

pursuing legislative changes, redefining the characteristics of a mailing list, etc., will not be discussed in this notice. Five proposals were described in the Advance Notice. Each proposal will be discussed separately:

(1) Move Update Requirement for All Classes of Mail

The Postal Service proposes that the Move Update standard, which previously applied only to First-Class Mail, be extended to other classes (*i.e.* Periodicals, Standard Mail, and the Bound Printed Matter subclass of Package Services) (Please note, Package Services was originally proposed but was amended to Bound Printed Matter in response to the comments received). Given the growth and significant impact of UAA mail across all classes of mail, the Postal Service believes it is reasonable to adopt the same standard for those seeking to use discounted rates in other classes of mail. However, the Postal Service also desires that this be done in a manner that does not unreasonably impact the mission and flexibility of each class of mail. To this end, the Postal Service will, where feasible, incorporate features suggested in the comments and add tools that can assist the expansion of Move Update to all classes. As one example, suggested in the comments, the Postal Service has already authorized the printing of the Address Change Service (ACS) participant code on the mailpiece in a location other than within the mailer's keyline of the address block. This option became effective October 3, 2002 (see Postal Bulletin 22086, October 3, 2002) and was incorporated into the online version of DMM M013 (<http://pe.usps.gov>).

Acceptable Methods

Six commenters expressed support for the proposed expansion of the Move Update requirement beyond Presorted and automation rate First-Class Mail to other classes of mail.

Several commenters stated that unless the status quo were maintained, specifically use of ancillary service endorsements as a qualifier, they would not be able to meet the proposed Move Update requirement. The Postal Service respectfully disagrees on this point and believes that the methods that will be available upon implementation are flexible and efficient and that they will meet the needs of all mailers seeking discounted rates when Move Update is a requirement. The current list of authorized methods includes the following:

- National Change of Address (NCOA) processing.

- NCOA^{Link} processing (scheduled availability October 1, 2003).
- FASTforward[®] MLOCR processing.
- FASTforward[®] Mailing List Correction (MLC) processing.
- Address Change Service (ACS).
- Postal Service Certification of Mailer Move Update Process, administered by the National Customer Support Center (NCSC).
- NCSC-approved alternate method for mailers with certain legitimate restrictions to incorporating Postal Service supplied change-of-address information into their mailing address lists.

In addition to the seven authorized Move Update methods listed above, as suggested by four of the commenters, addresses utilizing any of the three alternative addressing formats prescribed in DMM A020 (*e.g.*, "John Doe or Current Occupant") will not be subject to the Move Update standard. The Postal Service agrees that this exemption is warranted because mail bearing an alternative address format does not cause the Postal Service to incur additional redirection processing or disposal costs.

Another step already taken by the Postal Service to assist mailers who may not be able to process electronic ACS data files is the augmentation of ACS with a hybrid hardcopy address correction notification. This ACS option brings both quality and efficiency to the process by providing legible hardcopy printout notifications to mailers who desire them. This option is discussed in detail in the third proposal narrative regarding ancillary service endorsements.

Phase-in for Other Mail Classes

One commenter suggested a phased approach to implementation, with First-Class Mail being the first to incorporate the new requirements in 18 months from the publication date of the final rule, followed by the other mail classes 6 months to 1 year later. The Postal Service believes that there are several sound reasons why the phased approach suggested is not warranted in this case: (1) Since the publication of **Federal Register** Advance Notice (67 FR 38041–38043), the Postal Service has decided to integrate the changes proposed in this notice into a future formal Product Redesign initiative or omnibus rate case which will provide sufficient time for mailers to incorporate the new requirements, and significantly more time than the nine months allotted for the Move Update requirement originally instituted for First-Class Mail service in 1997, (2) the technical environment and capabilities of the mailing industry are

more advanced and progressive than when Classification Reform was being implemented in 1996/97, (3) many mailers who utilize other mail classes also send First-Class Mail items and are familiar with the Move Update requirement, (4) the Postal Service has made significant efforts since 1996 to acquaint the mailing industry with the necessity of effective Move Update methodology, and (5) a uniform implementation will provide needed consistency for all concerned.

A majority of addresses used by mailers today for Periodicals, Standard Mail, and Package Services mail are also used in Presorted and automation rate First-Class Mail and therefore already receive "Move Update treatment". This is consistent with the policy established in 1997 for First-Class Mail whereby an updated address originally used on another class of mail meets the Move Update requirement for First-Class Mail.

Additional Discounts

Several commenters stated that incentives would be needed to offset their cost of Move Update processing where it has previously not been a requirement, as well as for the increased frequency requirements of Move Update for First-Class Mail and Address Matching for all classes.

The Postal Service believes that ensuring that mail, regardless of the class of mail, is prepared to the correct recipient and address, and thereby removing UAA mail from the mailstream ultimately leads to cost savings for both the mailer and the Postal Service. In addition to helping control Postal Service costs and their associated impact on rates, the increase in address quality will benefit mailers by reducing wasted mail production costs and loss of business opportunities that result from UAA mail.

Periodicals

One commenter stated that a Move Update requirement for Periodicals was "ludicrous."

The Postal Service finds this comment somewhat puzzling in that Periodicals mail has long included an address correction requirement. This requirement is found in the printed request for change-of-address information included in the identification statement that each publication must show. This request for change-of-address information may also appear on the label carrier or the container enclosing publications prepared in envelopes, closed wrappers or polybags. This proposal merely formalizes the requirement and methods.