



Changing Postal ZIP Code Boundaries

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Summary

The 112th Congress may address issues related to the application and modification of ZIP Codes. This report assists members in addressing concerns about the use of ZIP Codes as well as offers an overview of the boundary review process that can lead to changes in ZIP Code assignment.

Since the ZIP Code system for identifying address locations was devised in the 1960s, some citizens have wanted to change the ZIP Codes to which their addresses have been assigned. Because ZIP Codes are often not aligned with municipal boundaries, millions of Americans have mailing addresses in neighboring jurisdictions. The result can be higher insurance rates, confusion in voter registration, misdirected property and sales tax revenues for municipalities, and changes in property values. Some communities that lack delivery post offices complain that the need to use mailing addresses of adjacent areas robs them of a community identity.

Because ZIP Codes are the cornerstone of the U.S. Postal Service's (USPS's) mail distribution system, USPS has long resisted changing them for any reason other than to improve the efficiency of delivery. Frustrated citizens frequently have turned to members of Congress for assistance in altering ZIP Code boundaries. In the 101st Congress, a House subcommittee heard testimony from members, city officials, and the General Accounting Office (GAO, now the Government Accountability Office) that USPS routinely denied local requests for adjusting ZIP Code boundaries.

Since then, USPS has developed a "ZIP Code Boundary Review Process" that promises "every reasonable effort" to consider and, if possible, accommodate municipal requests to modify the last lines of an acceptable address or modify ZIP Code boundaries. The process places responsibility on district managers, rather than local postmasters, to review requests for boundary adjustments, to evaluate costs and benefits of alternative solutions to identified problems, and to provide decisions within 60 days. If a district manager rejects the request, the process provides for an appeal to the manager of delivery at USPS headquarters, where a review based on whether or not a "reasonable accommodation" was made is to be provided within 60 days.

The boundary review process enhances the possibility of accommodating communities that desire ZIP Code changes. One accommodation that can often be made is to allow the use of more than one city name in the last line of an address, while retaining the ZIP Code number of the delivery post office. This can help with community identity problems, though not with problems such as insurance rates or tax remittances that are determined by ZIP Code.

A congressional constituent desiring a ZIP Code accommodation may not be aware of the boundary review process requirements. Any proposal for change must be submitted in writing to the district manager. The district manager is to work with the local postal managers, headquarters delivery, and headquarters Address Management System to evaluate the request and determine if an accommodation can be made.

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Constituents often turn to members of Congress for assistance in securing changes to ZIP Code boundaries, usually because their mailing addresses do not correspond to the geographic and political boundaries of their municipalities' jurisdictions. This report explains why ZIP Code boundaries often are not aligned with geographic political jurisdiction boundaries, describes some problems that may occur because of the misalignment, and discusses efforts by the U.S. Postal Service (USPS) and Congress to address these problems.

Background

The Post Office Department (now the U.S. Postal Service) began dividing large cities into delivery zones in 1943, inserting two digits between the city and the state in the lower address line. In 1963, the whole country was divided into five-digit postal delivery codes—termed ZIP Codes by the Post Office. These codes corresponded to the post offices where final sorting of mail was done and from which letter carriers were dispatched to make deliveries. The term ZIP Code, originally trademarked and always capitalized, was an acronym for “Zoning Improvement Plan.” Mass mailers were first required to use ZIP Codes in 1967, and today their use is ubiquitous.

Almost all mail is sorted by machines, and the basis for this sorting is a ZIP Code. ZIP Codes have expanded through the years to 9 digits (ZIP+4) in 1983 and to 11 digits in 1991. Most customers know only their five-digit ZIP Codes. The first number in the ZIP Code represents a general geographic area of the nation—moving from a “0” for places in the east to a “9” for locations in the west.¹ The second and third numbers indicate regions of the United States, while the fourth and fifth digits route the mail to specific post offices. For example, the ZIP Code for Alturas, the county seat of Modoc County in the northeastern corner of California, is 96101. The 9 directs the mail to the west. The 61 directs mail to the processing facility in Reno, NV, which is the distribution point for some California post offices such as Alturas, Cedarville (96104), Fort Bidwell (96112), and Likely (96116). Reno is also the processing facility for ZIP Codes in Nevada beginning with 894, 895, and 897. The four final ZIP Code numbers, which were added in 1983 “allow mail to be sorted to a specific group of streets or to a high-rise building.”²

ZIP Codes Are Widely Used Outside USPS

The Postal Service has contended that the ZIP Code system's only purpose is to facilitate the efficient and orderly delivery of the mail. Nevertheless, ZIP Code information is readily available to the public, and both private and governmental entities have found it a convenient and accessible tool for many purposes unrelated to mail delivery. Postal Service competitors like FedEx and UPS use the ZIP Code. The ZIP Code also has been adopted for non-delivery purposes, such as providing a convenient, yet sometimes imperfect means of targeting populations for performing demographic research, setting insurance rates, estimating housing values, remitting state tax revenues back to localities, and directing advertising messages. USPS works with state and local authorities as well as private companies to better align ZIP Codes with both postal and non-postal needs.

¹ U.S. Postal Service, “Postal Facts 2010,” p. 15, http://www.usps.com/strategicplanning/_pdf/PostalFacts_03_17_2010.pdf.

² Ibid.

Because ZIP Codes are based on the location of delivery post offices, they often do not correspond to political jurisdiction boundaries. This means that millions of Americans receive their mail from post offices in adjacent towns, villages, or neighborhoods. Their mailing addresses may not reflect the name and ZIP Code of the jurisdictions where they actually live. This situation was not uncommon when ZIP Codes were first assigned nearly 50 years ago, and it has become more common since then—particularly in rapidly growing suburban areas. The boundaries of many jurisdictions have changed with growth, annexation, and the incorporation of new communities. At the same time, USPS has sought to reduce rather than expand the number of post offices as its retail business model has changed.

Problems Caused by Misalignment with Municipal Boundaries

The widespread use of ZIP Codes for non-postal purposes has exacerbated problems for those postal patrons whose mailing addresses do not match their actual towns or cities of residence. The following is a sample of the problems that have been brought to congressional attention:

- higher automobile insurance rates for drivers who live in the suburbs but are charged city rates based on their ZIP Codes;
- residents who are confused about where to vote in municipal elections because they do not distinguish between their voting and mailing addresses;
- sales tax revenues rebated by states to the cities where they are collected often being misdirected because they are collected by merchants with ZIP Codes in different jurisdictions, or by merchants who mail their products to customers knowing only their ZIP Codes;
- individuals being sent jury duty notices when they are not eligible to serve based on their actual residences;
- emergency service vehicles being misdirected by confusion over what town a call has come from, based on mailing address information; and
- homeowners in expensive neighborhoods complaining that their housing values are diminished because their mailing addresses place them in less prestigious communities.

In addition, a community may lack a delivery post office and complain that the need to use mailing addresses from neighboring towns robs them of their community identity. For example, even though Haddon Township, NJ, is an incorporated municipality with a 2009 estimated population of 14,368 people,³ it has no delivery post office, and its residents receive mail from the Camden, Haddonfield, Gloucester City, and Mount Ephraim post offices—each with a different ZIP Code.

³ U.S. Census Bureau, “Population Finder,” http://factfinder.census.gov/servlet/SAFFPopulation?_event=ChangeGeoContext&geo_id=06000US3400728740&_geoContext=&_street=&_county=haddon&_cityTown=haddon&_state=04000US34&_zip=&_lang=en&_sse=on&ActiveGeoDiv=&_useEV=&pctxt=fph&pgsl=010&_submenuId=population_0&ds_name=null&ci_nbr=null&qtr_name=null®=null%3Anull&keyword=&_industry=

Congressional Hearing Registers Concern

A host of ZIP Code misalignment problems were aired in a 1990 hearing of a House postal subcommittee.⁴ Ten members of Congress described ZIP Code alignment problems in their districts, and similar statements were received from many local governments, as well as the National League of Cities. The hearing in the 101st Congress considered three bills (H.R. 2380, H.R. 2902, and H.R. 4827) that would have allowed local governments, rather than the Postal Service, to determine local addresses or ZIP Code boundaries as a solution to the widespread problems.

USPS expressed strong opposition to these bills and said that depriving USPS of control over “the most basic tool of the postal trade—the mailing address” would be “disastrous.”⁵ A USPS boundary survey found that more than 11 million deliveries⁶ were served by carriers who cross municipal boundaries, and estimated that if delivery boundaries were realigned to match municipal boundaries, 1,600 new postal facilities and 10,500 new carriers would be needed.⁷ Also to be considered was the availability of additional ZIP Codes in certain large areas. At the end of 1989, 924 of the 1,000 possible three-digit combinations already had been assigned; in 20 areas, 90 or more of the 100 possible ZIP Codes already had been assigned; and in Houston, all 100 possible ZIP Codes had been used.⁸

These arguments may have proved persuasive because the legislation never advanced, and neither have similar bills introduced in later Congresses. At the hearings, however, USPS also earned some criticism because of its “peremptory denials” of local suggestions or requests for ZIP Code changes that were variously characterized as “cold and haughty,” “cursory,” “unresponsive,” “stonewalling,” and “uncaring.”⁹ The Government Accountability Office (GAO, then the General Accounting Office) examined postal case files on 26 municipal requests for ZIP Code changes, only 2 of which were approved by USPS. GAO reported that USPS not only could do a better job of providing facts and reasoning to explain its decisions in individual change requests, but also could “do more to ... resolve problems caused by conflicts between municipal and ZIP Code boundaries.”¹⁰

⁴ U.S. Congress, House Committee on Post Office and Civil Service, Subcommittee on Postal Operations and Service, *ZIP Code Boundaries*, hearing on H.R. 2380, H.R. 2902, and H.R. 4827, 101st Cong., 2nd sess., June 7, 1990 (Washington: GPO, 1990). Hereafter cited as “ZIP Code Boundary Hearing.”

⁵ *Ibid.*, p. 105.

⁶ A “delivery” occurs when the object sent through the mail is brought to its designated destination.

⁷ ZIP Code Boundary Hearing, p. 92.

⁸ *Ibid.*

⁹ ZIP Code Boundary Hearing, pp. 3, 38, 49, 95, and 97.

¹⁰ U.S. General Accounting Office, *Conflicts Between Postal and Municipal Boundaries*, GAO/T-GGD-90-47, June 7, 1990, pp. 14-16 and 23.

Postal Service Attempts to Resolve Problems

Current USPS Process for Realigning ZIP Codes

In the years since the 1990 hearing and GAO's investigation, USPS has made a concerted effort to develop a process for the regular review of ZIP Code boundaries. Under Section 439 of the *Postal Operations Manual*,¹¹ the manager of the District Office's Address Management System (AMS) is responsible for reviewing "and monitoring delivery growth patterns, facilities planning, and any other factors" that may affect ZIP Code boundaries.¹² Increased growth in a geographic area is the most common precipitating factor in such USPS-initiated ZIP Code changes. USPS has established criteria and thresholds for ZIP Code changes, which include, but are not limited to, the establishment of 25,000 new deliveries¹³ or more than 55 carrier routes.¹⁴ ZIP Code changes are invariably sensitive locally, and often involve considerable coordination and investment, so USPS requires approval from the district manager, the manager of operations programs support, the manager of processing and distribution, and the district manager of customer service and sales before a proposal can be sent to the Area (regional) Office for approval.

Most of the required ZIP Code change request analysis is based on operational considerations internal to USPS. One of the questions a manager of the District Office's AMS must address, however, is whether municipal boundaries will be crossed. The manager must also consider whether municipal officials have been asked to comment on the revised boundaries. The new boundary review process requires that "officials should consider municipal boundaries and customer interests in all zone splits. If a ZIP Code that is being considered for adjustment crosses municipal boundaries, consult municipal offices before submitting the proposal, and consider all reasonable solutions."¹⁵

Process for Considering Requests from a Community or Municipality

The process for considering requests from municipalities and community groups for ZIP Code changes dates to March 1991—not long after the congressional hearing referenced above. It has taken some time for the process to become a settled practice, and for USPS to adopt a willingness to consider requests for boundary adjustments that are based solely on "community identity" concerns. A key event was a November 18, 1999, directive to the vice presidents in charge of each of the nine postal areas from John E. Potter (who later served as Postmaster General, but then served as senior vice president for operations) and Deborah Wilhite, senior vice president for

¹¹ The *Postal Operations Manual* is a rulebook that contains a variety of internal policies and operations that guide USPS employees on a variety of topics, from closing post offices to changing post office names. The Manual is kept internally by USPS, but various editions of it are available online. The online versions, however, are on websites hosted by private entities and the publically available versions may not be up-to-date with the most recent USPS modifications. For the most recent USPS policies, contact USPS directly at 202-268-7225.

¹² Information provided electronically to the author by USPS on June 2, 2009.

¹³ Deliveries are a fraction of the population growth in an area because most delivery points are households with multiple occupants.

¹⁴ These thresholds for possible ZIP Code changes are rough guidelines rather than absolute cutoff levels.

¹⁵ U.S. Postal Service, *Postal Operations Manual*, Section 439.211.

government relations and public policy. The memorandum noted that a review of correspondence with the public on the issue of ZIP Code changes “has indicated a need for general improvement.” The memorandum then emphatically reemphasized the expectation that USPS would give careful, objective consideration to community wishes, even if they were based solely on “identity” considerations.

As indicated when the Review Process was first implemented in 1991, “just saying no” does not make identity issues go away. In fact, growth and the increasing use of ZIP Codes as database links and demographic tools tend to make them worse over time. **If you receive a municipal identity request and a reasonable means of full or partial accommodation can be identified, offer it, apply the customer survey process, and move on.** Requests can be denied, but only based on appropriate, objective reasons that are consistent with the Review Process....

(P)ostal policy is to offer any reasonable administrative or operational accommodation that can correct, or alleviate, the municipal identity concerns. **The objective is to find ways to say “yes,” not excuses for saying “no.”** Do not deny a request out of concern that “other communities will want the same thing.” Others *will* make requests.... In the case of identity, customers measure the Postal Service by its impact on their daily lives. When mailing identities generate negative effects on our customers’ properties, households and associations, even when caused by third-party actions, they are perceived as “bad service” and intrusive bureaucracy (emphasis in original).¹⁶

What the Process Requires

The boundary review process requires any municipality and community group seeking a ZIP Code change to submit the request in writing to the manager of the district, with any rationale and justification. After a community has submitted a ZIP Code request change to USPS, “the District Office forwards the request to the Area Office for review and approval.” If the request is approved at the area level, “the proposal is sent to Headquarters Address Management System (AMS) for review and approval.” The local postmaster is not the decision maker in this process. The district manager is to identify all relevant issues and potential solutions to them, quantify the specific operational impacts and feasibility of the request, meet with the group of proponents to discuss issues and explain potential alternatives, and provide a determination within 60 days.

The district manager must notify the proponent group in writing if their ZIP Code change request was denied. The notification must include specific justifications for the denial, must be based on the results of the analysis, and must advise the proponent group of the appeal process.

If the request is feasible, the process then requires a formal survey of all of the customers who would be affected by the proposed change. This is an important step, because it might reveal that the proponent group was an activist minority and most customers would prefer not to notify correspondents, change magazine subscriptions, replace stationery, go to a different post office to pick up left-notice mail, or perhaps to adopt a different “community identity.” A simple majority of the survey respondents is adequate for approval.

¹⁶ USPS has continued efforts to notify its employees of the new ZIP Code policy, which also was posted on the USPS internal website in 2006. In December 2006, USPS sent an additional e-mail reminder of the new policy to the service’s delivery and retail departments.

Finally, there is a process in place for customers to appeal to headquarters if USPS determines it will not change ZIP Code boundaries in a case prompted by “municipal identity” issues. Any proponent may appeal an adverse decision to the manager of delivery operations, except in cases where a potential accommodation was not implemented because a majority of affected customers did not support it in the survey.

Within delivery operations at headquarters, an operations specialist who works full time on boundary review appeals determines whether the district provided “reasonable accommodation” to the proposed change. Having knowledge of situations all over the country, and of various accommodations that have been implemented, the operations specialist is in a unique position to judge whether the district manager has fully applied the spirit and letter of the 1999 guidance (made available to a proponent on request) to “find ways to say ‘yes.’” The manager of delivery operations must make a final decision on the appeal within 60 days.

There is some evidence that the boundary review process is having some positive effect. USPS has not kept statistics on resolutions in recent years, but it did report that in 1991, the first year of the new policy’s implementation, accommodations were reached in 64% of the first 28 reviews completed.¹⁷

Possible Accommodations to Resolve ZIP Code Complaints

The most common form of request to the Postal Service (and to members of Congress) is for “a new ZIP Code” for a specific area. Most postal patrons may not realize that a new, unique ZIP Code usually accompanies the creation of a new delivery post office. They also may not realize that a delivery post office (as opposed to a retail station) is a major investment, requiring substantial space, loading docks, sorting equipment, access to major transportation routes, and negotiations with several unions over work assignments. USPS, however, believes that such requests “are fundamentally identity issues” and are made because customers perceive a new ZIP Code as “the only means of achieving postal identity.”¹⁸ In fact, other options are often available and much simpler to achieve. Sometimes fairly minor adjustments in carrier routes can be made that will solve at least part of a community’s boundary problem.

A compromise solution that does not involve changing USPS delivery structure is to allow customers to use an alternative city name in the last line of their addresses, while not changing the ZIP Code. This situation most often occurs when one or more communities fall within the boundaries of a single ZIP Code.

When a large portion of the mail was sorted manually, the use of an alternate city name could have caused mis-sorting and delayed mail. Today, however, almost all mail is sorted by computerized processing equipment. This alternative can help ameliorate community identity issues, but may not address whether certain non-USPS services—like ambulances—can properly locate a home. USPS advises that an alternate city name should not be written in an address until USPS has added it into the AMS. USPS sorting technology currently reads all lines of the address

¹⁷ U.S. Postal Service, *Comprehensive Statement on Postal Operations, 1991* (Washington: 1992), p. 47.

¹⁸ USPS Internal Memorandum to Vice Presidents, Area Operations, “Proper Treatment of Appeals, ZIP Code Boundary Review Process,” November 18, 1999, p. 2.

to obtain the delivery point barcode, and use of an unapproved alternative city name could hinder delivery.

USPS routinely has worked with large-scale mailers to improve their address files, sorting—in most cases—to 11 digits rather than five digits. As noted earlier in the report, in 1983, the ZIP Code was expanded to nine digits (ZIP +4). The 10th and 11th ZIP Code numbers, created in 1991, allow mail sent by large-scale mailers to be sorted “directly to a residence or business.”¹⁹ If a mailer seeks such USPS assistance, USPS may refine municipal mailing lists to conform to political jurisdictions and eliminate errors based on the less sophisticated use of the five-digit code.

What Can a Member of Congress Do?

When a member’s office receives a request for assistance in persuading USPS to create a new ZIP Code, it may be helpful to ascertain at the outset the underlying reason for the request. If the constituents are complaining about poor delivery service, then the Postal Service is more likely to address the complaints expeditiously, determine if they have merit, and seek solutions. If population growth or obsolescence of a delivery facility is leading to service problems, USPS will attempt to resolve the problems, including those prompted by confusion over ZIP Code boundaries.

Often, the ZIP Code modification request may have little to do with delivery service, but stems from community identity issues. Constituents are frequently unaware of the boundary review process. In many cases, constituents or municipal officials may have approached a letter carrier or local postmaster and been told that an adjustment would be disruptive, costly, and impractical.

USPS internal policies (as described above) quite firmly state that a cursory, negative response to a request for a ZIP Code modification is no longer permissible. Even if an accommodation cannot be reached, USPS officials are required to explain fully the reasons for the refusal, based on a comprehensive review of operational and cost data.

Occasionally, members will be asked to introduce legislation to force USPS to establish ZIP Code boundaries in statute. Only once has such piece of legislation become law. The Postal Accountability and Enhancement Act of 2006 (P.L. 109-435; 120 Stat. 3261) required USPS to assign “a single unified ZIP Code to serve, as nearly as practicable, each of the following communities:

1. Auburn Township, Ohio
2. Hanahan, South Carolina
3. Bradbury, California
4. Discovery Bay, California”

Those ZIP Codes are currently active, according to USPS.

¹⁹ U.S. Postal Service, “Postal Facts 2010,” p. 15, http://www.usps.com/strategicplanning/_pdf/PostalFacts_03_17_2010.pdf.

Finally, USPS advises that a constituent should not substitute the preferred city name before the ZIP Code in an address line, without receiving USPS approval to do so. USPS mail processing equipment has internal checks that compare the ZIP Code with the proper city name; if the two do not match, default sequences come into play, and mail very likely will be directed to the wrong delivery post office, certainly causing delay and possibly causing the mail to be returned as undeliverable.

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This report originally was written by (name redacted), who has retired from CRS. Readers may contact (name redacted) with questions on ZIP Code issues.

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