

as addressed, including mail marked "no such post office" and mail addressed for local delivery and returned after directory service was given or delivery was attempted.

3.4 Rounding

Any fraction of a cent in the total to be refunded is rounded down to the whole cent (e.g., \$4.187 is rounded to \$4.18).

4.0 REFUND REQUEST FOR EXCESS POSTAGE (VALUE ADDED REFUND)—AT TIME OF MAILING

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4.10 Form 8096 Required

The presenter must provide the USPS with an original Form 8096 completed and signed by each of the presenter's customers who meter any pieces in the mailing for which a VAR is requested, and a list of those customers. If postage is affixed to the pieces using a postage evidencing system by an intermediate agent (not the presenter of the mailing) for the owner of the pieces, a signed Form 8096 must be on file from the agent whose postage evidencing systems were used to affix the postage. Refund requests are denied if all required Forms 8096 are not provided.

4.11 Form 8096 Not Required

Form 8096 is not required for a customer whose mail is metered by the presenter with the presenter's own postage evidencing system. In such cases, the presenter must provide the post office where it submits refund requests with a list, in ascending numeric order, of its own postage evidencing system serial numbers and those of any intermediate agent used for affixing postage to the pieces included in the mailing.

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An appropriate amendment to 30 CFR part 111 to reflect these changes will be published if the proposal is adopted.

Stanley F. Mires,
Chief Counsel, Legislative.

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POSTAL SERVICE

39 CFR Part 111

Production, Distribution, and Use of Postage Meters (Postage Evidencing Systems) and Postal Security Devices

AGENCY: Postal Service.

ACTION: Proposed rule.

SUMMARY: The Postal Service is proposing to revise Domestic Mail Manual (DMM) P030 to include policies and regulations pertaining to more secure postage evidencing systems, such as those that use a Postal Security Device (PSD), those that generate information-based indicia (IBI), and PC Postage (TM). The term "postage evidencing systems" is the collective term used when referring to these systems.

This proposed rule replaces current DMM P030, Postage Meters and Meter Stamps, and the proposed DMM P050, Information-Based Indicia, that was published for public comment in the October 2, 2000, **Federal Register** (65 FR 58682). That **Federal Register** notice proposed the addition of a new section to the DMM for systems that generate IBI and included regulations pertaining to PSDs and PC Postage. In developing the current proposal the Postal Service considered the public comments received in response to the October 2 notice, advances in postage evidencing system technology and security, and the experience we gained by testing and implementing the first postage evidencing systems to generate information-based indicia (IBI).

The Postal Service is issuing this proposal for public comment. We will revise the proposed policies and regulations, if required, and publish a final rule. Since all comments will be made available for public inspection, any marked "proprietary" or "confidential" will be returned to the sender without consideration.

The Postal Service will publish proposed revisions to Title 39, Code of Federal Regulations (CFR) part 501, *Authorization to Manufacture and Distribute Postage Meters*, to include policies and regulations pertaining to more secure postage evidencing systems, such as those that use a PSD, those that generate IBI, and PC Postage, in a future issue of the **Federal Register**.

DATES: The Postal Service must receive your comments on or before September 14, 2001. No extensions on the comment period will be granted.

ADDRESSES: Mail or deliver written comments to the Manager, Postage Technology Management, 1735 N Lynn Street, Room 5011, Arlington, VA 22209-6050. You can view and copy all written comments at the same address between 9 a.m. and 4 p.m., Monday through Friday.

FOR FURTHER INFORMATION CONTACT: James Luff, 703-292-3693.

SUPPLEMENTARY INFORMATION: Proposed DMM P030 extends the regulations for postage meters to all secure postage

evidencing systems. "Postage evidencing systems" is an umbrella term that includes traditional postage meters, PSD Meters, IBI Meters, and PC Postage systems, as defined in P030.1.0. Unless otherwise noted, the regulations apply to all postage evidencing systems. Exceptions were made where necessary to distinguish the policies and regulations that apply to the newer postage evidencing systems, such as PC Postage. We added new topics and reorganized the text to enable users to find information more easily. The Postal Service will continue to refer to the mail produced by postage evidencing systems as "metered mail." The payment forms given in current P030 for traditional remote reset meters (electronic funds transfer and checks) are extended to PSD Meters and IBI Meters. PC Postage systems will be limited to the payment forms proposed in the **Federal Register** notice of October 2, 2000, namely credit cards and automated clearing house (ACH) debit. The Postal Service will separately publish revisions to P014, Refunds and Exchanges, to incorporate the changes made to P030.

The following is a summary of the major changes made in this proposal in comparison with current P030, Postage Meters and Meter Stamps, and the proposed P050, Information-Based Indicia, as published October 2, 2000.

1. The regulations define the basic characteristics of all secure postage evidencing systems and identify the distinguishing features of the different system types.

2. Indicia generated by any USPS-approved secure postage evidencing system may be used on all classes of mail except Periodicals. Such mail is called "metered mail" and is entitled to all privileges and subject to all conditions applying to the various classes of mail.

3. We revised the regulations throughout to reflect the reduced role of the licensing post office in license applications, postage evidencing system check in and check out, and postage evidencing system resetting. These customer transactions shift from the licensing post office to the provider.

4. We are retiring manually reset meters. Such a meter may be installed only as replacement for an existing manually reset meter of the same type to fulfill the remaining lease or rental period. We no longer allow alternative meter resetting locations for manually reset meters.

5. We replaced the section in DMM 56 on meter setting with four separate sections, one for each distinct set of

financial transactions and procedures, depending on system type.

6. A license may be cancelled if there is no postage evidencing system applied to it for 30 days or more.

7. Postage evidencing systems returned to the provider can be shipped via Priority Mail.

8. We extended from every 6 months to every 12 months the time between required submissions for envelopes that must be submitted for quality assurance evaluation for certain PC Postage systems.

9. We now use the term "fraud warning" for the cautionary labels on postage evidencing systems that contain basic reminders on use of the system, warn against system tampering or misuse, and note penalties.

10. Physical inspections by the provider and examinations by the licensing post office have been extended from every 6 months to every 12 months for postage evidencing systems used outside the country.

11. Procedures for the refund of unused postage value remaining in a postage evidencing system checked out of service are included for each type of system.

12. We added a new regulation that different forms of postage may not be mixed on a mailpiece since stamps, indicia printed with fluorescent ink or on labels with fluorescence, and indicia that include a facing identification mark (FIM) are each treated differently in facing and cancellation.

13. The detailed requirements for tagging labels with fluorescence that were included in P050 as published in the **Federal Register** October 2, 2000, were replaced by a requirement that the fluorescent tagging on the label be sufficient to face and process the mail.

14. There is now an option to identify the licensing post office in the indicia using only the 5-digit ZIP Code.

15. The revised regulations for date accuracy allow customers the same options whether the metered mail is submitted at the retail window or deposited in a collection box.

16. We no longer limit deposit of single-piece-rate mail outside the area served by the licensing post office to a "handful" of mail.

Notice and Comment

Although exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 553(b), (c)) regarding proposed rulemaking by 39 U.S.C. 410(a), the Postal Service invites public comments on the following proposed amendments to the Domestic Mail Manual, incorporated by reference in the Code of

Federal Regulations. See 39 CFR part 111.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

For reasons stated in the preamble, the Postal Service proposes to amend 39 CFR part 111 as follows:

PART 111—[AMENDED]

1. The authority citation for 39 CFR part 111 continues to read as follows:

Authority: 5 U.S.C. 552(a); 39 U.S.C. 101, 401, 403, 404, 3001–3011, 3201–3219, 3403–3406, 3621, 3626, 5001.

2. Revise the Domestic Mail Manual (DMM) as follows:

P Postage and Payment Methods

P000 Basic Information

* * * * *

[Revise the title and text of P030 as follows:]

P030 Postage Meters (Postage Evidencing Systems)

Summary: P030 describes the use and regulations for postage meters (postage evidencing systems) to prepare metered mail.

1.0 BASIC INFORMATION

1.1 Definition

Postage evidencing systems are secure postage metering systems that generate indicia imprinted on or affixed to a mailpiece to evidence prepayment of postage. The USPS regulates these systems and their use to protect postal revenue. Only USPS-authorized manufacturers or product service providers ("providers") may design, produce, and distribute the systems. Misuse of a postage evidencing system to avoid payment of postage is punishable by law. The major components of a postage evidencing system are:

a. Funds registers and accounting functions to store and maintain postal financial data. Two funds registers are required:

(1) The descending register that records the postage value remaining in the postage evidencing system.

(2) The ascending register that increases as postage is printed. This register records the total value of all postage printed during the life of the postage evidencing system unless it is reset to zero by the provider during servicing between customers or if it reaches its maximum limit.

b. Indicia generated by the system to show evidence of postage prepayment on the mailpiece.

c. USPS and provider infrastructure to support user licensing and customer information, ensure proper payment for postage, set and reset the system with postage value, and provide for inventory management. Provider and USPS interface to accomplish these functions.

1.2 Types

Generation 1 postage evidencing systems use industry-standard electronic components for managing the registers and accounting for postal funds. Generation 2 postage evidencing systems use a USPS-approved electronic component called a "Postal Security Device" ("PSD") for managing the registers and accounting for postal funds. All PSDs must meet USPS performance criteria and must have a self-disabling feature that prohibits the printing of postage when specific programmed requirements are not met. For all Generation 2 postage evidencing systems the provider and USPS infrastructure must interface to support licensing and customer information, ensure proper payment for postage, and provide for inventory management. The systems are categorized as follows:

a. Traditional postage meter—a Generation 1 postage evidencing system:

(1) The industry-standard electronic components used for managing registers and accounting for postal funds may or may not include a self-disabling feature that prohibits the printing of postage when specific programmed requirements are not met.

(2) Indicia are printed either by a letterpress or digital printing process. Letterpress indicia are generated by the impact of a hard, inked printing die on the print surface. Digital indicia are generated electronically and produced on the print surface by a nonimpact technology, such as an ink jet, thermal, or laser printing process.

(3) The provider and USPS infrastructure systems for all Generation 1 postage evidencing systems interface to support licensing and customer information and to provide for inventory management. Generation 1 postage meters can be either manually reset (the meter must be physically taken to the USPS for resetting) or remotely reset. Remotely reset meters are replacing manually reset meters in accordance with a phased USPS retirement plan. The USPS infrastructure currently supports payment for postage for all Generation 1 postage evidencing systems, both manually reset and remotely reset. The provider infrastructure supports payment for postage for remotely reset meters but does not support payment for postage for manually reset meters.

b. PSD Meter—a Generation 2 postage evidencing system:

(1) A PSD Meter must use a USPS-approved PSD.

(2) The indicia generated by a PSD Meter must be digital indicia approved by the USPS.

(3) A PSD Meter must be reset using an electronic connection between the provider's postage resetting system and the postal registers in the PSD.

c. Information-Based Indicia (IBI) Meter—a Generation 2 postage evidencing system:

(1) An IBI Meter must use a USPS-approved PSD.

(2) An IBI Meter must generate information-based indicia (IBI). IBI are digital indicia that include human-readable information and a USPS-approved two-dimensional barcode or other USPS-approved symbology, with a digital signature and other required data fields.

(3) An IBI Meter must be reset with an electronic connection between the provider's postage resetting system and the postal registers in the PSD.

d. PC Postage (TM) system—a Generation 2 postage evidencing system:

(1) A PC Postage system must use a USPS-approved electronic PSD.

(2) The indicia generated by a PC Postage system must be IBI.

(3) A PC Postage system must be reset with postage value using a personal computer to establish an electronic connection between the provider's postage resetting system and the postal registers in the PSD. The user must employ a personal computer to access critical infrastructure functions.

1.3 Authorized Providers

Postage evidencing systems are available only from authorized providers. All postage evidencing systems and PSDs remain the property of the USPS-authorized provider and are available only through a lease or rental agreement with the provider or its authorized agent. The USPS holds providers responsible for the control, secure operation, distribution, maintenance, inspection where required, and replacement of postage evidencing systems and PSDs throughout their entire life cycle. The provider is also responsible for the secure disposal or destruction of postage evidencing systems and PSDs at the end of their useful life. The following providers are authorized:

Ascom Hasler Mailing Systems Inc, 19 Forest Pkwy, Shelton Ct 06484-6140, 800-243-6275, www.ascom-usa.com
 Francotyp-Postalia Inc, 140 N Mitchell Ct Ste 200, Addison IL 60101-5629, 800-341-6052, www.fp-usa.com

Neopost 30955 Huntwood Ave, Hayward Ca 94544-7084, 800-624-7892, www.neopostinc.com

Neopost Online, 3400 Bridge Pkwy Ste 201, Redwood City Ca 94065-1168, www.neopostonline.com

Pitney Bowes Inc, 1 Elmcroft Rd Stamford Ct 06926-0700, 800-322-8000, www.pitneybowes.com

Psi Systems Envelope Manager Software, 247 High St, Palo Alto Ca 94301-1041, 800-576-3279 x140, www.envmgr.com

Stamps.Com, 3420 Ocean Park Blvd Ste 1040, Santa Monica Ca 90405-3035 www.stamps.com

1.4 Licensee

The licensee of a postage evidencing system is the person or entity authorized by the USPS to lease and use a system. The licensee cannot own a postage evidencing system or PSD and may possess a postage evidencing system only under a valid lease or rental agreement with an approved provider or its agent. The licensee is responsible for the control, maintenance, and use of the postage evidencing system in accordance with USPS regulations.

1.5 Possession of a Postage Evidencing System

No person or entity other than an authorized provider, its authorized agent, the USPS, or a licensee may have a postage evidencing system or PSD in their possession. Any other person or entity in possession of a postage evidencing system or PSD must immediately surrender it to the provider or to the USPS.

1.6 Use of a Postage Evidencing System

No person or entity other than an authorized provider may use a postage evidencing system until the provider initializes the system or, where applicable, the USPS sets and seals the system, performs the required validations, and checks the system into service. Once the postage evidencing system is properly in service, it may be used by the licensee or others authorized by the licensee. The licensee is responsible for control and use of the system.

1.7 Classes of Mail

Postage may be paid by imprinting or affixing indicia generated by a USPS-approved postage evidencing system on any class of mail except Periodicals. Such mail is called "metered mail" and is entitled to all privileges and subject to all conditions applying to the various classes of mail.

2.0 LICENSING

2.1 Procedures

To possess and use a postage evidencing system, the user must register with the USPS and be granted a license. A single license allows the licensee to use multiple postage evidencing systems for metered mail deposited in the licensing post office in accordance with 11.0. A postage evidencing system can be licensed to only one post office. The user must submit a separate registration, be granted a separate license authorization, and have a separate postage evidencing system for each licensing post office where the user intends to deposit mail. The procedures are as follows:

a. The applicant submits to the provider all data required for the license, including the ZIP Code of the licensing post office where the user intends to deposit the metered mail.

b. The provider submits the required information to the USPS electronically.

c. The USPS notifies the provider after granting the license.

d. The USPS can cancel the licensee's authorization to lease and use postage evidencing systems if an active system is not associated with the license for 30 days or more. The customer must reregister for a license to resume the use of a postage evidencing system.

2.2 Licensee's Agreement

By registering for a USPS license to rent or lease and use a postage evidencing system, the applicant agrees that the license may be revoked immediately and the provider notified by the USPS to withdraw the postage evidencing system from service for the following reasons:

a. The postage evidencing system is used in any fraudulent or unlawful scheme or enterprise.

b. The postage evidencing system is not used for 12 consecutive months.

c. The licensee fails to exercise sufficient control of the postage evidencing system or PSD or fails to comply with the regulations for its care or use.

d. The postage evidencing system or PSD is taken or used outside the United States, its territories or possessions, except as specifically authorized under these regulations by the manager of Postage Technology Management, USPS Headquarters.

e. Mail is deposited at other than the licensing post office (except as permitted under 11.0 or D072).

2.3 Refusal to License a User

The USPS notifies both the applicant and the provider in writing when

authorization for a license is refused. Any applicant refused authorization may appeal the decision under 2.5. The USPS may refuse authorization for a license for the following reasons:

- a. The applicant submitted false information on the license application.
- b. The applicant violated any regulation regarding the care or use of a PSD, postage evidencing system, or the indicia generated by a system that resulted in the revocation of the applicant's postage meter or postage evidencing system license within 5 years before the date the applicant submits the application.
- c. There is sufficient reason to believe that the applicant will use the postage evidencing system or PSD in violation of USPS regulations.

2.4 Revocation of a License

The USPS can revoke the user's license when the user does not fulfill the responsibilities for the care and use of a PSD, postage evidencing system, or the indicia generated by a system. The USPS notifies the licensee's provider(s) of the revocation so that the provider(s) can notify the licensee, cancel the lease or rental agreement(s), and withdraw all postage evidencing systems from service. The notification is sent by certified mail. Revocation takes effect 10 calendar days after the licensee receives the revocation notice unless, within that time, the licensee appeals the decision under 2.5. A license is subject to revocation if it is used for any illegal scheme or enterprise, or there is probable cause to believe that it is to be used in violation of USPS regulations.

2.5 Appeal Process

An applicant who is refused a license, or a licensee whose license is revoked, may file a written appeal with the manager of Postage Technology Management, USPS Headquarters (see

G043), within 10 calendar days after receiving notification of the decision.

3.0 LICENSED USER'S RESPONSIBILITIES

3.1 Signed Lease or Rental Agreement With Financial Agreement for Resetting

The licensee must enter into a signed lease or rental agreement with the provider that includes provisions for resetting the postage evidencing system with postage and a Postage Payment Agreement under which the licensee agrees to make payment for postage using a payment method approved by the USPS. The USPS is not a party to the lease or rental agreement but use of a postage evidencing system is subject to the regulations of the USPS and the terms and conditions of the Postage Payment Agreement.

3.2 Custody

A postage evidencing system or PSD that is in the possession or custody of a licensee must remain in that user's custody until it is returned to the authorized provider or to the USPS, or is seized by the U.S. Postal Inspection Service for violation of Federal law.

3.3 Update Licensee Information

The licensee must update required license registration information with the provider whenever there is any change in the licensee's name, address, telephone number, licensing post office, location of the postage evidencing system, or PSD. The USPS will update the license information based on the receipt of updated information submitted by the provider.

3.4 Relocation of Licensee

When a licensee notifies the provider of a change of the licensing post office in accordance with 3.3, the provider will perform the appropriate accounting functions to withdraw the postage

evidencing system from service at the original licensing post office and install it and reauthorize it for use at the new licensing post office, or issue another postage evidencing system for use at the new location.

3.5 Required Resetting

All postage evidencing systems must be reset at least once every 3 months. A zero value reset will meet this requirement.

3.6 Transaction Files

Some postage evidencing systems generate records of transactions relating to indicia creation, funds transfer (including postage value downloads), and system or PSD audits. For postage evidencing systems that do not maintain automated transaction records, licensees are encouraged to maintain their own records of the readings of the ascending and descending registers for each day of operation. Transaction records are important in the validation of requests for refunds in the case of system malfunction.

3.7 Inspection and Examination

The licensee must, upon request, make immediately available for examination and audit by the provider or by the USPS any postage evidencing system or PSD in the licensee's possession and any corresponding transaction records. The USPS can perform physical or remote examination of any postage evidencing system or PSD. The licensee must meet the requirements for provider inspections and USPS examinations. Postage evidencing systems located within the United States are inspected in accordance with the Postage Evidencing Systems Inspection and Examination Schedule below. For postage evidencing systems located outside the country, see 3.15.

POSTAGE EVIDENCING SYSTEMS INSPECTION AND EXAMINATION SCHEDULE

Security level	Postage evidencing system	Provider inspection	USPS examination requirements
1	Manually reset postage meter	Every 6 months	Must bring to post office for examination when not reset within 3 months. Examinations in special circumstances.
2	Remote reset postage meter with letterpress or digital indicia, but without self-disabling feature.	Annually or every 6 months when there is no setting activity in 6 months.	
3	Remote reset meter with letterpress indicia and self-disabling feature.	Every 2 years or every 6 months when there is no setting activity in 6 months.	Examinations in special circumstances.
4	Remote reset postage meter with digital indicia and self-disabling feature.	Every 2 years or enhanced inspection process when approved by USPS.	Examinations in special circumstances.
5	PSD Meter, IBI Meter, or a PC Postage system.	Inspections in special circumstances	Examinations in special circumstances.

3.8 Quality Assurance

Some PC Postage systems print indicia with a printer that may also be used for nonpostal applications. Users of such systems must forward a mailpiece bearing an indicium produced by the postage evidencing system and associated printer to the provider for quality assurance evaluation. The licensee must forward a quality assurance mailpiece to the provider when the system is installed, when there is a change to the printer connected to the system, and at least once every 12 months thereafter, in accordance with provider directions.

3.9 Labels With Fraud Warning and Serial Number

The licensee must ensure that the fraud warning label placed by the provider on the postage evidencing system or its housing is not removed or destroyed while the postage evidencing system is in the licensee's possession. The fraud warning contains basic reminders on leasing or rental and use of the postage evidencing system, warnings against system tampering or misuse resulting in nonpayment of postage owed, and the penalties for such system misuse. The USPS does not authorize postage evidencing systems for use without this fraud warning. When the postage evidencing system has a serial number or barcode equivalent on the system housing, the user must ensure that neither the serial number nor the barcode is removed or destroyed while the postage evidencing system is in the licensee's possession.

3.10 Custody of Suspect Postage Evidencing Systems or PSDs

The USPS may conduct unannounced, on-site examinations of postage evidencing systems or PSDs reasonably suspected of being manipulated or defective. A postal inspector may immediately withdraw a suspect postage evidencing system or PSD from service for physical and/or laboratory examination. The inspector withdrawing a suspect postage evidencing system or PSD issues the licensee a written acknowledgement of receipt of the item; forwards a copy to the provider; and, if appropriate, assists in obtaining a replacement postage evidencing system or PSD. Unless there is reason to believe that the postage evidencing system or PSD is fraudulently set with postage, existing postage in the postage evidencing system or PSD is refunded to the licensee, in accordance with established refund procedures, when it is withdrawn from service.

3.11 Defective Postage Evidencing System or PSD

A defective postage evidencing system is one that is inoperable or inaccurately reflects its proper status. A faulty postage evidencing system or PSD may not be used under any circumstance. The procedures for dealing with a defective system are as follows:

- a. The licensee must immediately report any defective postage evidencing system or PSD to the provider.
- b. The provider must retrieve any defective postage evidencing system or PSD within 3 business days of notification by the licensee.

- c. The provider may supply the licensee with a replacement postage evidencing system unless there is a reasonable basis for suspecting actual or attempted tampering.

- d. The provider may not authorize or issue a refund for monies remaining on the faulty postage evidencing system until the faulty system is in the possession of the provider and has been carefully inspected.

3.12 Missing Postage Evidencing Systems or PSDs

The licensee must immediately report to the provider the loss or theft of any postage evidencing system or PSD or the recovery of any missing postage evidencing system or PSD. The report must include the system identification number and the date, location, and details of the loss, theft, or recovery. In the case of suspected theft, the licensee must submit a copy of the police report to the provider upon request. The provider will report all details of the incident to the manager of Postage Technology Management, USPS Headquarters, in accordance with established procedures.

3.13 Returning a Postage Evidencing System or PSD

A licensee in possession of a faulty, misregistering, retired, or withdrawn postage evidencing system or PSD, or a licensed user who no longer plans to keep a postage evidencing system or PSD in their possession for any reason, must return it within 3 business days to the provider to be withdrawn from service. Postage evidencing systems and PSDs must be shipped by Priority Mail unless the manager of Postage Technology Management, USPS Headquarters, gives written permission to ship at another rate or special service.

3.14 Approval for Use of Postage Evidencing Systems at Military Post Offices

A person authorized by the Department of Defense to use the services of an overseas military post office, such as an APO or FPO, can use a USPS-approved postage evidencing system. For such users, the APO or FPO will be designated as the licensing post office on their user license. These users must deposit the mail prepared with their system at the licensing post office. All USPS policies and regulations regarding postage evidencing systems apply.

3.15 Approval for Use of Postage Evidencing Systems Outside the United States

With written approval from the manager of Postage Technology Management, USPS Headquarters (see G043), licensees may use postage evidencing systems outside the customs territory of the United States to print evidence of U.S. postage. Any exceptions must be specifically approved in writing by the manager of Postage Technology Management, USPS Headquarters. The procedures and conditions are as follows:

- a. Licensees must maintain a permanent, established business address in the United States.

- b. Postage evidencing systems used in foreign locations may be leased only from those providers who have an authorized dealer or representative in the country where the postage evidencing system is to be located. The only exception is for those PC Postage systems for which the PSD remains in the custody and possession of the provider rather than the licensee.

- c. Licensees are subject to all USPS regulations and U.S. statutes pertaining to mail, mail fraud, and misuse of postage evidencing systems.

- d. All postage evidencing systems authorized by the USPS for use in foreign locations must have enhanced security features that include remote reset, a self-disabling feature that prevents printing of postage when specific programmed requirements are not met, and digital indicia. Only those systems specifically approved in writing by the manager of Postage Technology Management, USPS Headquarters, may be used outside the customs territory of the United States.

- e. Potential users must submit all data required for a license to lease and use postage evidencing systems to the provider. The provider will annotate the registration to state that it is for the foreign use of a U.S. postage evidencing

system and show where the system is to be located. The provider must submit the registration to the manager of Postage Technology Management, USPS Headquarters, for review and approval. Once a registration is approved and the license authorized, Postage Technology Management will designate the licensing post office and notify the provider and the licensee. A foreign license can be used for multiple postage evidencing systems as long as they all belong to the same licensed user and are licensed at the same licensing post office. Mailers who currently have a USPS license to lease and use postage evidencing systems must apply for a separate foreign license to participate in this program.

f. The provider selected by the licensee must agree in writing to all terms and conditions established by the USPS pertaining to the distribution of U.S. postage evidencing systems outside of the United States. Once the postage evidencing system is installed, the provider must provide the information on system placement directly to the manager of Postage Technology Management, USPS Headquarters.

g. Mail to be metered must be metered with U.S. postage and must be entered at the licensing post office.

h. Postage evidencing systems located outside the United States must be remotely reset at least once every 3 months. A reset for zero postage satisfies this requirement. In addition, the provider must physically inspect all postage evidencing systems located outside the United States every 6 months, unless the system is security level 4 or higher on the Postage Evidencing Systems Inspection and Examination Schedule (3.7). The provider must physically inspect systems that are security level 4 or higher every 12 months. Failure to make the postage evidencing system available for inspection may result in the revocation of the foreign use license.

i. Postage evidencing systems must be physically brought to the licensing post office for examination once every 12 months on a day and time set by the licensing post office. The licensing post office has the option of calling for more frequent examinations. The provider will notify the user of the post office to which the system must be brought for inspection. Failure to present the postage evidencing system at the appointed time and place may result in the revocation of the foreign use license.

3.16 Address Management System CD-ROM

For postage evidencing systems designed to access the USPS Address

Management System (AMS) CD-ROM, the licensed user must maintain address quality by ensuring the CD-ROM is updated at least once every 6 months.

4.0 MANUALLY RESET POSTAGE METERS

4.1 Initial Setting, Check In, and Installation

A manually reset meter may be installed only as a replacement to complete the current lease term for an existing meter of the same make and model. Before delivering a manually reset postage meter to the licensee, the provider must present the meter and a completed PS Form 3601-C, Postage Meter Activity Report, to the licensing post office to have the meter 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 service program described in 4.5. The installation process for manually reset meters is completed when the data from PS Form 3601-C is transmitted to the appropriate postal information systems.

4.2 Check Out and Withdrawal

When a manually reset meter is withdrawn from a user, the provider must present the meter and a completed PS Form 3601-C to the licensing post office to have the meter checked out of service by the post office where it was regularly set or examined, unless the meter was serviced through the on-site meter service program described in 4.5. The withdrawal process for manually reset meters is completed when the data from PS Form 3601-C is transmitted to the appropriate postal information systems.

4.3 Location of Setting

Except under 4.5, a manually reset meter must be set at the licensing post office. Alternative meter setting locations are no longer allowed. A meter may not be set at a contract postal unit.

4.4 Payment for Postage Settings

Payment must be made for postage at the time of resetting. Payment may be in cash or by check, USPS-approved debit card, or money order. Payment is subject to USPS standards and procedures.

4.5 On-Site Meter Service Program

The on-site meter service program, where available, allows qualified USPS employees to set or examine manually reset meters and check them into or out of service at a licensee's place of business within the area served by the licensing post office, or at a provider's

branch office. Only the licensee's meters participating in the on-site meter service program may be serviced at that location. A fee is charged for each meter set, examined, or checked into or out of service at a licensee's place of business, unless a USPS employee qualified to service meters is regularly assigned to that licensee's location for other postal administrative duties. The licensee must pay applicable postage and on-site meter service fees in R900 by check at the time of the meter service for manually reset meters. A fee is charged for each meter examined or checked into or out of service at a provider's facility. The provider must pay applicable postage and on-site meter service fees in R900 by check at the time of the meter service. Fees are charged in accordance with R900.14.

4.6 Postage Transfer or Refund

After USPS verification, unused postage in a manually reset meter 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. Refunds are granted in accordance with P014.

4.7 Postage Adjustment for a Faulty Meter

To request a postage adjustment for a faulty or misregistering manually reset meter, the licensee must present to the provider the meter and the licensee's transaction records, if any. After examining a meter to be checked out of service for apparent faulty operation affecting registration, the provider must notify the USPS with a report of the malfunction. The report must contain all applicable meter documentation (including the setting history and transaction records, if any) and a recommendation about the appropriate postage adjustment, if any. When the electronic redundant memory data, as examined by the provider, is inconclusive with respect to the appropriate postage adjustment, the provider must include an analysis of the licensee's recent mailing history supporting the recommended postage adjustment. At the same time the report is made to the USPS, the provider must notify the licensee of the proposed postage adjustment. A licensee may appeal a postage adjustment to the manager of Postage Technology Management, USPS Headquarters (see G043), within 60 calendar days of the date that the provider submitted the postage adjustment recommendation to the USPS and notified the user.

5.0 REMOTE RESET GENERATION 1 POSTAGE METERS

5.1 Initial Setting, Check in, and Installation

A remote reset Generation 1 postage meter is checked into service in the presence of a postal employee qualified to check in postage evidencing systems. The provider must furnish the postal employee with the meter and a completed PS Form 3601-C. The check in process for a remote reset Generation 1 postage meter is completed when the required data is transmitted to the appropriate postal information systems, and may be completed concurrently with or prior to installation of the meter at the licensee's location. The manager of Postage Technology Management, USPS Headquarters, may allow the provider to check in a specifically designated meter model without USPS participation when the provider uses a USPS-approved process in which the information to complete the check in process is captured directly from the postage evidencing system. The installation process for these meters is completed when the provider transmits required data to the appropriate postal information systems.

5.2 Check Out and Withdrawal

A remote reset Generation 1 postage meter is checked out of service in the presence of a postal employee qualified to check out postage evidencing systems. The provider must furnish the postal employee with the meter and a completed PS Form 3601-C. The check out process for a remote reset Generation 1 postage meter is completed when the required data is transmitted to the appropriate postal information systems. The manager of Postage Technology Management, USPS Headquarters, may allow the provider to check out a specifically designated meter model from service without USPS participation when the provider uses a USPS-approved process in which the information to complete the check out process is captured directly from the postage evidencing system. In this instance, the provider must examine the meter before a refund can be issued for the postage remaining in the meter. The withdrawal process for remote reset meters is completed when the provider transmits required data to the appropriate postal information systems.

5.3 Location of Setting

A remote reset Generation 1 postage meter is reset electronically at the location of the meter.

5.4 Payment for Postage Settings

For a remote reset Generation 1 postage meter the licensee may deposit funds only by check, electronic funds, or automated clearing house transfer, in accordance with USPS standards and procedures.

5.5 Resetting

To reset a remote reset Generation 1 postage meter, the following conditions must be met:

- a. The licensee's account must have sufficient funds to cover the desired postage increment, or the provider must have agreed to advance funds to the licensee.
- b. The licensee must give the provider identifying information and system audit data as required by the USPS and in accordance with the provider's resetting specifications. Before completing the resetting, the provider must verify the identifying data, authenticate the user's license, conduct the postage evidencing system audit, and ascertain whether the user's account contains sufficient funds to cover the desired postage increment.
- c. After the resetting transaction is completed, the provider must document the transaction for the licensee, including the balance remaining in the licensee's account, unless the provider gives the user a monthly statement documenting all transactions for the period and the balance after each transaction.

5.6 On-Site Meter Service Program

The on-site meter service program, where available, allows qualified USPS employees to check remote reset Generation 1 meters into or out of service at the provider's branch offices. Meters to be serviced are accompanied by PS Form 3601-C. A fee is charged for each meter examined or checked into or out of service at a provider's facility. The provider must pay applicable postage and on-site meter service fees in R900 by check at the time of the meter service for remote reset Generation 1 meters. Fees are charged in accordance with R900.14.

5.7 Postage Transfer or Refund

After USPS verification, unused postage in a remote reset Generation 1 postage meter checked out of service may be transferred by the USPS to another of the licensee's postage evidencing systems licensed at the same post office, or the licensee may request a refund. Refunds for unused postage in the meter and for any unused balance in the licensee's account are granted in accordance with P014.

5.8 Postage Adjustment for Faulty Meters

To request a postage adjustment for a faulty or misregistering remote reset Generation 1 postage meter, the licensee must present to the provider the meter and the licensee's transaction records, if any. After examining a meter checked out of service for apparent faulty operation affecting registration, the provider must notify the USPS with a report of the malfunction. The report must contain all applicable meter documentation and a recommendation regarding the appropriate postage adjustment, if any. When the electronic redundant memory data, as examined by the provider, is inconclusive as to the need for a postage adjustment, the provider must include an analysis of the licensee's recent mailing history supporting the recommended postage adjustment. At the same time the report is made to the USPS, the provider must notify the licensee of the proposed postage adjustment. A licensee may appeal a postage adjustment to the manager of Postage Technology Management, USPS Headquarters (see G043), within 60 calendar days of the date that the provider submitted the postage adjustment recommendation to the USPS and notified the user.

6.0 PSD METERS AND IBI METERS

6.1 Initialization, Authorization, and Installation

All PSD Meters and IBI Meters use a PSD to maintain postal registers and authorize the printing of evidence of postage. Before the licensee can print evidence of postage, these postage evidencing systems must be initialized and authorized by the provider. The initialization process installs PSD-specific information that does not change over the life cycle of the PSD. The authorization process sets user-specific information. The provider reauthorizes the PSD when certain user-specific information changes. PSD Meters and IBI Meters are checked into service by the provider. The check in process is automated. The information necessary to complete the check in process is captured directly from the postage evidencing system. The installation process for these meters is completed when the required data is transmitted to the appropriate postal information systems.

6.2 Check Out and Withdrawal

When a PSD Meter or IBI Meter is no longer used, the licensee notifies the provider and arranges to return the meter to the provider. The provider checks the meter out of service. The

provider must examine the meter before a refund can be issued for any postage remaining on the meter. The check out process is automated. The information to complete the check out process is captured directly from the postage evidencing system. The withdrawal process for a PSD Meter or IBI Meter is completed when the required data is transmitted to the appropriate postal information systems.

6.3 Location of Setting

A PSD Meter or IBI Meter is reset remotely at the location of the meter by means of a connection between the provider's resetting system and the postal registers in the PSD.

6.4 Payment for Postage Settings

For PSD Meters and IBI Meters the licensee may deposit funds only by check, electronic funds transfer, or automated clearing house transfer, in accordance with USPS standards and procedures.

6.5 Resetting

To reset a PSD Meter or IBI Meter the following conditions must be met:

a. The licensee's account must have sufficient funds to cover the desired postage increment, or the provider must have agreed to advance funds to the licensee.

b. The licensee must provide identifying information and system audit data as required by the USPS and in accordance with the provider's resetting specifications. Before completing the resetting, the provider must verify the identifying data, authenticate the user's license, conduct a remote postage evidencing system audit, and ascertain whether the user's account contains sufficient funds to cover the desired postage increment.

c. After the resetting transaction is completed, the provider must document the transaction for the licensee, including the balance remaining in the licensee's account, unless the provider gives the user a monthly statement documenting all transactions for the period and the balance after each transaction.

6.6 Postage Refund

Unused postage in a PSD Meter or IBI Meter will be refunded to the licensed user along with any unused balance in their account under P014.

6.7 Postage Adjustment for Faulty or Misregistering PSD Meters and IBI Meters

When the licensee requests a postage adjustment for a faulty or misregistering PSD Meter or IBI Meter, the meter must

first be withdrawn from service and physically examined by the provider. The provider will compare the data in the PSD registers with the data from the system transaction records. After examining a PSD Meter or IBI Meter withdrawn from service for apparent faulty operation affecting the ascending or descending registers, the provider must notify the licensee of the proposed postage adjustment, if any. At the same time the user is notified, the provider must report the malfunction to the manager of Postage Technology Management, USPS Headquarters. The report must contain all applicable documentation (including a copy of the transaction records) and a recommendation for any appropriate postage adjustment. The licensee may appeal a postage adjustment to the manager of Postage Technology Management, USPS Headquarters (see G043), within 60 calendar days of the date that the user is notified of the proposed postage adjustment recommendation.

7.0 PC POSTAGE SYSTEMS

7.1 Initialization, Authorization, and Installation

All PC Postage systems use a PSD to maintain postal registers and perform postal functions. Before the licensee can print evidence of postage using a PC Postage system, the system's PSD must be initialized and authorized by the provider. The initialization process installs PSD-specific information that does not change over the life cycle of the PSD. The authorization process sets user-specific information. The provider reauthorizes the PC Postage system PSD when certain user-specific information changes. The installation process for a PC Postage system is completed when the data required by the USPS is transmitted to the appropriate postal information systems.

7.2 Check Out and Withdrawal

When a PC Postage system is no longer used, the licensee notifies the provider. The provider withdraws the system from service and transmits the required data to the appropriate postal information systems. A PSD in the custody of the licensee must be returned to the provider for examination before a refund can be issued for any postage remaining on the PSD.

7.3 Location of Setting

A PC Postage system is reset remotely using a personal computer with a connection between the provider's resetting system and the postal registers in the PSD.

7.4 Payment for Postage Settings

For a PC Postage system, the USPS will accept payment only in the form of credit card or automated clearing house (ACH) debit, in accordance with USPS standards and procedures.

7.5 Resetting

To reset a PC Postage system the following conditions must be met:

a. The licensee must initiate payment to the USPS sufficient to cover the desired postage increment before requesting a postage value download to reset the system.

b. The licensee must provide identifying information and system audit data as required by the USPS and in accordance with the provider's resetting specifications. Before completing the resetting, the provider must verify the identifying data, authenticate the user's license, conduct a postage evidencing system audit, and ascertain whether payment to the USPS sufficient to cover the requested postage value download was initiated by the licensee.

c. The provider will supply the licensee with documentation of the reset transaction and the balance in the descending register, if any.

7.6 Postage Refunds

The USPS provides refunds for the entire postage value balance remaining on the PSD of a PC Postage system that is withdrawn from service and is in the possession of the provider. Refunds are requested and paid through the provider in accordance with P014.

7.7 Postage Adjustment for Faulty or Misregistering PSD

When the licensee requests a postage adjustment for a faulty or misregistering PSD of a PC Postage system, the PSD must first be withdrawn from service and physically examined by the provider. The provider will compare the data in the PSD registers with the data from the system transaction records. After examining a PSD withdrawn from service for apparent faulty operation affecting the ascending or descending registers, the provider must notify the licensee of the proposed postage adjustment, if any. At the same time the user is notified, the provider must report the malfunction to the manager of the Postage Technology Management, USPS Headquarters. The report must contain all applicable documentation (including a copy of the transaction records) and a recommendation for any appropriate postage adjustment. The licensee may appeal a postage adjustment to the manager of the Postage Technology Management, USPS

Headquarters (see G043), within 60 calendar days of the date that the user is notified of the proposed postage adjustment recommendation.

8.0 INDICIA—GENERAL INFORMATION

8.1 Amount of Postage

The value of the indicia affixed to each mailpiece must be either the exact amount due or another amount permitted by standard. Refunds for overpayment must meet the standards in P014.

8.2 Refunds for Unused Indicia

Refunds for indicia amounts already printed on an envelope or label but not mailed are made in accordance with P014.

8.3 Mixed Forms of Postage Evidencing

Different forms of evidence of prepayment of postage may not be mixed on a mailpiece. In particular, postage stamps and indicia generated by a postage evidencing system may not be used on the same mailpiece; indicia generated by a postage evidencing system that uses a facing identification mark (FIM) to face the mail may not be used on the same mailpiece as indicia printed with fluorescent ink; and IBI may not be used on the same mailpiece as letterpress indicia or non-IBI digital indicia.

8.4 Use of Indicia

Valid indicia produced by a postage evidencing system can be used only to show evidence of payment for postage or other services provided by the USPS. Indicia for zero postage must not be affixed to any item delivered by another carrier. In any illustration of information-based indicia (IBI) produced by an IBI Meter or a PC Postage system, and not intended to be used as postage, the two-dimensional barcode must be rendered unreadable.

9.0 INDICIA

9.1 Approved Designs

The manager of Postage Technology Management, USPS Headquarters, must approve the design (type, format, and content) of all indicia that will be produced by a postage evidencing system. This approval shall include all elements in the indicium required by USPS regulations and the postage evidencing system performance criteria and applies to the entire area within the indicium boundary (9.4). The approved indicia are illustrated in Exhibit 9.1. [Exhibit 9.1, which shows all approved indicia designs, will be included when

these regulations are published in the Domestic Mail Manual.]

9.2 Legibility

Indicia must be legible. Illegible indicia are not acceptable as payment of postage. Should there be a need to place multiple indicia on an envelope (*e.g.*, for redate or postage correction) the indicia must not overlap each other. Overlapping indicia are not acceptable as payment of postage. Reflectance measurements of the indicia and the background material must meet the standards in C840.5.

9.3 Position

Indicia must be printed or applied in the upper right corner of the envelope or address label. Indicia must be at least ¼ inch from the right edge of the mailpiece and ¼ inch from the top edge of the mailpiece, and must not infringe on the areas reserved for the FIM, POSTNET barcode, or optical character reader (OCR) clear zone. Indicia must be oriented with the longest dimension parallel to the address. When a FIM is printed with the indicia, the position of the FIM must meet the requirements in C100.5.0.

9.4 Boundaries

The USPS controls what is printed within the boundaries of indicia. The boundaries are defined as follows:

a. For letterpress indicia, the boundaries are determined by the dimensions of the printing die used by the postage evidencing system to print postal information. Licensees may obtain an additional printing die from the provider, often called the “ad plate,” for additional text to be included when printing indicia. The ad plate may contain postal markings (9.7) or other printed matter (9.8).

b. For digital indicia, including IBI, the boundaries are defined by the right edge of the envelope, the top edge of the envelope, and the bottom edge and the left edge of any USPS-required indicium element printed by the postage evidencing system. A 1/2-inch clear zone, within which nothing shall be printed by the postage evidencing system, must surround the indicium boundaries to the left of and below all elements of the indicium.

9.5 Contents

Unless otherwise approved by the manager of Postage Technology Management, USPS Headquarters, the following information must be included in indicia:

a. The city, state, and 5-digit ZIP Code of the licensing post office; the postage evidencing system serial number or PSD

identification number; the date of mailing; the words “US Postage,” and the postage amount.

b. As an alternative to the city, state, and 5-digit ZIP Code of the licensing post office, just the ZIP Code of the licensing post office; in this case, the words “Mailed from ZIP Code” may be added to the indicia.

c. For multiple indicia on a given mailpiece, information showing the licensing post office in each indicium.

d. For digital indicia, including IBI, the class of mail and presort level.

e. For IBI, the required data elements of the two-dimensional barcode in accordance with the performance criteria for the given postage evidencing system.

f. For special indicia, including the date correction or redate indicia, the postage correction indicia, indicia for APO/FPO, and the indicia for prepaid reply mail, information as required by 10.0.

9.6 Format

Arial font must be used for all postal information in the indicia. The postage amount must be at least 10-point type size. For all other required information, the type size must be at least 8 points. The mail class or endorsement, the postage amount, and the words “US Postage” must be in bold type and all letters must be capital letters. The words “US Postage” must be the most prominent and conspicuous printed matter in the indicia other than the postage amount. The remaining required information (city, state, and 5-digit ZIP Code; the date; and the Postal Security Device ID) need not be capitalized or bold. The type size used for all other text printed in the indicia must be no greater than 8 points and must not be in bold type.

9.7 Postal Markings

The postal marking that may be included in indicia vary by indicia type, as follows:

a. Letterpress indicia may include postal markings related to the class of mail and presort level, or ancillary service endorsement, in accordance with postal regulations. When placed in the ad plate area, only the postal marking may be printed, and it must fill the ad plate area as much as possible. All words must be in bold capital letters at least 1/4 inch high or 18-point type, and legible. Exceptions are not made for small ad plates that cannot accommodate a permissible marking.

b. Digital indicia may include ancillary service endorsements.

9.8 Other Matter Printed by Postage Evidencing Systems

Other printed matter must not infringe on the areas reserved for the FIM, POSTNET barcode, or optical character reader (OCR) clear zone. The matter that may be printed is based on indicia type, as follows:

a. For letterpress indicia only, advertising matter, slogans, and return addresses may be printed with the indicia within space limitations. Licensed users must obtain the ad plates for printing this matter from the authorized provider. Ad plate messages must be distinguished by the inclusion of the name of the mailer or words such as "Mailer's Message." The ad plate must not be obscene, defamatory of any person or group, or deceptive, nor may it advocate unlawful action.

b. For postage evidencing systems that print digital indicia, including IBI, an approved indicium shall include within its boundaries only postal markings and text required or recommended by USPS regulation, except that the indicium may identify the provider. Other matter may be printed only outside the boundaries of the clear zone (9.4) surrounding the indicium. Such printed matter may not be obscene, defamatory of any person or group, or deceptive, and it must not advocate any unlawful action.

9.9 Ink

All indicia printed by Generation 1 postage evidencing systems must be printed with fluorescent ink. Failure to use fluorescent ink may lead to the revocation of the user's license. Generation 2 postage evidencing systems must use fluorescence to ensure that the mail is faced during processing, unless otherwise approved by the manager of Postage Technology Management (G043). Generation 2 postage evidencing systems that do not print with fluorescent ink must use an alternative USPS-approved method to ensure that the mail is faced during processing. Approved methods include use of a facing identification mark (FIM) for indicia printed directly on letter-size First-Class Mail (9.10) or printing indicia on USPS-approved labels (9.11). The ink or alternative facing method used is specified in the indicia approval granted by the manager of Postage Technology Management, USPS Headquarters.

9.10 Facing Identification Mark

The facing identification mark (FIM) serves to orient and separate certain types of First-Class Mail during the facing and canceling process. Letter-size

First-Class Mail with IBI printed with nonfluorescent ink directly on the envelope by an IBI Meter or a PC Postage system must bear a USPS-approved FIM D unless it is courtesy reply mail. The FIM must meet the format, dimensions, print quality, and placement specified in C100.5.

9.11 Adhesive Label or Tape

When indicia are printed on adhesive tape or on a label for application to the mailpiece, the tape or label used, including the label stock itself as well as the use of fluorescent ink to print indicia and the format and placement of any fluorescence on the label stock, must be approved by the manager of Postage Technology Management, USPS Headquarters. Failure to use the label approved by the USPS may result in revocation of the postage evidencing system license. The label must meet the following requirements:

a. The label must be a pressure-sensitive, permanent label. The label is subject to the corresponding standards in C810.6.2 for minimum peel adhesion. The applied label must adhere well enough that it cannot be removed in one piece. A face stock/liner label (also called a "sandwich" label) must not be used for printing indicia for postage evidencing.

b. The label must meet the reflectance requirements in C840.5.0.

c. The label must be large enough to contain the entire indicia.

d. Indicia printed on a label must be the same as the indicia approved by the manager of Postage Technology Management for printing directly on an envelope. The label must not include any image or text other than those allowed by USPS regulation, unless approved by the manager of Postage Technology Management.

e. For labels or tapes applied to standard letter-size envelopes and postcards sent as First-Class Mail, the indicia must be printed with fluorescent ink (9.9), or the label must have fluorescent tagging that is sufficient to enable the USPS to face and process the mail, as verified by postal testing of each label design. The fluorescent tagging must meet a minimum fluorescent emission intensity of at least 20 phosphor meter units (PMUs), with a maximum of 70 PMUs. The visible color of the fluorescent tagging may be any color that meets the fluorescence requirements. The fluorescent tagging shall exhibit no noticeable change (i.e., no more than 10%) in its emission when exposed to elevated temperature and high humidity conditions.

f. The label must be placed on the envelope so that the position of the indicium meets the requirements in 9.3.

g. When a label is applied to an envelope that already has a FIM, the label must not cover the existing FIM.

9.12 Complete Date

Indicia must include the month, day, and year for all First-Class Mail, registered, certified, insured, COD, and special handling mail, whether the indicia is printed directly onto the mailpiece or onto a separate label or tape. For prepaid reply postage see 10.4. The date format must be in accordance with 9.6. The year must be represented by four digits. The date (day, month, or year) may be shown in indicia for Standard Mail and Package Services, except that labels for use with a PC Postage system must include the month, day, and year in all uses.

9.13 Date Accuracy

The date of mailing in the indicium must be the actual date of deposit, except that mail entered after the day's last scheduled collection from the licensing post office or collection box may bear the actual date of entry or the date of the next scheduled collection from the licensing post office or collection box. Authorized dispatch-prepared presort mail accepted after midnight may bear the previous day's date. When the licensee knows the mail will not be tendered to the USPS on the date of mailing shown in the indicium, the user should use a date correction indicium (10.1).

10.0 SPECIAL INDICIA

10.1 Date Correction or Redate

A date correction or redate indicium is required for any mailpiece not deposited by the date of mailing in the indicium as required by 9.13. Only one date correction indicium is permitted on a mailpiece. The date correction or redate indicium may be printed on a USPS-approved label instead of directly on the mailpiece. Formats are as follows:

a. For all postage evidencing systems except PC Postage systems, a date correction must show the actual date of deposit and zero postage value ("0.00"). The date correction is placed on the nonaddress side in the upper right corner or on the address side in the lower left corner of letter-size mail. On flats or parcels, it must be placed next to the original indicium. The mailer may use an ink jet printer to correct the date in the indicia on pieces in barcoded mailings if the text, preceded by two asterisks and showing the actual

date of deposit, city, state, and 3-digit ZIP Code of the mailing office, is placed above the address block and below the indicia.

b. For PC Postage systems, a date correction or redate indicium includes only the actual date of deposit and the word "REDATE," instead of a postage value. On letter-size mail, redate indicia must be placed on the nonaddress side at least 3/4 inch from the bottom edge of the mailpiece and not on an envelope flap. On flats or parcels, it must be placed next to the original indicium. The redate or date correction must not include the FIM or the two-dimensional barcode.

10.2 Postage Correction

Indicia for additional postage must be placed on a shortpaid mailpiece to correct postage. The postage correction may be printed on a USPS-approved label instead of directly on the mailpiece and must contain all of the elements required for indicia in 9.5. Formats are as follows:

a. For all postage evidencing systems except for PC Postage systems, the postage correction indicium is placed on the nonaddress side in the upper right corner or on the address side in the lower left corner of letter-size mail. On flats or parcels, it must be placed next to the indicium.

b. For a PC Postage system, the word "CORRECTION" must be printed in the postage correction and it must not include a FIM. On letter-size mail, the PC Postage correction indicium must be printed on the nonaddress side at least 3/4 inch from the bottom edge of the

mailpiece and not on an envelope flap. On flats or parcels, it must be placed next to the original indicium. The postage correction indicium may be printed on a USPS-approved label instead of directly on the mailpiece.

10.3 APO/FPO Meters

Postage evidencing systems used by military (APO/FPO) post offices must show the military branch and address format for each location (e.g., "ARMY APO AE 09102"). Exceptions are made only for postage evidencing systems used in fleet post offices on board U.S. naval vessels that may show the name of the ship instead of the standard wording for Navy meters (e.g., "USS SARATOGA (CV-60) 34078-2740").

10.4 Reply Postage

Indicia generated by any postage evidencing system may be used to prepay reply postage on Express Mail; on Priority Mail when the rate is the same for all zones; on First-Class Mail cards, letters, and flats up to a maximum of 13 ounces; and on single-piece-rate Media Mail and Library Mail, under the following conditions:

a. The postage amount must be enough to prepay the postage in full.

b. Indicia may be printed directly on the mailpiece or on a label and must be positioned in accordance with 9.3. An applied label must meet the standards in 9.11 and must adhere well enough that it cannot be removed in one piece.

c. Indicia used to prepay reply postage, except for IBI generated by a PC Postage system, must not show the date.

d. IBI generated by a PC Postage system to prepay reply postage must show the date the licensee printed the indicium and must include the words "REPLY POSTAGE."

e. The mailpiece must be pre-addressed for return to the licensee. Prepaid reply mail is delivered only to the address of the licensee. When the address is altered, the mail is held for postage.

f. Except for those PC Postage systems with the capability to print an address for the given class or size of mailpiece, the address side of reply mail may be prepared by any photographic, mechanical, or electronic process or combination of such processes (other than handwriting, typewriting, or handstamping). For those PC Postage systems with the capability to print destination addresses for the given size and class of mailpiece, the address must be prepared using the PC Postage system.

g. The words "NO POSTAGE STAMP NECESSARY POSTAGE HAS BEEN PREPAID BY" must be printed above the address.

h. For barcoded letter-size First-Class Mail reply mail for all postage evidencing systems except PC Postage, FIM C is used (C100.5). For PC Postage, FIM D is required for prepaid reply mail when the indicium is printed directly on the mailpiece.

i. The address side must follow the style and content as described in this section and shown in the example below. Nothing may be added except a return address, FIM, or barcode.

[Indicium generated by postage evidencing system placed here]
NO POSTAGE STAMP NECESSARY POSTAGE HAS BEEN PAID BY
Name of Licensee Street Address for Licensee City, State, 5-Digit ZIP Code of Licensee

11.0 MAILINGS

11.1 Preparation of Metered Mail

Metered mail is subject to the preparation standards that apply to the class of mail and rate claimed.

11.2 Notification of Metered Mailings Presented in Bulk

Mailers who present presorted First-Class Mail, Standard Mail, Parcel Post in bulk quantities, Presorted Bound Printed Matter, Carrier Route Bound Printed Matter, or Presorted Media Mail using metered postage must complete Form 3615. Completion of this form is

for record keeping only. If an applicant has a completed Form 3615 on file for other services, notification to present metered mail in bulk is annotated on the existing application. There is no fee for this service.

11.3 Combination

Metered mail may be combined in the same mailing with mail paid by other methods only if authorized by the USPS.

11.4 Where To Deposit

Except as noted below, the licensee must deposit metered mail at a post office acceptance unit, retail unit, or other location designated by the postmaster of the licensing post office (i.e., the post office shown in the indicia) and may not give it to a delivery employee or deposit it in a street collection box, mailchute, receiving box, cooperative mailing rack, or other mail collection receptacle. The USPS allows the following exceptions to this general standard:

a. Express Mail, Priority Mail (in a weight category for which rates do not vary by zone), and single-piece-rate First-Class Mail may be deposited in any street collection box or other such place where mail is accepted, except that certain special services require that the mail be presented directly to a USPS employee (see S900).

b. If facilities for acceptance are not available locally, customer-metered Express Mail may be mailed at an Express Mail acceptance facility under the jurisdiction of another office.

c. Metered mail may be deposited at other than the licensing post office under D072.

d. International mail weighing less than 16 ounces may be deposited in any street collection box in accordance with the regulations for domestic mail.

e. International mail that requires a customs declaration, or that weighs 16 ounces or more, must be given directly to a USPS employee at the licensing post office or other location designated by the postmaster. Otherwise, the mail will be returned to the sender for proper entry and acceptance. See the International Mail Manual (IMM) for additional information.

f. A licensed user authorized to use an APO or FPO as the licensing post office can deposit mail only at the licensing APO or FPO.

g. All other licensee's who have USPS approval to use a postage evidencing system outside the country can deposit mail only at their domestic licensing post office.

11.5 Irregularities

The USPS examines metered mail to detect irregularities in preparation and dating.

12.0 AUTHORIZATION TO PRODUCE AND DISTRIBUTE METERS (POSTAGE EVIDENCING SYSTEMS)

Title 39, Code of Federal Regulations, part 501, contains information concerning authorization to produce and distribute postage meters (postage evidencing systems); the suspension and revocation of such authorization; performance standards, test plans, testing, and approval; required production security measures; and standards for distribution and maintenance. Further information may be obtained from the manager of Postage Technology Management, USPS Headquarters (see G043 for address).

An appropriate amendment to 39 CFR part 111 to reflect these changes will be published if the proposal is adopted.

Stanley F. Mires,

Chief Counsel, Legislative.

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[PA 147/177-4126b; FRL-7032-4]

Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania; NO_x RACT Determinations for Four Individual Sources in the Pittsburgh-Beaver Valley Area

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: EPA is proposing to approve a revision to the Commonwealth of Pennsylvania's State Implementation Plan (SIP). The revision was submitted by the Pennsylvania Department of Environmental Protection (PADEP) to establish and require reasonably available control technology (RACT) for four major sources of nitrogen oxides (NO_x) located in the Pittsburgh-Beaver Valley ozone nonattainment area (the Pittsburgh area). In the Final Rules section of this **Federal Register**, EPA is approving the Commonwealth's SIP revision as a direct final rule without prior proposal because the Agency views this as a noncontroversial submittal and anticipates no adverse comments. The rationale for the approval is set forth in the direct final rule. If no adverse comments are received in response to this action, no further activity is contemplated. If EPA receives adverse comments, the direct final rule will be withdrawn and all

public comments received will be addressed in a subsequent final rule based on this proposed rule. EPA will not institute a second comment period. Any parties interested in commenting on this action should do so at this time. Please note that if adverse comment is received for a specific source or subset of sources covered by an amendment, section or paragraph of this rule, only that amendment, section, or paragraph for that source or subset of sources will be withdrawn.

DATES: Comments must be received in writing by September 14, 2001.

ADDRESSES: Written comments should be addressed to David L. Arnold, Chief, Air Quality Planning and Information Services Branch, Mailcode 3AP21, U.S. Environmental Protection Agency, Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103. Copies of the documents relevant to this action are available for public inspection during normal business hours at the Air Protection Division, U.S. Environmental Protection Agency, Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103; and the Pennsylvania Department of Environmental Resources Bureau of Air Quality Control, P.O. Box 8468, 400 Market Street, Harrisburg, Pennsylvania 17105.

FOR FURTHER INFORMATION CONTACT: Michael Ioff at (215) 814-2166, the EPA Region III address above or by e-mail at Ioff.mike@epa.gov. Please note that while questions may be posed via telephone and e-mail, formal comments must be submitted, in writing, as indicated in the **ADDRESSES** section of this document.

SUPPLEMENTARY INFORMATION: For further information, please see the information provided in the direct final action, with the same title, that is located in the "Rules and Regulations" section of this **Federal Register** publication.

Dated: August 3, 2001.

Thomas C. Voltaggio,

Deputy Regional Administrator, Region III.

[FR Doc. 01-20497 Filed 8-14-01; 8:45 am]

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