

this proposal, stand-alone ancillary service endorsement use will not be recognized as a method to satisfy the Move Update standard. Ancillary Service Endorsements may still be used on mail with addresses that are updated via one of the approved Move Update methods (e.g., Address Change Service, NCOA, FASTforward®, etc.). More than six years of practical experience with the Move Update requirement for First-Class Mail has shown that individual manual hardcopy notifications generated from the stand-alone use of ancillary service endorsements are the least effective and most costly Move Update method for all concerned.

#### "Return Service Requested"

Additionally, one commenter pointed out that mailers who desire mailpieces to be returned and not forwarded would be penalized by this proposal, as there is currently no electronic ACS option available for returns.

The Postal Service agrees that a post-mailing electronic option should be available in this instance and, if this proposal is adopted, will take the necessary action prior to implementation to make the "Return Service Requested" endorsement available within the ACS system.

#### Hardcopy Notices

Several commenters indicated that, for various reasons, hardcopy address change notices generated from stand-alone ancillary service endorsements are the only method they can use to meet a Move Update requirement. They expressed a concern that the ACS system was not a viable alternative for them.

As previously explained, the Postal Service believes that the options available to comply with Move Update standards are both flexible and efficient enough to meet the needs of all parties seeking discounted rates.

Specifically to this point, at the time Move Update first became a requirement for First-Class Mail automation and Presorted rates, the ability of the Postal Service to provide a robust electronic/hardcopy hybrid ACS service did not exist as it does today. Since the inception of the Move Update standard, the Postal Service has worked to create enough flexibility within the ACS system to meet mailers' needs, while at the same time lowering the cost. There is, for all practical purposes, a limitless supply of ACS participant codes available that can be used in those situations where multiple departments and/or list situations are involved. Additionally, as noted earlier in the Summary section, the option for mailers

to print the ACS participant code on the mailpiece itself was made effective on October 3, 2002.

The end-result of these efforts is the ACS printout notification option, which provides printable hardcopy notifications, in an electronic file, to those who desire them. This option provides quality in the form of a computer-generated report, timely fulfillment back to the sender so that the address corrections can be incorporated quickly to prevent future UAA mail, and a cost-effective process for both the mailer and the Postal Service.

The Postal Service is convinced that this ACS hardcopy notification option is a viable alternative to stand-alone ancillary service endorsements since it provides "best practice" efficiency to the business of hardcopy notifications. In addition, effective January 1, 2003, ACS change-of-address information is now available, at no additional charge, on CD-ROM media. This provides small- and medium-sized mailers with an easy, cost-effective method for viewing, searching, and printing change-of-address records in order to update their address files manually.

As put forth in the Advance Notice of May 31, 2002, individual hardcopy address correction notifications triggered from stand-alone use of ancillary service endorsements do not significantly reduce costs for either the mailer or the Postal Service. However, ancillary service endorsements used in conjunction with ACS do provide benefits not obtained by stand-alone use of ancillary service endorsements. Again, these facts cause the Postal Service to conclude that the existing (stand-alone) use of ancillary service endorsements and individual hardcopy notifications or return of UAA mailpieces will no longer be a permissible qualification method in and of itself to meet the Move Update requirement.

#### (4) Frequency of Use of Address Matching Software

The Postal Service proposes to increase the minimum frequency of Address Matching processing for automation rate mail from 180 days to 95 days (90 days was proposed in the Advance Notice but is now amended to 95 days in response to the comments received).

Five commenters voiced general support for the proposal to increase the frequency of the required use of address matching software.

#### Schedule

Four commenters recommended that the Postal Service develop a clearly

defined schedule when software vendors and end-users must update and implement the Address Matching software changes.

The Postal Service already has a clearly defined process in place for software developers to submit their Address Matching software for Coding Accuracy Support System (CASS) certification. As a condition for CASS certification, all changes in Address Matching software requirements are announced at the annual CASS "Partnership in Tomorrow" meeting each August. Generally, the required changes are effective the following July 31 (11 months later). Furthermore, current DMM A950 sets forth the schedule of frequency of use for Address Matching software and the Postal Service database.

#### Vendor Deadlines

Several commenters urged the Postal Service to set timeframes and deadlines that vendors must meet for providing their updated products to end-users.

Although the Postal Service understands the end-users' point of view, it is reluctant to regulate the business practices between vendors and their customers. The Postal Service is committed to taking the necessary steps to ensure that its product distribution timetables to the various vendors are met. If the vendor does not provide the software updates in a timely manner, the customer must determine whether to pursue a legal remedy or other action. As is the case with other industries, it is reasonable to expect that substandard vendors will lose their place in the market.

#### Reduced Processing Period

One commenter voiced concern that the reduced window for processing will have a negative effect due to the planning cycles currently in use by many mailers.

The Postal Service understands that certain operational changes are necessary for the mailing industry to implement this proposal. The UAA mail problem is of such magnitude that it is in the best interests of mailers and the Postal Service to modify current practices in order to mitigate it. The Postal Service also recognizes that some mailers who are proactively trying to reduce UAA mail within their own operations have set quarterly production cycles for their Move Update and Address Matching processing already. To allow mailers to continue these processing cycles and not have to periodically make additional processing runs due to variations in calendar dates, the processing requirement will be