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Ms. Margaret P. Crenshaw
U.S. Postal Rate Commission
1333 H Street, NW, Suite 300
Washington, DC 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

August 13, 1997

NOTICE OF INTERVENTION

Docket No. R97 -1; Order No. 1186; Notice of the U.S. Postal Service's Filing of Proposed Postal Rate, Fee, and Classification Changes and Order Instituting Proceedings -- Notice of Full Intervention Served on the U.S. Postal Service on Behalf of E-Stamp Corporation

Dear Ms. Crenshaw:

E-Stamp Corporation hereby serves its official Notice of Intervention on the United States Postal Service on a full intervention basis, in reference to Docket No. R97-1; Order No. 1186, whereby the United States Postal Service ("USPS") has filed a Request with the Postal Rate Commission for a recommended decision on proposed changes in domestic postage rates and fees and in certain mail classifications.

E-Stamp Corporation, as an Intervenor on a full intervention basis, would like to submit the following names for receiving service of any documents relating to such proceedings:

James F. Kuhn

1155 21st Street NW

Suite 210

Washington, DC

PHONE: 202-223-7258

FAX: 202-223-7280

Mr. John O'Dell

E-Stamp Corporation

3050 Post Oak Boulevard, Suite 110

Houston, TX 77056-6524

PHONE: 713-871-9799

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E-Stamp Corporation is a Houston, TX, and Palo Alto, CA, based technology company and is the first entity to develop a secure Internet-based software solution that will enable customers to print postage from their existing personal computers simultaneously while addressing an envelope, document, or package label. E-Stamp (TM) technology will also enable users to purchase postage quickly and easily via the Internet through a variety of secure payment options. At the present time, E-Stamp Corporation's product is in the certification process with the USPS under their Information Based Indicia Program ("IBIP").

As we anticipate that E-Stamp Corporation's technology will receive final authorization from the USPS during the 4th quarter of 1997, we look forward to making our product available to American consumers. Henceforth, E-Stamp Corporation would have an official relationship with the USPS in being authorized to sell its product to PC users, who would in turn purchase and apply postage. In this relationship with the USPS, E-Stamp Corporation would become part of the Information Based Indicia Program which is a USPS initiative to create a new form of postage indicia that will function as the equivalent of a postage stamp or current meter imprint. The USPS will benefit significantly as PC users adopt E-Stamp in that all IBIP mail generated by E-Stamp will be postnet bar-coded and accurately addressed, thereby providing the USPS with quality, automated mail. As a potential provider of this product to individuals and entities who will purchase postage, E-Stamp Corporation has a direct interest in the pending rate case before the Postal Rate Commission.

It is the position of E-Stamp Corporation that there should be a price differential between first-class, postnet barcoded, automated mail (specifically IBIP mail), and non-automated mail. IBIP mail is required to have postnet barcodes. The USPS has adopted a "cost basis" approach to rate setting and has conducted studies which

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indicate a price disparity in the USPS's cost of handling automated mail as opposed to non-automated mail. Thus, E-Stamp Corporation would propose that IBIP mail should eventually have its own rate classification with regard to the USPS's current and/or future domestic postage rates.

Additionally, the cost of disseminating postage via the Internet (as is done in the E-Stamp system at virtually no cost to the USPS), compared to the cost of stamps (printing, shipping, security, retailing), generates an additional savings to the USPS which should also be given consideration with regard to a special rate classification for IBIP mail. Once again, E-Stamp Corporation takes this position in light of the cost advantages to the USPS, especially with respect to the proposed increases in domestic postage rates. E-Stamp Corporation believes that IBIP mail, with its own rate classification, would result in increased revenues to the USPS.

E-Stamp Corporation would like to take this opportunity to officially request a hearing in terms of its position with IBIP mail and would also intend to actively participate in any particular hearings that will be conducted on the USPS's proposed changes to domestic postal rates.

If you have questions or require additional information, please contact me at any time.

Sincerely,

A handwritten signature in black ink, appearing to read 'James F. Kuhn', written over a horizontal line.

James F. Kuhn

On behalf of E-Stamp Corporation

Attachment



CERTIFICATE OF SERVICE

I hereby certify that I have this 13th day of August, 1997, served the foregoing document by personal delivery or by U.S. mail upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.

James F. Kuhn
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Suite 210
Washington, DC 20036
PHONE: 202-223-7258
FAX: 202-223-7280
E-MAIL: Jfkuhndc80@aol.com

A handwritten signature in black ink, appearing to read 'James F. Kuhn', is written over a horizontal line. Below the line, the name 'James F. Kuhn' is printed in a standard font.

James F. Kuhn