indicated that they cannot obtain 100% barcoding of their mailing lists. Six commenters expressed doubts that the goal could be achieved because current matching software is too restricted from making matches to the ZIP+4 file and because data missing from the file prevents a match.

Mailers with good quality addresses can obtain delivery point barcodes on their mailpieces. If they cannot, those pieces can be mailed at the appropriate subclass rates for nonbarcoded mail. Having identified a need for accurate barcodes to ensure proper automated sortation, the Postal Service tests and certifies address matching software to ensure that the software is producing correct barcodes. Because only correct barcodes are acceptable, software is controlled to help ensure that a barcode will not be applied if an incomplete or otherwise poor quality address inhibits reliable coding. The Postal Service is proposing reduced postage rates for mail with correct barcodes. Those rates were not designed to apply to nonbarcoded mail or to mail with incorrect barcodes. Incorrect barcodes cause misdirected mailpieces, in turn causing increased costs and reducing the Postal Service's ability to provide timely, consistent delivery service. To aid mailers with barcoding, the Postal Service already has a variety of tools for improving address quality. If the mailer cannot use CASS- or MASS-certified software to successfully barcode some of its mail (with a delivery point barcode or, for flats, a correct ZIP+4 barcode), the mailer will be required to mail those pieces at the Retail First-Class or Regular Standard rates.

One commenter wanted Address Element Correction extended to small mailers. The current limit is 10,000 address records. However, smaller lists may be acceptable. Interested mailers should call the National Customer Support Center at (800) 238–3150. The National Customer Support Center can also provide information on a variety of other address quality improvement products and services.

Four commenters indicated that improvements in address correction service are needed, one of whom stated that carriers often do not provide address corrections if they can deliver the mailpiece. Although changes to address correction service are beyond the scope of this rulemaking, the Postal Service is mindful of the need for quality address corrections, especially to addresses beyond those corrections generated by a change of address order.

One commenter wanted confirmation that the 100% delivery point barcoding requirement applies to bulk outgoing mailings and not courtesy reply, business reply, and Business Reply Mail Accounting System (BRMAS) mail. The 100% delivery point barcoding requirement for letters applies only to letter-size mailings entered as Automation First-Class Mail or Standard Mail. Under Classification Reform, BRMAS mail will continue to be required to bear a ZIP+4 barcode assigned by the Postal Service. However, as part of Classification Reform, the Postal Service does plan to implement a requirement that, by January 1, 1997, all reply letters and cards included as enclosures to Automation subclass mailings must bear a proper facing identification mark (FIM) and correct barcode. This would apply to courtesy reply mail and current non-BRMAS business reply mail. A further discussion of this requirement is in a later section of these comments.

One commenter requested that 5-digit and unique ZIP+4 codes be permitted to qualify as a delivery point barcode so as not to limit internal sorting opportunities. Another commenter wanted continued acceptance of unique 5-digit and ZIP+4 barcodes at barcoded rates, stating that software can recognize and count these barcodes as delivery point barcodes.

Currently, barcodes must be 11-digit delivery point barcodes in order to qualify for letter-size barcoded rates. Although unique 5-digit and certain ZIP+4 codes may represent the final delivery point for some mailpieces, it would not be possible to determine at the time of acceptance whether a 5-digit or ZIP+4 barcode was a unique barcode or a coding error if they were permitted in mailings. Furthermore, CASS- or MASS-certified software is capable of returning 11-digit delivery point barcodes for unique ZIP Codes and ZIP+4 codes. Accordingly, the Postal Service plans to retain the requirement that only 11-digit delivery point barcodes may qualify for Automation subclass rates for letter-size pieces. Mailers wishing to utilize internal sortation abilities by assigning their own 4-digit add-on codes to unique 5-digit ZIP Codes may do so if they have the ZIP+4 codes added to the Postal Service ZIP+4 database. To have internal ZIP+4 codes added to the ZIP+4 database, the mailer must develop rational internal addresses to be matched to a particular ZIP+4 add-on in a rational manner, and have the address configuration and +4 codes approved by the district address management office. There will be one exception to the 11-digit delivery point barcode rule: courtesy reply mail bearing a FIM and a preapplied unique 5-digit or unique ZIP+4 barcode will be considered to have a proper delivery point barcode and will not be counted as an error at acceptance. Because of the FIM, this mail can be easily identified at acceptance.

Four commenters indicated that splitting their mail lists into two separate mailstreams, one with delivery point barcodes and one without, will increase their mail preparation expenses. One of these commenters was concerned that the separate mailstreams will slow their processes, resulting in some mail having to be remetered. This commenter requested that an extra day on meter dates be given so that mailers can use encoding systems to barcode mail initially rejected from multiline optical character readers (MLOCRs). DMM P030.4.12 currently contains procedures to allow mailers to correct meter dates. This may be done either by remetering the mail with a ''.00'' meter impression in authorized locations or by using an ink jet printer to apply the correct meter date, city, state, and 3-digit ZIP Code of the office of mailing, preceded by two asterisks, above the address and below the meter impression. Because meter dates are used to measure Postal Service service performance and because mail recipients rely on them to indicate the date of mailing, an option of submitting mail with a stale meter date will not be provided.

One commenter stated that the 100% delivery point barcoding requirement should be deleted to prevent nonqualifying mail from flooding post offices at the single-piece rates. Two commenters indicated that this requirement will result in more residual mail being processed at origin. One commenter stated that the cost-effectiveness of point-of-origin MLOCR processing of nondelivery point barcoded mail is overstated because the Postal Service is still using multiposition letter sorting machines (MPLSMs). One commenter indicated that this requirement should not be implemented until the Postal Service is in a ''full-up'' environment for equipment deployment. One commenter stated that this requirement might have the effect of third-class mailers removing uncodable names from their advertising lists, resulting in decreased revenue for the mailer and the Postal Service. Two commenters requested that the 100% barcoding requirement be phased in. One commenter indicated that 90% barcoding would be a more realistic requirement and would be more in keeping with the concept of lowest combined cost.

As indicated in the comment response section of the August 30 notice, when