

f. The licensee must report a misregistering or otherwise defective meter to the manufacturer according to 2.8 and must ensure that the meter is not used.

g. The licensee must ensure that the cautionary and barcode labels placed onto each meter before its being checked into service are not removed while the meter is in the licensee's possession. The cautionary label contains basic reminders on leasing, meter movement, and misuse. The barcode label contains a barcoded representation of the meter serial number. Meters without these labels may not be checked into service.

2.7 Custody of Suspect Meters

Postal inspectors are authorized to conduct unannounced on-site examinations of meters reasonably suspected of being manipulated or otherwise defective. An inspector may also immediately withdraw a suspect meter from service for physical and/or laboratory examination. The inspector issues the licensee a receipt for the meter, forwards a copy to the manufacturer, and, if necessary, assists in obtaining a replacement meter from the meter manufacturer. Where possible, the Inspection Service provides the manufacturer with advance notice that a meter is to be inspected. Unless there is reason to believe that the meter has been fraudulently set with postage, existing postage in the meter to be examined is transferred to the replacement meter.

2.8 Defective Meters

The licensee must immediately report any defective meter to the licensing postmaster and the manufacturer. The manufacturer must pick up any defective meter and take it to the licensing post office to be checked out of service within 3 business days of being notified by the licensee. A faulty meter may not be used under any circumstance, and it must be removed from service when taken to the licensing post office. The manufacturer provides the licensee with a replacement meter.

2.9 Missing Meters

The licensee must immediately report to the licensing postmaster and the manufacturer the loss or theft of any meter or the recovery of any missing meter. Reports must include the meter model and serial number; the date, location, and details of the loss, theft, or recovery; and a copy of any police report.

2.10 Returning Meters

After a meter is delivered to a licensee, the meter must be kept in the licensee's custody until returned to the

authorized manufacturer or licensing post office. A licensee with a faulty or misregistering meter or no longer wanting to retain a meter must notify the meter manufacturer's representative of any meter to be returned to the licensing post office to be checked out of service. Meters must be shipped by registered mail unless the manager of RSE, USPS Headquarters, gives written permission to ship meters otherwise.

3.0 SETTING METERS

3.1 Initial Setting

Before delivering a meter to the licensee, the meter manufacturer must take the meter to be set, sealed (if applicable), and checked into service by the post office where it is to be regularly set or examined, unless the meter is serviced through the on-site meter-setting program described in 3.5. The manufacturer must present the postal representative with the meter and a completed Form 3601-C when checking a meter into service.

3.2 Licensee Relocation

If a licensee changes the post office where metered mail is to be deposited, the meter must be checked out of service by the licensing post office. That meter or another meter must be licensed at the new post office before it is reset or initial settings are made. For this standard, a post office includes all subordinate branches and stations of the licensing post office.

3.3 Location of Setting

Except under 3.4 or 3.5, meters must be set at the licensing post office, not at contract stations or branches. Remote-set meters are subject to 3.9 through 3.13 and related standards.

3.4 Alternative Meter Setting Location

The postmaster serving a licensee's location may set a meter used to pay postage on mail presented at another post office, subject to these conditions:

a. The licensee must obtain a meter license from the post office where the mailing is to be deposited and must present the license to the licensee's local post office with the meter for setting and Form 3602-A, if maintained (or its electronic equivalent).

b. The postmark die must show the name of the post office of mailing (licensing post office).

c. A separate meter must be used for mailings made at each post office.

d. Mail matter sent to another post office for mailing must be shipped on private transportation, to be deposited at the time and place designated by the postmaster. Such matter may not be consigned to the USPS in bulk by

freight, express, or other carrier. The USPS has no responsibility for the metered matter before it is accepted in the mail.

e. When a meter is no longer used, the licensee must return the meter to the manufacturer's representative or licensing post office to have it checked out of service.

3.5 On-Site Meter-Setting Program

The on-site meter-setting program allows USPS employees to set or examine meters at a licensee's place of business within the area served by the licensing post office. Only the licensee's meters participating in the program may be set or examined at that location. The program also provides for checking meters into or out of service at the meter manufacturer's branch offices, including meters set for use at another post office. A fee is charged for each meter set, examined, or checked into or out of service at a licensee's place of business or at a manufacturer's office, unless a USPS employee (qualified to set meters) is regularly assigned to that licensee's location for postal administrative duties. The licensee must pay on-site setting or examination fees (shown in R900) and postage by check or advance deposit account at the time of the setting or examination.

3.6 Payment for Postage

Payment must be made for postage when the meter is set. Payment may be in cash or by check, money order, or withdrawal from an advance deposit account established with the post office. (Advance deposit accounts may be established when the licensee's monthly metered postage is \$500 or more.) Payment by check or advance deposit account is subject to USPS standards and procedures.

3.7 Postage Transfers and Refunds

Upon USPS verification, unused postage in a meter being checked out of service may be transferred to another of the licensee's meters licensed at the same post office, or the licensee may request a refund, which may include a refund for unused meter stamps according to applicable standards. The meter must be examined by the USPS before a refund or credit is initiated for unused postage or additional postage is collected, based on what is found. The licensee may also submit Form 3602-A, if maintained, or a system-generated register as supporting documentation.

3.8 Postage Adjustments, Misregistering Meters

To request a postage adjustment for a faulty or misregistering meter, the