

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

RESPONSE OF E-STAMP CORPORATION
WITNESS MICHAEL JONES TO INTERROGATORIES OF
DOUGLAS F. CARLSON
(DFC/E-STAMP-T-1-4-9)

E-Stamp Corporation hereby provides the responses of witness Michael Jones to the following interrogatories of United States Postal Service: DFC/E-Stamp-T-4-9, filed on June 13, 2000.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,



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Dated: June 27, 2000

**RESPONSE OF E-STAMP CORPORATION WITNESS JONES
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DFC/E-STAMP-T1-4 Please refer to your response to DFC/E-STAMP-T1-2(a). Please provide the basis for your statement that "Upon detecting fluorescence, the sorting logic will send the envelope down a different path."

RESPONSE:

According to Postal Officials in the Postage Technology Management office, the use of a FIM D is to signify that an Information Based Indicia (IBI) is the form of postage evidence and that a POSTNET barcode is present. These officials have notified this office that the use of fluorescent labels will cause the sorting equipment to sort the mailpiece to a different stack and that some of the efficiency gained by using a FIM D will have been decreased. The use of a fluorescent label will cause the mailpiece to be sorted to a stack that will next be processed through the OCR scanner whereas the mailpieces sorted using a FIM D will next be processed through the POSTNET barcode scanner.

DFC/E-STAMP-T1-5 Please refer to your response to DFC/E-STAMP-T1-2(b), (d), (e), and (f). Please reconcile your response with the response to DFC/USPS-66, which indicates that FIM "D" mail is sorted to the stacker for typewritten mail, *not* the stacker for pre-bar-coded mail.

RESPONSE:

According to Postal Officials in the Postage Technology Management office, the use of a FIM D is to signify that an Information Based Indicia (IBI) is the form of postage evidence and that a POSTNET barcode is present. Originally, PC Postage mailpieces were to use a FIM C, as was evidenced at the March 31, 1998 PC Postage launch ceremony at the National Postal Museum. But a short time afterward, the PTM office (then known as the Metering Technology

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Management office) changed the requirement for PC Postage from FIM C to FIM D so that FIM D would only be used for PC Postage and would signify as I described above. At the time of this change, there was no such PC Postage Category defined as a Closed System. Only an Open System had been defined, and the FIM D was designated with the Open System in mind. Although FIM D may have once been used for Courtesy Reply Mail that did not have a ZIP+4 barcode, this sorting logic is no longer applicable to meet the intent of what PC Postage has been designed for.

In addition, the USPS has stated in their response to DFC/USPS-66(b) that "FIM 'D' mail pieces are not necessarily prebarcoded." This is incorrect. Currently, the only PC Postage mailpieces which would not be prebarcoded are created by a Closed System. There is only one Closed System product in production and that product only prints on fluorescent labels. Since the USPS has determined that it is not necessary to print a FIM when using a fluorescent label, this Closed System product does not print a FIM. To further the point, this product has had the indicia redesigned so that the FIM-clear zone is no longer adhered to since a FIM will never be printed. Therefore, the only product which would not produce a POSTNET barcode also will not produce a FIM.

Also, although the use of a FIM has been designated for PC Postage Closed Systems if fluorescence is not present, the use of a FIM D for Closed Systems has never been defined. The only documentation specifying the use of a FIM D for PC Postage solely applies to PC Postage Open Systems. Since it is required

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for Open Systems to produce a POSTNET barcode, all mailpieces with a FIM D will include a POSTNET barcode.

DFC/E-STAMP-T1-6 Please refer to the response to DFC/USPS-66(d) and (e). Please provide all facts and information that you have to indicate that the Postal Service's confirmation is not correct.

RESPONSE:

I have no facts that the USPS is not correct as to the current processes in place. However, that does not mean that the processes in place are correct as per my response to DFC/E-STAMP-T1-5. Since all PC Postage mailpieces bearing a FIM D are prebarcoded, there is no reason to spray an orange RBCS ID tag on the back of the mailpieces. The process currently in place is not taking advantage of the work share and cost reduction efficiencies designed into PC Postage Open System mailpieces per the USPS specifications.

A discount for PC Postage Open System mailpieces should not be denied due to the USPS not sorting the mailpieces as were intended. If a discount is denied for this reason, then the specifications for PC Postage Open System mailpieces to include a FIM D and a POSTNET barcode should be removed.

2(f). DFC/E-STAMP-T1-7 Please refer to your response to DFC/E-STAMP-T1-

- a. Do you believe that PC Postage mail pieces are sorted to a stacker that contains only PC Postage mail pieces? If so, please explain the basis for your understanding.

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- b. Please explain the basis for your statement that postal employees have been trained to take PC Postage mail pieces to a bar-code sorter, as opposed to an MLOCR, for scanning.

RESPONSE:

- a. Confirmed. According to Postal Officials in the Postage Technology Management office, FIM D is only to be used for PC Postage.
- b. According to Postal Officials in the Postage Technology Management office, PC Postage mailpieces bearing FIM D are to signify that an Information Based Indicia (IBI) is the form of postage evidence and that a POSTNET barcode is present. These same officials have stated that after mailpieces are sorted by the AFCS equipment, the mailpieces are to be sorted by the POSTNET barcode scanner. During the Beta testing of the first PC Postage Open Systems, geographical expansion of testing was limited partly due to the requirement for sorting centers to be trained prior to handling PC Postage mailpieces. Until such training had taken place in a sorting center, PC Postage Open System products could not be installed within the district covered by that sorting center. In addition, according to Postal Officials in the Postage Technology Management office all sorting centers had to first verify that the AFCS equipment was properly programmed to sort mailpieces bearing FIM D. Since we have been informed that mailpieces bearing FIM D would be taken to the POSTNET barcode scanner after processing by the AFCS equipment, admittedly I have assumed that this procedure was part of

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the required training conducted in the sorting centers prior to the handling of PC Postage Open System mailpieces.

It should be noted that Beta trials for the PC Postage Closed System product were not conducted and geographical expansion was not limited by the need to train sorting center personnel. The Closed System product, which does not produce a FIM D and has always printed indicia on labels, was approved to be installed nationwide while the Open System products were still only available in three states and the District of Columbia even though Beta trials for Open System products had commenced 9 months earlier.

DFC/E-STAMP-T1-8 Please refer to your response to DFC/E-STAMP-T1-3(f). Please confirm that some PC Postage mail weighing up to 3.3103 ounces and deposited loose in collection boxes may not be automation compatible, even if it has a FIM "D" and a POSTNET bar code, because the mail will be too thick for the AFCS and will be rejected from the culling system. If you do not confirm, please explain.

RESPONSE:

Confirmed. I cannot rule it out as a possibility. However, the number of letters over 3 ounces is so small that it would have no measurable effect on estimated cost avoidance. And, as a practical matter, a letter so thick as to be culled would be unlikely to meet automation standards.

DFC/E-STAMP-T1-9 Does the PC Closed System print a FIM "D"?

RESPONSE:

The PC Postage Closed System in production does not print a FIM D.

DECLARATION

I, Michael Jones, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.

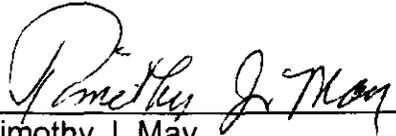
Michael A. Jones

(Signed)

June 27, 2000

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the Postal Service by hand and by First-Class Mail upon all participants in this proceeding requesting such service.


Timothy J. May

Dated: June 27, 2000