

applying unique USPS identification (ID) codes (or "tags") to flat-size mailpieces not bearing POSTNET barcodes. Deployment is scheduled for early 2004. Once the initial ID code is applied to the mailpiece, subsequent sorting will recognize the code and sort the flat-size piece without need for further manual keying. The ID code provides reference to access a database containing the original keying results. The application of these codes onto mailpieces will have no impact on current mailing standards or preparation requirements for flat-size mail.

**FOR FURTHER INFORMATION CONTACT:**

George Coupar, (703) 280-7437, Engineering, United States Postal Service.

**SUPPLEMENTARY INFORMATION:** The manual video keying of nonbarcoded flat-size mailpieces by Postal Service employees represents a significant cost to the Postal Service. Currently, the keying of a mailpiece by video keying operators can occur several additional times as the nonbarcoded piece is sorted through stages of mail processing. In order to reduce the costs associated with this labor-intensive manual keying, the Postal Service has developed a system that should eliminate most of the additional keying.

This new system, called the Flat Mail Identification Code System (FICS), applies a unique USPS identification (ID) code (tag) to flat-size mailpieces not bearing a POSTNET barcode. The ID code, printed on a label, will be mechanically applied to the address side of the mailpiece in the bottom right or top left corner, before the address is manually resolved by a video keying operator. The FICS saves the initially keyed information in a database along with the corresponding ID code assigned to the piece. Once the FICS ID code is generated and a label containing that code is applied to the mailpiece, further manual keying will not be required for that piece as it moves through additional mail processing operations. Moreover, because a label bearing the ID code will be placed on individual flat-size pieces, this new system will provide additional capabilities in tracking and tracing these coded (tagged) flat-size pieces.

The FICS physical ID code consists of a black, International Mailing Standard, 4-state barcode printed on a white pressure-sensitive label measuring 1/2 inch high by 3 inches wide or 1/2 inch high by 4 3/8 inches wide. The label is applied to the address side of nonbarcoded flats. The label, which can be manually peeled from the mailpiece, is made of the same material as is

currently used by the USPS Letter Mail Labeling Machine (LMLM) which affixes labels on certain types of letter mail pieces, such as postcards.

Preproduction testing is currently in progress and the USPS expects to deploy the system nationally in the second quarter of fiscal year 2004. The USPS does not plan to introduce new mailing requirements related to FICS.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-26229; File No. 812-12989]

### Merrill Lynch Life Insurance Company, et al.; Notice of Application

October 22, 2003.

**AGENCY:** Securities and Exchange Commission ("Commission").

**ACTION:** Notice of application (the "Application") for an order pursuant to Section 26(c) of the Investment Company Act of 1940 (the "1940 Act") approving a substitution of securities and an order of exemption pursuant to Section 17(b) of the 1940 Act from Section 17(a) of the 1940 Act.

**APPLICANTS:** Merrill Lynch Life Insurance Company ("MLLIC"), Merrill Lynch Variable Life Separate Account ("Separate Account 1"), Merrill Lynch Life Variable Life Separate Account II ("Separate Account 2"), Merrill Lynch Life Variable Annuity Separate Account A ("Separate Account 3"), ML Life Insurance Company of New York ("MLNY"), ML of New York Variable Life Separate Account ("Separate Account 4"), ML of New York Variable Life Separate Account II ("Separate Account 5"), ML of New York Variable Annuity Separate Account A ("Separate Account 6"), and, only for the purpose of seeking an order of exemption pursuant to Section 17(b) of the 1940 Act, MLIG Variable Insurance Trust ("MLIG Trust") (except for MLLIC, MLNY, and MLIG Trust, each a "Separate Account;" Separate Accounts 1 through 6 collectively referred to herein as the "Separate Accounts") (all foregoing parties, with the exception of MLIG Trust, collectively referred to herein as the "Applicants") (all foregoing parties, with the inclusion of MLIG Trust, collectively referred to herein as the "Section 17(b) Applicants").

**SUMMARY OF APPLICATION:** The Applicants request an order pursuant to Section 26(c) of the 1940 Act to permit certain registered unit investment trusts to substitute shares of certain portfolios of the MLIG Trust (the "Replacement Portfolios") for shares of certain portfolios of the AllianceBernstein Variable Products Series Fund, Inc. ("AllianceBernstein Fund"), the Delaware VIP Trust ("Delaware Trust"), and the MFS® Variable Insurance Trust<sup>SM</sup> ("MFS Trust") (collectively, the "Substituted Portfolios") currently held by those unit investment trusts. The Section 17(b) Applicants request an order of the Commission pursuant to Section 17(b) of the 1940 Act exempting them from Section 17(a) of the 1940 Act to the extent necessary to permit MLLIC and MLNY to carry out substitutions by redeeming shares issued by AllianceBernstein Fund, Delaware Trust, and MFS Trust in-kind and using the proceeds to purchase shares issued by MLIG Trust.

**FILING DATE:** The Application was filed on July 18, 2003 and was amended and restated on October 9, 2003.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the Application will be issued unless the Commission orders a hearing. Interested person may request a hearing by writing to the Secretary of the Commission and serving Applicants (including Section 17(b) Applicants) with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on November 12, 2003, and should be accompanied by proof of service on Applicants (including Section 17(b) Applicants), in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Secretary of the Commission.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Applicants (including Section 17(b) Applicants), c/o Edward W. Diffin, Jr., Esq., Merrill Lynch Insurance Group, Inc., 1300 Merrill Lynch Drive, 2nd Floor, Pennington, New Jersey 08534. Copies to Stephen E. Roth, Esq. and Mary E. Thornton, Esq., Sutherland Asbill & Brennan LLP, 1275 Pennsylvania Ave., NW., Washington, DC 20004.

**FOR FURTHER INFORMATION CONTACT:** H. Yuna Peng, at (202) 942-0676, or Lorna J. MacLeod, Branch Chief, at (202) 942-0670, Office of Insurance Products, Division of Investment Management.