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

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POSTAL RATE COMMISSION OFFICE OF THE SECRETARY

## POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

## UNITED STATES POSTAL SERVICE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO STAMPS.COM WITNESS KUHR (USPS/STAMPS.COM-T-2-1-9)

Pursuant to rules 25 and 26 of the Rules of Practice and procedure, the United States Postal Service directs the following interrogatories and requests for production of documents to Stamps.com witness Kuhr: USPS/STAMPS.COM-T-2--1-9.

Respectfully submitted.

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr. Chief Counsel, Ratemaking

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475 L'Enfant Plaza West, S.W. Washington, D.C. 20260-1137 (202) 268-3078; Fax -5402 June 8, 2000

**USPS/STAMPS.COM-T2-1** On page 7 lines 14 through 16 you state "because all of the human-readable information is encoded into a 2-dimensional barcode, the indicium can be scanned by the USPS to quickly verify its authenticity, value, weight, origination point, and destination." Please explain how the weight can be verified by scanning the 2-dimensional barcode.

**USPS/STAMPS.COM-T2-2** On page 7 lines 18 through 21 you state "since each indicium indicates its origin, both location (the Licensing Post Office ZIP code) and owner (the customer's device ID and meter number), fraudulent activity can be detected and traced more readily and rapidly that with a traditional postage meter mark." Please confirm that a traditional postage meter mark also indicates its origin, both location (the Licensing Post Office ZIP code) and owner (the customer's device ID and owner (the customer's device ID and meter number). If not confirmed, please explain.

**USPS/STAMPS.COM-T2-3** On page 17 lines 7-8 you state that, "all mail pieces created through Stamps.com that use the FIM can be processed with the USPS processing equipment (facer - cancelers)."

a. Please confirm that all such letter and card shaped mail pieces would contain a FIM D marking. If not confirmed, please explain.

b. Please provide the results and all supporting documentation for any tests that may have been performed on postal cancellation machines.

**USPS/STAMPS.COM-T2-4** On page 17 lines 14 and 15 you state "for mailpieces using address labels, the fluorescent stripe acts as a replacement for the FIM-D." Please explain how the Postal Service's processing equipment will differentiate IBIP postage when it is applied to a label placed on an envelope from a traditional meter imprint?

**USPS/STAMPS.COM-T2-5** On page 27 lines 4-5 of your testimony you state, "The Print Postage dialog box requires that the customer enter the weight of the mailpiece so that the software can correctly calculate the postage rate." On page 28 lines 3-4 you further state that, "The customer has no ability to manipulate or override this rate, so it is guaranteed correct."

a. Please confirm that the Stamps.com end users are not required to integrate a scale into their PC system. If not confirmed, please explain.

b. Please confirm that the Stamps.com end users that do not have a scale would pay the postage for additional ounces (for mail pieces weighing over one ounce) on an "honor" basis. If not confirmed, please explain.

c. Please confirm that if a Stamps.com end user does not have a scale and incorrectly enters the mail piece weight, the postage on the mail piece would not be correct. If not confirmed, please explain.

d. Please confirm that situations similar to those described in (c) could occur such that the postage paid for a given mail piece by a Stamps.com end user would <u>not</u> always be "guaranteed correct." If not confirmed, please explain.

**USPS/STAMPS.COM-T2-6** On page 28 lines 1-3 of your testimony you state, "Once the mail class has been selected, the software automatically calculates the postage rate instantly on the customer's machine, including any applicable surcharges." Please confirm that the Stamps.com product can be used to apply the nonstandard surcharge to First-Class nonstandard mail pieces weighing less than one ounce. If not confirmed, please explain.

a. Please describe the procedure (i.e., list the steps) necessary for a Stamps.com end user to apply the proper nonstandard surcharge postage to a First-Class nonstandard mail piece that exceeds the thickness requirement (i.e., is > 0.25").

b. Please describe the procedure (i.e., list the steps) necessary for a Stamps.com end user to apply the proper nonstandard surcharge postage to a First-Class nonstandard mail piece that exceeds the length requirement (i.e., is > 11.5").

c. Please describe the procedure (i.e., list the steps) necessary for a Stamps.com end user to apply the proper nonstandard surcharge postage to a First-Class nonstandard mail piece that exceeds the height requirement (i.e., is > 6.125").

d. Please describe the procedure (i.e., list the steps) necessary for a Stamps.com end user to apply the proper nonstandard surcharge postage to a First-Class nonstandard mail piece that does not meet the aspect ratio (length/height) requirement (i.e., is < 1.3 or >2.5).

**USPS/STAMPS.COM-T2-7** On page 29 lines 3-6 you state that "Stamps.com allows customers to print on any 300 dpi or better laser inkjet. We do not require the user to buy additional printing hardware and have found greater acceptance in the marketplace because of this."

a. Which of the following two characteristics do you feel should dictate the mail piece quality requirements if a given mail piece is to be awarded a postage discount: "level of acceptance" or printer quality? Please explain your answer.

b. Did you conduct any tests and/or studies in order to determine the level to which the "lower quality" printers create mail pieces that can be successfully processed on postal equipment? If so, please provide all supporting data from those tests and/or studies. c. How did you determine the "lower bound" in terms of the quality of printers that are allowed to use the Stamps.com product?

**USPS/STAMPS.COM-T2-8** On page 30 lines 11-14 you state, "If we detect that a customer is using a printer that has been found to print out of specification with a certain type of media (e.g., if #9 envelopes don't feed correctly), we are able to globally restrict the media options available in the Stamps.com software..."

a. Please describe the "detection" process and what steps are taken to ensure a defective mail piece does not enter the mail stream. For example, if there is a quality problem on a given mail piece that occurs as a result of the printer itself, how is this problem detected if a Stamps.com end user enters that mail piece into a blue collection box that is routed directly to a postal facility? How is the Postal Service notified of the discrepancy?

b. If the print quality on a given mail piece is poor because a toner cartridge is running out, does the Stamps.com software prohibit the end user from applying the postage? If your answer is affirmative in any way, please explain how this process would occur.

c. Please confirm that the 2-dimensional barcode allows Stamps.com to determine the time and date that a "QA envelope check" mail piece was printed. If not confirmed, please explain.

**USPS/STAMPS.COM-T2-9** On page 31 lines 13 through 15 you state "the vast majority of all the Quality Assurance Envelopes we receive from our customers are within specification."

a. Please explain what is meant by "vast majority" (i.e. the number and percentage of Quality Assurance Envelopes that are within specification).

b. Of the envelopes that are not within specification, what types of problems are noted (i.e. FIM placement, Postnet, etc.).

c. What percentage of the non-specification envelopes are of each problem type?

## **CERTIFICATE OF SERVICE**

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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.

K Moore

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260-1137 June 8, 2000