

CANADIAN METER STAMP NEWSLETTER

Editor:- Ross Irwin, 903-24 Marilyn Dr., Guelph, ON., N1H 8E9 --- E-mail - rossir@inforamp.net
Associate Editor and Treasurer:- Dave Cooper, 35 South High St., Thunder Bay, ON., P7B 3K3

NO. 52

1998

The last Newsletter was obviously a big yawn as I got almost no comments on it. The purpose of the index was to get comments from you on how our catalogue should look. It was not intended to be "this is the way it is". How can we make it more usable and accurate. What should be in it and what should come out? Only when we have decided on the accuracy and inclusiveness of the index can we put the catalogue together. We are getting very close. Look at it again.

This one is also a bit boring as it will discuss the Editors' efforts to acquire items for his collection with virtually no success. It is also a review of what is in the mail. I will explain as I go on.

POSTAL CONFERENCE '98

On March 11, I attended "Postal Conference '98" sponsored by Mail-Poste. It was in the Sheraton Hotel, Toronto, and took up the entire lower floor. All M-P employees were well spoken in French. I think they unloaded Ottawa and Montreal for this large trade show.

I am sure you realize that the cost of all forms of postage and related items have risen sharply as of April 1, 1998, except for the 45¢ domestic rate. The population yells loudly when they do that. This PR exercise was an effort to sell addressed ad-mail and all other forms of present service. It was a 3-day show and brought out a large number of postal customers.

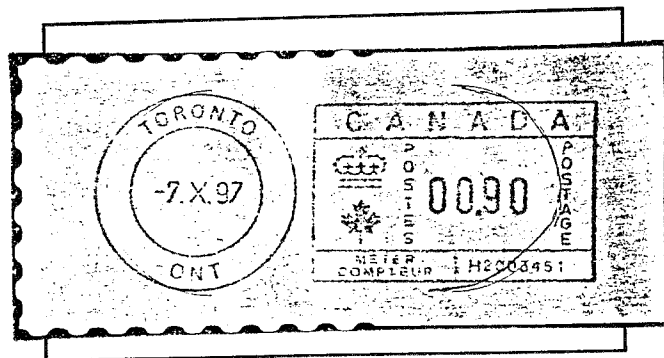
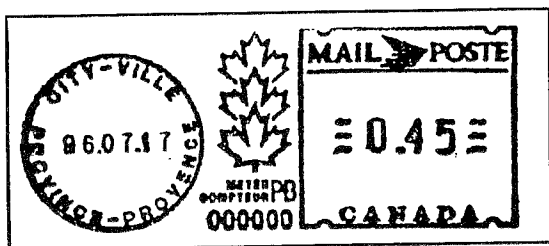
I went because I noted that postage meter companies would have exhibit booths. Pitney Bowes was present

with their Mail Centre 2000. It has the Spectrum Inserter System, the Paragon Mail Processing System and the AddressRight Mailing Software and Printing System. There were no other meters on display. I got a demonstration tape - the same as they have issued since 1992.

I took with me some illustrations of current meters to get advertising and identifications. The persons manning the booths were not familiar with serial numbers to relate to their Model types. I got some addresses where I could get this info - they said. I did learn a few things and will discuss them down the page.

Ascom-Hasler had several mailing machines with postage meters. I got some examples, shown below, but I was surprised by the wariness of booth staff as to why I needed the information. I could not get them to tell me what Model number went with their new serial numbers. It is a highly competitive industry and no one offers much information.

Regarding the ASCOM Hasler tapes. I was given a demonstration as to why the tapes have simulated perforations along the top and half circles in the body of the tape. The perforations are there to assist in peeling the tape from the backing material.



I illustrate the back of a Hasler tape. The half moon cuts are a security item to prevent persons peeling the tape off and reusing it. It will tear but will still leave the value and the serial number and town name. I understand that fraud in this industry is very high and the reason why meters are going electronic.

Francotyp-Neopost was there but did not have a meter, nor any advertising. Got a name to contact but little information.

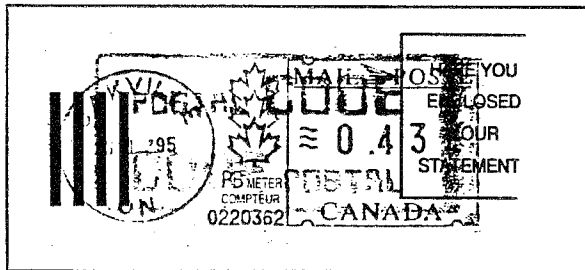
Several display people were showing various forms of bar code readers. It appears that Canada will have a form of e-mail using a code within a year. This is now in test in the USA. Shown below are a couple of examples by one company.

Discovered that RETURN POSTAGE PREPAID is now a dodo, according to sales people.

The Pitney Bowes Model 5711 mechanical meter has been the workhorse for the company small businesses. It is to be withdrawn. The problem is that it rented at \$15 a month. To retain this small business market the company has introduced a meter with 99¢ maximum.

CUT SQUARES

More about me. I bought for \$2.00 a shoe box of commercially used postage meter cut squares dating from 1992 to 1997. I show an example how the sorting bars spoiled 90 percent of the meters.



I can't imagine anyone cutting these meters into squares. It took me 3 nights just to go through them - must have been over 5,000. An overview impression tells me that 40 percent were Pitney Bowes Model 5711. Another problem is the quality of printing. Poor inking is rampant. Some papers do not absorb ink well. I was told that when a batch of mail comes in with unreadable inking CP will phone them to come and pick up their mail and to inform their maintenance people to correct

the problem. Sorting machines just check for fluorescence and do not check the value. The machines can't read it.

Postage meter use is diving. Are we now part of what was termed a "dead country" which people abandoned as they like to collect new items. I illustrate the culprits below. Metered mail is becoming as scarce as stamped mail.

Canada Post is really pushing Addressed Admail, which is advertising by mail. This is the stuff that has the endorsement "Bulk" and/or "En nombre". The interesting thing for CMSG is that a postage meter can only be used for envelopes that are 50g or less.



The Canadian Addressing Standard Handbook states that the province should either be in 2 letters, or in full. No more ALTA, etc. We shall see!

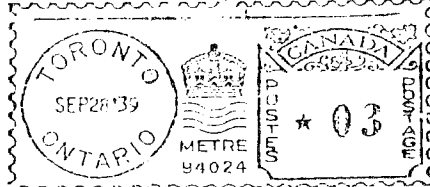
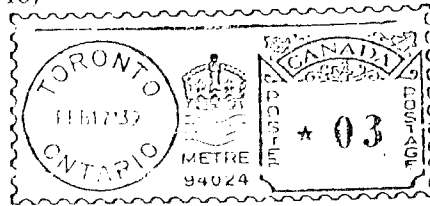
Electronic postage is also in the works since e-mail has taken away some 35 percent of the business. Pitney Bowes is working on software to allow users to secure postage via a phone system and then have the postage printed onto labels or envelopes. This is two-dimension symbology - that is, a two-dimensional bar code. While the security is very high it currently takes a long time to process an envelope. It is likely this technology will first appear in the small office environment.

Canada Post now sells 22 products on their web site at <http://www.canadapost.ca>. Orders are sent by mail. Also on the site you can get post offices, postal codes, postage rates, etc. Lots of neat stuff.

The Dionne quintuplets have been in the news recently with respect to the government providing money for their maintenance. Only three remain alive. I show here two postmark ads pertaining to the family. Seems as if there are a couple of others I have seen. (Just noticed at page 31-16)

**DR. DAFOE CHOSE,
COLGATE'S
DENTAL CREAM
FOR THE Dionne Quints**

*Get a Dionne Quint
Souvenir Teaspoon*
Send 10¢ plus 2 Palmolive Black
Bands to Palmolive, Toronto



Canadian Stamp News illustrated the recent Friden-Postalia FP4000244 MAIL >> POSTE rate mark. The townmark reads STERLING ON. Postmark ad reads "Village of Stirling". I wonder how many caught the error.

It isn't often one finds used Mail-O-Mats. There are lots of first days. This was sent in by Gregoire Teyssier.

POST CARD

Please do not write directly below.

*48-00
St. John's*
You SERVE by SAVING
Buy
WAR SAVINGS CERTIFICATES

Free instructions for
"Mailomat" for 3c. to any destination
in Canada or United States.



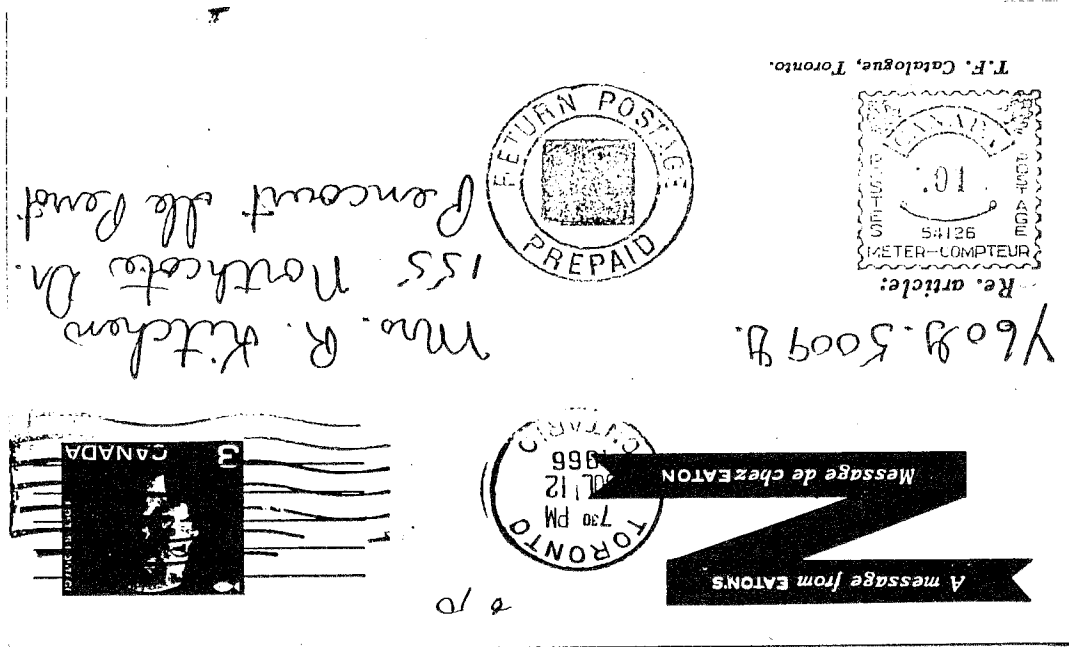
This Space for Your Greeting + 2-44

*Dear Pearl: Mother
sent me your letter
yesterday but she couldn't
part with the scraps. Did
you get a baptismal
certificate? If not you
should ask the Minister
for one. I am going home
to-morrow so will
write you a long letter*

This Space for Address Only

*Mrs. Ernest Sparks
478 Wellington St
Peterboro,
Ont*

Ron Kitchen sent a copy of an interesting postcard. This shows the use by the T. Eaton Co. of the 8.1.3 postage meter used to state the order was delayed. As a matter of fact this is an unlisted new type. It should be Type 8.2 with METER-COMPTEUR.



8.1.14 page 34.4

There will be a slight delay in filling your order for the article described on the face side of this card, as we are temporarily out of stock. A fresh shipment is due momentarily and everything possible is being done to hasten delivery. We expect to ship your order by July 29 and regret the inconvenience this has caused you.

Il y aura un court délai dans l'expédition de la marchandise décrite au recto de cette carte, car notre stock est épuisé pour le moment. Une nouvelle réserve doit nous arriver sous peu et nous ferons alors tout en notre possible pour vous faire une prompte livraison. Nous comptons pouvoir exécuter votre commande d'ici dix jours et regrettons les inconvénients causés.

EATON'S

Thunder Bay Chronicle-Journal features Ex CMSG Editor during the ice storm near Ottawa. He looks dejected!

THE CHRONICLE-JOURNAL

Ontario

Friday, January 9, 1998

Ice creates state of emergency

Emergency shelters spring up for people shivering without heat

THE CANADIAN PRESS

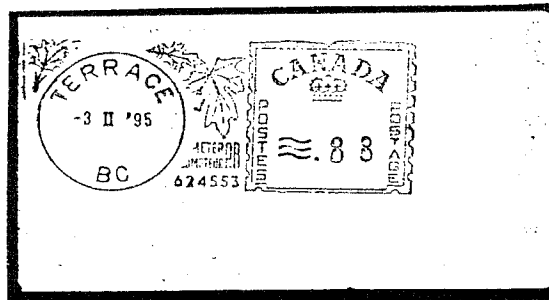
OTTAWA — Winter tightened its icy grip on eastern Ontario on Thursday, pelting Ottawa and other centres with freezing rain that snapped trees and branches, bringing down hydro lines faster than hydro crews could repair them.



CP PHOTO

Clayton Rubec runs extension cords from neighboring houses after a fallen tree branch knocked power out at his house

Pitney-Bowes new style numerals in serial block, also note the '95 date. Looks like a Model 5307 but is likely a new electronic model.



Letter from Steven Friedenthal of BNAPS, author of Handstamp Slogan Postal Markings of Canada. Wants to undertake a listing of meter slogans. It is a formidable job. I just made the summary below of those early ones I know about. Instead of describing them it would be easier just to illustrate them. Would take more space but is of greater use. It is such a big job I doubt if it gets off the ground.

POSTMARK AD	USED AT	DATE	SERIAL	NO
CO-OPERATION / IN / INSURANCE	OTTAWA	12 VIII 27	M 736	3
THE / MIDGET POSTAGE METER / PRINTS YOUR OWN / ADVERTISEMENT IN / THIS SPACE IF DESIRED	OTTAWA	10 III 28	502	3
WANT AD. / HEADQUARTERS	OTTAWA	14 VI 29	910	3
"Built - Not Stuffed" / OSTERMOOR / MATTRESS	MONTREAL	14 IV 27	M 480	3
CANADIAN NATIONAL EXHIBITION / POSTAL EXHIBIT	TORONTO	16 IX 27	M544	3
The Citizen / "The paper / with the / classified ads"	OTTAWA	29 VIII 27	364	3
BACHELORS / BUILD / BUSINESS	TORONTO	14 III 31	349	3
Economical Transportation	MONTREAL	17 XII 32	456	3
BUY / CANADIAN INSURANCE / A BOOST FOR CANADA / IS A BOOST FOR YOURSELF	WINNIPEG	15 XI 28	M 461	3
MARKET PRICES / ALWAYS	TORONTO	10 V 33	M463	3
SAVE MONEY / SHIP FREIGHT VIA / CANADA STEAMSHIP LINES	MONTREAL	7 IX 33	M541	3
Stock Exchange News	MONTREAL	19 IV 27	M486	3
THE DAILY PROVINCE / WESTERN CANADA'S GREATEST / CLASSIFIED SERVICE	VANCOUVER	25 IV 29	M736	3
P. A BOUTIN / UNDERWRITER			681	3
HELP KING GEORGE JUBILEE CANADIAN CANCER FUND			1442	3
IMPERIAL ECONOMIC CONFERENCE / 1932	OTTAWA	AUG 18'32	40159	5

Ed Lapham writes that he also was a Sweeostake winner of \$833,372 "if"..... Ed calculates his chance of winning was 1:120,000,000.

Regarding the list of northern offices Ed mentions:

CARMACKS, YT. meter 677975, from Carmacks Hotel, Y0B 1C0

IQALUIT, NT. meter H2001465, X0A 0H0. Ed points out this is the same postal code I used for FROSHER BAY. I think FROBISHER BAY was renamed IQALUIT?

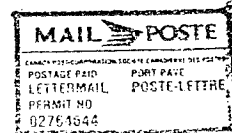
FORT RESOLUTION, NWT. X0E 0M0, Ed thinks it did not have a meter.

CAMP CANOL NWT postage meter. This was PB meter 140305 with RETURN POSTAGE PREPAID but was located at the Bechtal-Price-Callaghan office at Edmonton. Ed comments it is an unusual use for mail sent out of the country. See also, CMSG NL 13, page 3, for illustration.

Daniel Fontaine sent 3 items of interest.

A Canada Lettermail PPC indicia with a return address in Scarborough but mailed at ZIP 33122. This seems to be a strange arrangement.

IF UNDELIVERABLE RETURN TO
UNIKTRANS CORPORATION
P O Box 9
Postal Station D
Scarborough ON M1R 4Y7



A USA permit but mailed from the same ZIP number, having a new AIRMAIL directive

INTERNATIONAL
PRIORITY AIRMAIL
PAR AVION



A large cover posted in Australia but somehow entering the private mail delivery system of "Mailfast" in Toronto.



350 189

SURFACE
MAIL

POSTAGE
PAID
AUSTRALIA

Australian Book Review

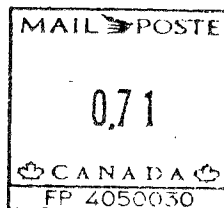
Suite 3, 21 Drummond Place
Carlton Victoria 3053

Print Post Approved
PP 3288660056

Will Whitehouse sends me a lot of material for use in the Newsletter. I am away behind in using it so this NL will include many small items, which we will have to sort and number into the catalogue in the future.

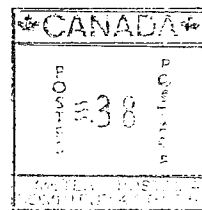
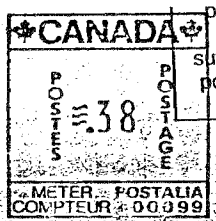
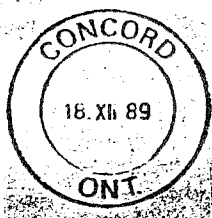
A 3-bank Frankotyp Postalia meter no 4050030 having a double circle townmark and smaller indicia. My Guelph Hydro FP4050047 has a single circle townmark. It is the "Conquest - M Series". On the FP4000000 series there is a vertical number at the left of the rate mark is the total number of impressions to date for that meter. In the old days it was numbered on the meter, now it is on the indicia. Note the datemark is Y-M-D. Also, MAIL>>POSTE.

MILNER AVENUE
SUITE 1100
SCARBOROUGH, ON
M1B 5N1

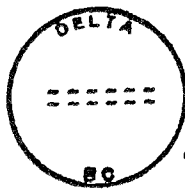


Frankotyp-Postalia indicia have a lot of minor variations. Should these be catalogued?

Shown here are meters FP400999 with a flat top "3" in the value, and FP400099 with a round top "3". We are bound to get these variations when the indicia is printed from software.

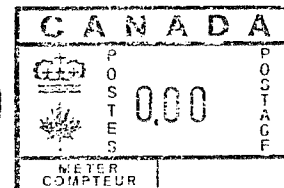
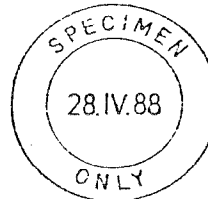
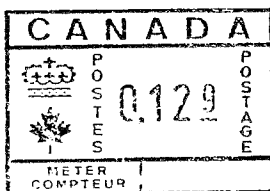
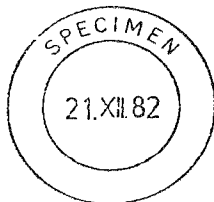


A Paragon 2000 postage meter impression with double dashes for the datemark. This is a bulk rate at 26¢ so the date is not shown. I guess this is one way the meter depicts it, certainly a minor variation.



Shown here are two Hasler SPECIMEN meters. One is a 3-bank to \$9.99 and the other a 4-bank to \$9.999. The townmark of the 3-bank is 27 x 17 mm.

Hasler Mailmaster
The Franking System.

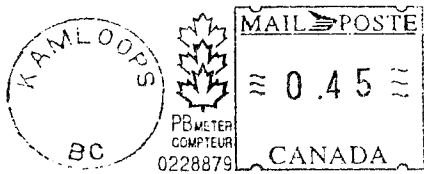


Had a letter from Giuliano Amadio, CP 266, I - 60035. Jessi (MSS 973) wants to trade thematic meter stamps, mostly automobiles. Write him if interested.

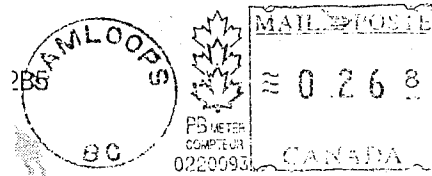
At the APS AmeriStamp Expo last January there was a major display of postage meters on the topical theme of Disney. It is described on the net at: - stampgroups@yaxcorp.com. The international stamp dealers network.

Additions to the Postal Code townmarks shown on page 51.2 are as follows:-

CITY	PROVINCE	METER NO.
V6B 3A0	Blank	H2004771
ETL CV	H3C 1S0	1053351
C.M.P.P.	T2E 0A0	1003210, 631739
AB	T2E 0A0	1052135, 1052574
WLPP	L4W 1T0	1006594, 1008649, 1009926, 1011093, 1011323, 1011652, 1011662, 1011673, 1011677
Blank	N2J 2X0	1004854
L3R 0A0	ON	1052913



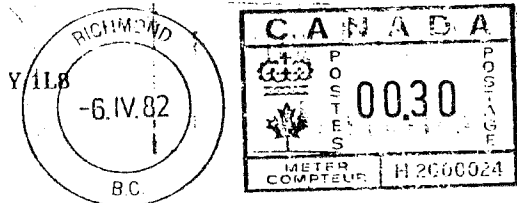
Type 31 Datemark blank



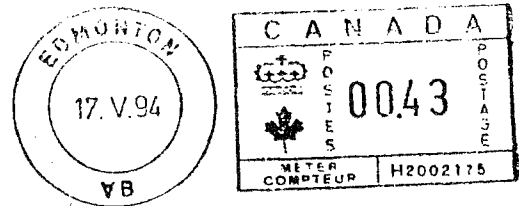
Type 31 Decimal value

Below are examples of Type 29.1 variations

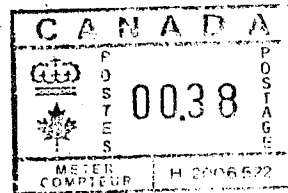
Small letters in townmark



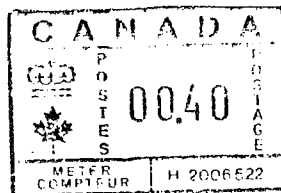
Inverted "A" in "AB" province



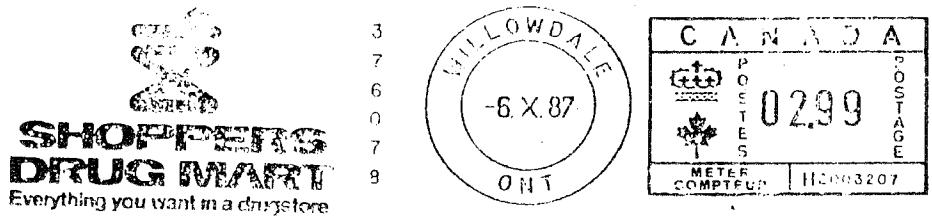
Bilingual RETURN POSTAGE PREPAID as postmark ad. Townmark is missing. Ad circle is smaller than in SPECIMEN 29.1.9



Rate indicia only



Type 29.1 showing post office responsibility number between the townmark and the postad



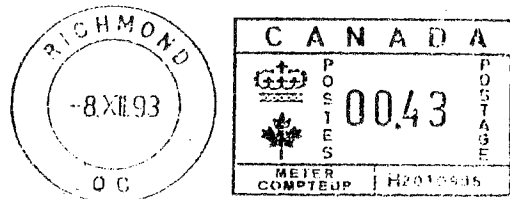
Type 29.1. no rate frame, value only and townmark



Type 29.1. error in province. "QC" should be "BC". Error appears on 3 meters. Need corner card to check it.

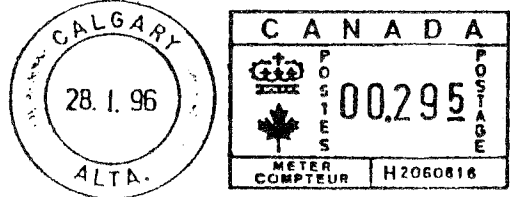
*Crowntek
Business
Centres Inc.*

Crowntek Business Centres Inc.
190 Richmond Corporate Centre
13160 Vanier Place
Richmond, B.C. V6V 2J2

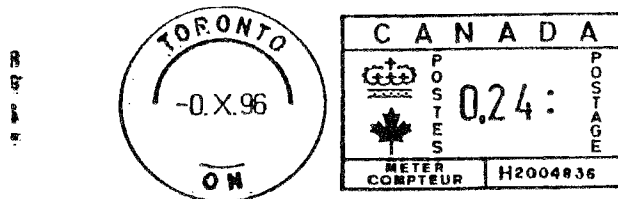


Replacement illustration for 29.1.12

**B
U
L
K**



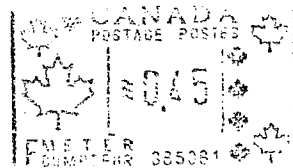
The broken inner circle of the townmark has been found on at least two meters. Is it a type or error?



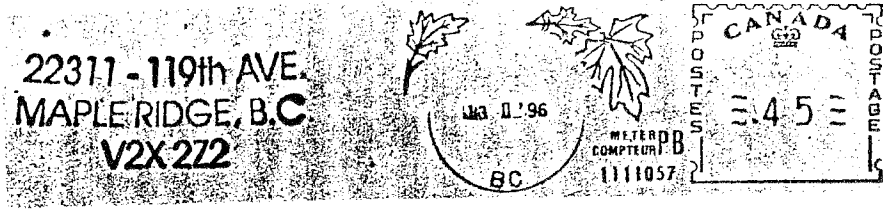
Is the missing part circle a meter error or a special design? Note part of the postal code is missing in the ad.

YORK REGION
BOX 147
NEWMARKET, ONTARIO
4W9

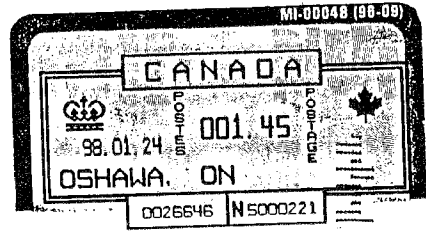
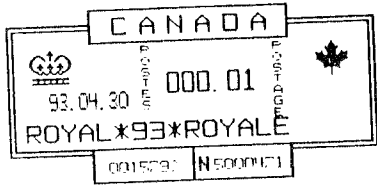
12 VI '98
ONT.



Another example of a portion of the townmark missing. Seems that we need to talk to a technician on these. We have such a person here who does all makes on contract. Will attempt to check this out - in time. This one looks as if the die is not sitting correctly in its frame - or is it the software?



Don't hear much about Nixdorfs since the fading problem. My collection is quite varied. Some are faded and some not. The new labels with the "silver" edge have been in use since January 1997. There is a small date in the upper right corner. I show both types here.



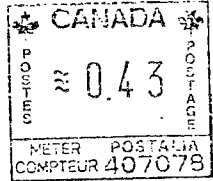
THE FRANKOTYP-POSTALIA STABLE
(To be catalogued and reordered later)

FP4.000.000 series with meter use between frank and townmark. Example for meter FP4000083

97.08.27	#0000008943
97.09.18	#0000009071
97.12.04	#0000012278
98.01.10	#0000013834

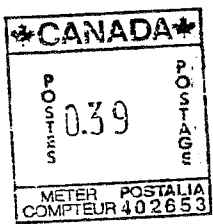
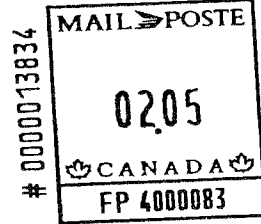
Highest serial seen is 4000474. TM is double circle. Rate is 00.00. DM - Y.M.D Prov 2 letter abbrev. MAIL>>POSTE.

P407000 with CANADA and POSTES POSTAGE. Rate =0.00. TM single circle. DM- D.M.Y Highest 407191.

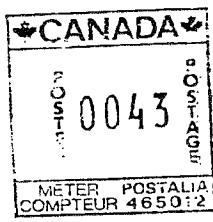
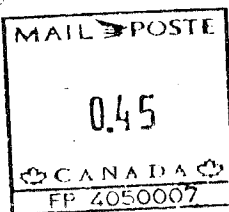


FP4.050.000 series with MAIL>>POSTE. Rate is 0.00. Prov is 2 or 3 letter abbreviation. DM - D.M.Y TM is double circle. Canada Post purchased a batch of these

P402000 with CANADA and POSTES POSTAGE. Rate 000 with no dot. TM is double circle, also single circle. DM- D.M.Y. Highest seen 403188.



P465000 with CANADA and POSTAGE POSTES. Rate is 0000. TM double circle. DM - D.M.Y Province abbreviated with period. Highest 465012.



PITNEY BOWES "FOX" POSTAGE METER

The Pitney Bowes "Fox" electronic postage meter has been renamed and marketed as the Personal Post Office for small offices. It prints the indicia as a thermal-mylar process. The indicia design is programmed into the meter and can be changed by a technician in the software. No die is involved in the printing so there will probably be a fair amount of variation in time. There are currently two meters in this series, which needs more research.

The design consists of two rectangles. The ratemark has the new MAIL>>POSTE in the top portion. The ratemark appears to be a 5-bank meter, but is probably not. CANADA is at the base. The rate is 0.001 to 99.999.

The rectangular townmark has the town name across the top and the province in two letters below the rate. The datemark is 6 digits YMD with no periods between. At the base is the serial number of the postage meter. The serial block begins at 450000. It appears that the serial block was changed and was originally from 1452000. I have an example with this serial but the design is identical to the 450000 block.

Between the rate rectangle and the townmark rectangle are three filled maple leaves with METER/COMPTEUR and PB.

At the left of the townmark are a series of six numbers. This is cryptic code for security and contains a record of everything in the indicia and how it was used. One of the values has no meaning, but which one? With the proper software this record can be addressed.

The second series has small variations in its appearance. The three maple leaves are no longer filled. MAIL>>POSTE is smaller font. CANADA is slightly different. This series has the serial block from 1500000.

The current high numbers on record are 450863, 1500665.

There are not sufficient examples to place in a catalogue format yet.



SPECIMEN / SPECIMEN

132
1210 \$00.45⁰ 00PB000000
0254 POSTPERFECT B711 000000



0	OWEN SOUND		MAIL >> POSTE
10			
40			
16			
00	ON		00.45 ⁰
34	450697	METER/COMPTEUR/PB	CANADA

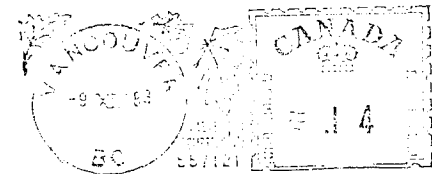
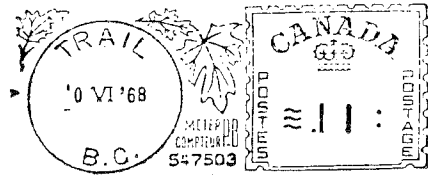
5	MINDEN		MAIL >> POSTE
10			
00	970704		
21	ON		00.71 ⁰
41			
57	1452058	METER/COMPTEUR/PB	CANADA

9	WHITEBY		MAIL >> POSTE
10			
66	970711		
57	ON		00.45 ⁰
12			
02	1501960	METER/COMPTEUR/PB	CANADA

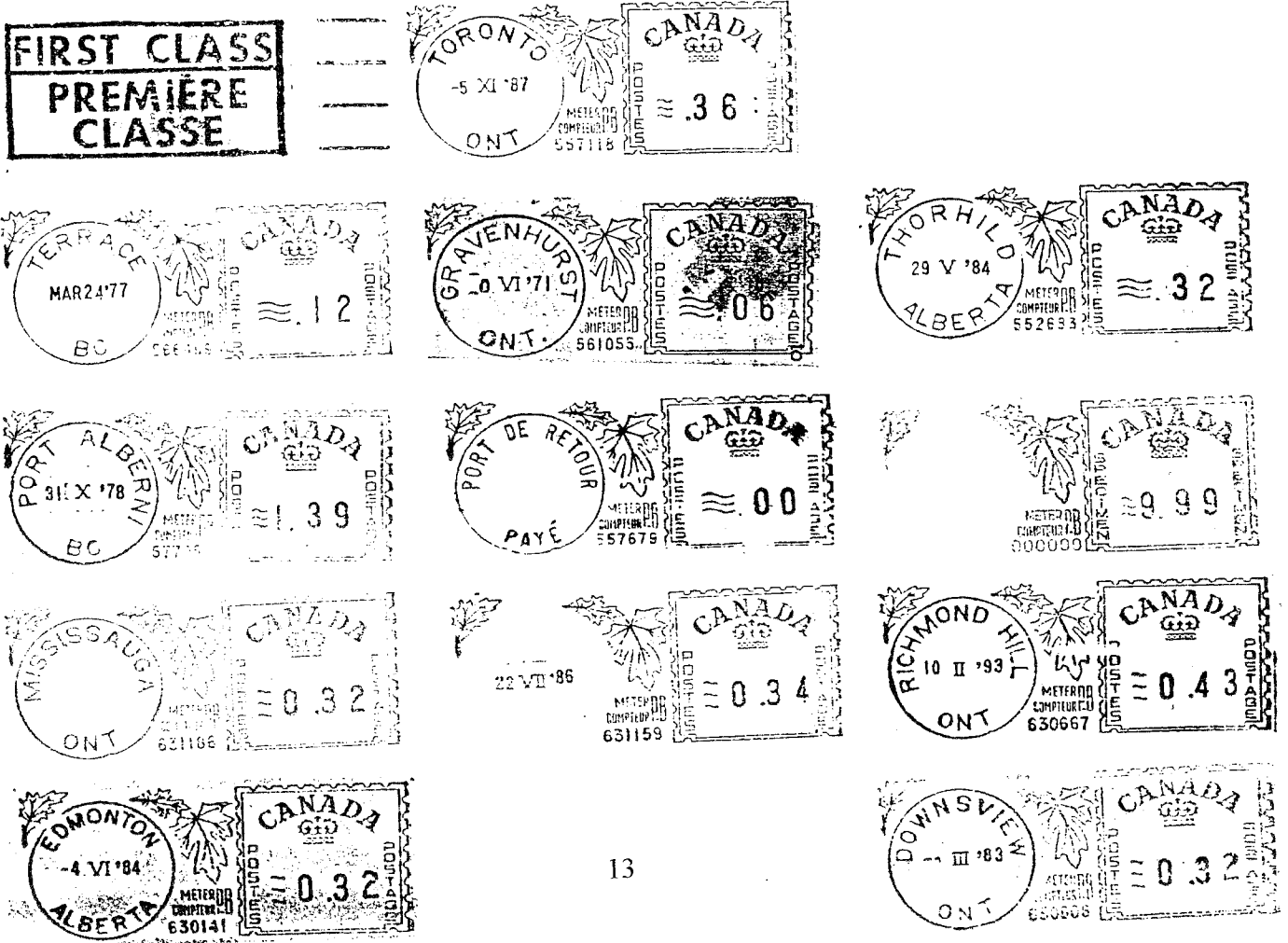
	ARBOROUGH		MAIL >> POSTE
	0126		
	ON		00.05 POSTER
	871602014	METER/COMPTEUR/PB	CANADA

Wilf Whitehouse set in some unlisted material about a year ago. I will fit them on the next pages. The text follows.

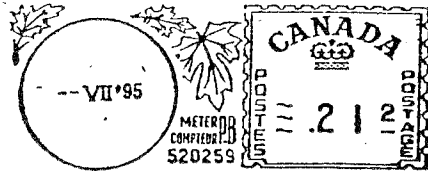
- | | |
|--|------|
| 557118 - 4 horizontal bars at left of TM | 5306 |
| 557121 - No dots in indicia. right of rate | 5306 |
| 547503 - "0" in datemark | 5306 |
| 547812 - Open "4". province off-centre to left | 5306 |
| 566469 - Month in letters | 5307 |
| 561055 - "0" for day | 5307 |
| 552683 - Province off centre to right | 5307 |
| 577054 - Town off centre | 5307 |
| 557679 - PORT DE RETOUR PAYE only | 5307 |
| 000000 - SPECIMEN. No town or datemark | 5307 |
| 631186 - Townmark blank | 5385 |
| 631159 - No townmark | 5385 |
| 630667 - Town off centre | 5385 |
| 630141 - Province in full | 5385 |
| 630608 - Two dashes for day in DM | 5385 |
| 520259 - No town or province | 0649 |
| 520150 - 4 horizontal lines at left of TM | 0649 |
| 520371 - Townmark blank | 0649 |
| 520371 - Province in full | 0649 |
| 615719 - No town or province | 0649 |



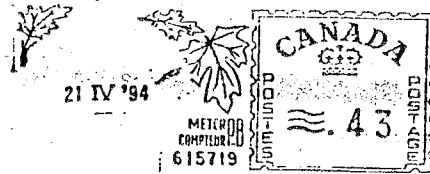
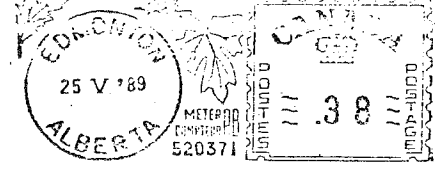
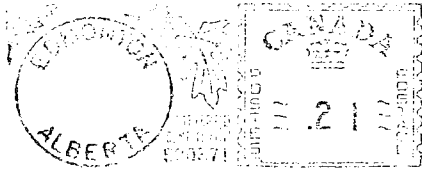
Model 5306 - higher serial number - 557148.



BULK



BULK

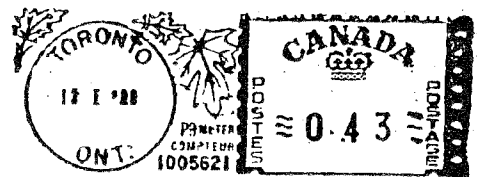
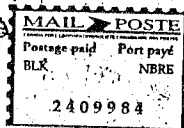
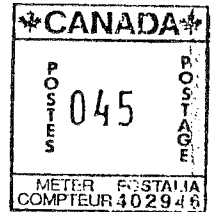
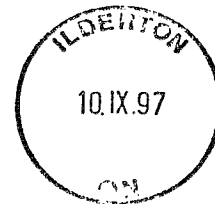
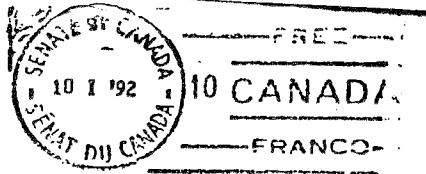


AFTER 5 DAYS RETURN TO
TORONTO TRANSPORTATION COMMISSION
TORONTO 1, CANADA

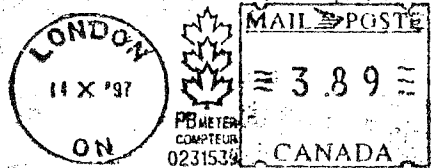
CANADA'S FIRST SUBWAY



SECURITY CHECK
VÉRIFIÉ PAR LA SÉCURITÉ
SENATE PROTECTIVE SERVICE
SERVICE DE SÉCURITÉ DU SÉNAT



PACKAGE/SHIPMENT
WAREHOUSE DIVISION



REPORT ON BUSINESS

Toronto (416) 585-5655, Montreal (514) 982-3080, Vancouver (604) 631-6699, London 44-(171)-3
Hong Kong 852-2-527-3525, Atlanta (404) 321-3155, Los Angeles (310) 478-3566, San Francisco (415)
<http://www.theglobeandmail.com/careerconnect>

The Globe and Mail, Wednesday, April 8, 1998

A Canadian entrepreneur recently won the U.S. race to test a new Internet system aimed at driving the current postage meter into obsolescence.

BY PATRICK BRETHOUR
Technology Reporter
Thornhill, Ont.

ESTAMP Corp. is taking a big step down a perilous path that just might see the four-year-old startup turn the postage meter industry upside down.

Last week, privately held EStamp scored a coup and became the first company to get approval from the U.S. Postal Service to field-test its technology, which lets companies print their own metered postage using the Internet, a personal computer and a standard printer.

Postage meters that print out inked stamps are several decades old, but EStamp's technology is much different than the current state of the art. Today, companies usually lease dedicated machines from Pitney Bowes Inc. of Stamford, Conn., which controls about 85 per cent of the postage-meter market.

For Salim Kara, the Canadian expatriate who founded EStamp in 1994, last week's approval is a watershed. It gives his Houston-based company a crucial head start against bigger, more established rivals such as Pitney Bowes that are moving toward testing similar technologies.

"For us, it's a major event," says EStamp's 47-year-old chairman and chief technology officer.

It's a major event on a personal level, too. Mr. Kara moved to Houston from Toronto in 1991, when the recession levelled his refrigeration business.

In 1993, Mr. Kara — who was trained as a software programmer — began experimenting with Internet postage technology after his secretary got into a car accident while driving to the post office to refill a

meter. He founded EStamp the following year.

Mr. Kara's family has since returned to Canada, but he maintains legal residence in the United States and he only spends weekends at his house in Thornhill, a Toronto suburb. He has a commute that would make most suburbanites cringe — a 3½-hour flight between Houston and Toronto every Monday and Friday.

But the killer commute is on the verge of paying off. Mr. Kara says EStamp has cleared regulatory hurdles and it now faces one simple question: Do businesses — especially small and home-based firms — want to buy postage on-line?

EStamp thinks its pitch of cheaper, quicker and easier mailing will prove persuasive, especially to the majority of very small businesses that are still licking stamps.

Observers say there's little doubt the market for such devices will take off, adding that the technology will likely spread to Canada and Europe soon. But they say EStamp needs a distribution deal with a bigger partner if it is to become the dominant player in the new industry.

For small businesses, hardware and software from EStamp could represent a huge leap forward. After a user enters an address, the system calculates the correct postage — even the proper zip code — and subtracts the amount from an "electronic vault," a device that looks like an oversized watch battery and is attached to the printer port of a PC.

Once the vault is empty, it can be refilled by logging onto EStamp's Web site (www.estamp.com). Right now, standard meters are refilled at the post office or by phone, depending on their age.

The address and postage are printed onto an envelope or label, along with a bar code and the postal service sorting code. Mr. Kara says EStamp's system, which is based on Microsoft Corp. operating systems, eliminates the common business problem of paying too much postage. And the extra codes can halve average delivery time to a day.

The product, EStamp Internet Postage, will likely be cheaper than the current dedicated machines. EStamp says it will sell its device for less than \$199 (U.S.). The Pitney Bowes machine for small business leases for \$237 a year.

But Mr. Kara says the biggest attraction is the convenience of the Internet approach, which eliminates the need to wait at the post office or, as with older meters, manually calculate postage. "You have the ability to have a postman in your PC."

Within a few days, 10 businesses in the United States will begin testing EStamp's technology, with the total roster eventually expanding to 500. There's no firm timetable, but the tests will likely wrap up by August,

says Sunir Kapoor, EStamp's president and chief executive officer.

If results are favourable, EStamp will have a few months' head start, but it will soon find itself competing against a number of rivals, including Pitney Bowes.

The classic contest of small startup against entrenched goliath seems decidedly uneven at first glance: EStamp has no revenue or customers.

**'You have the ability to
have a postman
in your PC.'**

But Vernon Keenan, a senior analyst with Zona Research Inc., an Internet market research firm in Redwood City, Calif., says the smaller firm has advantages.

Ventures, which each assumed a 10-per-cent stake last fall.

By contrast, Mr. Keenan says, Pitney Bowes' equivalent research is largely dependent on the performance of the bigger company — a bad year could mean cutbacks unrelated to the needs of the market.

Established companies such as Pitney Bowes are hindered by their existing business, since too rapid a move into Internet-based metering could undermine the core business.

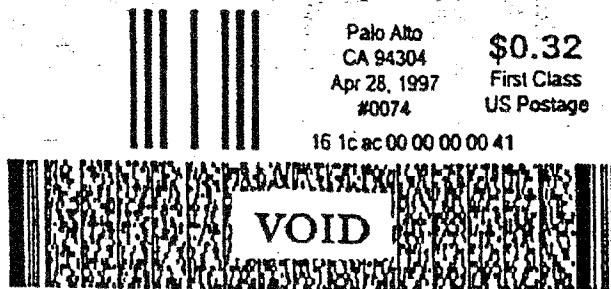
EStamp, on the other hand, doesn't have to worry about such cannibalization. "They're eating the other guy," says Mr. Keenan, who predicts demand for Internet metering will eventually erode demand for the older postage meters.

Not surprisingly, Pitney Bowes disagrees. "We look at it as an incremental business," says Michael Stecyk, vice-president and general manager of the small office division.

He says he's certain the long-term winners will be companies such as Pitney Bowes that offer both the old and new technologies.

Regarding the Estamp. I discussed this at the Post Office show. Anyone who does a few envelopes on their computer knows how slow and frustrating it is. The method is not likely to be a fast seller. The comment of Pitney Bowes was to the effect they are in that market as well and if postage meters are replaced they will be there.

Examples of the two dimensional postal codes are illustrated below. These are only examples to show the type of system. One example is a USA use from Stamp Collector.



The new IPI from E-stamp includes the correct postage, source and destination zip codes of the mailpiece and the precise date and time the IBI was printed on the mailpiece.

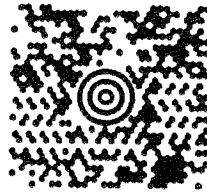
BELL MOBILITY
613-555-1212
110 ALBERT ST
OTTAWA ON K7R4P8

Permit No.
123456

SHIP TO :
LARRY
403-555-6968
AB REFINERIES
5 RANCH RD

CALGARY AB T5R4T7

DATE : 19/12/97 WEIGHT : 5 KG PIECE #1: 1 OF 1



SHIP TO POSTAL CODE

T5R



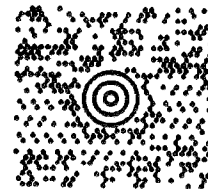
ADULT SIGNATURE REQUIRED

FAST

COD AMOUNT : \$20.00

1

QF100001218CA



AHEARN & SOPER POST		
Date	Postage	
2000.09.09	2.95	
Rexdale ON M9W 5S6 CANADA		
0000001	123456	0334537