

approximation of its costs and revenue losses and thus establish a method for allocating the risk of loss of Postal Service revenue.

One commenter stated that the temporary suspension under 39 CFR 501.5(c) and 501.12(b) should not be permitted to be extended more than 120 days for further investigation in the absence of clearly articulated good cause or the manufacturer's consent.

In response, the Postal Service notes that a good cause showing is implicit in the rule. Under 39 CFR 501(c)(4), the Postal Service must decide the disposition of a suspension at the end of a 90-day period. At such time, the Postal Service must withdraw the suspension, make a determination to revoke authorization, or extend the suspension either to allow more time for investigation or to permit the manufacturer to correct the problem. Thus, a suspension may extend beyond 90 days only if the Postal Service demonstrates good cause for its continuation, e.g., additional time is needed to investigate or the manufacturer needs additional time to correct the problem.

The commenter also suggested that the Postal Service lift a suspension under 39 CFR 501.5(c)(3) immediately upon the implementation of a solution to the problem that originally gave rise to the suspension.

The language in 39 CFR 501.5(c)(3) implicitly incorporates the standard in 39 CFR 501.5(c)(4)(iii) that a suspension is withdrawn before the close of the 90-day period upon the manufacturer's identification and implementation of a satisfactory solution. The final rule is revised to clarify this cross-reference. The parallel provision in 39 CFR 501.12(b)(3) is also revised.

One commenter stated that 39 CFR 501.5, 501.12, 501.14, and 501.23 do not expressly provide for separation of function in the adjudication of alleged violations. The commenter also proposed that the rules clarify that such appeals will be decided by an officer who is independent of the initial decisionmaking.

The Postal Service recognizes the importance of maintaining the integrity of the decisionmaking process. To maximize resource flexibility, however, the Postal Service has determined to address this concern on an ad hoc basis. In cases in which the decisionmaker has participated in the investigation, the adjudication will be handled by an alternative decisionmaker.

F. Installations and Withdrawals

One commenter believed that the meter installation/withdrawal report (PS

Form 3601-C) should be redesigned or not implemented until the Meter Accounting and Tracking System is on-line. Another commenter recommended that the format and details required on PS Form 3601-C be tested in the field.

The Postal Service will require the use of PS Form 3601-C effective January 2, 1996, when the Centralized Meter Licensing System is implemented.

III. Other Issues

Other issues concern the taking of a meter outside the United States; licensee reporting of faulty or defective meters; quarterly meter reports; Postal Service examination of meters; and training media.

A. Taking a Meter Outside the United States

One commenter noted that the regulations for taking a meter outside the United States do not address the exceptions for government agencies and military branches.

DMM P030.2.2 provides that meters may be taken outside the United States, its territories, and its possessions with the express consent of the Postal Service. This provision applies to government agencies and military branches.

B. Licensee Reporting of Faulty or Defective Meters

No comments were received about this section.

C. Quarterly Meter Reports

No comments were received about this section.

D. Postal Service Examination of Meters

Three commenters stated that the requirements for the examination of meters that have not been reset within 3 months are excessive and inconvenient to customers. It is their opinion that a 6-month cycle is more appropriate. In addition, one commenter suggested that for CMRS meters, periodic calls be made to the manufacturers' data center instead of meter inspections.

The Postal Service does not agree that the requirement for the examination of those meters not reset within 3 months is excessive or especially burdensome to licensees. To extend the period would greatly increase the period of time before the Postal Service might identify tampering or misuse. Mailers who participated in the focus group discussion on this subject expressed no concerns on this requirement.

E. Training Media

One commenter expressed a concern about the costs associated with the

development and distribution of training media for resetting and inspection and suggested that the manufacturers provide a master tape to the Postal Service for reproduction as needed.

The Postal Service is working in a cooperative effort with the manufacturers to develop training material. Once a master copy of the training materials is produced that covers all the meter families for all manufacturers, the Postal Service will reproduce and distribute copies to post offices. The expense borne by the manufacturers should be minimal.

IV. Computerized Remote Postage Meter Resetting System

The Postal Service is changing the cash management arrangements of the Computerized Remote Postage Meter Resetting System (CMRS) to establish more direct control of licensee payments and balances and to provide improved service for CMRS licensees.

One commenter stated that the proposed rule would improve the efficiency and security of Postal Service funds handling over the current methods. Also, the commenter believed that Postal Service investment results would improve because of earlier availability of funds that could be invested. This same commenter also requested that the Postal Service change the wording in the last sentence in the last paragraph under CMRS to read as follows: "The funds in the Postal Service fund at Treasury would be backed in full faith and credit by the U.S. Treasury, whereas that is not the case with investments by a commercial bank trustee."

The Postal Service agrees with the suggestion that "funds in the Postal Service fund would be backed in full faith and credit by U.S. Treasury securities, whereas that is not always the case with investments by a commercial bank trustee." The change is incorporated into 39 CFR 501.28(b)(1).

Another commenter supported the Postal Service initiative for CMRS and believed that customers would prefer this approach to the alternatives currently available. The commenter also stated that this initiative should promote the wider use of CMRS.

The Postal Service agrees that customers will prefer modernized cash management procedures that make customer funds available as soon as possible, and it believes that the initiative will promote the wider use of CMRS.

A third commenter strongly disagreed that approved changes to CMRS are