

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
E.STAMP WITNESS JONES
(USPS/E.STAMP-T-1-1-9)

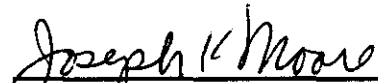
Pursuant to rules 25 and 26 of the Rules of Practice and procedure, the United States Postal Service directs the following interrogatories and requests for production of documents to E.Stamp witness Jones: USPS/E.STAMP-T-1-1-9.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Joseph K. Moore

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June 8, 2000

USPS/E-STAMP-T1-1 Please describe the current end users (e.g., small businesses, home offices, households, etc.) of E-Stamp's PC postage products and services. Include discussions of: business demographics, household demographics, average mail volumes, and type of mail to which PC postage is applied. Provide copies of all supporting documentation.

USPS/E-STAMP-T1-2 On page 8 lines 3-5 of your testimony you state that, "the USPS also sees PC postage as having the potential to retain current customers and regain current customers in the face of electronic alternatives to mail and competing carriers."

a. Please cite the appropriate USPS reference(s) indicated.

b. Have you conducted any market research studies that sought to determine whether PC postage would help to retain or regain these customers? If so, please provide copies of all supporting data.

USPS/E-STAMP-T1-3 On page 9 lines 13-15 you state, "We have found that the requirement to perform address cleansing while paying full postage is a major barrier to customer acceptance of PC postage." Please provide copies of all qualitative and quantitative data that you feel support this claim.

USPS/E-STAMP-T1-4 On page 7 lines 14-15 of your testimony you state that, "the user has the ability to print postage from the PC using a regular deskjet or inkjet printer." If a printer is not working properly, or a printer cartridge needs to be replaced, is a PC postage user still able to apply postage on a mailpiece or does the software prohibit them from doing so?

USPS/E-STAMP-T1-5 On page 8 lines 16-17 of your testimony you state that, "Inspections are not necessary because the software has insured compliance..." In addition, on page 15 lines 4-8 you state that, "Unlike a postage meter where the user can select the postage amount and must be relied upon not to attempt to defraud the Service, a PC Postage customer will have the postage amount determined automatically by the product and the customer will not be able to override the calculated value."

a. Do PC postage users apply postage to an envelope before or after the contents have been placed in an envelope and the envelope has been sealed?

b. How do PC postage products ensure that First-Class mail pieces weighing over one ounce are assessed the additional ounce rate?

c. Are PC postage users required to have a scale integrated into their system?

d. How do PC postage products ensure that First-Class nonstandard mail pieces are assessed the nonstandard surcharge?

USPS/E-STAMP-T1-6 On page 10 lines 20-21 of your testimony you state that "the barrier created by a lack of a discount for PC postage will still stand in the way of PC Postage gaining full acceptance." In addition, on page 11 lines 8-11 you state that, "It is naïve to believe that PC postage customers will willingly incur these burdens with no trade off in the form of a discount. Unless a discount is offered, PC Postage will not be able to attract enough customers to convert in order to establish this form of postage evidencing as a mainstream postage solution."

a. Have you conducted any market research studies that sought to determine how a PC postage discount would affect PC postage mail volumes? If so, please provide all supporting data and state the conclusion that you reached. If not, upon what do you base your claim?

b. Given these statements, was the concept of a PC Postage discount an integral element in E-Stamp's original business plan? If not, why not?

USPS/E-STAMP-T1-7 Please confirm that your proposal would result in a First-Class revenue loss. If not confirmed, please explain.

a. Please quantify the magnitude of that loss.

b. How do you suggest that this revenue loss be recovered so that the Postal Service can meet its revenue target?

USPS/E-STAMP-T1-8 In this proceeding, witness Clifton (ABA&NAPM-T-1) proposes a First-Class single-piece "P" rate (at a two-cent discount from the first-ounce single-piece rate) for mail pieces that could be deposited in collection boxes maintained by presort bureaus/MLOCR-qualified mailers. If your proposal and the "P" rate proposal were both implemented, would the PC postage products prohibit users from also claiming the "P" rate? If not, please explain why a mail piece should be extended both discounts.

USPS/E-STAMP-T1-9

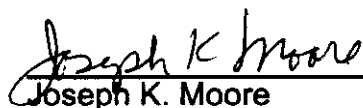
a. Please confirm that PC postage users are required to pay a fee to use your products to apply postage at the current First-Class single-piece rates? If not confirmed, please explain.

b. Please confirm that a "convenience fee" of 5%-10% is applied to each postage purchase. If not confirmed, please explain.

c. If your response to either (a) or (b) are confirmations, does that not suggest to you that PC postage users may be at least as concerned with, or more concerned with, the convenience your system affords rather than the specific postage rates that are charged? If your response is negative to any degree, please explain.

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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