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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

ORIGINAL

CONFIRM

Docket No. MC2002-1

STIPULATION AND AGREEMENT

This Stipulation and Agreement is submitted pursuant to Rule 29 of the Rules of Practice and Procedure of the Postal Rate Commission, 39 C.F.R. § 3001.29, by and between the undersigned participants or through their respective attorneys. It is a negotiated settlement of all issues raised in the above-captioned docket. The undersigned participants hereby stipulate and agree to the following:

I. BACKGROUND

On April 24, 2002, pursuant to 39 U.S.C. § 3623, the United States Postal Service filed with the Postal Rate Commission a request for a decision recommending the establishment of a classification and fees for Confirm. The request was designated as Docket No. MC2002-1 by the Commission. The basis for the request is explained in the Docket No. MC2002-1 direct testimonies of witnesses Paul Bakshi (USPS-T-1) and James Kiefer (USPS-T-5).

II. TERMS AND CONDITIONS

1. This Stipulation and Agreement represents a negotiated settlement of all issues raised by the Docket No. MC2002-1 Request of the United States Postal Service for a recommended decision on classification and fees for Confirm.

2. The undersigned participants stipulate and agree, for purposes of this proceeding only, that the Docket No. MC2002-1 direct testimonies and materials filed in support of the Postal Service's Request, any designated written cross-examination of Postal Service witnesses Bakshi (USPS-T-1), Lubenow (USPS-T-2), Nieto (USPS-T-3), Rothschild (USPS-T-4), and Kiefer (USPS-T-5) listed in Attachment A hereto, as well as the designated interrogatory responses of the Postal Service listed in Attachment A, as revised and supplemented, taken together with the Postal Service's Docket No. MC2002-1 Request and the attachments thereto, provide substantial evidence supporting and justifying a Recommended Decision recommending the changes to the Domestic Mail Classification Schedule (DMCS) § 991 and Rate Schedules 991 proposed by the Postal Service in Docket No. MC2002-1. The proposed DMCS language and proposed rate schedules are attached to this Stipulation and Agreement.

3. On the basis of such record, for purposes of this proceeding only, the undersigned participants stipulate and agree that the DMCS and Rate Schedule changes set forth in the Attachment to this Stipulation and Agreement are in accordance with the policies of title 39, United States Code, and in particular, the criteria and factors of 39 U.S.C. § 3622 and 3623.

4. The Postal Service agrees that exploration of a consumer oriented product that relies upon the PLANET Code technology used by CONFIRM warrants further consideration; in settlement discussions and via discovery, the OCA has sought to encourage such research. The Postal Service agrees to continue qualitative exploration of a consumer oriented product, and, as a condition of settlement, to provide a status report directly to all participants to this proceeding between six and

twelve months after implementation of CONFIRM regarding steps that have been taken toward defining such a product together with a summary of whether such a product appears likely to be pursued and why. Absent contrary agreement, all participants shall be free to place such report in the public realm. Finally, in light of the novel approach to pricing CONFIRM on a subscription basis with extra cost options, the Postal Service also anticipates evaluating how well the chosen approach meets customer needs and whether it warrants changing.

5. This Stipulation and Agreement is offered in total and final settlement of this proceeding. The undersigned participants agree that they will file no further pleadings or testimony with the Commission in this proceeding, with the exception of: (a) pleadings or testimony explicitly requested by the Commission or in reply to such pleadings; (b) pleadings or testimony opposing pleadings or testimony filed in opposition to this Stipulation and Agreement; or (c) pleadings, testimony or comments in support of this Stipulation and Agreement.

6. If the Commission adopts a Recommended Decision that deviates from the classification and fees proposed in this Stipulation and Agreement, or if the Governors of the Postal Service fail to approve the Commission's Recommended Decision adopting the classification and fees as proposed by the Postal Service, then each signatory reserves the right to withdraw from this Stipulation and Agreement. Any signatory withdrawing under the terms of this paragraph must provide written notice of its intention to withdraw to all participants within five (5) business days of the occurrence of the specific event giving rise to the right to withdraw. Any exercise of

such right by one or more signatories shall not affect the operation of this Stipulation and Agreement as to other signatories.

7. This Stipulation and Agreement pertains only to the instant proceeding. The undersigned participants shall not be considered as necessarily agreeing with or conceding the applicability of any ratemaking principle, any method or principle of classification, any terms and conditions of service, any method of cost of service determination, any principle or method of rate or fee design, the validity or use of any data relied upon by the Postal Service in this docket for any other purposes or in any other classification or ratemaking proceeding, or the application of any rule or interpretation of law, that may underlie, or be thought to underlie, this Stipulation and Agreement.

8. In any future negotiation or proceeding (other than any proceedings involving the honoring, enforcement, or construction of this Stipulation and Agreement), the undersigned participants shall not be bound or prejudiced by this Stipulation and Agreement, nor shall any participant rely for any purpose on the fact that another participant entered into or did not oppose this Stipulation and Agreement. The undersigned participants also agree that, to the extent that matters presented in the Docket No. MC2002-1 Request, in any Commission Recommended Decision on that Request, or in any decision of the Governors of the Postal Service in this proceeding, have not actually been litigated, the resolution of such matters will not be entitled to precedential effect in any other proceeding.

9. The undersigned participants request that the Commission expeditiously issue a decision recommending adoption of the DMCS and Rate Schedule provisions appended to this Stipulation and Agreement.

10. This Stipulation and Agreement represents the entire agreement of the signatories, and supersedes any understandings or representations not contained herein.

• Signature pages are attached.

Docket No. MC2002-1**ALTERNATIVE DMCS LANGUAGE**

- 990 MAILPIECE INFORMATION
- 991 CONFIRM
- 991.1 Definition
- 991.11 Confirm service permits subscribing customers to obtain information, electronically in near real time, regarding when and where mail pieces undergo barcode scans in mail processing operations. Scan information is not guaranteed for every piece of qualifying mail. Destination Confirm is for a subscriber's outgoing mail; Origin Confirm is for reply mail incoming to the subscriber.
- 991.12 Mailers may purchase Confirm service by subscribing to one or more of the following service levels: Silver, Gold, or Platinum.
- 991.121 Silver Subscription. The Silver subscription has a term of three months and includes the use of one identification (ID) code and up to 15 million scans. Subscribers may license the use of additional ID codes for a term of three months or until expiration of the subscription, whichever occurs first. Subscribers may license the use of additional scans in blocks of 2 million scans at any time prior to expiration of the subscription.
- 991.122 Gold Subscription, The Gold subscription has a term of twelve months and includes the use of one ID code and up to 50 million scans. Subscribers may license the use of additional ID codes for a term of three months or until expiration of the subscription, whichever occurs first. Subscribers may license the use of additional scans in blocks of 6 million scans at any time prior to expiration of the subscription.
- 991.123 Platinum Subscription, The Platinum subscription has a term of twelve months and includes the use of three ID codes and unlimited scans. Subscribers may license the use of additional ID codes for a term of three months or until expiration of the subscription, whichever occurs first.
- 991.2 Availability
- 991.21 Confirm is available to subscribers authorized by the Postal Service under 991.

991.3 Mailer Requirements

991.31 Mailers must become Confirm subscribers by applying to, and being authorized by the Postal Service. Authorization requires that a customer demonstrate the capabilities of producing mail pieces with Confirm-compatible barcodes and, for Destination Confirm, providing electronic notice of entering Confirm mail prior to or contemporaneous with mail entry, all as specified by the Postal Service.

991.4 Other Services

991.41 Confirm neither precludes nor requires any other special services.

991.5 Fees

991.51 The fees for Confirm are set forth in Fee Schedule 991.

991.52 A Gold subscription may be upgraded to a Platinum subscription at any time prior to the expiration of the Gold subscription by paying the difference in the respective Subscription Fees. Upgrading does not extend the term of the underlying subscription.

FEE SCHEDULE (FROM NOI-1)

FEE SCHEDULE 991

CONFIRM

Description	Fee
Silver Subscription	
Subscription Fee (3 months)	\$2,000.00
Additional ID Codes (lesser of 3 months or end of subscription term)	\$500.00
Additional Scans (block of 2 million)	\$500.00
Gold Subscription	
Subscription Fee (12 months)	\$4,500.00
Additional ID Codes (lesser of 3 months or end of subscription term)	\$500.00
Additional Scans (block of 6 million)	\$750.00
Platinum Subscription	
Subscription Fee (12 months)	\$10,000.00
Additional ID Codes (lesser of 3 months or end of subscription term)	\$500.00

LIST OF DESIGNATED INTERROGATORY RESPONSES

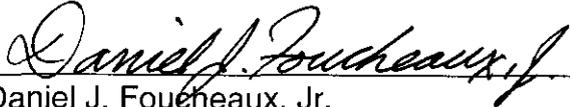
<u>Party Designating</u>	<u>Witness</u>	<u>Interrogatory Number(s)</u>
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SIGNATURE PAGE FOR STIPULATION AND AGREEMENT

 5/21/02
Daniel J. Foucheaux, Jr. Date
Chief Counsel, Ratemaking
United States Postal Service

JUN. 7. 2002 10:49AM

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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

CONFIRM

Docket No. MG2002-1

SIGNATURE PAGE FOR STIPULATION AND AGREEMENT

Alliance of Nonprofit Mailers

June 11, 2002

Name of Participant

Date

David M. Levy

[Signature of Representative]

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SIGNATURE PAGE FOR STIPULATION AND AGREEMENT

Shelley S. Dreifuss, Director

June 13, 2002

Name of Participant

Date

Office of the Consumer Advocate

Shelley S. Dreifuss

[Signature of Representative]

BEFORE THE
POSTAL RATE COMMISSION
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Docket No. MC2002-1

SIGNATURE PAGE FOR STIPULATION AND AGREEMENT

Association for Postal Commerce

June 12, 2002

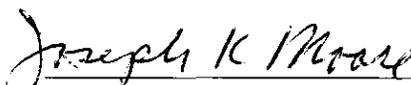
Name of Participant

Date


[Signature of Representative]

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Joseph K. Moore

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June 21, 2002