

records for the identification of high-volume and high-risk mailers.

C. Custody of Suspect Meters

No comments were received.

D. Missing Meters

No comments were received.

E. Shipment of Meters

Four commenters expressed concern about the meter security regulations proposed in 39 CFR 501.22 and 501.23 and in DMM P030.2.9. One commenter believed that only meters destined for customers should be shipped by registered mail. Another commenter stated that the criteria for exceptions and implementation schedules for shipping meters by registered mail must be developed. This commenter was concerned with the lengthy process for tracing registered mail. A third commenter stated that there is no justification for the mandated use of registered mail, and another commenter stated that the requirement to use registered mail is costly and unjustified.

All postage meters are capable of printing postage indicia for services to be rendered by the Postal Service. Meters must accordingly be kept out of the hands of unauthorized individuals who might misuse the meter. Therefore, the rule applies to all meter shipments regardless of destination to ensure security and safety. The regulation permits the manufacturers to use alternative delivery carriers that offer the same level of security as registered mail. However, the requirement for use of registered mail is retained in the final rule.

F. Security Seals

Two commenters expressed concern about the meter security regulations proposed in 39 CFR 501.20. One of these commenters had no objection to the proposed use of the seals but expressed concern about the added cost to manufacturers. The other commenter believed that the new seal was incompatible with one of its meter products.

Because the manufacturers lease meters and the Postal Service does not collect fees from the manufacturers or licensees, the cost of the new seals should be borne by the manufacturers as a cost of doing business. The new seals are being slightly modified in size to accommodate all postage meters.

G. Meter Labeling

One commenter expressed concern about the meter security regulations proposed in 39 CFR 501.22(r) and 501.23 and in DMM P030.2.4(g). The

commenter stated that the Postal Service has not allowed sufficient time to complete meter labeling.

The manufacturers were originally notified of the labeling requirements in August 1993 and have been given a reasonable time in which to comply. Manufacturers are expected to have meter labeling completed by the effective date of these regulations.

H. Postage Meter Testing

No comments were received.

II. Administrative Controls

The administrative controls include postage meter refunds; use of PS Form 3602-A; meter licensing procedures; performance regulations; suspension and revocation; and installations and withdrawals. The Postal Service is establishing new procedures to enhance control over electronic meter register refunds and to expedite the refund process.

A. Postage Meter Refunds

No comments were received.

B. Use of PS Form 3602-A

Five commenters expressed concern about the standard proposed in DMM P030.2.4(b) requiring that meter users maintain a daily record of meter register readings (PS Form 3602-A). The commenters did not understand the need for this standard and believed that it would impose a hardship on small businesses. Another commenter believed that a reasonable transition period be allowed to supply the form to mailers and instruct them on its use.

These comments have merit; however, the form is a valuable document in substantiating the amount of refunds to be issued. The use of PS Form 3602-A will continue to be voluntary. In the event that a meter malfunctions and a customer has not maintained the PS 3602-A or its equivalent, the customer may not be eligible for a refund of the amount claimed. Current regulations are modified to reflect the Postal Service recommendation that the form be maintained by meter users. DMM P030.2.4(b) is revised accordingly in the final rule.

C. Meter Licensing Procedures

Three commenters expressed concern about the procedures proposed in 39 CFR 501.22(b) and 501.22(e) and in DMM P030.1.9, P030.2.2, P030.2.3, and P030.2.4. One commenter stated that customer-requested information on meter applications should be limited because of mailer privacy and the placement of an undue administrative

burden on the applicant and the Postal Service system.

The mailer privacy issue is being addressed in proposed modifications to the Postal Service Administrative Support Manual and will be published in a separate **Federal Register** notice.

The commenter also recommended that the Postal Service be required to issue a decision on an appeal within 10 days after the appeal is filed with the Postal Service.

In some cases, time is needed to conduct additional research. Consistent with this objective, the commenter's recommendation to limit the decision process for appeals to 10 days is not reasonable. It is the intention of the Postal Service to act as quickly as possible on appeals without sacrificing the fact-finding effort required to render a fair decision.

One commenter suggested that the format for the meter license be reevaluated to make it less intimidating.

The new license application was reviewed by meter users in six customer focus groups before the issuance of the proposed changes. Invariably, the meter users acknowledged the reasonableness of the requirements for additional applicant information and stated that the proposed application would not be burdensome to complete. However, the statement pertaining to the penalties for submission of a false, fictitious, or fraudulent statement is deleted.

Another commenter believed that clarification is required on the options for submitting licenses.

The two options for submission of a meter license application are clearly stated in DMM P030.2.1, which pertains to meter license procedures.

This same commenter believed that implementation of new licensing procedures is inappropriate at this time because requirement and implementation issues are still undefined.

As stated above, the effective date for the electronic transmission of license applications, use of the revised PS Form 3601-A, and centralized application processing is January 2, 1996. Before this implementation, the Centralized Meter Licensing System (CMLS) requirements will be published in the **Federal Register** for public review and comment.

One commenter stated that the new licensing procedures constitute a form of worksharing that should result in some form of compensation to the meter manufacturers.

CMLS is essential for the effective control and management of applications and licenses. The Postal Service does not agree that this cooperative effort