Highlights

Why GAO Did This Study

Over 80 percent of the approximately 200 billion mail pieces processed and delivered by the U.S. Postal Service (USPS) last year was sent by commercial mailers that barcode, sort, or transport mail to get lower postage rates. Starting in May 2009, USPS will encourage these mailers to use new barcodes that have increased capabilities as part of Intelligent Mail, a new program. According to USPS, Intelligent Mail is the most complex change it has ever undertaken.

GAO was asked to describe (1) the Intelligent Mail program and the status of implementation efforts and (2) the key risks to implementing Intelligent Mail and how USPS is addressing these risks. GAO reviewed USPS and regulatory documents, public comments, and interviewed USPS officials, mailers, and mailer representatives involved in developing this program.

What GAO Found

The Intelligent Mail program is a USPS effort to encourage commercial mailers to use standardized barcodes that will improve the ability to track mail. The program is centered on a new barcode that can uniquely identify a mail piece. While Intelligent Mail could provide benefits to both mailers and USPS, it will also require both to make significant changes to their processes and information systems. USPS expects to be prepared to begin implementation in May 2009. After that, USPS will phase in price incentives and other functions in November 2009 and will require mailers to use the new barcode by May 2011 to qualify for lower postage rates.

What GAO Recommends

GAO recommends that the Postmaster General address the risks to successful implementation of Intelligent Mail by developing (1) a comprehensive Intelligent Mail strategy; (2) attributable cost and savings information; and (3) a plan that addresses how USPS will mitigate risks, including the implications of the impact of lower-than-anticipated customer adoption of Intelligent Mail. USPS agreed to recommendations one and three and has begun implementing them, but stated that it already has cost information.

View GAO-09-599 or key components. For more information, contact Phillip Herr at (202) 512-2834 or herrp@gao.gov.