

Move Update Requirements – April 2003

Mailers who claim presort or automation rates for First-Class Mail must demonstrate that they have updated the addresses in their mailing lists within 180 days, or six months, prior to the mailing date. The four United States Postal Service approved updating methods include Address Change Service (ACS), National Change of Address (NCOA), FASTforward®, and ancillary service endorsements that indicate the mailer's preference for a mail piece's disposition. Only one method is required to meet the move update requirement. The Postal Service makes these options available to meet the needs of mailers at reasonable costs.

As a non-exclusive licensee of the United States Postal Service, Anchor Computer can determine the most effective method or combination to update addresses in different mailing situations. If you have any other questions or need additional information concerning updating methods or the move update requirement, please contact us at 888-728-6262.

INTRODUCTION

Address Change Service (ACS) is an electronic enhancement to traditional, manual methods of providing change-of-address (COA) information to mailers. The system is designed to reduce the volume of manual (hard copy) address correction notifications handled by both the Postal Service and mailers and to centralize and automate the provision of address correction information to mailers. Mailers add a unique code to the address area of their mail pieces to identify them as ACS participants. As undeliverable-as-addressed (UAA) mail pieces are subsequently processed at Computerized Forwarding System (CFS) sites, this code prompts the CFS computer system to create an electronic record of the customer's move information. These records are consolidated nightly at the USPS National Customer Support Center (NCSC) in Memphis and are provided to ACS mailers according to a frequency determined by each mailer.

ACS Benefits

ACS provides significant cost-saving benefits to mailers and the Postal Service. ACS participants are able to use electronically generated address correction information to update their mailing lists more easily and in a more timely manner. The mailer's cost to receive electronic ACS notifications is \$0.20 per record; manual hard copy notifications are \$0.70 per notification. This front-end savings, coupled with the fact that electronic records cost substantially less for mailers to process than labor-intensive manual mailing list update methods, leads to a two-edged financial benefit for participating mailers. The Postal Service reaps a dual benefit from mailers' use of ACS as well. Electronic address information costs considerably less to process and

provide to mailers than manual notifications. In addition, mailers who utilize ACS are able to update mailing lists in a more timely manner. This leads to an overall reduction in costly UAA mail volume as fewer mail pieces must be handled multiple times by Postal Service personnel.

ADDRESS CHANGE SERVICE

The National Change of Address (NCOA) service is offered by Anchor Computer as a non-exclusive licensee of the United States Postal Service. On a weekly basis, the Anchor receives current change-of-address (COA) information to update the NCOA database provided by the Postal Service. Anchor's NCOA process takes the mailer's list and systematically examines each element of the address. The program attempts to verify or correct the ZIP Code; standardize the format for address, city, and state names; and append ZIP+4 Codes, carrier route codes, and delivery point barcode information to the mailer's addresses. Once this standardization process is completed, the entire mailer's list is matched against the NCOA database. When a match from the list is made to an NCOA name and address, the new address information is returned to the mailer. The NCOA database consists of address information for individuals, families, and businesses that have moved within the past 48 months. The names and addresses are compiled from COA orders presented to the Postal Service when a permanent move occurs. Temporary moves are not recorded on the NCOA database.

NCOA Benefits

Because NCOA is used prior to mailing, it greatly reduces UAA mail, which in turn reduces rehandling costs. NCOA also provides mailers with a PS Form 3553, which proves the list was updated on a given date by Coding Accuracy Support System (CASS)-certified software. Current Status. The NCOA database contains more than 156 million permanent COA records, Reference Documents

FASTFORWARD®

The FASTforward® system contains more than 40 million permanent change-of-address (COA) records filed with the Postal Service by relocating customers who want their mail forwarded to their new address. These COA records reflect a thirteen-month period relative to the move-effective date the customer provided. FASTforward® COA data is updated weekly. The FASTforward® system consists of a licensed computer system containing FASTforward® name- and address-matching software and the COA database. The Postal Service is the sole owner and distributor of the FASTforward® hardware and software components that comprise the FASTforward® system. Specifically, this includes the FASTforward® software, the computer system itself, and the small computer systems interface (SCSI) interfacing cable that connects the FASTforward® system to the licensee-owned or -leased system components. The

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FASTforward for Mailing List Correction, provides FASTforward® licensees the ability to update computer-based name and address mailing lists electronically prior to creation of the mail piece. This version also requires licensees to have a FASTforward® interface that meets Postal Service specifications. However, the new address information is obtained through a matching process of the name and address contained in the mailing list against the national database of permanent COAs filed during the preceding thirteen months. Again, address change information is only provided for those records that, in fact, have a matching name and old address present. In the event that new address information is returned, the effective date of the move and the carrier identification for the new address are also returned. This returned information is used to update the mailing list.

Benefits

When FASTforward® is used in conjunction with either MLOCR (and/or RVE) processing or mailing list correction services, mail pieces avoid the delays associated with traditional mail forwarding

Mailing List Correction.

Undeliverable-as-addressed (UAA) mail is forwarded, returned to the sender, or treated as dead mail, as authorized for the particular mail class. A mailer endorsement is used to instruct the Postal Service regarding the mail piece's appropriate disposition upon determining that it is undeliverable as addressed. On First-Class Mail, the following endorsements may be used as an updating method for the move update standard: Return Service Requested. If UAA, the mail piece is returned with new the new address or reason for non-delivery; no charge.

Address Service Requested.

- Months 1 – 12: the mail piece is forwarded; no charge; a separate notice of the new address is provided; an address correction fee is charged.
- Months 13 – 18: the mail piece is returned with new address attached; no charge.
- After month 18 or if undeliverable: the mail piece is returned with reason for non-delivery attached; no charge. Change Service Requested. Separate notice of new address or reason for non-delivery provided; in either case, address-correction fee charged; mail piece is not forwarded or returned but disposed of by the Postal Service. This endorsement option is available for First-Class Mail only when used in conjunction with electronic ACS.

Benefits

Ancillary service endorsements allow the sender to obtain on request (provided the appropriate ancillary service endorsement is used) the addressee's new (forwarding) address (if the addressee filed a Change-of-Address Order with the Postal Service) or the reason for non-delivery. These endorsements also provide the Postal Service with instructions for the disposition of UAA mail. These new endorsements provide a simpler and more consistent system than the previous endorsements.

OPTIONAL ANCILLARY SERVICE ENDORSEMENT LOCATION

Some mailers claim there is a legal restriction that prevents them from incorporating Postal Service change-of-address (COA) information without direct notification from the addressee.

1. The mailer must request approval to use an alternate method of meeting the requirement. Unless the mailer is a federal, state, or local government entity, the request must be accompanied by citation of the specific legal restriction, including copies of the statutes and/or regulations.
2. If approved, the mailer must use the following alternate method:
 - a. Postal Service COA information must be obtained by one of the authorized methods (ACS, NCOA, FASTforward®, or an on-piece ancillary service endorsement no more than six months before the mailing).
 - b. For each address identified as a COA in 2.a., the mailer must contact the addressee within 30 days after receiving the COA information to request confirmation of the move in a format that will satisfy the mailer's legal requirements. The form (written, telephone, electronic, etc.) of this contact is the mailer's option; if written notification is used, it must be sent to the new address, and any enclosed reply piece must be barcoded.
 - c. All COA confirmations received in response to 2.b. must be incorporated in the mailer's list within 30 days of receipt.
 - d. For two years, the mailer must retain documentation of this process, including dates on which each step was performed, number of COAs identified, number of confirmation requests, and evidence that demonstrates the updates have been incorporated into the list. Documentation must be made available to the Postal Service upon request.
3. After six months, the Postal Service will review and evaluate the success of this alternate method. Some mailers claim they cannot use NCOA because of legal or corporate policy restrictions on the disclosure of their address lists. Those mailers should have no difficulty complying with the move update requirement using on-piece endorsements or internal FASTforward® matching—neither of which requires that the address list be provided to a third party for correction. No alternate process is required. Some mailers claim that, because of timely customer notification, their COA information is up-to-date and at least as good as the Postal

Service's. They claim therefore, that six-month matching wastes their time and money and adds no value. Mailers have the option of meeting the requirement either by using an on-piece endorsement (which should have a minimal cost if the list is up-to-date) or by using an alternate method as follows:

1. The mailer must provide an electronic version of the address list in a format defined by the Postal Service. The mailer will provide 100 percent of the address list. The Postal Service will match the list against NCOA information for an initial charge of \$1.00 per ten thousand records with a minimum charge of \$100.00. Mailers who are unable to format their file in the appropriate format will be charged a setup fee of \$250.00.
2. If COAs total 1 percent or less of the mailer's list, the mailer will be permitted to mail based on that process and will be provided written documentation from the Postal Service that the mailer meets the move update requirement. The documentation will include the number of addresses that matched to the NCOA file and the percentage of the address list that those addresses represent. Addresses that match will be identified so the mailer may take action to update the address information. If COAs exceed 1 percent, the mailer will be required to use an approved method of move update but will be permitted to reapply for alternate processing after a period of six months.
3. Steps 1 and 2 will be repeated annually.
4. After the second year, the Postal Service will evaluate the success of this alternate method and the viability of extending the time period of the requalification process.

How does move update apply when mailing to a newly acquired address?

A. Basic premises:

1. Every address being mailed comes from a list of some kind, except when the addressee has initiated contact that results in a mail piece. Each list may actually have several components or sublists when mailing to customers differs based on the business relationship.
2. Each list is updated on a cycle. The cycle may be as long as six months (or 180 days) or as short as one day.

B. When a customer initiates a contact that results in an addition to the list, the newly added address can "ride" with the list until the next cycle for update. This will only occur when the person for whom the mail piece is prepared has asked to be added to the list by requesting services, literature, merchandise, etc. We anticipate the new names will not exceed 1 percent of the list total.

C. Addresses derived from any source other than directly from the individual customer must meet one of the following requirements:

1. Mailed at single-piece rates
 2. Mailed at single-piece rates until a move update process is used to verify the address
 3. Accompanied by the necessary documentation from the list source that identifies the method and timeframe of the move update process to determine the length of eligibility.
- D. If the address list is provided to another party for the purpose of mailing at discount First-Class Mail rates and that list has a blend of established and newly acquired customers, the list source must furnish documentation or evidence of the move update process used (to determine the length of eligibility) and additional information on the number of new names acquired directly from the customer since the time of the last update. We anticipate the new names will not exceed 1 percent of the list total.
- E. If the address list is further distributed to additional mailers (by the second party to others, by a third party to others, etc.), a copy of the original documentation with dates of processing and the number of additions to the list must accompany it.

Does a list or name have to be updated literally every 180 days?

It is not necessary to update a list or name every 180 days or six months. An address can be updated anytime, so long as it is updated within 180 days or six months before the address is actually used for discount-rate First-Class Mail. If the mailer sends to a list once every two years, that list would not need to be run until 180 days (or six months) or less before the mailing date. Must whole lists be updated every time? Entire lists do NOT have to be updated at once. The standard applies to individual addresses, not to entire lists so only those addresses that will be used on discount-rate First-Class Mail need to meet the update standard. Inactive addresses or those used only on mail of other classes do not have to meet this standard until (if ever) they are used to send discount-rate

Must First-Class Mail be used to obtain the update?

No. Updating may be performed by any approved method appropriate for the class of the Mail piece. A valid update can be obtained regardless of the class of the mail piece used for that purpose.
