**SUBCHAPTER G—POSTAGE PROGRAMS**

**PART 501—AUTHORIZATION TO MANUFACTURE AND DISTRIBUTE POSTAGE EVIDENCING SYSTEMS**

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Source: 71 FR 65731, Nov. 9, 2006, unless otherwise noted.

§ 501.1 Definitions.

(a) Postage Evidencing Systems regulated by part 501 produce evidence of prepayment of postage by any method other than postage stamps and permit imprints. A Postage Evidencing System is a device or system of components that a customer uses to generate and print evidence that postage required for mailing has been paid. Postage Evidencing Systems print indicia, such as meter imprints or information-based indicia to indicate postage payment. They include but are not limited to postage meters and PC Postage systems.

(b) A postage meter is a Postal Service-approved Postage Evidencing System that uses a device to account for postage purchased and printed. The term meter as used in this part refers to a postage meter.

(c) PC Postage products are Postal Service-approved Postage Evidencing Systems that use a personal computer as an integral part of the system. PC Postage products may use the Internet to download postage to a mailer’s computer from which the postage indicia may then be printed.

(d) A provider is a person or entity authorized under this section to manufacture and/or distribute Postage Evidencing Systems to customers.

(e) A manufacturer of postage meters produces postage meters.

(f) A distributor of postage meters may be a manufacturer who leases postage meters directly to end-user customers or may be an independent entity who leases postage meters to end-user customers on behalf of the manufacturer.

(g) A customer is a person or entity authorized by the Postal Service to use a Postage Evidencing System in accordance with Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM) 604 Postage Payment Methods, 4.0 Postage Meters and PC Postage Products (Postage Evidencing Systems).

§ 501.2 Postage Evidencing System provider authorization.

(a) The Postal Service considers Postage Evidencing Systems and their respective infrastructure to be essential to the exercise of its specific powers to prescribe postage and provide evidence of payment of postage under 39 U.S.C. 404(a)(2) and (4).

(b) Due to the potential for adverse impact upon Postal Service revenue, the following activities may not be engaged in by any person or entity without prior, written approval of the Postal Service:
§ 501.3 Postage Evidencing System provider qualification.

Any person or entity seeking authorization to manufacture and/or distribute Postage Evidencing Systems must:

(a) Satisfy the Postal Service of its integrity and financial responsibility.

(b) Obtain Postal Service approval under this part of at least one Postage Evidencing System satisfying the requirements of Postal Service regulations.

(c) As a condition of obtaining authorization under this section, the Postal Evidencing System provider’s facilities used for the manufacture, distribution, storage, resetting, or destruction of postage meters and all facilities housing infrastructure supporting Postage Evidencing Systems will be subject to unannounced inspection by representatives of the Postal Service. If such facilities are outside the continental United States, the provider will be responsible for all reasonable and necessary travel-related costs incurred by the Postal Service to conduct the inspections. Travel-related costs are determined in accordance with Postal Service Handbook F-15, Travel and Relocation. At its discretion, the Postal Service may continue to fund routine inspections outside the

Agreed to by the Postal Service and the applicant. The applicant is approved in writing to engage in the function(s) for which authorization was sought and approved.

(f) To the extent that any provider manufactures and/or distributes any PC Postage product through any authorized Postage Evidencing System, such provider must adhere to the requirements of these regulations.

(g) The Postal Service office responsible for administration of this Part 501 is the office of Postage Technology Management (PTM) or successor organization. All submissions to the Postal Service required or invited by this Part 501 are to be made to this office in person or via mail to 475 L’Enfant Plaza SW, North Building Suite 4200, Washington, DC 20260–4200. Information updates may be found on the Postal Service Web site at http://www.usps.com/postagesolutions/flash.htm.