient Allows the addition of up to \$5,000 worth of insurance

Source: OIG analysis of USPS product listings, <https://www.usps.com/ship/insurance-extra-services.htm>.

means accepting some level of uncertainty about the sending and delivery record. In addition, Certified Mail gives mailers confidence when sending payments, explaining why banks sometimes send cashier's checks by Certified Mail.¹³

Who Uses Certified Mail?

Certified Mail is widely used by citizens and businesses, but little is known about exactly who uses it and why they use it. Based on OIG survey results, a large majority, 87 percent of Americans, were familiar with Certified Mail's features and 56 percent report using Certified Mail at some point in their lives.¹⁴ Despite the

11 *Prima facie* is Latin for "at first sight," and in a legal setting may be used as an adjective meaning "sufficient to establish a fact or raise a presumption unless disproved or rebutted," as in "*prima facie* evidence." It may also be used as an adverb meaning, "On first appearance but subject to further evidence or information," as in "the agreement is *prima facie* valid." Cornell Law School, Legal Information Institute, "Prima facie," https://www.law.cornell.edu/wex/prima_facie.

12 U.S. Postal Service, *Revenue, Pieces & Weight (RPW) Quarterly Reports, FY 2016*, <https://about.usps.com/who-we-are/financials/welcome.htm>.

13 University of Houston, Printing and Postal, *Post office responds to our report into multiple complaints*, December 3, 2015, <http://www.uh.edu/af-university-services/printing-and-postal/news/articles/2015/12032015postofficerespends.php>.

14 In May 2017, the OIG ran a nationally representative sample survey of American adults to answer these important questions. The survey was conducted using an online panel provided by the public opinion research firm Survey Sampling International. More details about the survey methodology can be found in [Appendix A](#).

large amount of Certified Mail used by governments and businesses, 56 percent of those familiar with Certified Mail report using it for personal reasons compared to only 17 percent that report using it for business purposes. This finding indicates that both individual citizens and businesses find value in Certified Mail.

The survey also assessed how frequently people used Certified Mail, and it appears that business users tend to send Certified Mail most frequently. Of the respondents who used Certified Mail in the last year, over a third report purchasing Certified Mail at least on a monthly basis (see Figure 5). Many of these frequent users are using Certified Mail for commercial purposes, with nearly half of business users purchasing at least monthly, compared to only one-third of personal users. To learn more about the demographic characteristics of Certified Mail senders and recipients, please see [Appendix B](#).

The finding that businesses appear to send the vast majority of Certified Mail is backed up by transactional data and interviews with Postal Service retail clerks. In the Northern Virginia and Capital Districts, the largest volume locations for Certified Mail are often in areas with a high concentration of businesses. Of the 25 percent of Certified Mail pieces that are purchased at retail units, clerks indicate that many of these are brought in by businesses such as law firms. Additionally, nearly 75 percent of Certified Mail is submitted to the Postal Service in bulk at Business Mail Entry Units (BMEUs). Of these, some are modest-sized businesses or government entities, while others include large Mail Service Providers that specialize in preparing bulk shipments of Certified Mail for their clients.

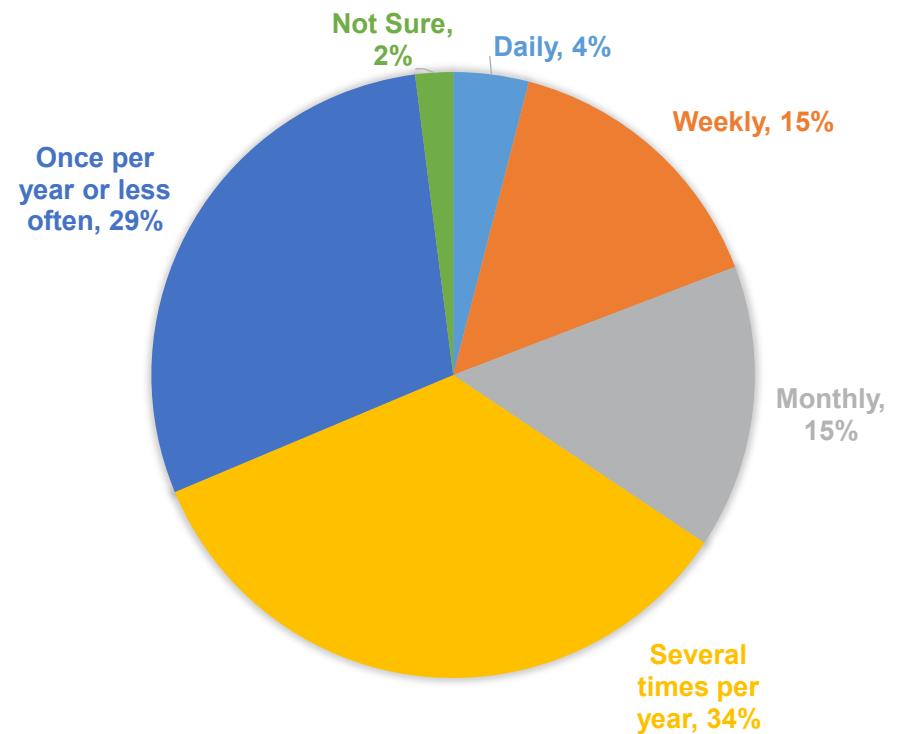
Assessing the State of Certified Mail – A Multi-Method Approach

This study uses a multi-method approach to assess threats facing Certified Mail and opportunities to improve this service. While recent financial data indicate that the Postal Service is facing the early stages of a decline in Certified Mail volume and revenue, information collected from stakeholders including the Postal Service, the mailing industry, and customers can help illuminate why some of these declines are occurring and what modernization measures could reduce or reverse them. [Figure 6](#) describes the four data sources and the methodological approach used to analyze each.

Figure 5: Frequency of Certified Mail Purchases

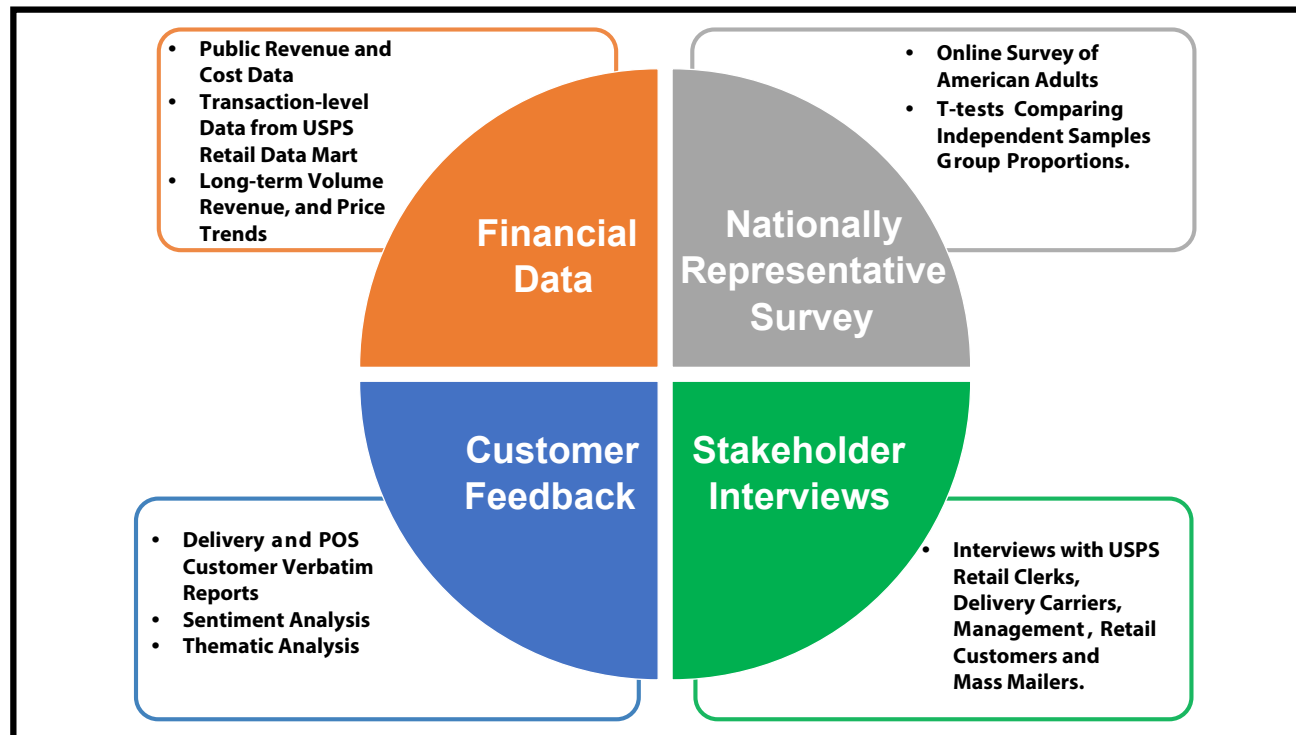
Most Certified Mail Users Buy Multiple Pieces per Year

More than one-third of Certified Mail users purchase the service daily, weekly, or monthly. All told, 68 percent of users buy Certified Mail at least several times per year.



Source: Analysis of OIG Survey Data.

Figure 6: Research Methodology and Data Collection Strategies



The threats to Certified Mail and opportunities to enhance it come from a variety of sources, both internal and external to the Postal Service. The experience of customers can help identify areas where Certified Mail could potentially be improved to address those emerging financial trends. To better understand the customer experience, the study examines feedback from retail and delivery customers provided by the Postal Service's own customer experience surveys. The OIG also conducted several types of primary research, including running a nationally representative survey of all American adults to determine who uses Certified Mail and for what purposes. The OIG also conducted interviews with key experts in the Certified Mail industry including Postal Service managers, retail clerks, delivery carriers, and mass mailers that send large volumes of Certified Mail.

Explanations for Certified Mail Declines

The OIG's analysis identified several internal and external factors that could explain the volume decline in Certified Mail. While some of these are not under the Postal Service's direct control, such as the broader trend of electronic diversion, others appear related to the customer experience with Certified Mail. A better understanding of these potential threats could help the Postal Service decide whether modernizing or enhancing Certified Mail would be worthwhile.

Electronic Diversion

The proliferation of digital communication alternatives has contributed to letter mail volume decline around the world. While many senders of Certified Mail

are using it to fulfill legal requirements, some simply use it because they desire peace of mind about their mailings. For these purposes, Certified Mail can be susceptible to electronic diversion from digital services that customers also perceive as safe and reliable.

By 2015, 86 percent of all tax returns were filed electronically. Still, some types of businesses must file physical returns.

There is no more clear indication of this type of electronic diversion than federal tax returns. Despite the continued use of Certified Mail for mailing tax returns, the actual number of tax returns mailed has dropped dramatically due to electronic filing. In 2004, only 47 percent of tax returns were filed electronically, but by 2015, that figure reached 86 percent.¹⁵ Still, some types of returns are not currently eligible for e-filing.

The electronic diversion of tax returns suggests potential demand for a secure, electronic alternative to Certified Mail. If introduced by a competitor, such a product could have a negative impact on the Postal Service.

Cost Encourages Some Governments to Remove Legal Requirements

Certified Mail is used for many official purposes, such as notifying people of foreclosures, tax collections, and court filings to defendants in civil cases. Certified Mail is also frequently used for legally mandated communications from state and local governments. Such communications notify citizens of important public meetings, the granting of zoning variances, the findings of planning committees, and many other developments. Many of the laws that mandate these notifications also mandate that they be delivered by Certified Mail. These requirements protect some level of Certified Mail volume, ensuring that there will be some need for it. However, as state and local governments seek ways to trim their budgets, there are early indications that legislatures may see relaxing these requirements as a way to reduce spending. One such example is a bill currently

under consideration by the Ohio Legislature, which would relax the requirements for state agencies to issue communications via Certified Mail, allowing them to use electronic means or regular First-Class Mail. This bill was unanimously approved by the Ohio House of Representatives and is awaiting consideration by the Ohio Senate.¹⁶ If such legislation were to become popular, mandated use of Certified Mail may no longer provide a reliable source of demand.

Customer Experiences with Certified Mail

While the price of Certified Mail has led some governments and courts to consider rewriting statutes, cost is only one of the considerations that individuals and businesses take into account when deciding whether to use Certified Mail. To better understand the nature of current volume declines and the potential future trajectory of Certified Mail, it would be instructive to evaluate the experiences of actual Certified Mail customers.

The Postal Service's own customer experience verbatim reports help shed some light on customers' experience with Certified Mail. These reports are open-ended survey responses that the Postal Service solicited from customers that recently engaged in a retail transaction. A total of 5,591 customer comments

were analyzed for their sentiment and categorized into major themes present in their text. While these respondents are a self-selected group and are not necessarily representative of all Certified Mail users, they can provide a window into recognizing and assessing some potential sources of customer dissatisfaction.

A plurality of these respondents used negative language, with a noticeable gap between the proportion of positive and negative comments. By categorizing these comments based on themes, the specific reasons for these customers' sentiments

As state and local governments seek ways to trim their budgets, some of the legal requirements to use Certified Mail are being relaxed.

¹⁵ IRS historical tax data, Table 21: Selected Returns and Forms Filed by Type during Specified Calendar Years 2004 – 2015, <https://www.irs.gov/uac/soi-tax-stats-historical-table-21>.

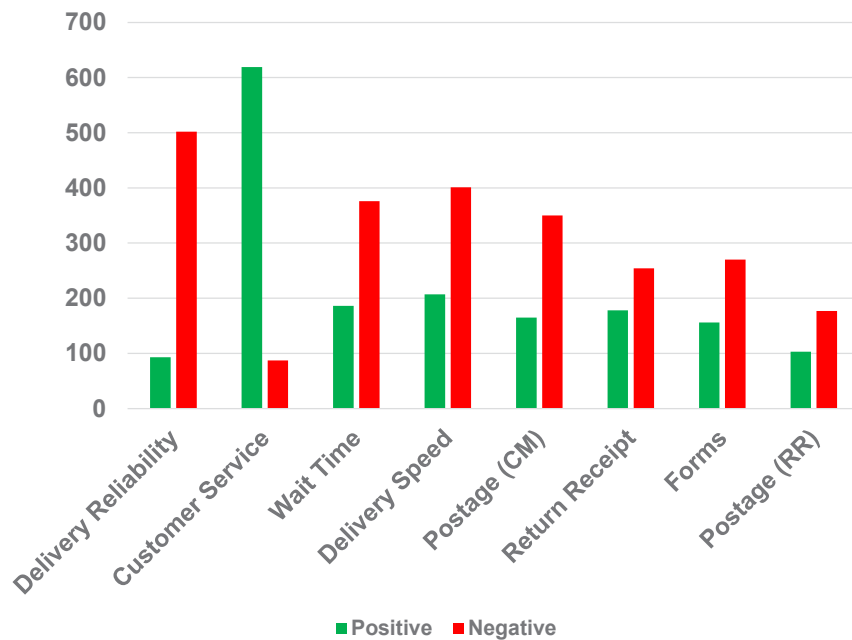
¹⁶ The Ohio Legislature, Bill 34, <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA132-HB-34>.

became clear. Figure 7 shows that although retail customers had overwhelmingly positive reactions to the service they received from postal clerks, a number of operational issues soured their experience with Certified Mail. These problems are described in more detail below. Please see [Appendix C](#) for an in-depth summary of this customer sentiment analysis and [Appendix D](#) for an analysis of where customer complaints are occurring.

Figure 7: Sentiment of Themes Present in 2016 Retail Verbatim Reports

Users Are Positive on Customer Service, But Dislike Other Aspects of Certified Mail

While customers purchasing Certified Mail generally thought their clerk was helpful, feelings about wait times, complicated forms, and delivery reliability were generally negative.



Source: OIG Analysis of USPS customer experience survey verbatim responses.

Long Wait Times

A common complaint was the long wait time in line that occurred when customers tried to send Certified Mail. There are several unique aspects of processing Certified Mail that could increase wait times. First, customers must wait in line to send Certified Mail if they want the postmarked receipt necessary for legal reasons. Even if the mail is purchased using PC Postage or a Self-Serve Kiosk (SSK), only clerks can postmark receipts. At the Herndon, VA post office, that results in a customer from a law firm waiting in line nearly every day to have her receipts stamped, despite having prepaid for her postage. Second, it takes clerks longer to process Certified Mail transactions than many others. Clerks must manually enter destination and return addresses into the computer system as well as scan the Certified Mail receipts and Return Receipts (if included). At the Alexandria, VA post office, a customer arriving with 50 pieces of Certified Mail occupied a single clerk for 59 minutes. Moreover, by occupying the time of clerks, the current procedures for Certified Mail can increase wait times for all customers.

Difficulty Filling Out Forms

Another issue reported during the retail point of contact is the difficulty filling out the extra forms associated with Certified Mail. For the average postal customer, properly filling out and attaching Certified Mail forms can be daunting. It asks the customer to include the destination address as well as to list all additional fees and postage, which they may not know if they have little experience using the service. Additionally, the barcoded sticker must be placed in a particular way on the envelope, with one piece folded on the back and the other on the front. This acts as a sign to help carriers identify the mail piece as Certified and that the envelope is secure and has not been tampered with. The process can be further complicated by adding a Return Receipt, which contains more fields to fill out. As address information is already present on the envelope, much of this work is duplicative for the customer. When a customer incorrectly fills out a form – a frequent occurrence, according to the clerks interviewed for this study – this results in the clerk personally having to assist the customer, extending wait times and frustration.

Delivery Reliability

Customers reported a variety of delivery reliability problems. First, some customers reported finding Certified Mail in their mailbox despite having never signed for it. While official policy requires a signature at delivery, this situation could happen if the carrier did not notice that the piece was Certified Mail, either because it was mixed into Delivery Point Sequence (DPS) mail or because the green identifying sticker came detached during processing. Second, customers reported receiving missed delivery notices, despite being present when the carrier delivered the mail. Receiving form PS 3849, the card saying “Sorry we missed you,” can cause additional frustration for the mail recipient because they have to make a special trip to the post office to pick up their mail, which could in turn result in higher rates of returned mail going back to the sender after the required 15-day holding period. Lastly, customers also reported mail missing final delivery or attempted delivery scans. This problem was mentioned in both customer experience survey responses and in interviews with mass mailers that send large volumes of Certified Mail. Several mass mailers, collectively claiming to represent a substantial portion of the bulk volume of Certified Mail, reported that between 10 and 25 percent of their Certified Mail pieces do not receive final delivery scans.

***65 percent of
Certified Mail users
list confirmation of
delivery as the main
reason they use
Certified Mail.***

Missing scans, signatures, and mail pieces present an acute problem in the case of Certified Mail. Because of such a mishap, one large mailer claimed that he submitted a refund request at a local post office for over \$1 million. When a piece goes missing, no signature is obtained, or there is no final delivery scan, the sender is entitled to a refund from the post office where the mail was inducted into the postal network. However, the origin post office has no control over how that mail is delivered. While refund requests of such amounts are rare, they could potentially pose a substantial risk.

Aside from the financial risk posed by some of these delivery issues, delivery reliability is particularly important because much of Certified Mail’s value comes from the ability to prove that delivery of the mail occurred. The top reason

for Certified Mail use selected by respondents to the OIG survey was the confirmation of delivery (65 percent). This reason makes sense because Certified Mail often includes documents that senders want to ensure have been delivered, such as tax returns.

Unreadable Signatures

OIG analysis of open-ended customer survey responses identified an additional complaint from business mailers. In addition to sometimes missing signatures, the signature record that is captured during Certified Mail delivery can be difficult to read. This can be a problem for mailers if they attempt to track down who signed for a particular piece of mail. Unless it is sent with Restricted Delivery or Adult Signature Required, delivery carriers can leave Certified Mail with any person that accepts the mail at the destination address. Unlike missing signatures, this issue provides no liability for the Postal Service, but a more reliable way to identify the actual individual recipient of a piece of Certified Mail could provide more value for senders and intended recipients.

Opportunities for Improvement and Enhancement

The OIG’s examination of USPS financial data, survey responses, customer sentiment, and stakeholder interviews reveals many potential opportunities to improve and enhance Certified Mail. In addition to modernizing the service to better meet customer needs, broader adoption of the existing best practices of high-performing post offices may allow the Postal Service to more effectively address Certified Mail’s declines in volume and revenue.

Best Practices of High Performing Post Offices

The number of Certified Mail pieces sold varies widely across retail units. In the Capital Area alone, the highest-volume post office sold over 33,000 pieces of Certified Mail in FY 2016, while the lowest sold only two. Often, post offices that handle large amounts of a particular product or service develop strategies to ensure that mail is processed efficiently and reliably. Examining how high-volume post offices handle these pieces can provide valuable lessons for other post offices that handle large volumes of Certified Mail.¹⁷

¹⁷ The OIG has not examined the extent to which these best practices have been adopted at post offices around the country.

Interviews with postal employees at several high-volume post offices in Washington, DC and elsewhere in the Capital Area reveal potential best practices for the sale and delivery of Certified Mail.¹⁸ The OIG interviewed retail clerks and delivery carriers and observed retail clerks at work in several post offices in

both the Northern Virginia and Capital districts. Additionally, the OIG interviewed staff at Postal Service Headquarters responsible for operational issues related to handling Certified Mail. The following section evaluates these best practices from the perspectives of retail, delivery, and Bulk Mail Entry, summarized in Table 1.

Table 1: Best Practices of High Performing Post Offices and Processing Facilities

Best Practice		Issue Addressed
Retail	<i>A dedicated retail counter for high-volume customers</i>	Shortens the line, reducing wait times
	<i>Provide an employee on the floor to assist with complicated mail products</i>	Ensures Certified Mail forms are filled out properly before reaching the window Reduces transaction time
	<i>Inform customers about bulk acceptance of Certified Mail</i>	Lowers individual processing cost per piece Reduces wait time in line
	<i>Provide retail customers adequate resources (i.e. keep forms stocked and pens available)</i>	Allows customers to prepare forms before entering line
Delivery	<i>Keep accountable mail pieces separate on route</i>	Helps identify Certified Mail pieces to increase scan and signature rates
	<i>Allow sufficient wait time at each address</i>	Reduces missed deliveries Prevents customers from having to collect their delivery at the post office
	<i>Ensure carriers have hand-held devices in all areas</i>	Speeds and simplifies the delivery process
BMEU	<i>Use green Certified Mail packaging instead of stickers</i>	Prevents lost Certified Mail pieces caused by stickers becoming detached
	<i>Verify Shipper Manifest</i>	Avoids missing delivery scans

Source: OIG analysis of interviews with USPS retail clerks, delivery carriers, and headquarters staff.

¹⁸ OIG analysts conducted interviews with employees of post offices in Merrifield VA, Herndon VA, Rockville MD, and at Friendship Station in Washington, DC.

Retail Best Practices

- **A dedicated retail counter for high volume customers:** The post office at Merrifield, VA sells by far the most Certified Mail at the retail counter of any post office in the Washington, DC metro area. When a customer arrives at the retail unit with a tray of Certified Mail, the staff sends them either to an unused retail counter or to the passport counter to process their transaction. Often a clerk comes from the back just to attend to the Certified Mail pieces before returning to their duties. This procedure allows retail clerks to handle large volumes efficiently while preventing wait time in line from increasing for other customers.
- **Provide an employee on the floor to assist with complicated mail products:** Retail clerks point to two issues that raise wait time in line related to Certified Mail. First, customers often fill out the forms incorrectly, requiring them to start over once they reach the retail counter. Second, even customers that prepay postage or purchase Certified Mail through Self-Serve Kiosks (SSKs) must stand in line so a retail clerk can physically postmark their receipts. Two of the post offices visited during this study (Alexandria, VA and Herndon, VA) had supervisors on the floor triaging the customers in line. They checked Certified Mail forms that customers had already filled out or provided guidance to customers holding blank forms. In some cases, they send customers with PC postage or metered Certified Mail straight to the front of the line. In others, they bring a stamp directly to the customers in line to postmark receipts and accept the mail pieces.
- **Inform customers about bulk acceptance of Certified Mail:** As an alternative to having a special retail counter for Certified Mail, some post offices that see many businesses bringing Certified Mail at regular intervals recommend that these customers apply for a bulk mail permit and submit their mail at BMEUs instead of at the retail counter. In this situation, customers with large volumes of Certified Mail are diverted from the line all together, improving wait times for all customers and increasing retail clerk efficiency. Succeeding in this strategy requires close coordination between the retail clerks or supervisors and the sales associates in the district, which might not be present in every situation.

- **Keep forms stocked and pens available:** Wait time in line often increases when clerks have to assist customers in filling out mail forms in addition to processing their transaction. While most post offices the OIG visited had Certified Mail forms available, few had any pens for filling out those forms. Providing supplies and a place for forms to be filled out could increase the efficiency of serving Certified Mail customers, especially if the forms are filled out properly. The savings in clerk labor hours would far outweigh the minimal cost of these items.

Delivery Best Practices

- **Keep accountable mail pieces separate on route:** At the Rockville, MD Post Office, the delivery carrier we interviewed always keeps Certified Mail pieces, along with other accountable mail, in a separate pocket of his mailbag. Every day he flips through the DPS mail to make sure there are no Certified Mail pieces mixed in. This practice prevents carriers from missing these important deliveries.
- **Allow sufficient wait time at each address:** Missed deliveries can be a hassle for both customers and delivery carriers. Customers must go to a post office and stand in line to retrieve their Certified Mail. Meanwhile, carriers must fill out paperwork and attempt a redelivery at a later date. According to the customer service verbatims, some missed deliveries can occur when customers are present at the address. According to a delivery carrier in Herndon, VA, missed deliveries of this nature can be avoided by waiting a reasonable amount of time at the door.¹⁹ This can result in savings for both customers and USPS.
- **Ensure carriers have hand-held devices in all areas:** Hand-held scanning devices carried by delivery carriers allow them to quickly scan Certified Mail, capture signatures, and upload those signatures at the end of their route. Carriers interviewed by the OIG unanimously voiced the opinion that hand-held devices have dramatically simplified the delivery process for Certified Mail. However, they also indicated that not all carriers receive a unit every time they go out. Ensuring that hand-held devices are available and working will allow Certified Mail delivery to be conducted as efficiently as possible.

19 Official policy is not clear what constitutes a reasonable time to wait at each address. The official Postal Service manual for city carriers says, "When delivering special services mail, make every reasonable effort to deliver; ring the bell or knock on door in order to make hand-to-hand delivery to addressee." U.S. Postal Service, Handbook M-41: City Delivery Carriers Duties and Responsibilities, March 1998, Page 49, <http://nalc.bytrilogy.com/workplace-issues/resources/manuals/other/m41.pdf>.

Bulk Acceptance Best Practices

- **Use green Certified Mail markings instead of stickers:** Several companies sell envelopes for use in bulk certified mailings that have the green identifying color printed on the envelope itself (Figure 8). Still, many mailers use barcoded stickers that can detach from envelopes during mail processing. When these stickers detach, delivery carriers can have difficulty identifying Certified Mail pieces, which might result in them delivering it as though it were regular First-Class Mail. Currently, only bulk senders can use this option, but the Postal Service could produce specialized envelopes for retail customers, as they have done with Priority Mail. More consistent labeling of packaging materials could help carriers to provide more consistent service.

Figure 8: Certified Mail Green Markings Printed Directly on Envelopes.



Source: Certified Mail Envelopes.com, <http://www.certified-mail-envelopes.com/usps-certified-mail-return-receipt-requested/>.

- **Verify shipper manifest with firm sheet:** Currently, the Postal Service's procedure for accepting mail at a BMEU is effective at ensuring that it receives revenue for all pieces accepted. However, sometimes mailers' own manifests

do not match up with the documents they submit to the Postal Service, causing mailers to lose track of the pieces they send. While it is not official policy, some BMEUs also check shipping manifests against those documents. This practice could prevent lost pieces and improve customer satisfaction.²⁰

Opportunities for Service Modernization

Implementing best practices for processing and delivering Certified Mail could reinforce trust and reliability in the service and help to stem losses in volume due to unsatisfactory performance. However, it is unlikely that these changes alone will reverse losses attributable to technological diversion or convince new customers to use Certified Mail. Currently, many of the standard actions surrounding Certified Mail involve physical processes, such as filling out forms, which can be complicated and time consuming. Available digital technology provides opportunities for modernizing some of these processes, or adding additional elements to Certified Mail that could increase the service's appeal.

It is important to note that Certified Mail has evolved substantially since its creation, often embracing new technologies and processes. The Intelligent Mail barcode is one such key innovation; it improved the ability to track both individual pieces of Certified Mail as well as their often-accompanying Return Receipts.

The Postal Service is currently rolling out or planning to introduce a number of modernizations to Certified Mail. One of these, planned for 2018, involves the ability to sign for a Certified Mail delivery using a stored digital signature.²¹ According to the Postal Service, if a recipient of Certified Mail is not at home at the time of the delivery, they will receive an alert through their smartphone asking if they would like to sign for the item using their approved digital signature. If they answer yes, the piece will be left unsigned in the mailbox, but the digital delivery record will have the recipient's electronic signature. This innovation should reduce the number of missed deliveries, and therefore reduce the burden on the customer by saving them a trip to the post office to pick up their Certified Mail. This innovation is enabled by the Informed Delivery app, and its success will be dependent on the number of people adopting the app.²²

20 When Certified Mail is accepted at a BMEU, the pieces they submit are checked against a document listing all the pieces called a firm sheet through a random sampling procedure. However, mailers also submit their own manifest listing all pieces. Sometimes the firm sheet and manifest do not match up. When this happens, pieces on the manifest but not on the firm sheet can be delivered without delivery scans. Interview with Jennifer Vo, U.S. Postal Service Mail City Delivery Manager, Nov. 14, 2016.

21 Karen Key, "Value Added Features for Ecommerce Shippers," Session 5 at National Postal Forum 2017, Baltimore, MD, May 21, 2017.

22 Informed Delivery is a new service from USPS that allows customers to view their incoming mail through an email or smartphone application. In the future, the Informed Delivery app will allow customers to interact with digital mail pieces and manage various aspects of their mail service, <https://informedelivery.usps.com/box/pages/intro/start.action>.

A number of other Certified Mail innovations may have value. To determine what some of these might be, the OIG conducted interviews with Certified Mail customers, postal industry stakeholders, and mail technology experts. Potential areas for innovation included speeding up the sending process, adding certainty to the delivery, and utilizing the tracking system to provide better visibility *en route*. Ultimately, four specific and realistic product modernizations were identified and examined more closely.

Digital Forms and Sender Receipts

Rather than receive a physical receipt, the Postal Service could instead send a digital Certified Mail receipt to senders' mobile phones or email addresses. Using an online portal, such as the Postal Service's website (www.usps.com), customers would enter the destination and return addresses, pay the postage, and receive a tracking number. They could then print the green stripe and Certified Mail barcode directly onto an envelope and either drop the mail into any collection box or have it picked up from their home by a carrier. Upon first scan, the customer would receive a digital receipt that would mimic the current green Certified Mail form. A similar approach could be applied to the SSK.

This approach would allow someone to send Certified Mail and receive their receipt without going to the post office, reducing costs for clerks and customers alike. This would also improve wait times for other customers. A guided electronic form that provides instructions and identifies the proper formatting of address information would ensure forms are filled out correctly. Based on the OIG's survey, Certified Mail users strongly favored this innovation, with 62 percent liking it and 48 percent saying they would likely purchase more Certified Mail if this were offered.

Certainly, implementing this system would not be without cost or effort. For the most part, this system would operate like Click-n-Ship, where the Postal Service already sells Priority and Priority Express labels through their website. Additionally, this innovation would follow in the footsteps of the digitization of the Return Receipt. Introduced in 2004, Return Receipt (electronic) provides the same information as the physical Return Receipt in an email to the sender

upon delivery, but is about half the price. In the same way, the use of technology to reduce the cost and the price of Certified Mail could appeal to customers like government agencies looking to reduce their own mailing costs.

Proactively Send Tracking Updates to Senders

For those concerned with delivery reliability, tracking updates provide essential visibility for Certified Mail. Currently, senders must input their tracking number any time they want to check the current location of their mail. To make that process easier for the customer, the Postal Service could use the MyUSPS notification system to have tracking updates automatically sent to the mail sender's mobile device each time the letter is scanned in the USPS network.²³

This modernization is both the easiest to implement and the most liked by customers in the OIG's survey. Using mobile phone push notifications is already done by the MyUSPS app on the recipient side for Priority Mail and parcels. The same type of notification could be pushed to senders of Certified Mail. In addition, 65 percent of respondents liked this modernization and 50 percent of Certified Mail users said they would send more Certified Mail if this was offered.

Offer Fully Electronic Certified Mail Alternative

Under this approach, senders would use a secure online or mobile website to write and send an email. Emails sent in this way could include attachments, such as scanned documents, images, or other electronic files. Upon sending, the Postal Service would provide a digital receipt that could serve as proof that the message has been sent. The sender would also receive electronic verification that the message was delivered to a specific email address, and a record of whether that email was opened or viewed. USPS would hold these records for two years as legal verification that the email had been sent and delivered to its recipient.

By expanding this product to include a record of delivery and storage of that record, the Postal Service could create a digital alternative to Certified Mail that meets all the standards of the original service. There are a number of technological platforms that make the development of an all-digital certified message possible. Currently, the Postal Service owns the patent for the USPS

²³ MyUSPS is a smartphone applications provided by the Postal Service that allows customers to track packages and receive automatic updates each time a package addressed to them is scanned in the postal processing network. The capabilities of MyUSPS are in the process of being transferred to Informed Delivery, a different smartphone application, and MyUSPS is likely to be discontinued.

Electronic Postmark, a digital time and date stamp that verifies when an email was sent. A potential technology that could help develop these capabilities is blockchain, the technology underpinning Bitcoin as well as other shipping and tracking platforms.²⁴

Offering a digital alternative would cannibalize some of the Postal Service's Certified Mail volume, but it could also preserve revenue, just as Certified Mail did with Registered Mail when the service was created. The OIG survey indicates that more than half of Americans like the idea of offering a certified email and 43 percent would be more likely to use this option if it were made available. It is important to remember that Certified Mail was not created specifically to meet a legal standard developed by government or the courts. Instead, it became the legal standard because the nature of the service met an important need. By creating a digital certified message that is verifiable, accountable, and recordable, the Postal Service (if allowed under current regulations) could again set the standard for what constitutes a certified digital message in a court of law.

Photograph Recipients of Certified Mail

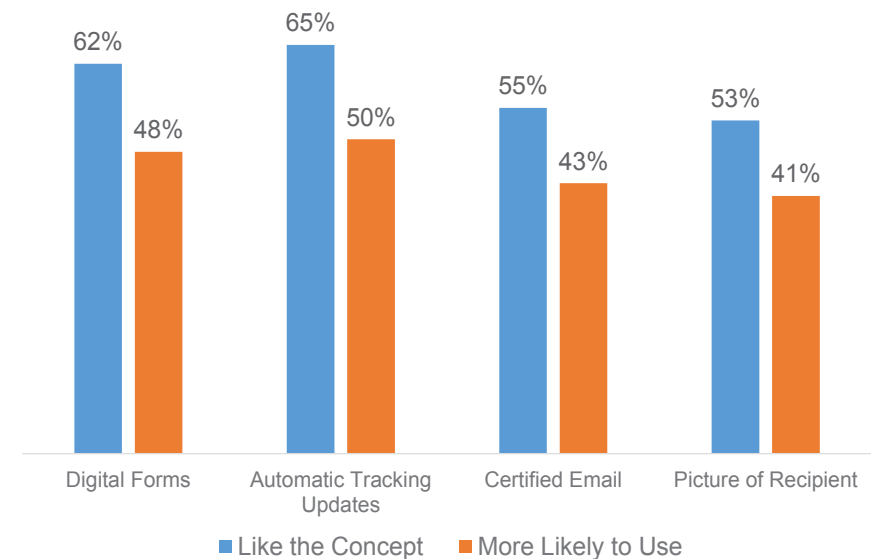
Sometimes, the digital signature that is collected can be difficult to read, making it hard to determine who received the Certified Mail piece from the carrier. As a new approach, the mail carrier could also take a picture of the Certified Mail recipient and store that picture, along with the digital signature, to make identifying the mail recipient easier. Implementing this modernization would require the Postal Service to invest in more digital storage infrastructure.²⁵ Additionally, carriers would need to have hand-held devices with photo capabilities.

Results from the OIG survey indicate that reactions to each of these suggested modernizations were positive overall. Figure 9 shows that more than 50 percent of respondents liked each of the modernization alternatives “very much” or “somewhat.” Yet, some options were clearly preferred over others. For instance, innovations aimed at the sender, digitized receipts and automatic tracking updates, were liked significantly more than the other options. Conversely, the idea of taking a picture of the Certified Mail recipient was disliked significantly more than all the

Figure 9: Perception of Potential Certified Mail Innovations

Many Respondents Are More Likely to Use Certified Mail if It Is Modernized

About two-thirds of survey respondents favored digitizing the sender receipt and allowing the sender to receive automatic tracking updates about their Certified Mail. A smaller majority favored capturing a photo of the recipient along with the signature or developing a fully electronic certified email. Each of these changes would make people more likely to use Certified Mail in the future.



Source: OIG Analysis of USPS customer experience survey verbatim responses.

²⁴ By acknowledging the receipt of a digital message, a recipient would have to effectively update the ledger, creating a secure, unalterable record that the email and its contents were received. U.S. Postal Service Office of Inspector General, *Blockchain Technology: Possibilities for the U.S. Postal Service*, RARC-WP-16-011, May 23, 2016, <https://www.uspsaig.gov/sites/default/files/document-library-files/2016/RARC-WP-16-001.pdf>.

²⁵ If each photo were stored at 58 kilobytes, 197 million pieces sent would require 11 terabytes of storage space, assuming that they were all actually delivered (which is unlikely).

other options. Overall, 17 percent of respondents strongly or somewhat disliked that modernization, presumably because of privacy concerns. Strong security procedures upon implementation could mitigate some of these concerns.

As the Postal Service continues to develop new products and innovations, these four modernizations could help add value to Certified Mail and help it to better meet the needs of its customers. This list is hardly exhaustive; it is likely that there are other such modernizations that could improve the service. Considering how important Certified Mail is to postal customers, the Postal Service should consider assigning a product manager, or even a product team, to develop additional modernizations. Consulting with outside experts in product redesign could also help with such an effort.

In recent years, restrictions on the types of products that the Postal Service can offer under the Postal Accountability and Enhancement Act have forestalled some of the Postal Service's efforts to offer new products. Nevertheless, the development of modernizations for Certified Mail and other postal products and services should continue as the Postal Service seeks new ways to better serve its customers.

Conclusion

Certified Mail was created in the 1950s as a way to meet Americans' needs for a faster, lower-cost alternative to Registered Mail to send important documents without inherent monetary value. It has become a key method of legal correspondence between governments, citizens, and businesses. As the highest-selling of the Ancillary Services, it is a highly valued product for the Postal Service. It accounts for substantial annual revenue on its own, and it helps drive the revenue of other Ancillary Services such as Return Receipts.

Though its volume and revenue declines have begun only recently, they may be explained by a combination of electronic diversion, legal changes driven by government and business efforts to save money, and gaps in customer service and delivery reliability. However, the Postal Service has the opportunity to address these threats by offering modernizations and enhancements to Certified Mail. Improved scanning rates, attention to accurate deliveries, and the adoption

of existing retail, delivery, and bulk acceptance best practices are a few potential enhancements. Customers also report that they are interested in additional technological modernization.

Just as Certified Mail was developed as a better way to meet the emerging needs of customers in the 1950s, continued improvements today could retain or expand the service's customer base and better meet the needs of American businesses, citizens, and governments. The ultimate purpose of Certified Mail is to provide assurance to postal customers. As long as there is a need for such a service, and as long as the Postal Service can reliably provide it, Certified Mail will continue to deliver peace of mind to postal customers.

Management's Comments

Management acknowledged that there are opportunities for product improvements to Certified Mail, and they will continue to analyze such potential options. They also noted that some of the new ideas mentioned in the OIG report were already starting to be implemented or were under consideration by the Postal Service. Finally, they provided some detailed comments.

See [Appendix E](#) for management's comments in their entirety.

Evaluation of Management's Comments

The OIG is pleased that the Postal Service is implementing or considering a number of our suggested product improvements and enhancements.

Regarding the summary of the Postal Service's own verbatim delivery comments, the OIG used all of the data in our analysis and did not conduct a "sample." We agree the volume of data is relatively low and reported these results with the appropriate caution and caveats, but we assert that the insights from specific customer comments are still useful.

The Postal Service is correct that according to Handbook M-41, page 53, "Articles not endorsed with *Restricted Delivery* may be delivered to an *adult* member of the family [...]." As such and to avoid any potential confusion, we have removed the sentence saying that delivery "could include ... children". It is important to note, however, that actual practice may not always correspond to stated Handbook policy.

Appendices

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Appendix A: OIG Survey Methodology

The OIG conducted a confidential online survey targeting a nationally representative sample of 18-75 year-old residents of the 50 states and the District of Columbia. Respondents were selected by Survey Sampling International (SSI) from an opt-in internet panel, solicited by email, and incentivized to complete the survey on the OIG's online survey platform, per SSI's standard sampling procedures. The survey was conducted in English and was designed and overseen by Jake Soffronoff, an OIG expert with an advanced degree in survey research.

Quota sampling procedures were employed during the survey field period in order to improve the representativeness of the data collected. Quotas were employed on age, gender, nativity within ethnicity, race, ecommerce participation, and geographic region. Prior to analysis, the data were weighted to census estimates on all quota variables, as well as on education and employment status.

With the exception of ecommerce participation, data were weighted prior to analysis according to U.S. Bureau of the Census population estimates on all quota variables, as well as on income and employment status. Ecommerce participation was weighted to reflect a national telephone survey's results regarding the proportion of Americans who had purchased something online in the previous month to prevent overemphasizing this group in the online panel. All data and base sizes in this report are weighted.

Field Dates: 5/5/2017 – 5/16/2017

Total Respondents (National Sample): 1,207

95% confidence interval (National Sample): +/- 2.8%²⁶

To test the quality of its online survey research, OIG researchers included a question from the online survey in a methodologically rigorous national telephone omnibus. Table 2 compares the results of the online survey to the telephone omnibus. The closeness of these results helps to validate the OIG's online findings. The research design also was reviewed by external survey research expert, Chase Harrison.

Table 2: Post Office Visitation Question

<i>Weighted per each project's respective weights</i>	PO Visitation	
	National Telephone Omnibus	USPS OIG Online Survey
Counts	1012	1316
Past day	6%	7%
Past week	21%	20%
Past month	20%	24%
Past 3 months	15%	17%
Past 6 months	9%	10%
Past year	9%	9%
More than one year ago	15%	10%
Never	6%	1%
Not sure		3%
Visited, don't recall when	1%	-
Don't know	0	-
Refused	-	-

Note: Results are weighted per each project's prospective weights.

²⁶ This interval is being provided as a benchmark. +/- 2.21% is the size of the confidence interval that would be calculated from a probability sample of n=1,970. Like most online research, this study uses a non-probability sample. The actual interval is likely to be somewhat larger, as other sources of error may also influence findings.

Research Methodology Point of Contact

For any additional information regarding this project's methodology, including access to the full text of the questionnaires employed for this research, please contact:

Email: SurveyResearch@uspsoig.gov

Phone: 703-248-7833

Mail: United States Postal Service Office of Inspector General (OIG)
Risk Analysis Research Center
1735 N. Lynn St.
Arlington, VA 22209-2020

Appendix B: Demographics of Certified Mail Users

Certified Mail users make up a diverse group, but some important demographic characteristics make them stand out. Additionally, it is important to distinguish the characteristics of senders of Certified Mail from those of its recipients. A clearer understanding of who uses Certified Mail can help the Postal Service better communicate the value of the service to customers and select modernizations that could increase use among specific segments of the population.

Overall, people that send Certified Mail tend to be older, wealthier, and more educated. [Figure 10](#) (next page) illustrates how these groups differ in terms of age, income, and education. Additionally, Certified Mail senders are more likely to be employed and to own their home rather than rent. These characteristics come together to form a picture of a segment of the population that has a greater need for a mail service suitable for legal or financial documents. The break in age cohorts is particularly telling. The youngest age groups, 18 to 24 and 25 to 34, are at least 6 percentage points less likely to have ever used Certified Mail. However, those in the 35 to 44 cohort are 5 percentage points more likely to have ever used Certified Mail.

Another interesting but understandable divergence is in employment status. Certified Mail senders are more likely to be employed full-time while those who

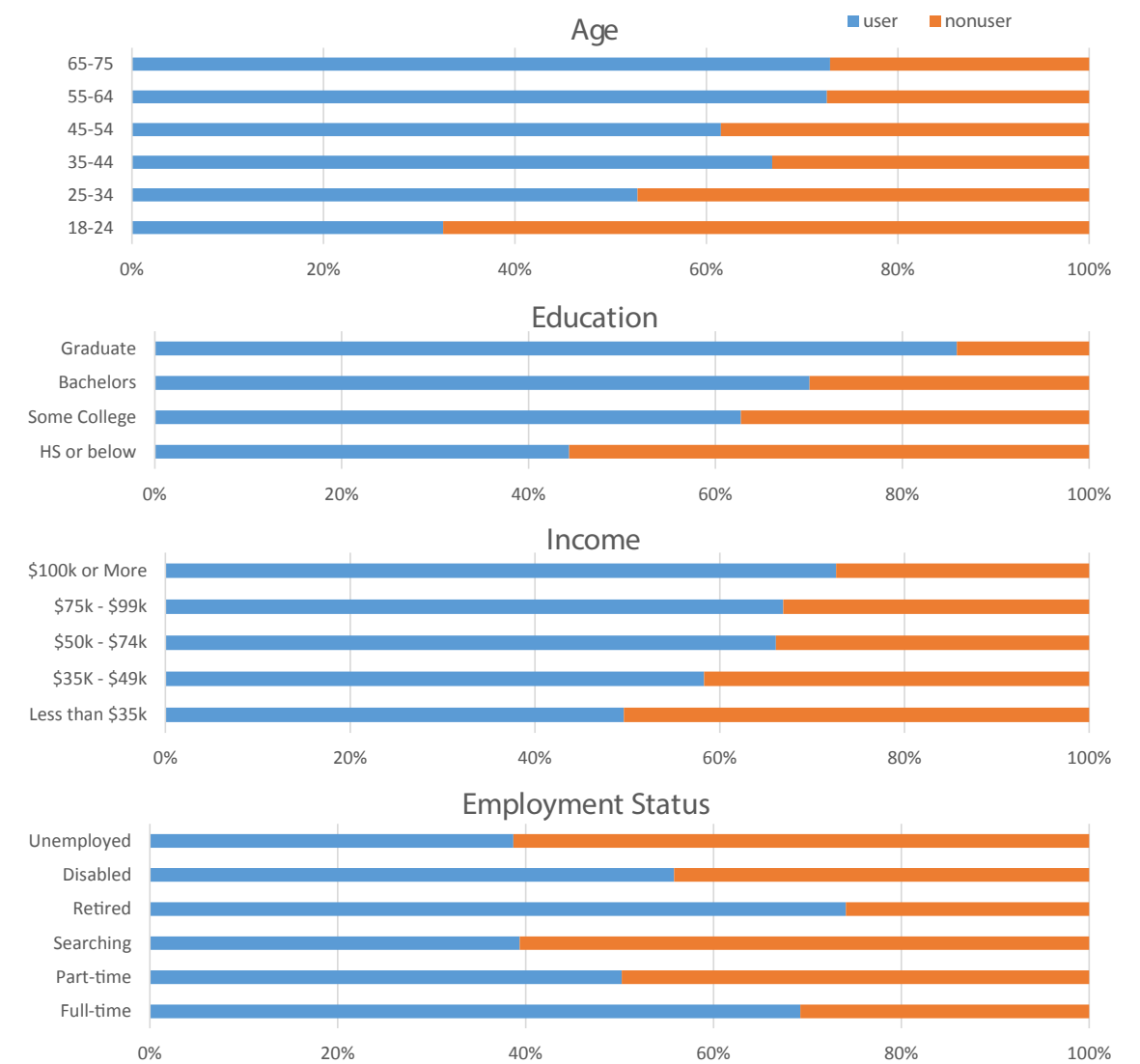
have never sent it are more likely to be employed part-time or unemployed. Of all frequent Certified Mail users, 91 percent are employed, compared to only 62 percent of infrequent users. It also appears that the type of industry one works in makes a difference in whether or not they use Certified Mail. Users are significantly more likely to come from three fields: healthcare, legal services, and accounting. This evidence further supports the importance of this service for the business community.

While there are stark demographic differences between senders of Certified Mail and non-senders, there are minimal differences between recipients of Certified Mail and non-recipients. The dominant factor here appears to be age, with young people more likely to have never received Certified Mail. While this might be indicative of younger people being more digitally connected, it could also simply mean that younger people have not yet had a reason to be contacted via Certified Mail. Many life events where Certified Mail is used, such as divorce, insurance policy cancellation, and mortgage issuance, happen more frequently at later stages of life. When recipients are broken down by marital status, those that were never married are more likely to have never received a piece of Certified Mail while both married and divorced respondents were more likely to have received it at some point.

Figure 10: Demographic Comparison of Certified Mail Users and Non-Users

Certified Mail Users vs. Non-Users

Those who send Certified Mail tend to be older, more educated, and more likely to have higher paying, full-time jobs compared to those who do not send it.



Source: Analysis of OIG Survey Data.

Appendix C: Customer Sentiment Analysis

The OIG conducted sentiment analysis on verbatim responses specifically related to Certified Mail from the Postal Service's own customer experience surveys using text-mining software created by SAS. Verbatim responses are open-ended answers to questions about their experience, ranging from a few words to several paragraphs in length. In sentiment analysis, the texts are divided into positive, neutral, and negative based on a Natural Language Processing algorithm. Neutral comments could contain emotionally neutral statements or a mix of strongly positive and negative statements. Two sets of survey verbatims were analyzed: the first from retail point of sale (POS) customers that visited a post office in 2016 and the second from customers calling the Postal Service's customer service telephone line to report issues with their deliveries occurring between October 2014 and September 2016. Though these responses are not statistically representative of all Certified Mail users and are likely to lean toward the negative, they can still provide valuable insight about issues important to customers.

Retail Point of Sale

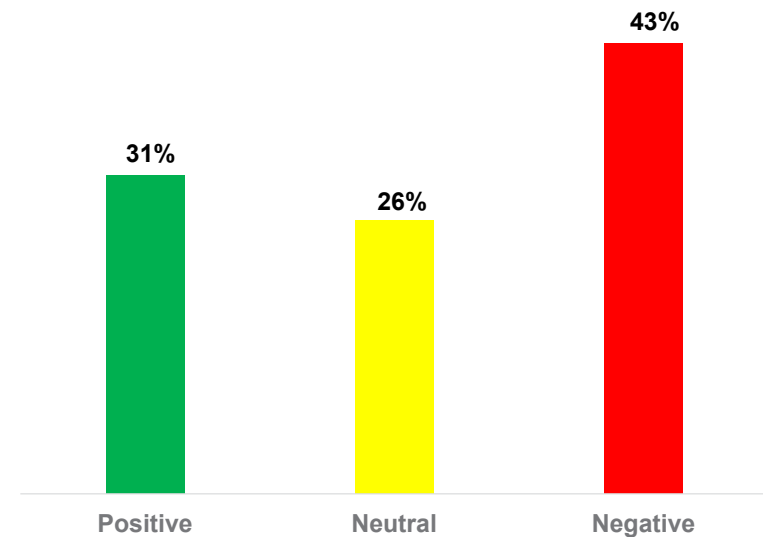
It is unsurprising that the results of the sentiment analysis of retail POS customers showed a plurality of negative comments from customers mentioning Certified Mail (Figure 11).²⁷ After examining these comments by theme, as shown in Figure 7 (see main text), the specific issues that customers view positively and negatively become clearer.

Most of the positive comments related to Certified Mail come from praise of the customer service received while waiting in line. These comments describe clerks' willingness to help customers select the right service to fit their needs. The seven other themes identified in the verbatims skew toward negative experiences and identify potential areas of concern. For instance, customers feel strongly negative about the reliability of delivery for Certified Mail. Often these comments report the mail lacking a final delivery scan. Other prominent negative issues include long wait times in line, confusion about how to fill out Certified Mail forms, and complaints about the high price of Certified Mail and Return Receipts.

Figure 11: Sentiment Analysis of Retail Verbatims, 2016

Customers Have a Slightly Negative Overall Sentiment toward Certified Mail

The responses of postal retail customers to a self-selected survey administered by the Postal Service showed relatively balanced results when discussing their experiences with Certified Mail. A plurality of comments use negative language to describe their experiences. Meanwhile, 31 percent of the comments described the experience using positive language.



Source: OIG Analysis of USPS customer experience verbatim responses.

²⁷ In 2016, more than 4000 customers submitted verbatim responses mentioning the word "certified" within two words of the term "mail." This produced 5591 individual coded comments, as some reports mentioned multiple objects of praise or complaint. The reason for this number of responses is that the Postal Service solicits this feedback on every retail receipt, making it easy for the customer to fill out a survey immediately following their retail transaction.

Delivery

The customer sentiment analysis was also applied to delivery verbatim reports.²⁸ A plurality of comments in Figure 12 was negative, and the total percentage of positive comments was only 13 percent.

When examined by theme, Figure 13 shows that many of the issues that customers have with Certified Mail delivery are operational. For example, customers report receiving Certified Mail in their mailbox without being asked for a signature. Others report that carriers refused to come to the door to deliver

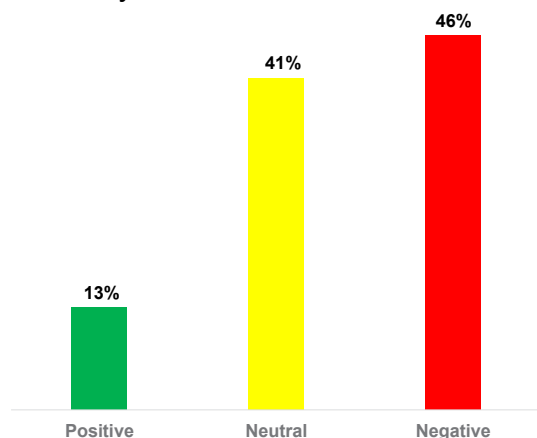
Certified Mail and instead put “Sorry we missed you” cards (Form 3849) into their mailbox. Additionally, customers report receiving Certified Mail for their neighbor’s address or having their own Certified Mail pieces delivered to the wrong address.

The results of the verbatim analysis alone do not provide explanations for why service issues might be occurring or how frequently they happen. Instead, they provide an indication of what potential problems might exist. To better understand these concerns, results were cross-referenced against data from interviews with postal employees, customers, and other stakeholders.

Figure 12: Sentiment Analysis of Delivery Verbatims, 2014 - 2016

Delivery of Certified Mail Evokes Negative Customer Sentiment

Postal customers receiving mail are asked by the Postal Service to fill out a survey when they report an issue with their delivery. From 2014 to 2016, customer delivery experience surveys that mentioned Certified Mail were much more likely to use negative language than positive language. But, the total number of complaints was very small.

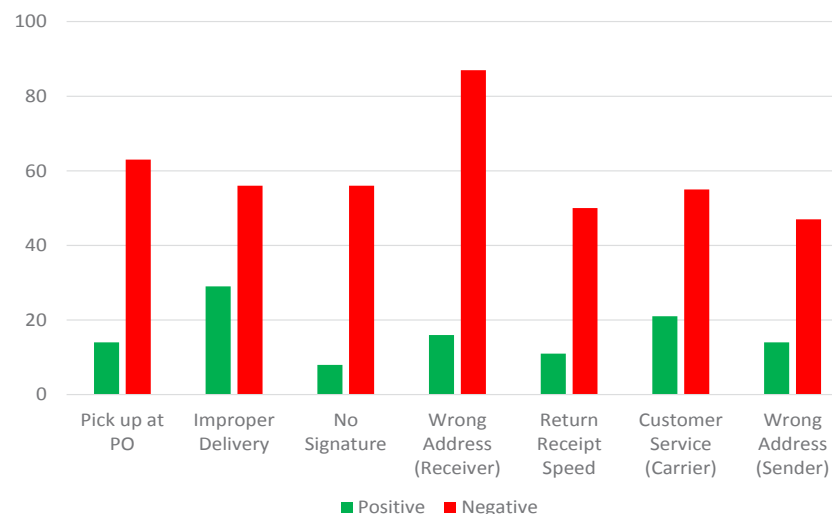


Source: OIG Analysis of USPS customer experience verbatim responses.

Figure 13: Sentiment of Themes in Delivery Verbatims, 2014 - 2016

Certified Mail Customers Experience a Variety of Problems with Delivery

Complaints about the delivery of Certified Mail fit into seven different categories. Most of these problems revolve around problems such as delivery to the wrong address, missing signatures, and receiving a missed delivery notice despite being home (Improper Delivery).



Source: OIG Analysis of USPS customer experience verbatim responses.

²⁸ Unlike the POS reports, these are not solicited from every delivery customer. Therefore, there were many fewer responses than for the POS verbatims. Aggregating all delivery verbatims from 2014 to 2016 produced 748 total reports with 818 evaluated comments.

Appendix E: Management's Comments



November 16, 2017

AMANDA MARTINEZ
MANAGER, RARC CENTRAL, RISK ANALYSIS RESEARCH CENTER

SUBJECT: Final Draft Review: Delivering Peace of Mind: Certified Mail and the U.S. Postal Service Project Number 2017RARC001

Postal management appreciates the consideration given by the OIG when describing the history, the current state and the possible future enhancements of Certified Mail. Postal management acknowledges that there are opportunities for product improvements and will continue to analyze solutions that provide a better customer experience and improve financial performance. While the aforementioned elements serve as a common ground of agreement, there are also some examples that Postal management is not in concurrence with or where practices are already in place for suggestions proposed by the OIG in the White Paper.

Proposed Best Practices and Future Enhancements

Some of the proposed policies/processes highlighted throughout the White Paper have already been implemented or are under consideration for implementation. Some examples include:

- **Verifying bulk mailers manifests with firm sheets:** The Postal Service currently has a system where an electronic shipping file is sent to Product Tracking and Reporting for Certified Mail pieces submitted. This links the Return Receipt service to those pieces. In cases where the postmarked firm sheet and postage manifest do not match, the mailer should still receive scan activity based on the incorporated Certified Mail barcode.
- **Assigning a Product Manager/Management Team to Certified Mail:** Certified mail is of high value and importance and warrants the dedication of a product manager and/or a product management team. We are pleased to announce that we have created a product management team. In the future, certified mail will be managed by the Manager, Product Management (Special Services) and the Special Services Team.
- **Ensuring carriers have hand held devices for scanning delivery events:** Carriers around the country have access to Mobile Delivery Devices (MDD's), Standard Operating Procedures and current policies for identifying accountable pieces and scanning delivery events.
- **Identifying opportunities for service modernization/digitizing forms** In FY17 an effort to eliminate Extra Service Forms from retail lobbies included a review of the following PS Forms:
 - Insured Mail Receipt Domestic only \$500 and under – PS Form 3813
 - Insured Mail Receipt Domestic only Over \$500 – PS Form 3813
 - Return Receipt for Merchandise – PS Form 3804
 - Signature Confirmation Receipt - PS Form 153.

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With improved Electronic Return Receipt performance and the proposed eSignature on File, it is reasonable to see the elimination/reduction of hard copy Return Receipts in the future. In addition, the Postal Service will also test the elimination of Form 3800 in Post Offices that utilize Retail System Software (RSS) sales technology.

- Proactively sending Tracking Updates to Senders: Tracking information is already available for commercial customers with larger volumes through PTR. Currently, these customers are able to receive exact data (push or pull) throughout the day. Advances in Informed Visibility should make this available to smaller mailers in the future.
- Dedicating retail counters and utilizing lobby assistants: Dedicated retail counters and lobby assistants is a practice employed at many offices and a means the Postal Service already utilizes to alleviate wait times for customers. Management encourages adoption of this best practice when warranted.

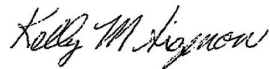
Data points and information

There were instances where the White Paper methodology was based on insignificant data points or unsubstantiated statements. Some examples include:

- Delivery Complaints:
From 2014 to 2016, 818 customer delivery verbatims were recorded from the Postal Delivery Survey referencing Certified Mail. The White Paper however uses these few data points to map potential "Hot Spots" across the nation. The sampling represents less than .00015% of the total pieces delivered – with no State receiving more than 23 negative comments over that 3 year period.
- Incorrect Reference to Postal Policies: Some examples in the White Paper of Postal policy are misquoted or inaccurate. One such instance is noted in the White Paper where it states that carriers can leave Certified Mail with any person located at the destination address – including children. Carriers are instructed to deliver Certified Mail to adults – not children – per Handbook M-41 (City Delivery Carriers Duties and Responsibilities).

Conclusion

Postal management will continue the replication of best practices and compliance with current policies to provide a more consistent customer experience to stabilize Certified Mail volumes and revenue. Overall this White Paper is consistent with our understanding of the current market place. Management will continue to embrace new opportunities to improve Certified Mail in ways that are consistent with this study.



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We conducted work for this white paper in accordance with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation (January 2012).