



POSTAL SERVICE

39 CFR Part 501

Authorization to Manufacture and Distribute Postage Evidencing Systems

AGENCY: Postal Service™.

ACTION: Proposed rule.

SUMMARY: The Postal Service is amending its Postage Evidencing Systems regulations to ensure compliance for Automated Clearinghouse or ACH payment transactions and to clarify obligations related to all payments. These changes require the applicable resetting company (RC) and PC Postage provider to comply with the latest NACHA rules published by the North American Clearing House Association for ACH transactions. These responsibilities include providing a written statement signed by an executive officer of the company attesting to that compliance at least annually. These changes also require the applicable RC and PC Postage provider to obtain and store an agreement with each customer utilizing ACH debit as a payment method. Failure to comply may result in revocation of access to applicable Postal Service ACH programs.

DATES: Comments must be received on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Mail or deliver comments to the Banking Manager, United States Postal Service, 475 L'Enfant Plaza SW, RM 8134, Washington, DC 20260. You may inspect and photocopy all written comments at USPS® Headquarters Library, 475 L'Enfant Plaza SW, 11th Floor N, Washington DC by appointment only between the hours of 9 a.m. and 4 p.m., Monday through Friday by calling 1-202-268-2906 in advance. Email comments, containing the name and address of the commenter, to: PCFederalRegister@usps.gov, with a subject line

of “[Date], Authorization to Manufacture and Distribute Postage Evidencing Systems.” Faxed comments are not accepted. All submitted comments and attachments are part of the public record and subject to disclosure. Do not enclose any material in your comments that you consider to be confidential or inappropriate for public disclosure.

FOR FURTHER INFORMATION CONTACT: Douglas Graham, Banking Manager, United States Postal Service, 475 L'Enfant Plaza SW, RM 8134, Washington, DC 20260, (202) 268-2188.

SUPPLEMENTARY INFORMATION: In accordance with 39 U.S.C. 416(e)(2), the Postal Service invites public comment on the following proposed amendments to the Code of Federal Regulations.

List of Subjects in 39 CFR Part 501

Administrative practice and procedure, Postal Service.

PART 501—AUTHORIZATION TO MANUFACTURE AND DISTRIBUTE POSTAGE EVIDENCING SYSTEMS

1. The authority citation for 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. Amend § 501.15 by revising paragraph (g) to read as follows:

§ 501.15 Computerized Meter Resetting System.

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(g) The RC must reimburse the Postal Service for returned payments promptly, comply with NACHA rules, and maintain customer ACH debit agreements.

(1) *Financial responsibility for returned payments.* The RC is required to reimburse the Postal Service upon request for any returned payments. The RC must, upon first becoming aware of a returned payment, immediately lock the customer's CMRS account to prevent a meter reset until the RC receives confirmation of payment for the returned payment. If a fee, penalty or fine is assessed against the Postal Service for returned payments from an RC's customer, the Postal Service may request reimbursement for such fee, penalty or fine from the RC. The RC is required to remit the amount of the returned payment to the Postal Service plus the reimbursement request, to the extent applicable, within ten (10) banking days. Invoices will be created monthly for returns and/or applicable penalties or fines incurred for the previous month. The ten (10) banking days will start once the invoice is mailed. The RC has discretion to decide whether to charge its customer for any such reimbursement costs (of fees, penalties, or fines) the RC pays to the Postal Service in connection with the customer's returned payment.

(2) *Responsibility to comply with NACHA rules.* The RC is required to comply with the latest NACHA rules published by the North American Clearing House Association. Each RC must provide a written statement signed by an executive officer of the company attesting to that compliance at least annually. If the RC cannot provide that written statement attesting to compliance due to identified areas of non-compliance, the RC must provide to the USPS within 30 days a written plan describing its prioritized approach, including milestone dates, toward achieving compliance within a mutually agreed period. USPS will provide specific written guidance separately if requested. Failure to comply may result in revocation of access to applicable USPS ACH programs.

(3) *Responsibility to maintain customer ACH agreements.* The RC must obtain and store an agreement with each and every customer utilizing ACH debit as a payment method. The customer agreement must authorize the RC to debit the designated bank account identified to pay for postage through the USPS account of its choice. The agreement must have at least the following elements: Company Name (if applicable), Name and Title and Address of the person entering into the agreement, Contact Information (Phone Number, Fax Number and eMail Address as applicable), Date and Signature (or appropriate electronic signature evidence) of Agreement, Customer's Bank Name and Address, Bank Routing Number, Account Number and Account Type (Checking or Savings, Business or Personal) being agreed to transact upon, an Attestation that the person submitting the form is authorized to act on behalf of the account, and Termination Date and Signature (or appropriate electronic signature evidence) of the Agreement (if applicable). The agreement must be stored for at least two years after termination of the agreement, must be easily reproducible, and must be provided electronically to the Postal Service within three business days of electronic written request by the Postal Service in a format that can be easily and readily used for all NACHA and ACH related purposes including, without limitation, audit and defense of claims. USPS will provide specific written guidance separately if requested. Failure to comply may result in revocation of access to applicable Postal Service ACH programs.

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3. Amend § 501.16 by revising paragraph (d) to read as follows:

§ 501.16 PC postage payment methodology.

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(d) The provider must reimburse the Postal Service for returned payments promptly, comply with NACHA rules, and maintain customer ACH agreements.

(1) *Financial responsibility for returned payments.* The provider must reimburse the Postal Service upon request for any returned payments. The provider must, upon first becoming aware of a returned payment, immediately lock the customer account to prevent resetting the account until the provider receives confirmation of payment for the returned payment. If a fee, penalty or fine is assessed against the Postal Service for returned payments from a provider's customer, the Postal Service may request reimbursement for such fee, penalty or fine from the provider. The provider is required to remit the amount of the returned payment plus the amount of the reimbursement request, to the extent applicable, to the Postal Service within ten (10) banking days. Invoices will be created monthly for returns and/or applicable penalties or fines incurred for the previous month. The ten (10) banking days will start once the invoice is mailed. The provider has discretion to decide whether to charge its customer for any such reimbursement costs (of fees, penalties or fines) the provider pays to the Postal Service in connection with the customer's returned payment.

(2) *Responsibility to comply with NACHA rules.* The provider is required to comply with the latest NACHA rules published by the North American Clearing House Association. Each provider must provide a written statement signed by an executive officer of the company attesting to that compliance at least annually. If the provider cannot provide that written statement attesting to compliance due to identified areas of non-compliance, the PC provider must provide to the Postal Service within 30 days a written plan describing its prioritized approach, including milestone dates, toward achieving compliance within a mutually agreed period. The Postal Service will provide specific written guidance separately if requested.

Failure to comply may result in revocation of access to applicable Postal Service ACH programs.

(3) *Responsibility to maintain customer ACH agreements.* The provider must obtain and store an agreement with each and every customer utilizing ACH debit as a payment method. The customer agreement must authorize the provider to debit the designated bank account identified to pay for postage through the Postal Service account of its choice. The agreement must have at least the following elements: Company Name (if applicable), Name and Title and Address of the person entering into the agreement, Contact Information (Phone Number, Fax Number and eMail Address as applicable), Date and Signature (or appropriate electronic signature evidence) of Agreement, Customer's Bank Name and Address, Bank Routing Number, Account Number and Account Type (Checking or Savings, Business or Personal) being agreed to transact upon, an Attestation that the person submitting the form is authorized to act on behalf of the account, and Termination Date and Signature (or appropriate electronic signature evidence) of the Agreement (if applicable). The agreement must be stored for at least two years after termination of the agreement, must be easily reproducible, and must be provided electronically to the Postal Service within three business days of electronic written request by the Postal Service in a format that can be easily and readily used for all NACHA and ACH related purposes including, without limitation, audit and defense of claims. The Postal Service will provide specific written guidance separately if requested. Failure to comply may result in revocation of access to applicable Postal Service ACH programs.

(4) *Credit cards*. Unless otherwise established in a written agreement between the Postal Service and the provider, the provider is fully responsible for its own credit card compliance.

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Sarah Sullivan,

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[FR Doc. 2023-25628 Filed: 11/17/2023 8:45 am; Publication Date: 11/20/2023]