

Working with the USPS to Deliver Mail Accurately: An Explanation of Move Update Requirements

On November 23, 2008 the USPS will implement new procedures to help keep mail pieces with out-of-date addresses out of the mail stream. Known within the mailing industry as *move update requirements*, the procedures ask mail list owners to certify that they are verifying the address of each individual on their mail list. In return, the USPS is offering a postage discount.

These new requirements take effect November 23, 2008 and may impact how you prepare for your next mailing. This document provides an overview and will serve as a framework to determine how the requirements affect your mailing.

Background

Mail that is *undeliverable as addressed* (or *UAA* in USPS parlance) – meaning the person for whom the mail is intended is no longer at the address the mail list owner has recorded – adds a significant cost each year to USPS operations. In 2004, for example, mailers entered 9.7 billion pieces of UAA mail. All first class mail was forwarded or returned to the sender (at a cost to the USPS of 54 cents per return); standard mail was disposed of (at a cost of 4 cents per UAA), adding up to \$1.8 billion for 2004.

UAA mail is the result of many factors, such as:

- People who move without notifying the USPS (up to 15% of all moves are not reported)
- A valid address but an addressee not residing at the location because of death, divorce or other personal circumstance
- Missing address elements (apartment or suite number; street directional; ZIP code, etc.)
- Errors made during mail list data entry (transposed or missing digits in street numbers, incorrect spelling of a person's name or street name, missing or incorrect street types, etc.)
- Including information besides the person's name in the name fields.

Both as a cost saving measure and to reduce waste, the USPS has adopted a goal of reducing the amount of UAA mail by 50% no later than 2010. Since little can be done about people who move and don't notify the USPS, the burden of the reduction falls to owners of mail lists. Accordingly, the USPS is asking list owners to be much more careful about address quality and mail list maintenance, and is providing some incentives to do so.

Move Update Requirements

Beginning on November 23, 2008 and continuing thereafter, the USPS will give a postage discount for first class presort or standard mail (*including nonprofit mail*) only if the owner of the mailing list certifies that each name and address on the list has been tested and are deliverable as addressed. The term for this certification is *Move Update Compliance*.

There are five ways for list owners to accomplish this, though only two apply to most of our customers. One is a pre-mailing service called *National Change of Address* or *NCOA*; the second

is a post-mailing method called *ancillary service endorsement* (printing *address service requested* or *return service requested* on each mail piece).

NCOA matches names and addresses on your customer's mailing list to changes of address filed with the USPS by relocating postal customers. When a name and address in the mailing list matches a name and address in the USPS National Change of Address file, the record in the mailing list is updated with the new address information for up to 18 months after the person filed change of address information.

Mail owners who choose NCOA as a move update compliance method for mailings on and after November 23, 2008, don't need to do anything until early November. Coheco PrintWorks can arrange for NCOA services from several sources. Mail list owners will need to provide authorization to perform the service by signing a Processing Acknowledgment Form or PAF. NCOA processing is fast (typically 24-hour turnaround) and relatively inexpensive (about \$1 per thousand records, subject to a minimum charge of \$30 to \$40).

List owners who decide to use ancillary service endorsement will need to begin printing an ancillary service endorsement (*i.e.*, address service requested or return service requested) on any mail piece mailed at first class presort or standard mail rates now. The ancillary service endorsement move update method has an earlier initiation date because the USPS requires a move update method to be used no earlier than 95 days before a mailing. So any mailing scheduled for November 23, 2008 and using ancillary service endorsement for move update compliance must have used the endorsement on a mailing after August 23, 2008.

You should be aware that using ancillary service endorsement for standard mail or nonprofit mailings will incur a service charge of the applicable single-piece postage rate plus a service charge. You can estimate 70 cents to \$1 for each return. (There is no service charge for returns from first class presort mailings.)

Regardless of the move update you select (NCOA or ancillary service endorsement), the USPS requires the list owner to act on the address update information by entering the new address changes in the mailing list. To verify this, list owners will need to sign USPS Form 6014, *Certification of Move Update Compliance*, as proof that the mailing list is being maintained. Coheco PrintWorks will need a copy of the signed USPS Form 6014 to keep on file.

Proof of Move Update Compliance / List Maintenance

The USPS is asking list owners to keep records showing *when* NCOA processing was done; We can provide an NCOA report to list owners and keep a second copy on file. List owners should also keep records of when list addresses were modified as a result of new information; and that additions to the mail list between NCOA processing periods came directly from the person requesting to be added to the mail list.

Initially the USPS intends to monitor move update compliance using the MERLIN system, and later using new mail tracking technology (called *Intelligent Mail Barcode* or IMB) that will be incorporated into the barcode of each mail piece. You've probably already seen examples of the new intelligent barcode in your mail. It appears to have bars which go both up and down.

Though not strictly part of USPS move update requirements, address quality will become increasingly important as move update compliance is monitored. Any errors in the address – missing elements, spelling or typographical errors – that cause the address to fail *delivery point*

validation could potentially be interpreted as a failure to comply with move update. Addresses which fail either CASS or DPV certification may not qualify for automation mailing.

When Move Update is not Required

Move update is specifically aimed at those instances when it is important that a mail piece reaches a *specific* individual. Some examples: a legal notification; an organization's membership renewal notices or fundraising campaign; a customer newsletter; a sales or marketing campaign aimed at a specific population.

There are some mailing situations where the intent is to reach a house or a building rather than a specific individual. Some examples: a notification intended for all homes and businesses within a quarter-mile radius of a location; a discount coupon sent by a business to homes within its market area; a public relations newsletter for service users.

When a list owner has the name of an individual or business at a specific address but it is not important to reach the person, then adding the words "*or current resident*" or "*or current occupant*" after the name signals the USPS that delivering to the home or building rather than the individual constitutes accurate delivery. As long as the address of the house or building is correct, the mail piece can be delivered; therefore move update requirement is not required.

Obtaining a Mail List from a Third Party

If a list is obtained from a third party whether it's purchased or not, be sure to ask the mail list owner/provider for a signed copy of USPS Form 6014, or expect to perform NCOA on the list before use.

How to Prepare for Move Update

Cocheco PrintWorks can help customers prepare for move update by taking these actions:

- ***Assist you to file your USPS Form 6014.*** This certifies that you, as list owner, are complying with the move update requirements to keep the list up to date.
- ***Check address quality with CASS and DPV.*** For addresses that fail either CASS or DPV, we can advise you to correct the problem addresses or consider eliminating them entirely from the mailing list.
- ***Help you determine which move update compliance method is best for your situation.*** These requirements can be confusing at times. We can help you analyze the cost effectiveness of each method depending on how often you mail and the characteristics of the mailing list..
- ***Establish procedures for list maintenance.*** Provide you with suggestions for list maintenance and suggest ways to monitor that maintenance is being done. We advise you to keep accurate records against the possibility of a USPS audit.
- ***Offer our services to take over your mail list maintenance tasks.*** If you lack the personnel, time or interest to undertake move update compliance activities but still want to keep postage discounts, ask us about the feasibility of transferring mail list maintenance to us.

Contact us now for a free review of *your* mailing status . . .

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