



## **POSTAL SERVICE**

### **39 CFR Part 111**

#### **Green & Secure**

**AGENCY:** Postal Service™.

**ACTION:** Final rule.

**SUMMARY:** The Postal Service is amending *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) to add Green & Secure as an Address Change Service option utilizing existing Change Service Requested Service Type ID's (STID).

**DATES:** *Effective:* [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Heather Dyer at (207) 482-7217 or Jacqueline Erwin at (202) 268-2158.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

The Postal Service published a notice of proposed rulemaking on January 9, 2018, (83 FR 995-997) to amend the DMM to add a new alternative Move Update method, Green & Secure, for mailers who enter eligible letter- and flat-size pieces of First-Class Mail® and USPS Marketing Mail® (formerly Standard Mail®) that meet the requirements for presort, Basic automation, or Full-Service automation mailings.

The Postal Service received many insightful comments and questions from the mailing community in response to the proposed rule of January 9, 2018.

In response to those comments, the Postal Service incorporates the following changes into this final rule, and notes that aside from these changes, Green & Secure has not changed in substance from the proposed rule of January 9, 2018:

- The comments revealed that adding Green & Secure as an Alternative Move Update method in the DMM caused confusion regarding whether Green & Secure pieces would have to be updated consistent with the Move Update standard in DMM 602.5.1. The Postal Service, therefore, has recast Green & Secure as an option under Address Change Service using the existing Change Service Requested Service Type IDs (STID) to clarify that the Move Update standard applies to these mailpieces; mailers must continue to update their mailing lists using at least one of the USPS-approved Move Update methods listed in DMM 602.5.2. Accordingly, this final rule includes changes to DMM 507.4.2.2 instead of DMM 602.5.2 as had been announced in the proposed rule.
- Under the forthcoming Address Quality Census Measurement and Assessment Process (AQCMAP), a mailer's total error percentage is the ratio of mailpieces with change of address (COA) errors to the mailer's total Move Update Eligible Piece count in the calendar month. Green & Secure mailpieces will be automatically excluded from the count of mailpieces with a COA error (the numerator) but included in the mailer's total Move Update Eligible Piece count (the denominator).

- Implementation of Green & Secure will begin in March 2018. In addition, assessment under the Address Quality Census Measurement and Assessment Process has been delayed until April 2018 for March errors.

In sum, as discussed in further detail herein and in the proposed rule of January 9, 2018, mailpieces bearing a STID for ACS Change Service Requested, with or without Secure Destruction, will now fall under the Green & Secure option. Moreover, the Postal Service clarifies that mailpieces bearing these STID types must be updated in accordance with the Move Update standard in DMM 602.5.1, but will not be subject to assessment under the Move Update Verification, Address Quality Census Measurement and Assessment Process in DMM 602.5.3.

### **Summary of Industry Comments and Postal Service Responses**

The Postal Service received three sets of comments in response to the proposed rule of January 9, 2018. The Postal Service appreciates all of the comments that were provided by the mailing industry. The proceeding comments and replies can serve as frequently asked questions (FAQs) to help clarify the Green & Secure Address Change Service option. The mailers' comments and corresponding Postal Service responses are outlined as follows:

***Mailer Comment:*** Will mailers that use Green & Secure be exempt from USPS audits or assessments?

***USPS Response:*** The Inspection Service will not initiate Move Update investigations unless non-compliance from a mailer has been demonstrated to be

a routine and repeatable practice despite an opportunity, through communication from Mail Entry with the mailer, to correct the practice.

***Mailer Comment:*** We propose deferring the imposition of assessments 90 days from when the Mailer Scorecard changes have been updated by the USPS.

***USPS Response:*** The Address Quality Census Measurement and Assessment Process assessments will begin in April 2018 using March 2018 data. In addition, mailpieces utilizing the Green & Secure Address Change Service option, will be excluded from assessments beginning in March 2018.

**Comments from two responders are as follows:**

***Mailer Comment:*** Is the Secure Destruction process ready to support the increased volume and what additional steps will USPS take to ensure Secure Destruction will not overwhelm and degrade the quality of this service?

***USPS Response:*** The Postal Service launched Secure Destruction for First-Class Mail letters in November 2014. The Green & Secure option will not change the operational procedures of Secure Destruction; as a result, the Postal Service does not expect Green & Secure to adversely impact quality.

***Mailer Comment:*** Why did USPS not use a unique Green & Secure STID? We are concerned about the ability to measure the effectiveness of this new method.

***USPS Response:*** The Postal Service evaluated the need for additional STIDs and found that the ACS Change Service Requested Service Type IDs can

be used to effectively track and measure the pieces. Therefore, new STIDs are not necessary.

**Mailer Comment:** Will mailers using the new Green & Secure method now risk an increased COA error rate and exceed the threshold?

**USPS Response:** No. Green & Secure volume will be included in the total Move Update Eligible Pieces metric, which is used in the denominator of the AQCMAP error percentage calculation, and excluded from the count of mailpieces with COA errors in the numerator. Including the volume in the denominator of the calculation will decrease the mailer's risk of exceeding the error threshold.

**Mailer Comment:** The Postal Service should clarify whether a mailer using the Green & Secure method must still comply with the requirements of ACS.

**USPS Response:** Mailers using Green & Secure must comply with the requirements of ACS (i.e., they must use the COA notices received under ACS to update their addresses) if that is the only USPS-approved Move Update Method that is used. Mailers may use another USPS-approved Move Update Method listed in DMM 602.5.2 to update their addresses even if they receive COA notices under ACS.

**Mailer Comment:** We believe that there should be no new registration method required to incorporate Green & Secure and the approval processes for Green & Secure are unclear.

**USPS Response:** There are no new registration or approval requirements to incorporate Green & Secure Address Change Service option. As is the case today for ACS registration, registration for Green & Secure will be required only when mailers:

- Request Secure Destruction for First-Class Mail (enrollment required to get Secure Destruction Data via EPF).
- Enter mail that is not Full-Service (enrollment required to get Basic = OneCode ACS data via EPF).
- Enter mail that is both Full-Service & Basic, which does not qualify for No-fee ACS (enrollment required to get ACS data via EPF. SingleSource ACS fulfillment is available to combine Full-Service and OneCode ACS).
- Request Change Service Requested Option 2 for USPS Marketing Mail (enrollment required for invoicing the Forwarded Fee).

**Mailer Comment:** We urge that all publications applicable to Move Update be updated to reflect this new option to ensure consistency throughout.

**USPS Response:** All applicable documentation and publications will be updated to reflect the new Green & Secure option. *The Guide to Move Update* is currently being updated to include the Address Quality Census Measurement and Assessment Process and the Green & Secure Address Change Service option, as well as other modifications throughout the document.

**Mailer Comment:** The FRN does not clearly explain what Move Update method to indicate on the mail submission documents.

**USPS Response:** The Green & Secure option is considered an ACS method for purposes of indicating a method on the postage statement. Mailers should select ACS as their Move Update method on the Postage Statement if this is the method being utilized to meet the Move Update requirement.

**Mailer Comment:** Does the Green & Secure process impact future modifications to the Census Threshold?

**USPS Response:** The Address Quality Census Measurement and Assessment Process error threshold of 0.5 percent was set at an achievable level through a statistical analysis of quality for all mailings submitted during a defined period. For each program, the analysis covered all applicable mailer types and excluded outlier data. If the threshold is reevaluated in the future, Green & Secure mailpieces would naturally be included in the analysis because they will be counted in the denominator of the Address Quality Census Measurement and Assessment Process error percentage.

**Mailer Comment:** We request that any solution continues to allow mailers to accurately measure and compare the quality of various mailings by providing data feedback.

**USPS Response:** As described in the proposed rule, the Postal Service will provide data feedback through the Mailer Scorecard. The total number of mailpieces using the Green & Secure option will be reported under the eDoc Submitter CRID through a dedicated field on the Mailer Scorecard. In addition, if a mailpiece is associated with a COA that is between 95 days and 18 months old, and the address has not been updated, a COA warning for the associated

IMb would be logged and allocated under the CRID of the eDoc submitter in the Mailer Scorecard.

***Mailer Comment:*** It is unclear whether mailers will still need to comply with the USPS Move Update requirement stated in DMM section 602.5.1.a.

***USPS Response:*** Green & Secure is an Address Change Service option under which mailpieces must be updated pursuant to the Move Update standard in DMM 602.5.1. The Green & Secure option exempts qualifying pieces from assessment through the Address Quality Census Measurement and Assessment Process. Mailers participating in the Green & Secure option must update their mailpieces with the updated address using at least one USPS approved method even though any Green & Secure mailpieces with COA errors will not count as such under the Address Quality Census Measurement and Assessment Process. As noted in response to a previous comment, Green & Secure does not exempt mailers from USPIS audits or assessments. However, the Inspection Service will not initiate Move Update investigations unless non-compliance from a mailer has been demonstrated to be a routine and repeatable practice despite an opportunity, through communications from Mail Entry with the mailer, to correct the practice.

### **Move Update Standard**

Pursuant to Postal Service regulations, compliance with the Move Update standard is a basic eligibility requirement for mailers of all USPS Marketing Mail and First-Class Mail letters and flats using commercial automation and presort

rates. The Move Update standard requires mailers to update addresses for which a change of address (COA) order exists within a specified period of time. By requiring mailers to comply with the Move Update standard, the Postal Service aims to improve address quality and ensure mailpieces reach their intended recipients, which benefits both the Postal Service and its customers. The Move Update standard also is intended to reduce mail processing and delivery costs for the Postal Service.

Today, mailers can meet the Move Update standard using the USPS-approved methods of Address Change Service (ACS™), NCOALink®, or Ancillary Service Endorsements. In addition, mailers of First-Class Mail may apply to use one of two alternative methods, 99 Percent Accuracy or Legal Restraint, which are available under the following limited circumstances:

- 99 Percent Accuracy Method: This method is available to mailers who enter First-Class Mail and demonstrate that their internal list management maintains address quality at 99 percent or greater accuracy for COAs.
- Legal Restraint Method: This method is available to mailers who enter First-Class Mail pieces and demonstrate that a legal restriction prevents them from updating their customer's address without direct contact from the customer.

The overarching goal of the Move Update standard is to reduce the incidence of undeliverable-as-addressed (UAA) mail, which is costly for the Postal Service because UAA pieces must be forwarded, returned, or discarded, and costly for mailers because these pieces fail to reach their intended

recipients. The Postal Service incurs the most costs returning pieces, while discarding UAA pieces imposes the lowest cost. The 2017 per-piece cost for each disposition type (Automation and presort FCM only) is shown below:

Disposition Type	Per-Piece Cost – All Shapes
Return	\$0.40
Forward	\$0.20
Discard	\$0.12

First-Class Mail UAA pieces represent most of the Postal Service's costly return-to-sender volume; a First-Class Mail mailpiece must be returned-to-sender if it is associated with a COA record that is more than 12 months old, or if it is otherwise identified as UAA as specified in DMM 507.1.5.1. In 2017, the Postal Service discarded only 3 percent of First-Class Mail UAA pieces; in comparison, 98.5 percent of USPS Marketing Mail UAA pieces were discarded. The reason for this discrepancy is that UAA USPS Marketing Mail pieces are destroyed unless the mailers pays for forwarding or return after requesting those services using an ancillary service endorsement.

#### **Future Process – New Address Change Service Option**

While the focus of the Postal Service's Move Update program has been to reduce the amount of UAA mail, the Postal Service recognizes that not all UAA mail can be eliminated. The Postal Service wants to reduce the cost to the Postal Service of the remaining UAA mail. The Postal Service is therefore

introducing the Green & Secure option, which utilizes the existing Change Service Requested STIDs under the ACS Program. This will both reduce the volume of return-to-sender mail and reduce mailers' risk of assessment through the AQCMAP, a new method of verifying that mailers have updated their addresses using a USPS-approved Move Update method, which started March 1, 2018. An exemption from AQCMAP fees will provide a needed incentive for more mailers to mark their mail for destruction rather than return to the mailer.

Green & Secure will be a USPS-approved Address Change Service option for First-Class Mail and USPS Marketing Mail letter and flat-size pieces that meet the requirements for presort, Basic automation, and Full-Service automation mailings. This option will utilize the existing ACS Change Service Requested STIDs. Under Green & Secure, mailers have two options for mailpiece disposal; recycle the mailpiece or securely destroy the mailpiece. Recycling of mailpieces is available for First-Class Mail and USPS Marketing Mail letters and flats. Secure Destruction is currently available for First-Class Mail letters. If the mailer is using Address Change Service as the Move Update method, updated address information received via ACS for undeliverable Green & Secure pieces must be used to update the mailing list. Mailers participating in the Green & Secure option may also use another approved method listed in DMM 602.5.2 to meet the Move Update standard.

The ACS Change Service Requested STID will be available for use on First-Class Mail and USPS Marketing Mail pieces. Mailers must enroll for ACS notice fulfillment, unless using a Full-Service ACS requested STID, with the

Postal Service ACS Department at the National Customer Support Center in Memphis, Tennessee, (877-640-0724 (Option 1) or [acs@usps.gov](mailto:acs@usps.gov)). First-Class Mail and USPS Marketing Mail pieces that have an ACS Change Service Requested STID in the Intelligent Mail barcode (IMb) and are identified as UAA will be discarded and recycled rather than returned-to-sender.

The Secure Destruction STID will continue to be available for use on First-Class Mail pieces only. First-Class Mail mailers already participating in Secure Destruction service and utilizing an approved Secure Destruction STID will continue to have their UAA mailpieces destroyed and recycled in a secure manner. Secure Destruction participation requires mailers to register their Mailer ID with the Postal Service's ACS Department prior to using the Secure Destruction STID in their IMbs. Under Secure Destruction, mailpieces are shredded by Postal Service employees at Postal Service facilities, which renders the pieces unreadable prior to recycling. Secure Destruction shreds mailpieces to a size that is more stringent than the standards set forth by the National Association for Information Destruction and common industry practice in the United States for documents with sensitive and/or confidential information.

For mailpieces bearing a STID for ACS Change Service Requested, with or without Secure Destruction, the Postal Service will provide mailers with an electronic ACS notification indicating that the piece is UAA. Green & Secure will continue the process of providing First-Class Mail mailers that use the Secure Destruction STID with an additional electronic notification to indicate when and where the mailpiece was processed and securely shredded.

Green & Secure will continue to provide mailers with two disposition options for their mailpieces:

- Option 1: Postal Service discards or securely destroys all UAA mailpieces.
- Option 2: Postal Service provides forwarding if the mailpiece corresponds with a valid COA record that is less than 1-year old. All other UAA mail is discarded or securely destroyed, subject to the corresponding conditions described in DMM Section 507.1.0.

While there is no additional charge for forwarding of First-Class Mail, USPS Marketing Mail that is forwarded under Option 2 will be charged the appropriate per piece forwarding fee for the mail shape.

#### **Address Quality Census Measurement and Assessment Process**

In August 2017, the Postal Service gained regulatory approval from the Postal Regulatory Commission (PRC) for the AQCMAP in PRC Docket No. R2017-7 (available publicly at [prc.gov](http://prc.gov)). The Postal Service followed-up the PRC's approval with a final rule adopting conforming changes to the DMM that was published in the *Federal Register* on October 24, 2017 (82 FR 49123-49128). As previously stated, the Postal Service has delayed implementation, and will begin verifying and assessing mailers under this new verification method in April 2018 for COA errors incurred in March 2018. Mailpieces using the Green & Secure Address Change Service option will not be assessed under the Address Quality Census Measurement and Assessment Process. These mailpieces will be included in the mailer's total Move Update Eligible Piece count,

which is the denominator in the calculation of the mailer's total error percentage in the AQCMAP. While mailpieces with COA errors will not be included in the numerator in this calculation, Move Update validations will still be performed on Green & Secure pieces to provide visibility into mail quality, and the results of the Green & Secure validations will be reported separately in the Mailer Scorecard.

### **Mailer Scorecard**

The Mailer Scorecard is currently available to mailers, providing data that allow mailers to gauge address quality on their mailpieces. Under Green & Secure, the Mailer Scorecard will continue to be a valuable tool in assisting mailers to improve their address quality and update their address in accord with the Move Update standard. The total number of mailpieces using the Green & Secure option will be reported under the eDoc Submitter CRID through a dedicated field on the Mailer Scorecard. In addition, if a mailpiece is associated with a COA that is between 95 days and 18 months old, and the address has not been updated, a COA warning for the associated IMb will be logged and allocated under the CRID of the eDoc submitter in the Mailer Scorecard. As noted previously, the total number of mailpieces using the Green & Secure STIDs will also be included in the Move Update eligible pieces metric on the Mailer Scorecard.

### **Criteria**

Mailers will be able to use the Green & Secure Address Change Service option when they:

- Use a unique Basic or Full Service IMb on mailings of letter- and flat-size pieces for First-Class Mail and USPS Marketing Mail;
- Use eDoc to submit mailing information and include piece level detail (by piece or piece range);
- Contact the Postal Service's ACS Department, for non-Full-Service mailers who wish to use a Basic ACS Change Service Requested STID, and all mailers seeking to use the Secure Destruction STID.

### **Specification**

The Postal Service is including existing Change Service Requested STIDs under the Green & Secure option available through Address Change Service.

Mailers may participate in the Green & Secure option as follows:

- Mailers will utilize an ACS Change Service Requested STID on First-Class Mail or USPS Marketing Mail, or an ACS Change Service Requested Secure Destruction STID on First-Class Mail.
- Mailpieces bearing these STIDs will be counted toward the mailer's total Move Update Eligible Pieces, which is the denominator in the calculation of the error percentage in the AQCMAP, but will not be included in the numerator or otherwise subject to the Move Update assessment charges even if the pieces have a COA error.
- Mailpieces bearing these STIDs that are UAA will be discarded or securely destroyed by the Postal Service; electronic notification and information via the Mailer Scorecard will be provided.

## Mailpiece Results

Once qualifying mailings are processed on mail processing equipment, the data from the mailpieces will be reconciled with eDoc. These results will be available on the Business Customer Gateway and displayed on the Electronic Verification tab of the Mailer Scorecard, which will be easily accessible at <https://gateway.usps.com/eAdmin/view/signin>. Mailers will be able to review the Mailer Scorecard and corresponding detailed reports to identify any anomalies or issues. To resolve Mailer Scorecard irregularities, mailers will continue to be able to contact the *PostalOne!* Help Desk at 800-522-9085 or their local Business Mail Entry Unit (BMEU).

## List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

The Postal Service adopts the following changes to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), incorporated by reference in the *Code of Federal Regulations*. See 39 CFR 111.1.

Accordingly, 39 CFR part 111 is amended as follows:

### **PART 111 – [AMENDED]**

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

**Authority:** 5 U.S.C. 552(a); 13 U.S.C. 301-307; 18 U.S.C. 1692-1737; 39 U.S.C. 101, 401, 403, 404, 414, 416, 3001-3011, 3201-3219, 3403-3406, 3621, 3622, 3626, 3632, 3633, and 5001.

2. Revise the *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM) as follows:

***Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)***

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**500 Additional Mailing Services**

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**507 Mailer Services**

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**4.0 Address Correction Services**

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**4.2.2 Service Options**

*[Revise the introductory text of 4.2.2 to read as follows:]*

ACS offers five levels of service, as follows: \*\*\*

*[Add new sections 4.2.2d. and 4.2.2e. to read as follows:]*

d. A Full-Service option available to mailings of First-Class Mail automation cards, letters, and flats; USPS Marketing Mail automation letters and flats; USPS Marketing Mail Carrier Route, High Density, and Saturation letters; Periodicals Outside County barcoded or Carrier Route letters and flats; Periodicals In-County automation or Carrier Route letters and flats; and Bound Printed Matter Presorted, non-DDU barcoded flats. Mailers who present at least 95 percent of their eligible First-Class Mail and USPS Marketing Mail volume as Full Service in a calendar month would receive electronic address correction notices for their qualifying Basic automation and non-automation First-Class Mail and USPS Marketing Mail pieces, at the

address correction fee for pieces eligible for the Full Service Intelligent Mail option as described in DMM 705.23.0 for future billing cycles. The Basic automation and non-automation First-Class Mail and USPS Marketing Mail mailpieces must:

1. Bear a unique IMb printed on the mailpiece;
2. Include a Full Service or OneCode ACS STID in the IMb;
3. Include the unique IMb in eDoc;
4. Be sent by an eDoc submitter:
  - a. Providing accurate Mail Owner identification in eDoc, and;
  - b. Maintaining 95 percent Full Service compliance to remain eligible for this service and undergo periodic Postal Service re-evaluation.
- e. Green & Secure: Mailpieces using a STID for ACS Change Service Requested, with or without Secure Destruction, will not be subject to assessment under Move Update Verification, using the Address Quality Census Measurement and Assessment Process under 602.5.3. Details are available in Publication 685, *Publication for Streamlined Mail Acceptance for Letters and Flats*, available at: [www.postalpro.usps.com](http://www.postalpro.usps.com).

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## **600 Basic Standards for All Mailing Services**

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## **602 Addressing**

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## 5.0 Move Update Standards

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*[Revise the heading and text of 5.3 to read as follows:]*

### 5.3 Move Update Verification

Mailers who submit any Full-Service volume in a calendar month will be verified pursuant to the Address Quality Census Measurement and Assessment Process beginning in the next calendar month. First-Class Mail and USPS Marketing Mail letter and flat-size mailpieces with addresses that have not been updated in accordance with the Move Update Standard will be subject to the Move Update assessment charge, if submitted via eDoc with unique Basic or Full Service IMbs. Supporting details are described in Publication 685, *Publication for Streamlined Mail Acceptance for Letters and Flats*, available at: [www.postalpro.usps.com](http://www.postalpro.usps.com).

The Move Update assessment charge will be assessed if:

- a. The percent of all qualifying mailpieces submitted in a calendar month that have a COA error is greater than the 0.5 percent error threshold, as determined by an analysis of the data captured by mail processing equipment. Qualifying mailpieces using a Green & Secure Change Service Requested STID will be included in the count of all qualifying mailpieces submitted in a calendar month, but will be excluded from assessment.
- b. Each mailpiece with an address containing COA errors in excess of the error threshold will be assessed the Move Update assessment charge.

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We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes.

**Tracy A. Quinlan,**

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