

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

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POSTAL RATE AND FEE CHANGES, 2000

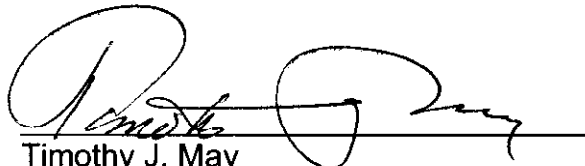
Docket No. R2000-1

RESPONSE OF E-STAMP CORPORATION  
WITNESS MICHAEL JONES TO INTERROGATORIES OF  
OFFICE OF THE CONSUMER ADVOCATE  
(OCA/E-STAMP-T-1-1-6)

E-Stamp Corporation hereby provides the responses of witness Michael Jones to the following interrogatories of Office of the Consumer Advocate: OCA/E-Stamp-T-1-1-6, filed on June 19, 2000.

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

Respectfully submitted,



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Counsel for E-Stamp Corporation

Dated: July 3, 2000

**RESPONSE OF E-STAMP CORPORATION WITNESS JONES  
TO INTERROGATORIES OF CONSUMER ADVOCATE**

**OCA/E-STAMP-T1-1** Please refer to USPS/E-STAMP-T1-1. Provide the number of customers in each category of current end users (e.g., small businesses, home offices, households, etc.), and describe the parameters of each category (i.e., how many mailpieces, type of use, etc.).

**RESPONSE:**

Question has been withdrawn.

**RESPONSE OF E-STAMP CORPORATION WITNESS JONES  
TO INTERROGATORIES OF CONSUMER ADVOCATE**

**OCA/E-STAMP-T1-2** You indicate that E-Stamp rolled its product out nationwide in August 1999 (E-Stamp-T-1 at 6). Provide the number of active E-Stamp customers by month from August 1999 to the present. Include only customers making postage purchases through E-Stamp in each month.

**RESPONSE:**

As of March 31, 2000, E-Stamp had shipped approximately 79,000 starter kits since the launch of our Internet Postage product in August, 1999. This is the last published figure.

**RESPONSE OF E-STAMP CORPORATION WITNESS JONES  
TO INTERROGATORIES OF CONSUMER ADVOCATE**

**OCA/E-STAMP-T1-3** Provide E-Stamp's estimate of the number of active customers it expects to have by the end of the test period in this Docket No. R2000-1 (September 2001). Break down the estimate by the categories of end users given in response to OCA/E-STAMP-T1-1. Indicate specifically how many of the total number of projected customers are (a) households and (b) home offices?

**RESPONSE:**

In the Ray Boggs testimony (page 36) on behalf of E-Stamp Corporation and Stamps.com, projections are made for spending on PC Postage (First-Class postage only) through the year 2003, but a direct projection on the number of users over that time frame is never made. Instead, Boggs projects the potential market sizes based on the growing numbers of Small Offices and Home Offices (SOHOs) along with their increased usage of PCs and the Internet. While these projections are made on a year ending basis, it could be estimated from the Boggs projections that the total spending on PC Postage from January, 2001 to the end of September, 2001 would be approximately \$460.4 million (\$326.9 million from Small Offices and \$133.5 million from Home Offices). Boggs estimates that by the end of 2001, SOHOs using PC Postage will account for approximately 4.3% of all First-Class spending.

E-Stamp customers are in roughly four categories: household; home office; small office (one to nine employees); and large office (ten or more employees). E-Stamp does not keep data on the numbers in each category. E-Stamp does not ask the customer to identify itself in that manner so none of that information is captured, except to know that we do have some customers in each one of those categories. Although E-Stamp does have household customers, E-Stamp does not target to households. We believe that most of our customers are home offices and small offices because that is what E-Stamp targets in its marketing efforts. While we believe we do have some larger

**RESPONSE OF E-STAMP CORPORATION WITNESS JONES  
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business customers, we do not believe that there would be many; they have postage meters and do high volumes and the technology has not really been converted to meet that market segment. We are confident that most of our customers would be in the home office/small office category.

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**RESPONSE OF E-STAMP CORPORATION WITNESS JONES  
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**OCA/E-STAMP-T1-4**      Currently, what is the average amount of postage purchased by an E-Stamp customer monthly? What is the average number of mailpieces to which an E-Stamp customer applies E-Stamp postage monthly?

**RESPONSE:**

The maximum allowable balance on a postal security device (PSD) is \$500. This number was chosen by the USPS prior to the commencement of beta trials and has been the set limit ever since. The Postal Service may adjust this limit higher at some point, or may chose to have various limits each related to different target markets.

**RESPONSE OF E-STAMP CORPORATION WITNESS JONES  
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**OCA/E-STAMP-T1-5** Provide, both currently and as projected for the end of the test period (September 2001), the number of active E-Stamp customers that apply postage to (a) 25 or fewer mailpieces monthly and (b) 100 or fewer mailpieces monthly.

**RESPONSE:**

Question has been withdrawn.

**RESPONSE OF E-STAMP CORPORATION WITNESS JONES  
TO INTERROGATORIES OF CONSUMER ADVOCATE**

**OCA/E-STAMP-T1-6** For customers applying First-Class postage to one ounce letter mailpieces through E-Stamp, please state the costs (over and above the cost of postage) to mail (a) 20 letters and (b) 80 letters each month. If there are choices of plans at different prices, indicate the most economical for the customer. Provide copies of rate plans.

**RESPONSE:**

The question is not relevant to E-Stamp because our fee structure does not charge based on the usage patterns described. E-Stamp charges a fee of 10% of the amount of postage purchased, with a minimum charge of \$4.99 and a maximum charge of \$24.99. The maximum amount of postage that can be purchased at any one time is \$500.



**DECLARATION**

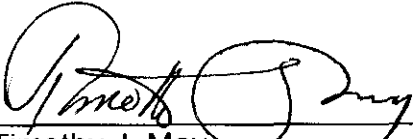
I, Michael Jones, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.

*Michael A. Jones*  
\_\_\_\_\_  
(Signed)

June 30, 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: July 3, 2000