

## § 501.28

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### § 501.28 Protection and control of internal and security components.

Any physical or electronic access to the internal components of a meter, as well as any access to software or security parameters, must be conducted within an approved factory or meter repair facility under the manufacturer's direct control and active supervision. The Postal Service must have checked a meter out of service before any component, software, or security parameter is accessed or modified in any way, or internal repairs are undertaken. This does not apply to Postal Service-approved user, field, or Postal Service access to a specific internal component or software. To prevent unauthorized use, the manufacturer or any third party acting on its behalf must keep secure any equipment or other component that can be used to open or access the internal, electronic, or secure components of a meter.

[68 FR 2699, Jan. 21, 2003]

### § 501.29 Computerized remote postage meter resetting.

(a) *Description.* The Computerized Remote Postage Meter Resetting System (CMRS) permits postal licensees using specially designed postage meters to reset their meters at their places of business via telephonic communications. Authorized meter manufacturers that offer CMRS services are known as meter resetting companies (MRCs). To reset a meter, the licensee telephones the MRC and provides identifying data. Before proceeding with the setting transaction, the MRC must verify the data and ascertain from its own files whether the licensee has sufficient funds on deposit with the Postal Service. If the funds are available or the manufacturer opts to provide a funds advance in accordance with paragraph (b)(5) of this section, the MRC may complete the setting transaction.

(b) *Deposits with the Postal Service.* (1) Deposits in the Postal Service Fund at Treasury are backed in full faith and credit by the U. S. Treasury.

(2) A CMRS licensee is required to have funds available on deposit with the Postal Service before resetting a meter or the manufacturer may opt to provide a funds advance in accordance

with paragraph (b)(4) of this section. The details of this deposit requirement are covered within the Acknowledgment of Deposit Requirement document. By signing this document, the licensee agrees to transfer funds to the Postal Service through a lockbox bank, as specified by the MRC, for the purpose of prepayment of postage. The MRC representative must provide all new CMRS licensees with this document when a new account is established. The document must be completed and signed by the licensee and sent to the licensing post office by the MRC.

(3) The MRC is required to incorporate the following language into its meter rental agreements:

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#### ACKNOWLEDGMENT OF DEPOSIT REQUIREMENT

By signing this meter rental agreement, you represent that you have read the Acknowledgment of Deposit Requirement and are familiar with its terms. You agree that, upon execution of this Agreement with [the MRC], you will also be bound by all terms and conditions of the Acknowledgment of Deposit Requirement, as it may be amended from time to time.

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(4) The licensee is permitted to make deposits in one of three ways: check, electronic funds transfer (or wire transfer), or automated clearinghouse (ACH) transfer. These deposits are to be processed by the lockbox bank. The lockbox bank must wire daily all available balances to the Postal Service.

(5) If the MRC chooses to offer advancement of funds to licensees, the MRC is required to maintain a deposit with the Postal Service equal to at least 1 day's average funds advanced. The total amount of funds advanced to licensees on any given day may not exceed the amount the manufacturer has on deposit with the Postal Service. The MRC is not authorized to perform settings in excess of the licensee's balance in any other circumstance. The Postal Service shall not be liable for any payment made by the MRC on behalf of a licensee that is not reimbursed by the licensee because the MRC is solely responsible for the collection of advances.

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(c) *Revenue protection.* The Postal Service shall conduct periodic assessments of the revenue protection safeguards of each MRC system and shall reserve the right to revoke an MRC's authorization if the CMRS system does not meet all requirements set forth by the Postal Service. In addition, the Postal Service shall reserve the right to suspend the operation of the MRC for any serious operational deficiency that is likely to result in the loss of funds to the Postal Service as provided in § 501.12.

(d) *Equipment.* The meters used in the computerized resetting system must conform to the specifications in § 501.6. They must be tested under § 501.7 and conform to the safeguards, distribution, and maintenance requirements of §§ 501.15 through 501.23 to protect the Postal Service against loss of revenue from fraud, manipulation, misoperation, or breakdown.

(e) *Financial operation.* (1) Before the Postal Service's selection of a lockbox provider, the MRC must establish a lockbox account in the name of the Postal Service at a bank or banks approved by the Postal Service to handle the deposits of licensees. The MRC must make arrangements with such banks under which the banks are to inform the manufacturer of the amounts of licensee funds received each banking day.

(2) The Postal Service lockbox bank processes the CMRS deposits daily, consolidates the data, and performs a direct file transmission to each MRC. The daily deposit processing cutoff times and the automated file transmission times are coordinated independently with each of the MRCs. Manufacturers must ensure that their data center computers are programmed to reflect each licensee deposit and track all licensee activity.

(3) The MRC must require each licensee that requests meter resetting to provide the meter serial number, the licensee account number, and the meter's ascending and descending register readings. The manufacturer must verify that the information provided to the licensee is consistent with its records. The MRC must also verify that there are sufficient funds in the licensee's account to cover the postage set-

ting requested before proceeding with the setting transaction (unless the manufacturer opts to provide the licensee a funds advance). Immediately following each such resetting, the MRC must charge the licensee's account for the amount of the postage reset. After the completion of each transaction, the manufacturer must promptly provide the licensee with a statement documenting the transaction and the balance remaining in the licensee's account. As an alternative, the manufacturer may provide a statement monthly that documents all transactions for the period and that shows the balance in the licensee's account after each transaction.

(4) Each banking day, the lockbox bank is to transfer, by 10 a.m. local time, amounts payable to the Postal Service from the transactions during the previous day to a designated Federal Reserve Bank. The MRC must maintain licensee service activity data to accept and respond to inquiries from licensees concerning the status of their payments. The lockbox bank must provide the MRCs with a nationwide, toll-free telephone number for licensee service. The Postal Service lockbox bank must assign a dedicated senior level licensee service representative to handle all inquiries and investigations.

(5) The Postal Service requires that the MRCs publicize to all CMRS licensees the following payment options (listed in order of preference):

(i) Automated clearinghouse (ACH) debits/credits.

(ii) Electronic funds transfers (wire transfers).

(iii) Checks.

(6) Licensee check deposits must be mailed to a predetermined post office box address specified by the lockbox bank and accompanied by a preencoded deposit ticket. The Postal Service provides CMRS customers with deposit tickets for inclusion with check payments. At the time a new account is opened, a licensee not possessing a preencoded deposit slip must present the initial payment to the MRC representative who in turn assigns the licensee a new account number and manually prepares a deposit ticket to be mailed to the lockbox bank for processing.

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(7) If a licensee prefers to use a payment form other than a check, the licensee must contact the MRC representative for instructions, and the MRC must provide the licensee with the appropriate information regarding the use of ACH debits/credits and electronic funds transfers (wire transfers).

(8) Returned checks and ACH debits are the responsibility of the Postal Service. In the case of a returned check, the Postal Service lockbox bank, after an automatic second presentment, advises the MRC of the account in question so that the MRC data file can be locked. The MRC must lock the licensee account immediately so that the licensee is unable to reset the meter until the Postal Service receives

payment in full for the check returned. The lockbox bank provides collection services for returned checks on behalf of the Postal Service. The Postal Service lockbox bank notifies the MRC once this item is paid. The MRC then releases the account for activity.

(f) *Refunds.* The Postal Service issues a refund to a licensee for any unused postage in a meter. Refunds of licensee balances maintained by the Postal Service in the Postal Service fund are intended to be made directly to the licensee by the lockbox bank within 48 hours after receipt of a licensee’s request.

(g) *Reports.* The manufacturer must provide reports according to the following schedule:

Report description	Content	Frequency	Medium
MRC CMRS Daily Activity Report Revenue Allocation Report .....	Summary of Business Activity .... ZIP Code of Licensing Post Office; Amount of Resettings.	Daily ..... Postal Accounting Period .....	Paper (facsimile). Electronic.
Postage Refunds Report .....	Customer ID; ZIP Code; Amount of Refund.	Daily (by request only) .....	Paper.
Funds Advanced Report .....	Customer ID; ZIP Code; Amount of Funds Advanced.	Daily (by request only) .....	Paper.

(h) *Inspection of records and facilities.* The manufacturer must make its facilities that handle the operation of the computerized resetting system and all records about the operation of the system available for inspection by representatives of the Postal Service at all reasonable times.

[60 FR 30726, June 9, 1995. Redesignated at 66 FR 55097, Nov. 1, 2001]

**§ 501.30 Licensee information.**

(a) As stated in §501.22(b) manufacturers must transmit electronically, copies of completed PS Forms 3601–A, Application for a License to Lease and Use Postage meters, to the designated Postal Service central data processing facility.

(b) The Postal Service may use applicant information in the administration of postage meter and metered mail activities, and to communicate with customers who may no longer be visiting a traditional USPS retail outlet. The Postal Service will also use applicant information to communicate with USPS customers through any new re-

tail channels, and for the following purposes:

(1) Issuance (including re-licensing, renewal, transfer, revocation or denial, as applicable) of a meter license to a postal patron that uses a postage meter, and communications with respect to the status of such license.

(2) Disclosure to a meter manufacturer of the identity of any meter required to be removed from service by that meter manufacturer, and any related licensee data, as the result of revocation of a meter license, questioned accurate registration of that meter, or de-certification by the Postal Service of any particular class or model of postage meter.

(3) Use for the purpose of tracking the movement of meters between a meter manufacturer and its customers and communications to a meter manufacturer (but not to any third party other than the applicant/licensee) concerning such movement. The term “meter manufacturer” includes a meter manufacturer’s dealers and agents.

(4) To transmit general information to all meter customers concerning rate