



This document is scheduled to be published in the Federal Register on 02/29/2016 and available online at <http://federalregister.gov/a/2016-04237>, and on [FDsys.gov](http://FDsys.gov)

## **POSTAL SERVICE**

### **39 CFR Part 501**

#### **Revisions to the Requirements for Authority to Manufacture and Distribute Postage Evidencing Systems**

**AGENCY:** Postal Service™.

**ACTION:** Proposed rule.

**SUMMARY:** The Postal Service proposes to revise its rules concerning PC postage payment methodology by adding supplementary information to clarify the revenue assurance guidelines.

**DATES:** Submit comments on or before [INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** Mail or deliver written comments to the Manager, Payment Technology, U.S. Postal Service®, 475 L'Enfant Plaza SW, Room 3500, Washington DC 20260. You may inspect and photocopy all written comments at the Payment Technology office by appointment only between the hours of 9 a.m. and 4 p.m., Monday through Friday by calling 1-202-268-7613 in advance. Email and faxed comments are not accepted.

**FOR FURTHER INFORMATION CONTACT:** Marlo Kay Ivey, Business Systems Analyst, Payment Technology, U.S. Postal Service, (202) 268-7613.

**SUPPLEMENTARY INFORMATION:** On July 17, 2015, the United States Postal Service published a final rule to revise the rules concerning authorization to manufacture and distribute postage evidencing systems and to reflect new revenue assurance practices. (See 80 FR 42392-42393.) Postage collection under the new rules will start on December 31, 2016. This document proposes minor additional changes to the rules in support of our efforts to collect the appropriate revenue on mail pieces in a more automated fashion. If this proposal is adopted, the proposed clarifying changes will also be implemented on December 31, 2016. The revenue assurance guidelines can be found in 39 CFR 501.16, and on <https://ribbs.usps.gov> in the site

index of Automated Package Verification (APV) documents, named *APV Standard Operating Procedure (SOP)*.

### **List of Subjects in 39 CFR Part 501**

Administrative practice and procedure.

Accordingly, for the reasons stated, the Postal Service proposes to amend 39 CFR part 501 as follows:

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

### **EVIDENCING SYSTEMS**

1. The authority citation for 39 CFR part 501 continues to read as follows:

**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.

2. In § 501.16, revise paragraph (i) to read as follows:

#### **§ 501.16 PC postage payment methodology.**

\* \* \* \* \*

(i) *Revenue Assurance.* (1) The provider must support business practices to assure Postal Service revenue and accurate payment from customers. For purposes of this paragraph and the Automated Package Verification (APV) Standard Operating Procedure (SOP) document available at <https://ribbs.usps.gov>, references to “provider” and “PC Postage Vendor” shall include postage resellers when such resellers transmit postage revenue to the Postal Service in any manner other than through a PC Postage provider. With respect to such transactions, the resellers, and not the PC Postage providers who provides the labels, are responsible for complying with these regulations. A “reseller” is an entity that obtains postage through a provider and is authorized to resell such postage to its customers pursuant to an agreement with the Postal Service.

(2) Specifically, the provider is required to pay the Postage Adjustment or to notify the customer and adjust the balance in the postage evidencing system or otherwise facilitate postage corrections to address any postage discrepancies as directed by the Postal Service no later than 60 days after initial notification by the Postal Service, subject to the applicable notification periods and dispute mechanisms available to customers for these corrections. Postage Adjustment is defined as a difference between the postage paid for a service offered by the Postal Service and the current published/negotiated rate indicating the postage due to the Postal Service for the weight, packaging, dimensions and zone of the mail piece as applicable. The Postal Service will supply the provider with the necessary detail to justify the correction and amount of the postage correction to be used in the adjustment process. The provider must pay the postage adjustment or supply customers with visibility into identified postage correction, facilitate a payment adjustment from the customer in the amount equivalent to the identified postage discrepancies to the extent possible, and enable customers to submit electronic disputes of such postage discrepancies to the Postal Service. Further if the Customer does not have funds sufficient to cover the amount of the discrepancies or the postage discrepancies have not been resolved, the provider may be required to temporarily suspend or permanently shut down the customer's ability to print PC Postage as described in Domestic Mail Manual (DMM) 604.4.

(3) If the provider incorrectly programmed postage rates, delayed programming postage rate changes or otherwise provided systems or software, which caused customers to pay incorrect postage amounts, within two calendar weeks of the provider being made aware of such error, the provider shall correct the error and, in the event that the amount of collected revenue is less than the amount of revenue that should have been collected absent the error, (i) pay the Postal Service for the postage deficiency and (ii) provide the Postal Service with a detailed breakdown of how the error affected the provider's collection of revenue.

(4) Except as may otherwise expressly be agreed to by contract, the provider is responsible for ensuring that:

(i) All customers pay (and the Postal Service receives) the current published prices that are available to mailers who purchase postage through an approved PC Postage provider; and

(ii) Payments to the Postal Service (or the log files necessary for the Postal Service to collect payments directly from customers) are complete and accurate and are initiated or transmitted, as applicable, to the Postal Service each day.

(5) Each PC Postage Provider:

(i) Is responsible for ensuring that customers are informed, understand and agree that they may be charged for deficient payment before they complete their initial transactions;

(ii) Shall comply with applicable laws and ensure that its systems, software, interfaces, communications and other properties that are used to sell or market postal products accurately describe such products;

(iii) Shall cover any costs that the Postal Service may incur as a result of any act or omission of such provider or its employees, contractors or representatives in connection with its role as a PC Postage provider; and

(iv) In performing its obligations hereunder, shall comply with the APV SOP and all agreed to interface documentation (as updated from time to time).

**Stanley F. Mires,**

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[FR Doc. 2016-04237 Filed: 2/26/2016 8:45 am; Publication Date: 2/29/2016]