Lockheed Martin has been awarded a $33 million contract from the U.S. Postal Service to introduce address recognition capability earlier in the mail processing cycle to help postal centers nationwide dispatch mail faster.

As part of the Postal Service's Optical Character Reader (OCR) Enhancements for Letter Automation Program, Lockheed Martin will upgrade Remote Computer Reader (RCR) machines at 350 postal centers throughout the United States to provide greater sort capability on 1,086 Advanced Facer Canceller Systems (AFCS). AFCS machines automatically position envelopes so that postage can be cancelled and envelopes can be marked with an identification tag that enables further processing.

The RCR upgrade uses enhanced optical character recognition technology developed by Lockheed Martin to automatically separate local mail from items addressed to more distant destinations. As a result, outbound mail can be processed and dispatched before local mail is made ready for delivery.

According to the U.S. Postal Service, placing OCR technology into machines that automatically position envelopes before applying postmarks enables the AFCS to sort by ZIP code so that letter mail can begin efficient automated sorting sooner, and fewer multiline optical character reader machines are required for dispatch operations.

"These AFCS-level enhancements allow us to be more efficient and serve our customers better because we're consolidating high-speed mail sorting technology and eliminating several mail processing functions," said U.S. Postal Service Vice President of Engineering Tom Day.

"The Postal Service receives operational savings by applying our recognition technology earlier in the processing cycle," explained Brian Tanton, vice president of Material Handling and Identification Solutions for Lockheed Martin Distribution Technologies. "This is not about improving read rates, which continue to reach record
levels at the Postal Service. It's about helping our customer move the mail more efficiently."

The development work through first article tests for the RCR and AFCS enhancements will occur this year with deployment of all AFCS-OCR upgrades completed by June 2005, Tanton added.

Lockheed Martin is a leading supplier to the U.S. Postal Service of address recognition solutions, which read handwritten or machine printed addresses automatically.

Headquartered in Bethesda, Md., Lockheed Martin employs about 130,000 people worldwide and is principally engaged in the research, design, development, manufacture and integration of advanced technology systems, products and services.

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