

agency action pursuant to 5 U.S.C. 552b(c)(2), (6) and (9)(B).

Further information regarding topics to be discussed, whether the meeting has been canceled or rescheduled, the Chairman's ruling on requests for the opportunity to present oral statements and the time allotted therefore can be obtained by contacting Mr. Howard J. Larson.

ACNW meeting agenda, meeting transcripts, and letter reports are available through the NRC Public Document Room at pdr@nrc.gov, or by calling the PDR at 1-800-397-4209, or from the Publicly Available Records System (PARS) component of NRC's document system (ADAMS) which is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> or <http://www.nrc.gov/reading-rm/doc-collections/> (ACRS & ACNW Mtg schedules/agendas).

Videoteleconferencing service is available for observing open sessions of ACNW meetings. Those wishing to use this service for observing ACNW meetings should contact Mr. Theron Brown, ACNW Audiovisual Technician (301/415-8066), between 7:30 a.m. and 3:45 p.m. e.t., at least 10 days before the meeting to ensure the availability of this service. Individuals or organizations requesting this service will be responsible for telephone line charges and for providing the equipment and facilities that they use to establish the video teleconferencing link. The availability of video teleconferencing services is not guaranteed.

Dated: July 8, 2004.

Andrew L. Bates,

Advisory Committee Management Officer.

[FR Doc. 04-15919 Filed 7-13-04; 8:45 am]

BILLING CODE 7590-01-P

POSTAL SERVICE

Privacy Act of 1974, System of Records

AGENCY: Postal Service.

ACTION: Notice of new system of records.

SUMMARY: The Postal Service proposes a new Privacy Act system of records. The system of records will apply to a name and address directory that the Postal Service plans to license from a commercial source, in order to improve the proper barcoding and delivery of mail.

DATES: Any interested party may submit written comments on the proposed system of records. This proposal will become effective without further notice on August 23, 2004, unless comments

received on or before that date result in a contrary determination.

ADDRESSES: Please address your comments to the Privacy Office, United States Postal Service, 475 L'Enfant Plaza, SW, Room 10433, Washington, DC 20260-2200. Copies of all written comments will be available at this address for public inspection and photocopying between 8 a.m. and 4 p.m., Monday through Friday.

FOR FURTHER INFORMATION CONTACT: Privacy Office, United States Postal Service, Room 10433, Washington, DC 20260-2200. Phone: 202-268-5959.

SUPPLEMENTARY INFORMATION:

Introduction

This document publishes notice of a new system of records for the Postal Service, USPS 500.100, Address Matching for Mail Processing. The new system of records supports a Postal Service program, called the Distribution Quality Improvement (DQI) Program, which will use a commercially available name and address directory to improve mail processing. The purpose of the DQI program is to increase the ability of the Postal Service to barcode mail properly in order to ensure delivery to the intended address. The Postal Service plans to pilot test the program in New York State from September 2004 to Spring 2005, then, if successful, deploy the program nationally in or after May 2005.

Described below are: (I) The need for and benefits of the DQI program; (II) how the pilot test and national deployment will be conducted; and (III) the extensive privacy and security controls that have been put in place, including how the directory will and will not be used. The Postal Service does not anticipate adverse effects on the privacy rights of customers resulting from operation of the DQI program.

I. Rationale for the DQI Program

Background—Privacy and Technology

Mail has always been one of the most valuable, effective, and trusted means of communication. For more than two centuries, the mission of the Postal Service has been the prompt, reliable, and efficient delivery of personal and business mail to all communities in the nation. As the delivery network has developed and expanded, the Postal Service has continuously adapted every major innovation in technology, transportation, and communication to provide enhanced service to its customers. From the early transportation improvements provided by railway Post Offices, to today's technology applications such as

USPS.com, the Postal Service has a long history of pursuing continual improvements to the speed, accuracy, and certainty of mail delivery.

Today, the Postal Service delivers more than 200 billion pieces of mail each year to more than 140 million addresses, serving every household and business in the country. Every year, approximately 1.9 million addresses—equivalent in size to the city of Chicago—are added to the delivery network. In order to accomplish its mission of universal service, the Postal Service operates some of the most complex systems and equipment ever developed. The Postal Service delivers more mail to more locations, and at a lower price, than any other post or delivery network in the world.

The privacy and security of mail are also at the core of the Postal Service brand. Over the course of its history, the Postal Service has built a trusted brand with the public. New technology and processes continue to be developed that bring added value and customer service to the network. As always, the Postal Service will only use technology, or adapt that technology, in a way that ensures that the privacy and security of the mail and its customers are maintained at the highest levels. The current proposal is no exception. The Postal Service has carefully analyzed the need, usage, and benefits of the DQI program, while establishing procedures that would properly address privacy and security needs.

Mail Processing—USPS Databases, Barcodes, and Finest Depth-of-Sort (FDOS)

In order to ensure that the billions of mailpieces it processes are delivered accurately, promptly, and cost effectively, the Postal Service has developed a sophisticated network and state-of-the-art systems to process mail. This section describes the information the Postal Service uses, including databases, ZIP Codes™, and barcodes. The next section describes mail processing systems, including automation equipment.

To facilitate accurate delivery, the Postal Service maintains a database of addresses known as the USPS Address Management System (AMS). AMS contains valid addresses that receive postal delivery. For each address, the AMS database includes the following elements: carrier number; ZIP Code; city and state; street name; primary address (such as house number); and secondary address information (such as apartment or suite number), if applicable. Names of large firms are included. Names of individuals are not included, except for

the names of certain customers on rural routes to assist the letter carrier with delivery. AMS was developed in the early 1980s by Postal Service personnel based on the creation and assignment of ZIP+4® codes. Postal Service personnel continue to update AMS today, based on new delivery information.

As first developed and as used today, AMS supports mail processing by enabling the Postal Service to barcode mail that does not have a barcode printed on it by the mailer. The mail can then be processed on automated sorting equipment rather than by manual or mechanized operations. Automation improves the efficiency, accuracy, and timeliness of mail processing and delivery.

The process works as follows: To ensure that mail contains a valid address for delivery, the automation equipment first reads the address on the piece and matches it to the AMS database. The equipment then generates and prints a barcode on the mailpiece which contains the ZIP Code associated with that address. The ZIP Code printed may be 5, 9, or 11 digits, as described below, depending on the level of match to AMS. The goal is to print the most complete ZIP Code, a code known as the finest depth of sort (FDOS). The FDOS ZIP Code is a code that represents the most specific delivery point available for a particular address. Examples are a single house or an apartment/suite in a building. When coded to FDOS, mail can be sorted without any manual intervention directly into the sequence in which a letter carrier delivers mail (known as a walk sequence).

The Postal Service assigns ZIP Codes as follows. The familiar 5-digit ZIP Code describes a geographical area, such as a small town or section of a larger town. The ZIP+4 code, a 9-digit ZIP Code, describes a much more specific location, often a particular block on a street of single family houses, or a particular apartment building in a more densely populated area. The Postal Service also uses an 11-digit code, which adds two more digits of specificity. FDOS is generally 11 digits, but can be 9 digits (in the case of reply mail for certain businesses) or very rarely 5 digits, where a very large mail recipient has its own unique ZIP Code. Buildings that contain multiple deliveries are typically assigned a 9 digit code. If the mailpiece being processed contains sufficient information, such as an apartment number, the Postal Service is able to match the piece against AMS and print an 11 digit FDOS ZIP Code to the specific address. If the mailpiece has missing or incorrect elements, the 11 digit barcode printed on the piece will

simply include a default value for the building, so it is not coded to FDOS.

Without a match to AMS that allows an FDOS ZIP Code, the Postal Service cannot be certain of the exact address for delivery. Minor discrepancies, such as a single missing, mistaken, or illegible character, can modify the address enough to prevent FDOS matching. As described below, the Postal Service then has to take significant additional steps to handle the mailpiece, and there is a greater likelihood the mail will be delayed or not delivered to the intended address.

Mail Processing—Automation Equipment, Address Recognition Systems, and Manual Processing

Described below is an overview of the systems used to process letters. Particular focus is given to address recognition systems, where the DQI program will be implemented.

Each year, the Postal Service processes more than 147 billion letters. These mailpieces enter the postal system in one of two ways. Approximately 102 billion pieces come in through acceptance units from business mailers, and are typically presorted and/or barcoded. This mail is sorted on automation equipment known as barcode sorters, and does not require processing on address recognition systems. The remainder, approximately 45 billion pieces, enters through collection systems such as collection boxes and local Post Offices™. Some of this mail is barcoded to 5, 9, or 11 digits; some of it is not barcoded at all. This mail is processed on address recognition systems, as follows:

1. When collection letter mail is processed, automation equipment sends an image of the mailpiece to a recognition system known as a remote computer reader (RCR). RCR is a completely computer-based system that requires no human intervention to perform address matching. Pieces already barcoded are sent to the barcode sorters. For nonbarcoded pieces, the RCR system attempts to match the address in the image to an address in the AMS database. If it completes a match to a sufficient level of confidence, a barcode is printed on the mailpiece, and the piece is routed using the barcode. If RCR cannot match the address, the image is sent offsite to a recognition system known as a Remote Encoding Center (REC).

2. At REC sites, employees review the image and key in information from the mailpiece in an attempt to match the address to AMS. If the address is matched, a barcode is printed on the mailpiece, and the piece is processed

using the barcode. If there is no match, the piece must be sorted manually.

3. Manual processing is conducted at several places and levels, including originating and destinating Postal Service facilities, as the Postal Service tries to route the mailpiece for delivery to the intended address. Employees performing manual processing use various sources to recognize the address on the mailpiece. These sources can include internal information, such as derivations of AMS, as well as external information including phone books and maps. From these sources, the mailpiece is sorted to the best estimate of the correct letter carrier route. The letter carrier will then attempt further sorting and delivery. If the address cannot be recognized as one of the carrier's delivery addresses, it will go through further processing to find the right address. If all efforts are unsuccessful, the mailpiece is determined to be undeliverable as addressed.

Undeliverable mail is reviewed for final processing, either to be forwarded, returned to the sender, or discarded, depending on the class of mail and level of service requested by the mailer.

4. Once barcoded, mail is sorted through automation into the walk sequence used by letter carriers to complete their routes. If processed manually, the letter carrier sorts the mail into the walk sequence at the local delivery facility. Through either process, when carriers identify errors based on their personal knowledge, they attempt to reroute the mailpiece to the correct address.

Each additional step in address recognition increases the time, resources, and costs required for delivery, and the possibility that the mail will not be delivered correctly.

The Problem: Remaining Barriers To Further Recognition Improvements

Since the Postal Service introduced address recognition systems in the 1980s, their performance has continuously improved. For example, the ability of RCRs to read and match addresses has improved dramatically. From 1996 to 2004, RCR performance has improved from 35% to 90%. This has reduced the need for REC image processing from a peak of 24 billion to around 6 billion images per year. The error rate, where mail is coded improperly, has also been reduced.

To date, the Postal Service has focused on improvements that could be accomplished by technology, such as improvements in reading characters in the address. The Postal Service has been very successful in these efforts, but is now nearing the limits of technological

improvements. Some addresses can never be matched by existing systems, even if the address is read perfectly, because there are problems with address elements on the mailpiece. Address elements commonly include street names, street directionals (e.g., N, S, E, or W), house numbers, or secondary numbers (such as an apartment or suite number). Problem addressing can include addresses with missing, incomplete, or incorrect address elements, or address elements that are illegible. Other problems include address inserts that are misaligned with the envelope's window, so that parts of the address elements are hidden. Even a single missing or incorrect address element can prevent the Postal Service from recognizing the correct address, with potential resulting delays, misdeliveries, or nondeliveries. Some of these problems with address elements cannot be corrected by technology alone. Without the use of additional information, such as the name in the address block on the mailpiece, the Postal Service is unable to confirm the correct address for delivery.

II. The Pilot Test and National Deployment

The goal of the Postal Service in implementing the Distribution Quality Improvement (DQI) program is to improve its ability to barcode mail that is not already barcoded by the mailer, and deliver it to the correct address. The Postal Service plans to pilot test the program in New York. The purpose of the test is to evaluate the level of improvement achieved through the DQI program. If the test is successful, the program will be deployed nationally. Described below are how the pilot test will be conducted (including pilot sites), estimated benefits, and national deployment.

How the Pilot Test Will Be Conducted

To conduct the pilot test, the Postal Service will license a name and address directory from a commercial vendor. The directory will be a commercial directory that is currently available in the marketplace. The vendor will serve as a subcontractor to an existing Postal Service contractor tasked in part to help improve recognition rates. Neither the Postal Service nor its contractor will own the commercial directory.

The commercial directory will be maintained in a secure location, at a contractor site during the pilot test, and at a Postal Service site during any national deployment. At this maintenance site, before the directory is deployed to the field, every address in the directory will be compared with the

AMS database. Using AMS to screen the directory before activation ensures that only valid addresses will be used and that the directory will be compatible with postal operations and mail processing. In order to assure accuracy, this process will be repeated on a weekly basis to conform to the most recent AMS database. The removal of invalid addresses will be the only result of this procedure—no additions or any other modification will be made to the directory used in the DQI program. Also, no data in the AMS database or other Postal Service databases will be modified in any way through use of the commercial directory.

After this screening, the commercial directory will be installed on RCR systems in field processing centers. Once installed, software on the RCR system will perform the following steps:

1. RCR first compares the address from the mailpiece with the AMS database, looking for a match to FDOS coding. If there is an FDOS match to a sufficient level of confidence, the mail will be processed without use of the commercial directory.

2. If unable to perform such a match, RCR will use the commercial directory to try to find the right address. RCR will use the results of the insufficient AMS match to retrieve a set of potential name(s) and delivery points from the commercial name and address databases. RCR then compares the names with the name on the mailpiece, seeking a match.

3. If the name and address on the mailpiece match a name and FDOS address from the commercial directory to a sufficient level of confidence, then the address verification process is complete. Thereafter, the process is the same as without the directory. An FDOS barcode is generated and applied using the identical processes for mail coded by RCR.

4. If a match is not found with the commercial directory, the result from the initial AMS match will be used, and the mailpiece will be processed using existing systems without DQI.

The following is a hypothetical example of how the DQI program will work: Mr. John Doe lives at 123 Main Street S. There is also a 123 Main Street N in that city. The Postal Service receives a nonbarcoded mailpiece addressed to Mr. John Doe, 123 Main Street. When the piece is processed against AMS, the Postal Service cannot tell whether the right address is 123 Main Street North or South. Under current processes, the Postal Service will attempt to discover the right address through other internal or external tools, or through personal

knowledge of letter carriers, and there is a risk the piece may be routed or delivered incorrectly. With the DQI program, when the AMS match fails to produce an FDOS result, the Postal Service can confirm a Mr. John Doe lives at 123 Main Street S, and can barcode and deliver the piece to that address.

The sole purpose of the use of names in the DQI program is to confirm delivery to the correct address. The DQI program and directory will not be used for any purpose other than improving the barcoding of mail that is not being recognized to an FDOS ZIP Code by existing systems. DQI will not modify any written or printed address information on the mailpiece. No changes will be made to the AMS database or any other Postal Service database as a result of this process, nor will any information be provided back to the commercial vendor or directory, including which addresses have been removed.

Pilot Test—Scope of DQI Program and Test Sites

The pilot test of the DQI program will apply to mail that is processed by postal stations serving New York State. The commercial directory will contain only the names and addresses of individuals and firms residing in New York. The directory will be installed on an RCR system in a processing plant in Manhattan. Mail originating from the processing plant and destinating in the State of New York will be subject to DQI processing. During the pilot test, the only mail eligible for the DQI program will be mailpieces with machine-printed addresses.

New York was chosen because of the size and complexity of the New York City area. The New York City area is not only one of the largest in the United States, but also one of the most densely populated, with a population of more than 7.4 million people and a total area over 300 square miles. It typifies areas that experience a higher rate of mailpieces with unrecognized addresses. Greater rates of unrecognized addresses are found in urban areas with densely populated high-rise apartments, concentrations of small business firms, street names with numeric or single characters, and street names with directionals (e.g., N, S, E, or W).

Projected Benefits of the DQI Program

The goal of the Postal Service is to deliver mail accurately and securely to a specific address. For mail that is not barcoded, the Postal Service attempts to recognize and barcode the mail so it gets to the right address as efficiently as

possible. The DQI program is expected to improve the rate and accuracy of barcoding of this mail, where there are problems with the address. This will enhance the certainty, timeliness, and accuracy of mail delivery. More mail will be recognized and barcoded to a specific intended address, which increases the certainty and speed of delivery. The volume of mail that is coded incorrectly should also be reduced. This mail may otherwise have been misdelivered unless the letter carrier corrects the error from personal knowledge.

In 2003, the Postal Service processed more than 45 billion letters through its address recognition systems. With the DQI program, the Postal Service expects to properly code at least a billion more mailpieces than it can under current processes, as well as reduce the rate of miscoding.

Proper barcoding increases the certainty that mail will be delivered to the correct and intended address. This decreases the likelihood of misdelivered mail, which protects the privacy of Postal Service customers. By developing and implementing substantial safeguards, the Postal Service seeks to improve mail delivery and privacy for its customers, while minimizing privacy risks or vulnerabilities.

National Deployment

The pilot test is planned to start in September 2004 and conclude in the Spring of 2005. The Postal Service will thoroughly analyze results from the pilot test for operational accuracy and performance improvements. The test will be considered successful if it raises the encoding rate while reducing the error rate. If the expected improvements are achieved, the Postal Service plans to deploy the DQI program in other regions or nationally in or after May 2005.

If the pilot is successful, national deployment will occur in several stages. First, the program will become national in scope. The directory licensed will include names and addresses of firms and individuals throughout the country, and will be deployed to RCRs nationally. Second, DQI will be expanded from letters to other types of mail, including flats and parcels, so the directory will be installed on recognition equipment for those mail types. Third, the directory may be used on more levels of recognition equipment, not just the initial readers. An example is deployment at the Remote Encoding Centers. As deployment proceeds, the Postal Service will carefully evaluate the success of each stage, and will monitor privacy and system safeguards.

III. Privacy Act System of Records—Safeguards for the DQI Program

The Postal Service has established a comprehensive system of safeguards to protect the privacy and security of the DQI Program and commercial directory. The following describes key aspects of the Privacy Act system, including controls and limitations over the directory, security controls and safeguards, and limitations on external disclosures. The notice of the system of records covers both the pilot test and any national deployment.

Controls and Limitations for the Commercial Directory

The commercial directory will be used only for the purposes described in this notice and not for any other purpose. The directory will only be used to properly recognize and code mail if it cannot be successfully recognized to FDOS by existing systems.

The Postal Service has limited the type of information that will be licensed from the commercial source to the minimum necessary to achieve its operational goals. The only information contained in the commercial directory are the names and addresses of individuals and businesses.

The Postal Service has established strict controls to limit how data will be compared or shared between the commercial directory and Postal Service systems. There will be limited interfaces between the directory and Postal Service databases. At the maintenance site, the directory will be matched against the AMS database to remove invalid addresses before deployment. During mail processing, mailpieces will be matched against the directory if the match to AMS is less than to FDOS. No data will be exchanged as a result of these comparisons. The directory will not be used for updating AMS or any other Postal Service database. Likewise, no name or address information from any Postal Service database, including information about items removed from the directory, will be provided back to the commercial directory or vendor.

Security Controls and Safeguards

The Postal Service will implement the DQI program in a secure fashion. The commercial vendor will supply the directory to the contractor during the pilot test, and to the Postal Service during any national deployment, where it will be kept in a secure maintenance facility. Access to information in the directory will be limited to the following circumstances and purposes: At the maintenance facility, the Postal Service or contractor will access the

directory to remove non-AMS data as described above, as well as to allow the Postal Service to respond to requests by individuals for access to information maintained about them as required by the Privacy Act. The Postal Service will also access the directory in its Engineering Headquarters facility in order to test the success of the program. The maintenance and engineering facilities are the only two locations where information contained in the directory can be accessed by Postal Service or contractor employees.

When the directory is distributed to Postal Service field sites, both name and address information will be encrypted. There will be no ability to view, query, or modify records in the directory. At all times, the directory will be stored in a separate file from Postal Service databases. In addition, the directory's name information will be stored in a separate file from its address information.

The directory will only operate on secure systems. Electronic transmissions of updates to the directory will be protected by encryption and secure access authorization codes.

To keep information current as well as secure, the Postal Service will receive an updated commercial directory periodically, no less frequently than every 90 days. The Postal Service will match the directory against the AMS database every week to remove invalid addresses. The Postal Service will maintain two versions of the directory representing 2 weeks of data—the directory for the current week, and the directory for the prior week. Every week, when the next directory is created, the Postal Service will destroy the older version in accordance with its information security policies. The policies require degaussing for computer tapes, using zero-bit formatting for computer hard drives, and physically destroying floppy disks, CDs, and DVD data disks. After these procedures are conducted, previous versions will not be retained in any form.

Disclosures

The Postal Service does not anticipate adverse privacy effects resulting from Postal Service disclosures of information from the commercial directory. First, such information is commercially available. Any entity can obtain information contained in the directory from the commercial source. Second, the Postal Service has limited the external disclosures, or routine uses, of information from the directory.

For this system of records, the Postal Service will only employ seven of the

nine standard routine uses that it has issued for systems of records containing customer information. These customer systems and routine uses were published in the **Federal Register** on December 16, 2002 (67 FR 77088–77090). The seven routine uses that apply to this system relate to the following: (1) Disclosure incident to legal proceedings; (2) disclosure to agents, contractors, and partners; (3) disclosure to auditors; (4) disclosure for customer service purposes; (5) disclosures related to congressional inquiries; (6) disclosure to labor organizations; and (7) disclosure for law enforcement purposes. The Postal Service may only disclose information from the directory to appropriate law enforcement agencies if there are suspected illegal activities against the Postal Service, or as required by law. The standard routine uses that will not apply concern disclosures related to financial transactions, and disclosures to government agencies relating to personnel or contractor matters.

The Postal Service has also added a special routine use for this system. The routine use applies when a mailpiece containing a barcode applied using the commercial directory is returned to the mailer. This may occur if the mailpiece is still not delivered to an address after all Postal Service efforts have been exhausted—for instance, if the person does not live at that address—and the mailer is entitled to return service because the mailpiece was sent First-Class Mail® or the mailer otherwise paid for return service. If the mailer has access to the Postal Service ZIP+4 database and is familiar with Postal Service rules and algorithms for FDOS coding, the mailer may be able to determine the specific FDOS ZIP Code from the barcode. The Postal Service ZIP+4 database and rules for coding are available to mailers for a fee. ZIP Code information, including ZIP+4 codes and FDOS ZIP Codes for houses, is also available as part of the ZIP Code lookup Web site available on *USPS.com*, but only on a specific query basis, not as a database.

The Postal Service considers that disclosure of a barcode that contains a ZIP Code for an address may not be a disclosure under the Privacy Act. However, in the interests of full notice and transparency, the Postal Service is issuing a routine use to account for this occurrence. The Postal Service considers this an appropriate routine use because the Postal Service must honor return service requests. Moreover, the Postal Service considers the value of the information to be minimal in this circumstance, and the likelihood of

such decoding to be remote. The information, which is a specific address, not name, is likely to be incorrect, since the mailpiece could not be delivered as addressed. Also, the mailer would need to train personnel to identify DQI mailpieces, and set up processes or equipment to conduct the algorithms needed to extract the address from the barcode. These processes are not technically practical, and are likely more costly than purchasing the same information directly from one of several available commercial sources.

Notice of Use of Information From a Third-Party Source

The system of records described by this notice entails a third-party source, as the Postal Service has determined that obtaining this information directly from the subject individuals is not practical. However, the information collected from the third-party source for this system shall in no case result in any adverse determination to individuals. The Postal Service will ensure that the third-party source is informed of the purposes for which the name and address records will be used. This is consistent with OMB Guidelines and Privacy Protection Study Commission recommendations related to 5 U.S.C. 552a (e)(3).

Summary

The Postal Service seeks to improve the accuracy and certainty of mail delivery. The Postal Service has developed a very sophisticated network and equipment to accomplish this result. Based on its extensive experience, the Postal Service considers that use of a commercially available name and address database, such as proposed for the DQI program, is the best method to achieve higher barcoding rates and more certain delivery. The Postal Service proposes use of the directory for this sole purpose, and has established effective safeguards to protect the information and prevent any other use.

USPS 500.100

SYSTEM NAME:

Address Matching for Mail Processing.

SYSTEM LOCATION:

Computer Operations Service Center; Engineering; Processing and Distribution Centers; and contractor site(s).

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

USPS customers, including individual and business customers.

CATEGORIES OF RECORDS IN THE SYSTEM:

Names and mailing addresses of individuals and businesses.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

39 U.S.C. 401, 403, 404.

PURPOSE:

To improve the speed, accuracy, and certainty of mail delivery.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

The standard routine uses for customer-related systems apply, except that routine uses 3 and 6 do not apply. The following additional routine use also applies:

A mailpiece containing a barcode that is encoded with the address, but not name, of a customer derived from this system may be disclosed to a mailer if the Postal Service is unable to deliver the mailpiece, and returns it to the mailer as part of a requested return service.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Automated databases, electronic and computer storage media, with names and addresses stored separately.

RETRIEVABILITY:

Retrieval is accomplished by a computer-based system, using one or more of the following elements: name, ZIP Code(s), street name, primary number, secondary number, delivery point, and/or carrier route identification.

SAFEGUARDS:

The name and address database will be obtained from a commercial vendor under strict contract and security controls. The database will be maintained separately from Postal Service databases. Name data and address data within the commercial database will also be stored separate from each other. In field deployment, name and address data will be stored in an encrypted fashion. The database will not be commingled with any agency records or databases, and will not be used to update any agency record or database. No information will be provided from the Postal Service into the commercial database or back to the vendor.

The database will only operate on secure systems. Electronic transmissions of records are protected by encryption and access authorization codes. Records are kept on computers in controlled-access areas, with access limited to

authorized personnel. Computers are protected by a cipher lock system, card key system, or other physical access control methods. The use of computer systems is regulated with installed security software, computer logon identifications, and operating system controls including access controls, terminal and use identifications, and file management. Contractors are subject to contract controls regarding security, as well as security compliance reviews by the Postal Service and Postal Inspection Service.

RETENTION AND DISPOSAL:

The database will be maintained until 90 days after termination of the contract or program, and then destroyed. During contract performance, the database will be replaced by the vendor in its entirety no less frequently than every 90 days. To destroy the replaced version, the Postal Service will employ sanitization procedures that will ensure the complete destruction of information as specified by its information security policies.

SYSTEM MANAGER(S) AND ADDRESS:

Senior Vice President for Operations,
United States Postal Service, 475
L'Enfant, Plaza, SW., Washington, DC
20260.

NOTIFICATION PROCEDURE:

Customers wanting to know if information about them is kept in this system of records should address inquiries in writing to the Manager, Image Recognition Processing, 8403 Lee Highway, Merrifield VA 22082.

RECORD ACCESS PROCEDURES:

Requests for access must be made in accordance with the Notification Procedure above and the Postal Service Privacy Act regulations regarding access to records and verification of identity under 39 CFR 266.6.

CONTESTING RECORD PROCEDURES:

See Notification Procedure and Record Access Procedures above.

RECORD SOURCE CATEGORIES:

Commercially available source of names and mailing addresses.

Neva Watson,

Attorney, Legislative.

[FR Doc. 04-15855 Filed 7-13-04; 8:45 am]

BILLING CODE 7710-12-P

SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon written request, copies available from:
Securities and Exchange Commission,
Office of Filings and Information Services,
Washington, DC 20549.

Extension: Form 1, Rules 6a-1 and 6a-2; SEC
File No. 270-0018; OMB Control No.
3235-0017.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995,¹ the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

The Securities Exchange Act of 1934 ("Act") sets forth a regulatory scheme for national securities exchanges. Rule 6a-1 under the Act² generally requires an applicant for initial registration as a national securities exchange to file an application with the Commission on Form 1. An exchange that seeks an exemption from registration based on limited trading volume also must apply for such exemption on Form 1. Rule 6a-2 under the Act³ requires registered and exempt exchanges: (1) to amend the Form 1 if there are any material changes to the information provided in the initial Form 1; and (2) to submit periodic updates of certain information provided in the initial Form 1, whether such information has changed or not. The information required pursuant to Rules 6a-1 and 6a-2 is necessary to enable the Commission to maintain accurate files regarding the exchange and to exercise its statutory oversight functions. Without the information submitted pursuant to Rule 6a-1 on Form 1, the Commission would not be able to determine whether the respondent met the criteria for registration or exemption set forth in sections 6 and 19 of the Act. Without the amendments and periodic updates of information submitted pursuant to Rule 6a-2, the Commission would have substantial difficulty determining whether a national securities exchange or exempt exchange was continuing to operate in compliance with the Act.

The respondents to the collection of information are entities that seek registration as a national securities exchange or that seek exemption from registration based on limited trading volume. After the initial filing of Form

1, both registered and exempt exchanges are subject to ongoing informational requirements.

Initial filings on Form 1 by new exchanges are made on a one-time basis. The Commission estimates that it will receive approximately three initial Form 1 filings per year and that each respondent would incur an average burden of 47 hours to file an initial Form 1 at an average cost per response of approximately \$4517. Therefore, the Commission estimates that the annual burden for all respondents to file the initial Form 1 would be 141 hours (one response/respondent × three respondents × 47 hours/response) and \$13,551 (one response/respondent × three respondents × \$4517/response).

There currently are nine entities registered as national securities exchanges and two exempt exchanges. The Commission estimates that each registered or exempt exchange files one amendment or periodic update to Form 1 per year, incurring an average burden of 25 hours to comply with Rule 6a-2. The Commission estimates that the annual burden for all respondents to file amendments and periodic updates to the Form 1 pursuant to Rule 6a-2 is 275 hours (11 respondents × 25 hours/response × one response/respondent per year) and \$25,630 (11 respondents × \$2330/response × one response/respondent per year).

Compliance with Rules 6a-1 and 6a-2 and Form 1 is mandatory for entities seeking to register as a national securities exchange or seeking an exemption from registration based on limited trading volume. Information received in response to Rules 6a-1 and 6a-2 and Form 1 shall not be kept confidential; the information collected is public information. As set forth in Rule 17a-1 under the Act,⁴ a national securities exchange generally is required to retain records of the collection of information for at least five years.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Written comments regarding the above information should be directed to the following persons: (a) Desk Officer for the Securities and Exchange Commission by sending an e-mail to: David_Rostker@omb.eop.gov, and (b) R. Corey Booth, Director/Chief Information Officer, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Comments must be submitted to the Office of

¹ 44 U.S.C. 3501 *et seq.*

² 17 CFR 240.6a-1.

³ 17 CFR 240.6a-2.

⁴ 17 CFR 240.17a-1.