

licensee must present to the manufacturer the meter and the licensee's Form 3602-A, if maintained. After examining a meter checked out of service for apparent faulty operation affecting registration, the manufacturer must provide the licensing post office with a report of the malfunction. The report must contain all applicable meter documentation (including a copy of the licensee's Form 3602-A, if maintained, and the licensee's Form 3610 provided by the USPS) and a recommendation about the appropriate postage adjustment. If the electronic redundant memory data, as examined by the manufacturer, is inconclusive about the appropriate postage adjustment, the manufacturer must include an analysis of the licensee's recent mailing history supporting the recommended postage adjustment. (In the absence of a completed Form 3602-A, the licensee may submit some other reliable evidence showing that a postage adjustment is warranted.) A licensee may appeal a postage adjustment under 2.5.

### 3.9 Computerized Meter Resetting

The Computerized Remote Postage Meter Resetting System (CMRS) allows certain meters to be reset electronically at the licensee's place of business. CMRS meters must be set at the licensee's place of business, except under 3.11. Before delivering a meter to the licensee, the manufacturer must take the meter and a completed Form 3601-C to the licensing post office to have the meter checked into service, unless the meter is initially checked into service at the manufacturer's office under 3.5.

### 3.10 Postage Transfer for CMRS Meters

No postage is set by the licensing post office unless a CMRS meter is checked out of service and the unused postage in it is transferred to another CMRS meter leased by the same licensee for use at the same post office.

### 3.11 Periodic Examination of CMRS Meters

CMRS meters must be reset or examined every 3 months. CMRS meters set at least once every 3 months require examination by a USPS employee only annually. The licensee must take a CMRS meter and applicable Form 3602-A, if maintained, to the licensing post office when notified by the manufacturer of a required examination. A licensee who does not comply with examination requirements may not reset meters via CMRS. Failure to have a meter examined on notification can result in revocation of the licensee's meter license.

### 3.12 Resetting CMRS Meters

The following conditions must be met for resetting a CMRS meter:

- a. The licensee's account must have sufficient funds to cover the desired postage increment, or the manufacturer must agree to advance funds to the licensee. The licensee may deposit funds by check, electronic funds, or automated clearinghouse transfer.
- b. The licensee must provide the manufacturer or designated meter resetting company with the meter serial number, licensee's account number, and the meter's ascending and descending registers.
- c. After a meter is reset, the manufacturer must provide the licensee with documentation of the transaction and the balance remaining in the licensee's account, unless the manufacturer provides a monthly statement documenting all transactions for the period and the balance after each transaction.

### 3.13 CMRS Refunds

The USPS issues a refund to a licensee for any unused postage in a meter. Refunds of licensee balances maintained by the USPS in the USPS fund are made to the licensee by the USPS lockbox bank within 48 hours after receipt of a licensee's request.

## 4.0 METER STAMPS

### 4.1 Designs

Meter stamp designs (types, sizes, and styles) must be those specified when a meter is approved by the USPS for manufacture (see Exhibit 4.1).

\* \* \* \* \*

## 6.0 METER MANUFACTURE AND DISTRIBUTION

Title 39, Code of Federal Regulations, part 501, contains information about the authorization to manufacture and distribute meters; the suspension and revocation of such authorization; performance standards required in meters, test plans, testing, and approval of meters; required manufacturing security measures; and standards for the distribution and maintenance of meters. Further information may be obtained from Retail Systems and Equipment, USPS Headquarters.

### List of Subjects in 39 CFR Part 501

Administrative practice and procedure, Postal Service.

3. Add subchapter G, Postage Meters, consisting of part 501 to read as set forth below:

## PART 501—AUTHORIZATION TO MANUFACTURE AND DISTRIBUTE POSTAGE METERS

Sec.

- 501.1 Manufacturer authorization.
- 501.2 Manufacturer qualification.
- 501.3 Changes in ownership or control.
- 501.4 Burden of proof standard.
- 501.5 Suspension and revocation of authorization.
- 501.6 Specifications.
- 501.7 Test plans.
- 501.8 Submission of each model.
- 501.9 Security testing.
- 501.10 Meter approval.
- 501.11 Conditions for approval.
- 501.12 Suspension and revocation of approval.
- 501.13 Reporting.
- 501.14 Administrative sanction on reporting.
- 501.15 Materials and workmanship.
- 501.16 Breakdown and endurance testing.
- 501.17 Protection of printing dies and keys.
- 501.18 Destruction of meter stamps.
- 501.19 Inspection of new and rebuilt meters.
- 501.20 Keys and setting equipment.
- 501.21 Distribution facilities.
- 501.22 Distribution controls.
- 501.23 Administrative sanction.
- 501.24 Meter replacement.
- 501.25 Inspection of meters in use.
- 501.26 Meters not located.
- 501.27 Repair of internal mechanism.
- 501.28 Computerized remote postage meter resetting.

**Authority:** 5 U.S.C. 552(a); 39 U.S.C. 101, 401, 403, 404, 410, 2601, 2605; Inspector General Act of 1978, as amended (Pub. L. 95-452, as amended), 5 U.S.C. App. 3.

### § 501.1 Manufacturer authorization.

Any person or concern seeking authorization to manufacture and distribute postage meters must submit a request to the Postal Service in person or in writing. Upon qualification and approval, the applicant is authorized in writing to manufacture meters and to lease them to persons licensed accordingly by the Postal Service. The Postal Service may specify the functional area charged with processing the application and administering its meter program.

### § 501.2 Manufacturer qualification.

Any concern wanting authorization to manufacture and/or lease postage meters for use by licensees under Domestic Mail Manual P030.1.2 must:

- (a) Satisfy the Postal Service of its integrity and financial responsibility;
- (b) Obtain approval of at least one meter model incorporating all the features and safeguards specified in § 501.6;
- (c) Have, or establish, and keep under its supervision and control adequate manufacturing facilities suitable to carry out the provisions of §§ 501.15 through