

Revenue Building 1111 Constitution Avenue, NW., Washington, DC. Subsequently, the date of the public hearing has been changed to Monday, November 17, 2003. Written or electronic comments must be received by October 17, 2003. Outlines of oral comments must be received by October 27, 2003.

**LaNita Van Dyke,**

*Paralegal Specialist, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).*

[FR Doc. 03-21965 Filed 8-27-03; 8:45 am]

**BILLING CODE 4830-01-P**

## POSTAL SERVICE

### 39 CFR Part 111

#### Changes to the Move Update and Address Matching Requirements

**AGENCY:** Postal Service.

**ACTION:** Further notice of proposed rulemaking.

**SUMMARY:** This is a special interim Advance Notice incorporating mailers' comments from the May 31, 2002 **Federal Register** (67 FR 38041-38043), Advance Notice of Proposed Rulemaking and Request for Comment. Prior to publishing a final rule, the Postal Service is requesting additional comments from the mailing industry on the proposed changes to current Domestic Mail Manual (DMM) standards that concern Move Update and/or Address Matching requirements. These proposed standards address specific mail preparation requirements that can effectively assist in reducing the negative impact on delivery service and costs associated with Undeliverable-As-Addressed (UAA) Mail. Due to the significant ongoing UAA mail burden noted in omnibus rate case Docket No. R2001-1, changes are deemed necessary to help mitigate the UAA mail impact on the mailing industry and the Postal Service.

**DATES:** Comments must be received on or before September 29, 2003. The Postal Service intends to pursue implementation of these proposals within the framework of a future formal rule or rate making process. Please note that a specific rule or rate making will not be forthcoming as a result of this notice, rather any change will be integrated into a future rule or rate making that is part of the Product Redesign initiative or omnibus rate case. In no event will the proposals become effective sooner than 18 months from

the date of a future final rule publication.

**ADDRESSES:** Written comments should be mailed or delivered to the Office of Product Management—Addressing, National Customer Support Center, United States Postal Service, 6060 Primacy Pkwy, Ste 201, Memphis, TN 38188-0001. Comments may also be transmitted via facsimile to 901-681-4440 or via e-mail to [chunt1@email.usps.gov](mailto:chunt1@email.usps.gov). Copies of all written comments will be available for inspection and photocopying at USPS Headquarters Library, 475 L'Enfant Plaza, SW., 11th Floor N, Washington, DC 20260-1450 between 9 a.m. and 4 p.m., Monday through Friday.

**FOR FURTHER INFORMATION CONTACT:** Wayne Orbke, 901-681-4658; Charles B. Hunt, 901-681-4651; or Neil Berger, 703-292-3645.

**SUPPLEMENTARY INFORMATION:** On May 31, 2002, the Postal Service requested comments concerning changes to the Move Update and Address Matching standards (Advance Notice). 67 FR 38041-38043. The Postal Service did not suggest specific Domestic Mail Manual provisions at that time, but sought public comments on five general proposals. As discussed in that notice, changes to these standards were recommended in the 2001 Mailing Industry Task Force, a workgroup joining mailing industry and Postal Service leaders, as an important means to decrease the volume of UAA mail and thereby hold down postal processing and delivery costs.

Thirty-six comments were submitted in response to the Advance Notice. After review of the comments, the Postal Service is proposing specific DMM changes to the Move Update and Address Matching standards and seeks public comment concerning these revisions.

Consistent with the recommendation of the Mailing Industry Task Force, the Postal Service believes that appropriate revisions to the standards are vital to the continued vitality of the postal system and the interests of mailers. The Postal Service is committed to taking prudent steps in coordination with the mailing industry to create and maintain a cost-efficient mailstream. Over the years, the Service has invested heavily to create an automated mailstream to help drive costs out of the delivery system. However, although an efficient automated mailstream depends on accurate barcodes for success, barcodes are only as accurate as the quality of the addressing information that is their foundation. As discussed in the Advance Notice, revisions to the Move

Update and Address Matching standards are needed to improve the level of address quality for mailings entered at discounted rates. The Postal Service remains convinced that high quality addressing, best possible depth of ZIP+4 codes, and (where applicable) accurate delivery point barcodes that result in the delivery of the mailpiece to the intended recipient, in an efficient manner, should be primary objectives for mailers.

The Advance Notice proposed five changes to existing address quality standards, including: (1) Expand the applicability of a Move Update requirement from Presorted and automation rate First-Class Mail to include Periodicals, Standard Mail, and Package Services, (2) increase the minimum frequency of Move Update processing from 180 days to 90 days, (3) remove the use of ancillary service endorsements with individual hardcopy notifications as a stand-alone option to satisfy the Move Update requirement, (4) increase the frequency of Address Matching processing for automation rate mail from 180 days to 90 days, and (5) require the use of monthly (instead of bimonthly) directory updates for address matching software.

In addition to revisions to DMM standards, the Advance Notice also addressed the timing of the changes. When the Move Update requirement for First-Class Mail was instituted in 1997, a 9-month readiness period was provided. The Postal Service recognizes the magnitude of the adjustments that will have to be made both by the industry and the Service to implement the revisions proposed in this notice and will ensure that ample time is provided. It is not the intention of the Postal Service to create unreasonable barriers to discount rate qualification with these changes, but rather to improve the overall cost effectiveness of the mail delivery system and rate stability for all stakeholders.

As stated in the Advance Notice, the evaluation and implementation of these proposals will continue to be stewarded by the Postal Service Product Management Group, within the framework of the Product Redesign effort.

Part A of this notice summarizes the proposed changes and provides an analysis of comments received to the Advance Notice. Part B summarizes the changes to the DMM, followed by the text of the proposed DMM standards.

#### Part A

Several comments were outside the scope of the changes that were proposed. These comments, such as

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<sup>Link</sup> processing (scheduled availability October 1, 2003).
- FASTforward<sup>®</sup> MLOCR processing.
- FASTforward<sup>®</sup> 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.

### Ease of Use

The same commenter also stated that the Move Update requirement should be more “user-friendly” and recognize mailers who have their own processes in place to accurately reflect the relocation of their customers for mailing purposes.

The Postal Service agrees with this position; it was the driving force behind the creation of the Mailer Move Update Process Certification (previously known as the 99% rule alternate method) for Move Update compliance. Under this method, mailers can have their own Move Update process tested by the Postal Service. If the test demonstrates that the mailer’s addresses are 99% accurate when compared with the Postal Service change-of-address file, the mailer will be certified as having addresses that meet the Move Update requirement for a period of 1 to 2 years (depending on the length of time the mailer has used this option) from the date of the test.

### Standard Mail

Eight commenters expressed concerns regarding possible negative impact to Standard Mail.

Although the Postal Service understands this issue, it believes that the requirement is both appropriate and fair for Standard Mail automation rate, Presorted rate, and Enhanced Carrier Route rate eligibility. Many mailers of Standard Mail successfully utilize the NCOA and FASTforward® MLC systems to improve the quality of their lists. Therefore, this requirement should not have a major impact on their business models. The Postal Service also believes that the choices available to meet the Move Update requirement, along with the wide use of alternative addressing formats on Standard Mail (e.g. “John Doe or Current Resident”), provide sufficient flexibility for meeting the requirement and will, therefore, not pose a greater challenge for mailers of Standard Mail than for mailers of other classes.

One commenter questioned the proposed application of the Move Update provisions to Standard Mail because unendorsed Standard Mail is disposed of as waste, if undeliverable.

Although it is true that Postal Service procedures call for disposal of such mail (as well as unendorsed BPM), there is a cost associated with this action. The Postal Service incurs an average cost of 4.5 cents per piece for disposal. Additionally, it is doubtful that the sender’s intent is for their strategic message not to be delivered and miss potential business opportunities. To

continue this scenario is not in the best interests of a cost-efficient mailstream, and the Postal Service maintains that a discount should not be provided for mail bearing addresses where no steps have been taken to mitigate this occurrence.

### Bound Printed Matter

One commenter voiced concern regarding possible negative impact to Bound Printed Matter (BPM) mailings.

After due consideration, the Postal Service believes that the Move Update requirement is both appropriate and fair for BPM Presorted and Carrier Route qualification, including machinable parcels claiming a parcel barcoded discount or flat-size pieces claiming a POSTNET barcoded discount. The Postal Service does not believe that the Move Update requirement will pose a greater challenge to BPM mailers than to those in using other classes of mail. A majority of BPM consists of the same content as Standard Mail (e.g., advertising, catalogs, and directories) and would, except for weight, qualify as Standard Mail. In fact, many mailers “bundle” individual Standard Mail pieces for the same address and create a single addressed BPM mailpiece.

After due consideration of the comments expressed, the Postal Service proposes to expand the Move Update standard to include Periodicals, Standard Mail, and the Bound Printed Matter subclass of Package Services mail.

#### (2) *Frequency of Use of Move Update Processing*

The Postal Service proposes to increase the minimum frequency of Move Update processing from 180 days to 95 days (90 days was originally proposed but was amended to 95 days in response to the comments received).

Five commenters voiced general support for the proposal, while several other commenters had specific concerns regarding this Move Update provision.

One commenter expressed concern that with the requirement to update addresses more frequently, the existing NCOA licensees would not be able to keep up with the demand for Move Update processing.

The Postal Service believes the existing group of licensees has the capacity to provide the service within the terms of their license (process and return address files within 7 business days of receipt). The Postal Service will continue to monitor this situation and if it determines that a justifiable need exists, it will increase the number of licensees.

One commenter stated that mailers using an NCSC-approved alternate Move Update method would not be able to meet the proposed standard, because they have certain legitimate restrictions on incorporating Postal Service-supplied change-of-address information into their mailing addresses.

The Postal Service believes this change will not have any impact on these alternate processes. Under existing standards, the mailer must contact an addressee within 30 days after receiving the change-of-address information and incorporate the change of address within 30 days of receipt. These timeframes already fall within the proposed requirement.

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 all stakeholders 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 already set quarterly production cycles for their Move Update and Address Matching processing. To allow mailers to continue these processing cycles and not have to periodically make additional processing runs due to variations in calendar dates, the Postal Service proposes that the processing requirement, which is based on the number of day prior to mailing, will be modified from the originally proposed 90 days to 95 days.

#### (3) *Removal of Manual Hardcopy Notifications as a Move Update Option*

##### Ancillary Service Endorsements

The Postal Service proposes to remove the stand-alone use of ancillary service endorsements as an option to satisfy the Move Update standard.

Many of the commenters perceived that the purpose of this proposal was to totally eliminate all use of ancillary service endorsements.

To clarify, this is not the case. All ancillary service endorsements will still be available as mailpiece handling instructions for commercial mail. This proposal is designed to effectively separate basic mailpiece-handling instructions, which is the core function of endorsements, from efficient address correction notification methods where Move Update activity is required. Under

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

modified from the proposed 90 days to 95 days.

Another option currently available to mailers to assist with narrow processing windows is the use of Z4Change list matching as defined in DMM A950.3.2. Furthermore, in the interest of consistent processing requirements, it is proposed that the 90-day Address Matching standard for Periodicals and Standard Mail sent at carrier route rates be modified to 95 days. It should be noted that although concerns about the frequency of matching were also expressed when the 90-day carrier route rate requirement was first implemented, mailers were able to adjust their mailing processes to meet the list processing window.

Due to the high rate of change in addressing data, the Postal Service believes that the benefits are worth the behavioral changes that the mailing industry and the Postal Service would have to make to reduce UAA mail volumes.

(5) Address Matching Directory Update Frequency

The Postal Service proposes to require the use of monthly (instead of bimonthly) directory updates for address matching software. This proposal goes "hand in hand" with the revisions in the fourth proposal. That is, the adoption of one strategy without the other would sacrifice the desired improvement in efficiency and quality of the Address Matching process.

One commenter felt that there was some confusion regarding the difference between the two.

To clarify, the Postal Service respectfully points out that the fourth proposal from the Advance Notice modifies the cycle time in which addresses must be processed through Postal Service CASS-certified Address Matching software in order to qualify for discounted rates. This proposal modifies the cycle that the address directories used in conjunction with CASS-certified software must be updated prior to processing addresses.

In order to ensure understanding of these standards, the Postal Service will provide further guidance concerning these processes in publications including the CASS Technical Guide, the Postal Bulletin, and the Mailer's Companion.

Part B

It should be remembered that the following DMM revisions are proposals only and are presented to assist mailers with their review and comments. The proposed DMM changes below are to the current DMM which includes

"organizational" changes made via Postal Bulletin 22104, June 12, 2003. To view the current DMM go to <http://pe.usps.gov>.

Although exempt from the notice and comment requirements of the Administrative Procedure Act [5 U.S.C. 553(b), (c)] regarding proposed rulemaking by 39 U.S.C. 410(a), the Postal Service invites comments on the following proposed revisions to the Domestic Mail Manual, which is incorporated by reference in the Code of Federal Regulations. See 39 CFR 111.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

PART 111—[AMENDED]

1. The authority citation for 39 CFR Part 111 continues to read as follows:

Authority: 5 U.S.C. 552(a); 39 U.S.C. 101, 401, 403, 404, 414, 3001–3011, 3201–3219, 3403–3406, 3621, 3626, 5001.

2. Revise the Domestic Mail Manual as follow:

Domestic Mail Manual (DMM)

A ADDRESSING

A000 Basic Addressing

\* \* \* \* \*

A030 Address Quality

1.0 MOVE UPDATE

1.1 Basic Standards

The Move Update standard is a means of reducing the number of mailpieces in a mailing that require forwarding by the periodic matching of a mailer's address records with customer-filed change-of-address orders received and maintained by the USPS. For the purposes of this standard, address means a specific address associated with a specific occupant name. Addresses used on pieces claiming certain rates that are subject to the Move Update standard under 1.2 must meet these requirements:

[Change "180" days to "95" days in 1.1a to read as follows:]

a. Each address and associated occupant name used on the mailpieces in a mailing must be updated within 95 days before the mailing date, with one of the USPS-approved methods in 1.4.

\* \* \* \* \*

[Change "180" days to "95" days in 1.1c to read as follows:]

c. If an address used on a mailpiece in a mailing at one class of mail and rate is updated with an approved method (e.g., Address Change Service), the same address may be used during the

following 95 days and meets the Move Update standard required in 1.2.

1.2 Mail Classes and Rates

[Revise 1.2 to read as follows:]

Except as provided in 1.3, addresses used on pieces claiming the rates listed for the following classes of mail, regardless of processing category and any required surcharges, must meet the Move Update standard:

- a. First-Class Mail, nonautomation Presorted rate and automation rates.
- b. Periodicals, all rates.
- c. Standard Mail, all rates.
- d. Bound Printed Matter, Presorted rate and carrier route rate.

1.3 Exception

[Change "First-Class Mail move update standard" to "Move Update standard" in 1.3 to read as follows:]

The Move Update standard does not apply to any mail bearing an alternative addressing format under A020.

1.4 USPS-Approved Methods

[Revise 1.4 by removing 1.4f to read as follows:]

The following methods are authorized for meeting the Move Update standard:

- a. Address Change Service (ACS).
- b. National Change of Address (NCOA).
- c. FASTforward Mailing List Correction (MLC).

d. FASTforward MLOCR processes (letter-size and flat-size mail only) if used each time before mail entry. If a mailpiece that initially uses FASTforward MLOCR processing is rejected and then entered into a Direct View Encoding Desk (DVED) operation (or similar system), the piece does not meet the Move Update standard. The name and address information on the piece must then be processed through a FASTforward RVE system to meet the Move Update standard. FASTforward RVE processes also meet the Move Update standard if used each time before mail entry. As provided in C010.6.0, a letter-size envelope containing a window that intrudes into the barcode clear zone (see C840) is not eligible for MLOCR or RVE FASTforward processing.

e. Mailer Move Update Process Certification and USPS-approved alternative methods for mailers with legitimate restrictions on incorporating USPS-supplied change-of-address information into their mailing lists. The National Customer Support Center (see G043 for address) administers and approves both Mailer Move Update Process Certification and alternative methods.

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3.0 CARRIER ROUTE ACCURACY

3.1 Basic Standards

The carrier route accuracy standard is a means of ensuring that the carrier route code correctly matches the delivery address information. For the purposes of this standard, address means a specific address associated with a specific carrier route code. Addresses used on pieces claiming certain rates that are subject to the carrier route accuracy standard under 3.2 must meet these requirements:

[Change “within 90 days” to “within 95 days” in 3.1a to read as follows:]

a. Each address and associated carrier route code used on the mailpieces in a mailing must be updated within 95 days before the mailing date with one of the USPS-approved methods in 3.4. For the First-Class Mail automation carrier route rate and the Enhanced Carrier Route Standard Mail automation rate, USPS City State Product information must also be updated within 95 days before the mailing date.

\* \* \* \* \*

[Change “within 90 days” to “within 95 days” in 3.1c to read as follows:]

c. If the carrier route code (and accuracy) of an address used on a mailpiece in a carrier route mailing at one class of mail and rate is updated with an approved method, the same address may be used during the following 95 days to meet the carrier route accuracy standard required for mailing at any other class of mail and rate.

\* \* \* \* \*

A900 Customer Support

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A950 Coding Accuracy Support System (CASS)

\* \* \* \* \*

3.0 DATE OF ADDRESS MATCHING AND CODING

3.1 Update Standards

[Revise 3.1 to read as follows:]  
Unless Z4CHANGE is used, all automation and carrier route mailings bearing addresses coded by any AIS

product must be coded with current CASS-certified software and the current USPS database and meet these standards:

a. Coding must be done within 95 days before the mailing date for all carrier route mailings and all automation rate mailings.

b. All AIS products may be used immediately on release. New product releases must be installed in address matching systems no later than 45 days after the release date. The overlap in dates for product use allows mailers adequate time to install the new data files and test their systems. Mailers are expected to update their systems with the latest data files as soon as practicable and not wait until the “last permissible use” date. Exhibit 3.1 defines the “current USPS database” product cycle.

c. The mailer’s signature on the postage statement certifies that this standard has been met for each address in the corresponding mailing presented to the USPS.

EXHIBIT 3.1.—USPS DATABASE PRODUCT CYCLE

File release	Required use	Last permissible use
Use of file released on:	Must begin no later than:	And must end no later than:
January 15 .....	March 1 .....	March 31
February 15 .....	April 1 .....	April 30
March 15 .....	May 1 .....	May 31
April 15 .....	June 1 .....	June 30
May 15 .....	July 1 .....	July 31
June 15 .....	August 1 .....	August 31
July 15 .....	September 1 .....	September 30
August 15 .....	October 1 .....	October 31
September 15 .....	November 1 .....	November 30
October 15 .....	December 1 .....	December 31
November 15 .....	January 1 .....	January 31
December 15 .....	February 1 .....	February 28/29

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E ELIGIBILITY

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E200 Periodicals

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E220 Presorted Rates

1.0 BASIC INFORMATION

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1.3 Address Quality

All pieces in a Periodicals Presorted rate mailing must bear a delivery address that includes the correct ZIP Code or ZIP+4 code and that meets these address quality standards:

[Add new 1.3a and redesignate current 1.3a and 1.3b as 1.3b and 1.3c, respectively, to read as follows:]

a. The Move Update standard in A030.1.0.

b. The ZIP Code accuracy standard in A030.2.0.

c. If an alternative addressing format is used, the standards in A020.

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E230 Carrier Route Rates

1.0 BASIC INFORMATION

\* \* \* \* \*

1.3 Address Quality

All pieces in a Periodicals carrier route rate mailing must bear a delivery address that includes the correct ZIP Code or ZIP+4 code and that meets these address quality standards:

[Add new 1.3a and redesignate current 1.3a through 1.3c as 1.3b

through 1.3d, respectively, to read as follows:]

a. The Move Update standard in A030.1.0.

b. If an alternative addressing format is used, the additional standards in A020.

c. If flat-size pieces are prepared with detached address labels, the additional standards in A060.

\* \* \* \* \*

E240 Automation Rates

1.0 BASIC STANDARDS

1.1 All Pieces

All pieces in a Periodicals automation rate mailing must:

\* \* \* \* \*

c. Bear a delivery address that includes the correct ZIP Code, ZIP+4

code, or numeric equivalent to the delivery point barcode (DPBC) and that meets these address quality standards:

[Add new 1.1c(1) and redesignate current 1.1c(1) and 1.1c(2) as 1.1c(2) and 1.1c(3), respectively, to read as follows:]

(1) The Move Update standard in A030.1.0.

(2) The address matching and coding standards in A800 and A950.

(3) If an alternative addressing format is used, the additional standards in A020.

\* \* \* \* \*

**E600 Standard Mail**

\* \* \* \* \*

*E620 Presorted Rates*

**1.0 BASIC STANDARDS**

**1.1 All Pieces**

All pieces in a Regular Standard Mail or Nonprofit Standard Mail Presorted rate mailing must:

\* \* \* \* \*

c. Bear a delivery address that includes the correct ZIP Code or ZIP+4 code and that meets these address quality standards:

[Add new 1.1c(1) and redesignate current 1.1c(1) through 1.1c(3) as 1.1c(2) through 1.1c(4) to read as follows:]

(1) The Move Update standard in A030.1.0.

(2) The ZIP Code accuracy standard in A030.2.0.

(3) If an alternative addressing format is used, the additional standards in A020.

(4) If merchandise samples are prepared with detached address labels, the additional standards in A060.

\* \* \* \* \*

*E630 Enhanced Carrier Route Rates*

**1.0 BASIC STANDARDS**

**1.1 All Pieces**

All pieces in an Enhanced Carrier Route or Nonprofit Enhanced Carrier Route Standard Mail mailing must:

\* \* \* \* \*

d. Bear a delivery address that includes the correct ZIP Code, ZIP+4 code, or numeric equivalent to the delivery point barcode (DPBC) and that meets these address quality standards:

[Add new 1.1d(1) and redesignate current 1.1d(1) through 1.1d(4) as 1.1d(2) through 1.1d(5), respectively, to read as follows:]

(1) The Move Update standard in A030.1.0.

(2) The carrier route accuracy standard in A030.3.0.

(3) If high density and saturation rate letter-size mail is prepared, the address

matching and coding standards in A800 and A950.

(4) If an alternative addressing format is used, the additional standards in A020.

(5) If flat-size pieces are prepared with detached address labels, the additional standards in A060.

\* \* \* \* \*

*E640 Automation Rates*

**1.0 REGULAR AND NONPROFIT RATES**

**1.1 All Pieces**

All pieces in a Regular Standard Mail or Nonprofit Standard Mail automation rate mailing must:

\* \* \* \* \*

d. Bear a delivery address that includes the correct ZIP Code, ZIP+4 code, or numeric equivalent to the delivery point barcode (DPBC) and that meets these address quality standards:

[Add new 1.1d(1) and redesignate current 1.1d(1) and 1.1d(2) as 1.1d(2) and 1.1d(3), respectively, to read as follows:]

(1) The Move Update standard in A030.1.0.

(2) The address matching and coding standards in A800 and A950.

(3) If an alternative addressing format is used, the additional standards in A020.

\* \* \* \* \*

**2.0 ENHANCED CARRIER ROUTE RATES**

**2.1 All Pieces**

All pieces in an Enhanced Carrier Route or Nonprofit Enhanced Carrier Route Standard Mail automation rate mailing (available only for letter-size mail) must:

\* \* \* \* \*

d. Bear a delivery address that includes the correct ZIP Code, ZIP+4 code, or numeric equivalent to the delivery point barcode (DPBC) and that meets these address quality standards:

[Add new 2.1d(1) and redesignate current 1.1d(1) through 1.1d(3) as 1.1d(2) through and 1.1d(4), respectively, to read as follows:]

(1) The Move Update standard in A030.1.0.

(2) The carrier route accuracy standard in A030.3.0.

(3) The address matching and coding standards in A800 and A950.

(4) If an alternative addressing format is used, the additional standards in A020.

\* \* \* \* \*

**E700 Package Services**

*E710 Basic Standards*

\* \* \* \* \*

*E712 Bound Printed Matter*

\* \* \* \* \*

**3.0 ADDITIONAL STANDARDS**

**3.1 Presorted Rates**

In addition to the basic standards in 1.0, all pieces in a Bound Printed Matter Presorted rate mailing must:

a. Bear a delivery address that includes the correct ZIP Code or ZIP+4 code and that meets these address quality standards:

[Add new 3.1a(1) and redesignate current 3.1a(1) through 3.1a(4) as 3.1a(2) through and 3.1a(5), respectively, to read as follows:]

(1) The Move Update standard in A030.1.0.

(2) The ZIP Code accuracy standard in A030.2.0.

(3) If the barcoded discount for flat-size pieces is claimed (see 2.0), the additional address matching and coding standards in A800 and A950.

(4) If an alternative addressing format is used, the additional standards in A020.

(5) If pieces are prepared with detached address labels, the additional standards in A060.

\* \* \* \* \*

**3.2 Carrier Route Rates**

In addition to the basic standards in 1.0, all pieces in a Bound Printed Matter carrier route rate mailing must:

a. Bear a delivery address that includes the correct ZIP Code or ZIP+4 code and that meets these address quality standards:

[Add new 3.2a(1) and redesignate current 3.2a(1) through 3.2a(3) as 3.2a(2) through and 3.2a(4), respectively, to read as follows:]

(1) The Move Update standard in A030.1.0.

(2) The carrier route accuracy standard in A030.3.0.

(3) If an alternative addressing format is used, the additional standards in A020.

(4) If pieces are prepared with detached address labels, the additional standards in A060.

\* \* \* \* \*

**F Forwarding and Related Services**

**F000 Basic Services**

*F010 Basic Information*

\* \* \* \* \*

5.0 CLASS TREATMENT FOR  
ANCILLARY SERVICES

5.1 First-Class Mail and Priority Mail

\* \* \* \* \*

EXHIBIT 5.1.—TREATMENT OF UNDELIVERABLE FIRST-CLASS MAIL AND PRIORITY MAIL  
[Revise Exhibit 5.1 to read as follows:]

Mailer endorsement	USPS treatment of UAA pieces
* * * * *	* * * * *
“Return Service Requested” <sup>1</sup> .....	If used without ACS: Piece returned with new address or reason for nondelivery attached (in either case, no charge). If used with ACS: Piece returned (no charge); separate notice of new address provided or (only if ACS keyline option also used) separate reason for nondelivery provided (in either case, address correction fee charged).
* * * * *	* * * * *

1. Valid for all pieces, including Address Change Service (ACS) participating pieces subject to F030.

5.3 Standard Mail

\* \* \* \* \*

EXHIBIT 5.3a.—TREATMENT OF UNDELIVERABLE STANDARD MAIL  
[Revise Exhibit 5.3a to read as follows:]

Mailer endorsement	USPS treatment of UAA pieces
* * * * *	* * * * *
“Return Service Requested” <sup>1</sup> .....	If used without ACS: Piece returned with new address or reason for nondelivery attached (in either case, only return postage charged at First-Class Mail single-piece rate or Priority Mail single-piece rate, as appropriate for weight of piece). If used with ACS: Piece returned (return postage charged at First-Class Mail single-piece rate or Priority Mail single-piece rate, as appropriate for weight of piece); separate notice of new address provided or (only if ACS keyline option also used) separate reason for nondelivery provided (address correction fee charged)
* * * * *	* * * * *

1. Valid for all pieces, including Address Change Service (ACS) participating pieces.

\* \* \* \* \*

5.4 Package Services

\* \* \* \* \*

EXHIBIT 5.4.—TREATMENT OF UNDELIVERABLE PACKAGE SERVICES MAIL  
[Revise Exhibit 5.4 to read as follows:]

Mailer endorsement	USPS treatment of UAA pieces
* * * * *	* * * * *
“Return Service Requested” <sup>1</sup> .....	If used without ACS: Piece returned with new address or reason for nondelivery attached (in either case, only return postage charged at appropriate Package Services single-piece rate). If used with ACS: Piece returned at appropriate Package Services single-piece rate; separate notice of new address provided or (only if ACS keyline option also used) separate reason for nondelivery provided (address correction fee charged).
* * * * *	* * * * *

1. Valid for all pieces, including Address Change Service (ACS) participating pieces.



\* \* \* \* \*

An appropriate amendment to 39 CFR Part 111 will be published if the proposal is adopted.

\* \* \* \* \*

**Stanley F. Mires,**

*Chief Counsel, Legislative.*

[FR Doc. 03-22048 Filed 8-27-03; 8:45 am]

BILLING CODE 7710-12-P

## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

#### 50 CFR Part 226

[Docket No. 021108270-3204-02; I.D. 102802C]

RIN 0648-AQ53

#### Endangered and Threatened Species; Finding for a Petition to Revise Critical Habitat for Northern Right Whales

**AGENCY:** National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

**ACTION:** Response to petition; final determination.

**SUMMARY:** On July 11, 2002, NMFS received a petition dated July 7, 2002, requesting that NMFS revise the present critical habitat designation for the western North Atlantic right whale, *Eubalaena glacialis*, (right whales) under the Endangered Species Act (ESA) by combining and expanding the current Cape Cod Bay and Great South Channel critical habitats in the Northeast and by expanding the current critical habitat in the Southeast. NMFS has determined that the requested revision, as specified by the petitioner, is not warranted at this time. However, NMFS will continue to analyze the physical and biological habitat features essential to the conservation of right whales.

**ADDRESSES:** Comments and requests for copies of this determination should be addressed to Assistant Regional Administrator for Protected Resources, Protected Resources Division, NMFS, One Blackburn Drive, Gloucester, MA 01930.

**FOR FURTHER INFORMATION CONTACT:**

Brian Hopper, Northeast Region, telephone (978) 281-9328 x6509, fax (978) 281-9394; Barb Zoodsma, Southeast Region, telephone 904-321-2806, fax (904) 321-1579; or Kristy Long, telephone (301) 713-1401, fax (301) 713-0376.

**SUPPLEMENTARY INFORMATION:**

#### Electronic Access

Several background documents on right whales and the critical habitat designation process can be downloaded from the NOAA Fisheries Web Site at <http://www.nmfs.noaa.gov/>.

#### Background

Right whales in the North Atlantic are one of three populations of endangered right whales worldwide. The other populations occur in the North Pacific and the Southern Hemisphere. The southern right whale is recognized as a separate species and, until recently, the North Atlantic and North Pacific stocks were defined as a single species. However, recent genetic studies provided evidence that supported separating species status for these two populations, one in the North Atlantic and another in the North Pacific. On April 10, 2003, NMFS published a final rule (68 FR 17560) concerning the nomenclature and taxonomy of right whales, which formally acknowledges these scientific findings by changing the species name of the northern right whale as follows: the North Atlantic right whale, *Eubalaena glacialis*, and the North Pacific right whale, *Eubalaena japonica*. These technical changes did not affect the listing status of these species under the ESA (all three remain "endangered").

#### Status of North Atlantic Right Whale

The North Atlantic right whale is one of the world's most critically endangered species of large whale (Clapham *et al.* 1999). Despite nearly three-quarters of a century of international legal protection, the right whale has not shown any recovery towards its pre-exploitation numbers. Recent studies on the current population trend in right whales suggest that, if the population decline is not reversed, the species is likely to become extinct in less than 200 years (Caswell *et al.* 1999). More than 800 years of uncontrolled and intense hunting is the primary reason that the right whale population has declined to such a precarious level. Today, ship strikes and entanglements in fishing gear are the primary, human-related causes of serious injury and mortality to right whales that impede the species' recovery.

*Exploitation:* North Atlantic right whales were the first target of commercial whaling and, consequently, the first large whale species to be hunted to near extinction by such efforts. Several characteristics specifically attributable to the right whale made it a highly desirable

resource, such as its large yield of commercially valuable products (e.g., oil and baleen), its slow swimming speed, its distinction of floating when dead, and its generally coastal distribution. These factors also contributed to the whale's common name, which is said to have originated from the English whalers who designated this species of whale as the "right" (i.e., correct) whale to hunt.

The commercial harvest of right whales began with Basque whalers taking substantial numbers of them as early as the 1500s in the Strait of Belle Isle region (Aguilar, 1986). As the stocks in the eastern North Atlantic became depleted, hunting effort shifted to the western North Atlantic, off the Labrador and New England coasts. This intense period of early whaling may have resulted in a significant reduction in the stock of right whales by the time colonists in the Plymouth area began hunting for right whales in the 1600s (Reeves and Mitchell, 1987). A modest but persistent whaling effort along the coast of the eastern United States lasted three centuries, and the records include one report of 29 whales killed in Cape Cod Bay in a single day during January 1700. The right whales' vulnerability to over-exploitation was noticed as early as the 19<sup>th</sup> century. For example, in 1851, Herman Melville wrote that, although still numerous at that time, the right whale could vanish from the earth under the hunting pressure then being applied to the species. However, Melville's prophetic observation went largely ignored for over 80 years, and the traditional high-seas Yankee whale fishery made way for a modern, industrial, and efficient whaling fleet. Finally, in 1935, the species had declined to such low levels that the League of Nations was able to get most whaling nations to agree to stop hunting right whales.

*Abundance and Trends:* An estimate of the pre-exploitation population size of right whales is not available. However, based on historical catch levels, right whale abundance probably exceeded 10,000 animals. The historic range of North Atlantic right whales extended from as far south as Florida and northwestern Africa to as far north as Labrador, southern Greenland, Iceland, and Norway (Kenney, 2002). Commercial whaling severely depleted the population to the point where right whales are no longer abundant in portions of their historical range (e.g., the Strait of Belle Isle, Newfoundland, the coastal waters of Long Island, New York, and Delaware Bay). Therefore, the present range of North Atlantic right whales, from Florida to Nova Scotia, is