

As with the Postal Service's current NCOA and FASTforward® products, in order for a mailer to obtain updated address information from the NCOALink product, it must already possess names and old addresses that will be matched against it. The NCOALink product, due to the inherently secure data store technology employed, cannot be used to create mailing lists.

Improving the security and quality of mailer address information benefits all parties, including the customer, the mailer and the Postal Service. Customers benefit from the added security of their address information, and the increased accuracy of delivery, so that mail is not delivered to the wrong address. A mailer benefits by managing correct address information for its customers, reducing mailing costs and other significant business costs associated with handling inaccurate address information. The Postal Service benefits from reduced volumes of undeliverable-as-addressed mail and decreased processing and handling costs for such mail. By creating and licensing the NCOALink product for updating mailing lists, the Postal Service is expanding the scope of its ongoing efforts to reduce the volume of undeliverable-as-addressed mail and add security to address information.

Commencing on July 1, 2003, the Postal Service will begin accepting applications for new NCOALink Licensees. To ensure that no service disruption will occur, existing NCOA and FASTforward® MLC licensees will be provided transition periods to migrate to the new NCOALink system. The Postal Service intends to discontinue support for NCOA on September 30, 2004, and FASTforward® MLC on September 30, 2005. The Postal Service may elect to extend these dates. The Postal Service proposes to enter into non-exclusive, annually renewable NCOALink license agreements with approved mailers and service bureaus no earlier than October 1, 2003, or such later date as the Postal Service may designate. Additionally, on July 1, 2003, software developers may apply to be an authorized NCOALink software interface developer. All NCOALink applications may be obtained by writing to: Move Update Department—NCOALink Group, National Customer Support Center, United States Postal Service, 6060 Primacy Parkway Suite 201, Memphis TN 38188-0001.

Categories of NCOALink Product Licensees

The Postal Service will license the NCOALink product in three categories: Full Service Providers, Limited Service

Providers, and End-User Mailers. The license fees have been established with the goal of enabling the Postal Service to recover actual and anticipated costs for developing, supporting, and administering the NCOALink product in the marketplace. The categories are described as follows:

1. Full Service Provider

A Full Service Provider is a licensee that uses the NCOALink product to update mailing lists, most of which are owned by unrelated third parties. The Postal Service will require Full Service Providers to also implement service using other Address Quality tools designated by the Postal Service (e.g. Delivery Point Validation, Locatable Address Correction System (LACS)). The Postal Service will provide the Full Service Provider with a forty-eight month NCOALink product COA dataset which will be updated on a weekly basis. A Full Service Provider will pay a \$175,000.00 base annual license fee to the Postal Service.

2. Limited Service Provider

A Limited Service Provider is a licensee that uses the NCOALink product for updating either its own mailing lists or mailing lists owned by third parties. The Postal Service will provide the Limited Service Provider with an eighteen month NCOALink product COA dataset which will be updated on a weekly basis. The Limited Service Provider will pay a \$15,000.00 base annual license fee to the Postal Service.

3. End-User Mailer

The End-User Mailer is a licensee that uses the NCOALink product to update mailing lists for its own mailings. The End-User Mailer may not update mailing lists for third parties. The Postal Service will provide the End-User Mailer with an eighteen month NCOALink product COA dataset which will be updated on a monthly basis. The End-User Mailer will pay a \$7,500.00 base annual license fee to the Postal Service.

The Postal Service may adjust all license fees in all categories after the first year of the license agreement.

NCOALink Product Usage at Multiple Locations (Sites)

In order for any category of licensee to use the NCOALink product at more than one of its sites, the licensee must pay the Postal Service an additional annual site license fee of one-half the base annual license fee for each additional site that they wish to use the NCOALink product.

Existing NCOA and FASTforward® MLC Licensees Transition

The initial licensing term for all categories of the NCOALink product will begin on October 1, 2003 and expire on September 30, 2004.

During the initial licensing term and until the discontinuation of NCOA, which is also on September 30, 2004, NCOA licensees who apply and are authorized, in addition to their NCOA license fees, will pay a transition base annual license fee of \$25,000.00 to obtain the NCOALink product for use as a Full Service Provider at one site, plus a transition site license fee of \$12,500 for each additional site at which they will use the NCOALink product. After the expiration of the initial NCOALink license term, full license fees set by the Postal Service will be due for the NCOALink product.

Different from NCOA, FASTforward® MLC will be supported an additional year until September 30, 2005. However, the transition licensing fees noted below shall only apply to the initial licensing term of the NCOALink product.

During the initial licensing term, FASTforward® MLC licensees who apply and are authorized to be Limited Service Providers shall, in addition to their FASTforward® MLC fees, pay a transition base annual license fee of \$5,000.00 to use the NCOALink product at one site, plus a transition site license fee of \$2,500 for each additional site at which they will use the NCOALink product.

During the initial licensing term, FASTforward® MLC licensees who apply and are authorized to be End-User Mailers shall, in addition to their FASTforward® MLC fees, pay a transition base annual license fee of \$2,500.00 to use the NCOALink product at one site, plus a transition site license fee of \$1,250.00 for each additional site at which they will use the NCOALink product prior to October 1, 2004.

After the expiration of the initial NCOALink license term, full license fees set by the Postal Service will be due for both the NCOALink product and for FASTforward® MLC until its discontinuation the following year.

The Postal Service will treat existing NCOA and FASTforward® MLC licensees that do not apply for NCOALink product licenses prior to September 30, 2004, as new applicants for the NCOALink product. The Postal Service will require these applicants to pay the same license fees and satisfy the same application requirements as other new applicants. Accordingly, the license fees described above that are