



BNAPS  
AIR MAIL  
STUDY  
GROUP

VOLUME 6 - NUMBER 2

AUGUST 1998

### CHAIRMAN'S COMMENTS:

I found it hard to believe that Bob Jamieson is no longer with us. I read of his death after I read his superbly interesting article on the Aero Club race between Toronto and New York. Both, as you know, were in the April Newsletter. It really did not sink in until I heard more details from another philatelic source. Yes it was true. How ironic and lucky that we got Bob's article-his last and one of his most comprehensive-just a short time before his death.

My thoughts wandered back to the first time I met Bob Jamieson. It was at an early Texas Prairie Beaver Meeting at Ed Richardson's home in League City, Texas. The main program presentation was a showing of Bob's prize winning exhibit of 20¢ and 50¢ Widow Weeds. Bob also had brought along some air mail covers to show me. We went to a back room to look at the material. I was enthralled. Later when we were missed, we were found and chastized by Ed for leaving the meeting. And those of you who knew Ed Richardson remember how he could dress down a fellow collector.

In later years I had the priveledge of visiting with Bob at a number of BNAPS meetings - Galveston and Toronto stand out. He was always ready to share his knowledge and friendship. He will be missed by many collectors, I am sure, and I will be one of them.

We're again scheduling a Study Group meeting at BNAPEX'98 in orlando. I hope a number of you are planning to attend our annual BNAPS get-together in October. The Air Mail Study Group meeting will be held on Saturday Oct 10th from 1:00 to 2:30 PM.

Our program will consist of a short business meeting followed by a "Show & Tell" session. Attendees should bring one of their recently acquired air mail items to show plus any duplicate material which they'd like to swap or sell. And most of all, bring yourself and visit with fellow air mail collectors.

### CANADIAN AIRWAYS LTD.:

Mike Painter is still looking for the last dozen, or so, stamps from Pane # 4 of this issue. When he finds them he feels he can complete the plating of the issue and perhaps do a handbook.

If anyone can help him in this project please write to him at:  
1692 - 133A Street South Surrey, B.C. V4A 6H5. Multiples are prized!

THE AIR MAIL STUDY GROUP is sponsored by the BRITISH NORTH AMERICA PHILATELIC SOCIETY. The Study Group News Letter is published three times a year. (December, April, August). Membership dues \$5.00 (US) or \$6.00 (CDN) and are payable to the Treasurer or BNAPS Study Group.

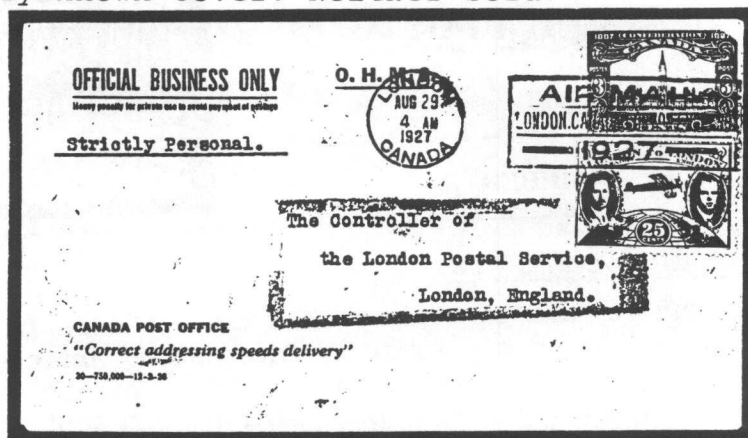


Chairman -  
Ed Christman, Jr  
5419 Jason Street  
Houston, Texas  
77096 USA

Secretary/Treasurer  
Basil Burrell  
911 Huckleberry Lane  
Glenview, Illinois  
60025-2301 USA  
Ph: (847) 724-1881

CHERRYSTONE AUCTION, 18 JUN 97:

There were two lots (#967, 968) in this auction which were "London to London" cover and stamp. Only known cover. Neither sold.



967 \* 1927 25c "London to London", Canada to England flight, the nicest of the four surviving examples prepared for the ill-fated flight of the "Sir John Carling", fresh and l.h., well centered and v.f., signed Kessler etc. This is one of the moortant rarities of aerophilately, ex-Pegasus, with Diena cert. (color photo) cat. \$25,000+ .....(CLP6) 25,000.00

968 ✉ 1927 25c "London to London", the unique cover, tied in combination with 3c Confederation (defective) on "Official Busines Only" envelope from London, Canada to London England, boxed "Air Mail, London, Canada-London England 1927" slogan cancc., with Aug.29 cds alongside, both repeated on reverse, additional violet hs, some staining around the address portion, illustrated in the American Air Mail Catalogue. This is the only cover existing with the London to London adhesive (color photo) ..... 75,000.00

PATRICIA AIRWAYS AND EXPLORATION, LTD.:

The stamps of this company have been catalogued by a number of collectors and publishers. Most have developed their own system of numbers making it hard for the user of one book to relate his stamp to that someone else has, but who uses a differing system.

The following table is designed to allow everyone to match his stamp with everyone else, no matter what system is in use.

There will be errors and shortcomings in this list. Please help the Study Group to come up with the best possible listing.

In 1975 Trelle Morrow used the most comprehensive listing he could find, "1969 Standard Catalogue of Canada and the Provinces" by Sissons. He added to this and gave further Sissons-like numbers.

The Scott Numbering system is used by Unitrade as well as Scott and others. Author C.A. Longworth-Dames published "The Semi-Official Air Stamps of Canada 1924-1934" in 1982 using his own numbering system. He revised this work in 1995 with a change of numbers, but with the addition of the Scott number for the basic stamps.

In 1995 the Sanabria catalogue of North America continues the use of the original Sanabria numbers with an expansion.

In addition to these Forrest and Holmes used their own numbers on the basic stamps only. Therefore, I have omitted them. Canada Specialized has now come around to the Scott numbering system so it would be well for the collector to up-date his reference.

STYLE ONE:

The following comparison table is only for Style One, a green and red on yellow paper, perforated 12 (some say 11 3/4 or 11½) and printed in sheets of 8 with selvedge on all sides.



PATRICIA AIRWAYS & EXPLORATION, LTD.  
STYLE ONE PERFORATED 12 X 12

	Type A + "official stamp" + small t in TO	14Aa	SO15Aa	
	Type A - Broken "N" in Rouyn	CL 14f		
	Type A overprint in light Red (See CS19)	CL14g		
CS 20	Type B overprint in Black (Spec Svc 5¢) Ascending	CL 15	20	SO21
CS 20a	Type B overprint in Black - Descending	CL 15a	20a	SO21a
CS 20b	Type B overprint in Red - Ascending		20A	SO21A
CS 20c	Type B overprint in Red - Descending	CL 15c	20Aa	SO21Aa
	Type B in Red Descending with Malformed "O" in Lookout CL 15d			
CS 21	Type D overprint (Red Lake) Black Ascending	CL 16	16	SO17
CS 21a	Type D overprint (Red Lake) Black Descending	CL 16	16b	SO17b
CS 21b	Type D overprint, Ascending INVERTED	CL 16		
CS 21c	Type D overprint, Descending INVERTED	CL 16		
CS 21d	Type D overprint, Double overprint Descending	CL 16a	16c	SO17c
CS 21e	Type D overprint, Light Yellow Paper Black		16a	SO17a
CS 22	Type A overprint (H&R 10¢) Black Ascending, PLUS Type D (Red Lake) in Black Ascending	CL 17	18a	SO19a
CS 22a	Type A, black + Type D, Black Descending	CL 17a	18	SO19
CS 22b	Type A, Black + Type D, Ascending, Black, INVERT		18c	SO19c
CS 22c	Type A, Black + Type D, Descending, Black INVERT	CL 17b	18b	SO19b
CS 22d	Type A, Black + Type D, in RED Ascending		18Aa	SO19Aa
CS 22e	Type A, Black + Type D, in RED Descending		18A	SO19A
CS 22f	Type A, Black + Type D, in RED Ascending, INVERT		18Ab	SO19Ac
CS 22g	Type A, Black + Type D, in Red Descending, INVERT	CL 17c	18Ac	SO19Ab

S19 Special Air Service  
S19C Sioux Lookout  
S19a and  
Red Lake District  
5 cents  
S19b B

RED LAKE  
D

HAILEYBURY  
and  
ROUYN  
10 cents

A +

RED LAKE  
D

SCOTT 1995  
DAMES 1982  
DAMES 1995  
SANABRIA 1995

MORROW/  
SISSONS

## AIR MAIL STUDY GROUP

August 1998

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24 LINN'S STAMP NEWS MAY 25, 1998

At hand is the latest volume in the ongoing multi-volume sixth edition of the *American Air Mail Catalogue*.

Titled *The Air Mails of*

## Collecting Canada

By John Burnett

*Canada and Newfoundland*, this thick hardbound catalog contains data and illustrations on all aspects of Canadian and Newfoundland aerophilately and astrophilately.

I recommend it highly to anyone who collects this area.

Like any important catalog, this work had many editors and contributors. Understandably, writing style varies from section to section, but this is not a detriment.

The catalog is made up of 28 sections. The first 26 concern various aspects of aerophilately, mostly related to covers and markings. The last two are a bibliography and a concordance of various specialized catalog numbers.

Numerous catalog numbering systems are used, based on previously established protocols. This too is not a detriment.

The book is very well illustrated, a great help to the novice seeking to find a stamp or cover. I especially appreciate the high-quality glossy paper, which makes reading easy.

My major complaint concerns the quality of some of the illustrations, mostly in the interesting pioneer airmail section.

Here illustrations of covers have been reduced in size to meet the needs of the publisher, making them hard to see clearly. As a collector of stamps, I would welcome high-resolution pictures that at least show the stamps on the illustrated covers.

Illustrations in most sections are superb, which makes me think that some of the pioneer covers (and some early Newfoundland airmail stamps as well) were reproduced from second- or third-generation art, because the actual items weren't available for photography.

Having evolved over many years and many editions, this work is truly invaluable as a repository of factual data. Virtually anything a collector would want to know about Canadian air covers will be found here.

As befits a catalog, covers have prices attached to them, compiled from auction prices realized and dealer input. In some instances rarity factors and cover census data are also included.

When reading this work on a recent trip, I found myself wishing that the section title appeared at the top of each page. Instead, the book's main title repeats itself endlessly across the top of all 550 pages. This makes it difficult to thumb through seeking a specific section.

*The Air Mails of Canada and Newfoundland* is available from literature dealers.

It also may be purchased for \$38 postpaid from the American Air Mail Society, in care of Greg Schmidt, 1978 Fox Burrow Court, Neenah, WI 54956. ■

## Obituaries

# Robert Jamieson loved stamps

BY DONNA JEAN MACKINNON  
STAFF REPORTER

Robert Harry Jamieson, a respected philatelist, put his stamp on Toronto.

Mr. Jamieson died last Friday of heart disease at the age of 75, leaving behind a score of municipal accomplishments and a reputation as an award-winning stamp collector.

After he retired from the Robert Simpson Co. in 1979, he became president of the Toronto Convention and Tourism Bureau and a director of the Canadian National Exhibition. He also took on the first presidency of the Town of York Historical Society.

Mr. Jamieson's daughter, Heather Moffit, recalls that her father particularly loved the Scottish tattoo held each year at the CNE.

Mr. Jamieson was born in Toronto, but was brought up on Long Island after his father, an employee with the Canadian National Railway, was transferred to New York.

When World War II broke out, both Mr. Jamieson and his brother William were in high school. They later travelled to Toronto and joined the RCAF. In 1942, Mr. Jamieson was shipped to London where he served as a ground crewman.

"We used to meet in London on leave," recalls William Jamieson. "Bob knew all the places to go in London and when the buzz bombs came overhead, every one else headed for the Tube and we headed for a pub."

When the brothers returned to Long Island after the war, they discovered that none of their friends had survived the war and decided to seek their fortune in Toronto.

In 1945, Mr. Jamieson went

to work for Simpson's in the advertising department. He met Shirley Reid, also a Simpson's employee, at a party and they married in 1949.

"They were both there with someone else," said Moffit. "But when they saw each other, it was love at first sight. They spent the evening talking about how to tell their dates."

When the couple's first child was born in 1959, the Jamiesons moved to Thornhill, where they lived out their lives.

Besides his family, stamp collecting was the love of Mr. Jamieson's life.

He inherited his father's stamps and built an award-winning collection.

In 1969, Mr. Jamieson sold a rare inverted stamp and used the money to buy passage to Australia for the family on the Oriana.

In 1984, he won an international gold medal for his Queen Victoria "Widow Weeds" collection.

"He also won a silver medal for his Queen Victoria collection," said William Jamieson.

"Bob said winning these medals was like winning the Olympics."

From 1981 to 1989, Mr. Jamieson was circulation manager of the British North American Philatelic Society.

Mr. Jamieson leaves his son Kevin Jamieson of Toronto, daughter Heather Moffit of Australia and three grandchildren.

He is also survived by his brother William Jamieson of Toronto and sisters Jean Cox of California and Beverley Clarke of Oakville.

A funeral service for Mr. Jamieson was held at Thornhill Presbyterian Church yesterday. He was an elder there.



MR. JAMIESON

PILOT SIGNATURES:

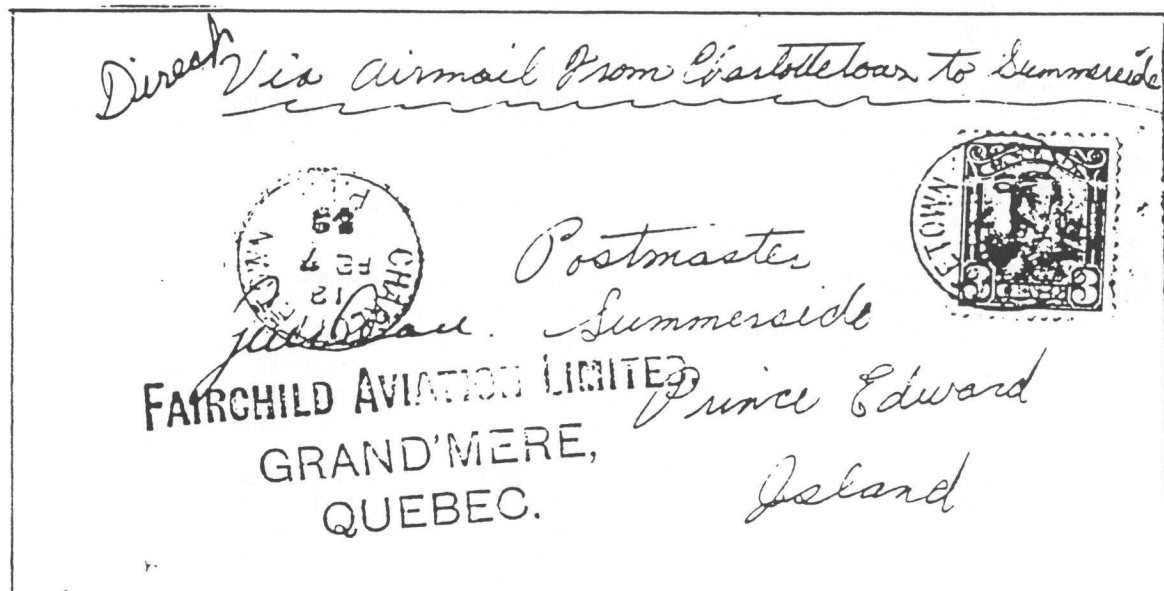
T. Malcolm Jones has sent us some very interesting pilot signatures that took the expertise of Dick Malott to unravel.

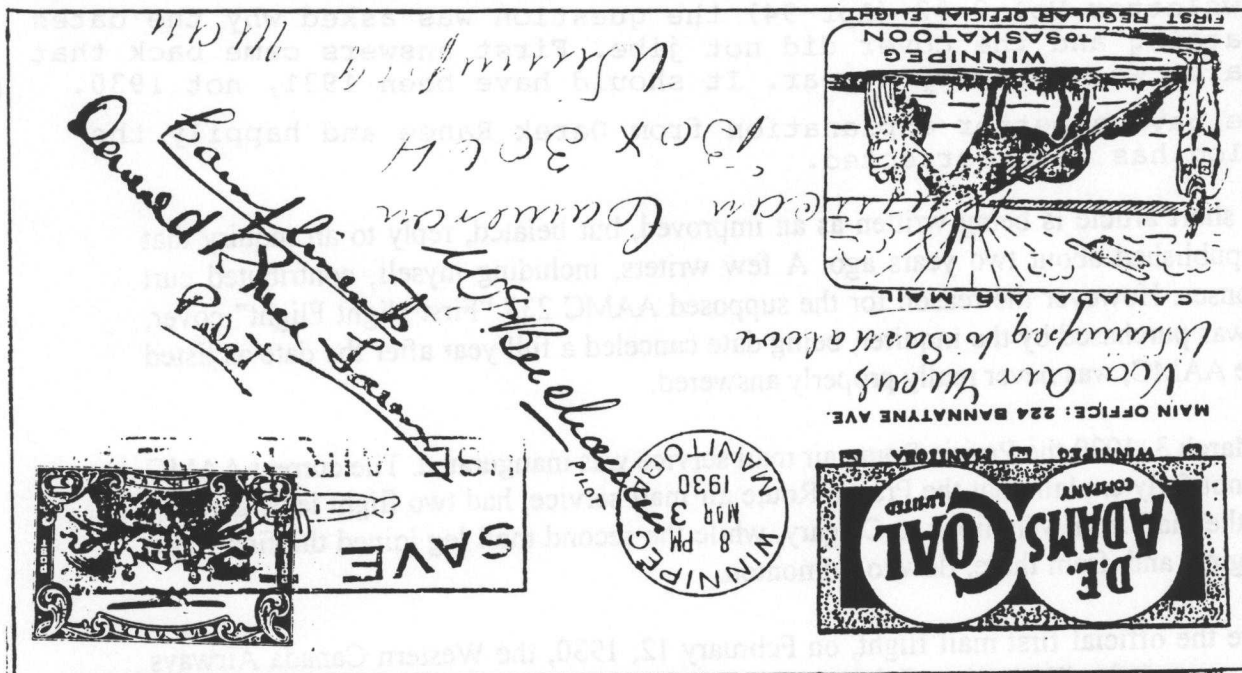
The signature in the first cover is that of CONWAY FARRELL



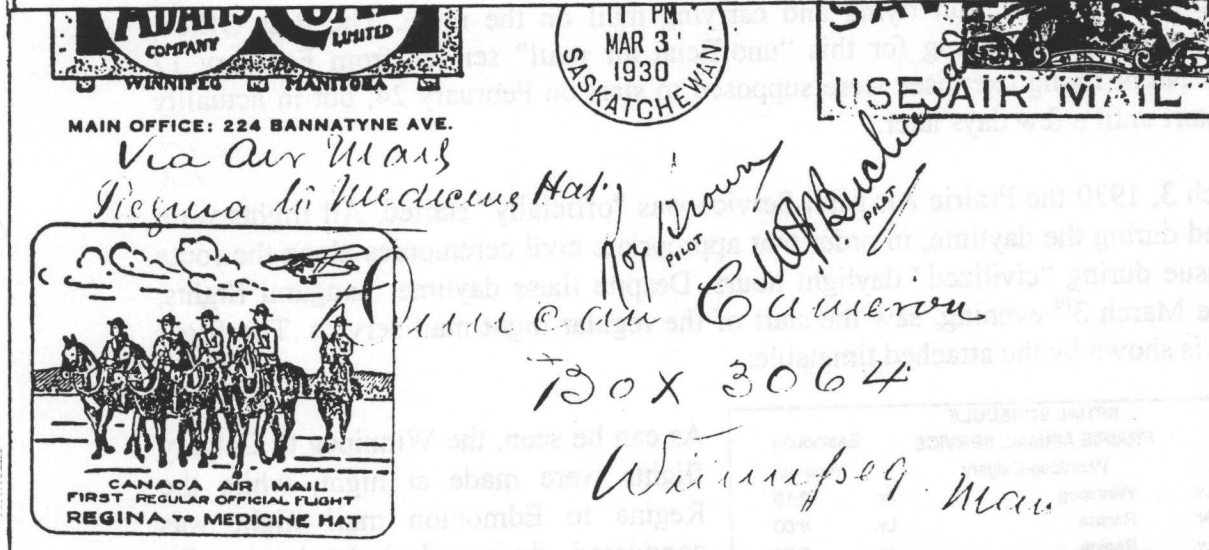
The second cover is signed by G.M. DEAN. This signature is also shown in the December 1997 Newsletter on the page from Ian Morgan.

This cover is perhaps more interesting for the fact that it is PEI flight by Fairchild which was better known for Red Lake District.

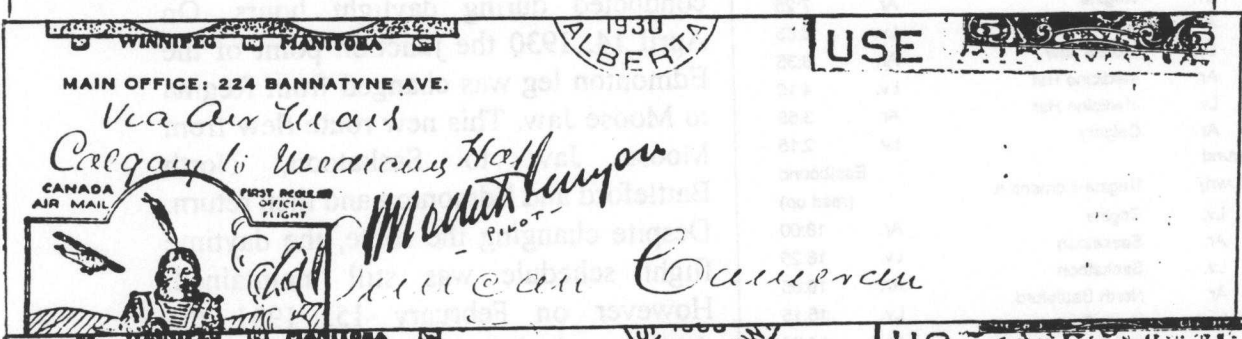




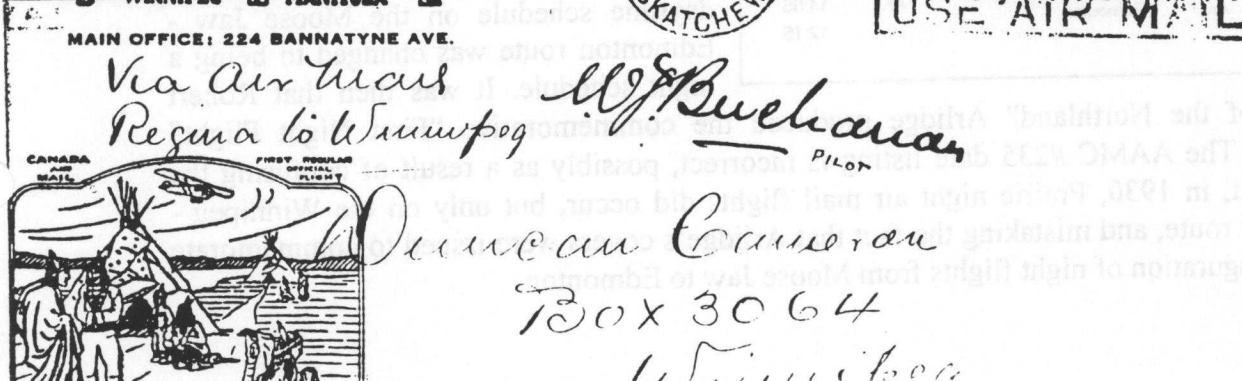
Donald R. MacLaren W.J. Buchanan  
Thanks to T. Malcolm Jones for sharing.



F. Roy Brown  
W.J. Buchanan



H. Hollick Kenyon  
W.J. Buchanan  
These 4 pilots + Farrell (page 19) flew Flight 3011 (235).



**FLIGHT #233 (3107) FIRST NIGHT FLIGHT:**

In Newsletter Vol 2 #2 (Apr 94) the question was asked why the dates in the catalog and the cover did not jibe. First answers came back that AAMS catalog was wrong by a year. It should have been 1931, not 1930.

Now we have a better explanation from Derek Rance and happily the new Catalog has been corrected.

This short article is being written as an improved, but belated, reply to an inquiry that was published about two years ago. A few writers, including myself, contributed curt responses. However the reason for the supposed AAMC 233 "First Night Flight" cover, that was purchased by the inquirer, being date canceled a full year after the date as listed in the AAMC, was never really properly answered.

On March 3, 1930 the Prairie Route air mail service was inaugurated. The current AAMC does not fully explain that the Prairie Route air mail service, had two flight legs. One leg flew the mail from Winnipeg to Calgary, while the second mail leg joined the first route at Regina, and, from there, flew to Edmonton.

Before the official first mail flight, on February 12, 1930, the Western Canada Airways pilots started familiarization flying and carrying mail on the route. The Post Office, however, only started paying for this "unofficial air mail" service from February 17 onwards. Night flying exercises were supposed to start on February 24, but in actuality did not start until a few days later.

On March 3, 1930 the Prairie Air Mail Service was "officially" started. All flights were conducted during the daytime, in order that appropriate civil ceremonies along the route could ensue during "civilized" daylight hours. Despite these daytime inaugural flights, that same March 3<sup>rd</sup> evening, saw the start of the regular night mail service. The flight schedule is shown by the attached timetable:

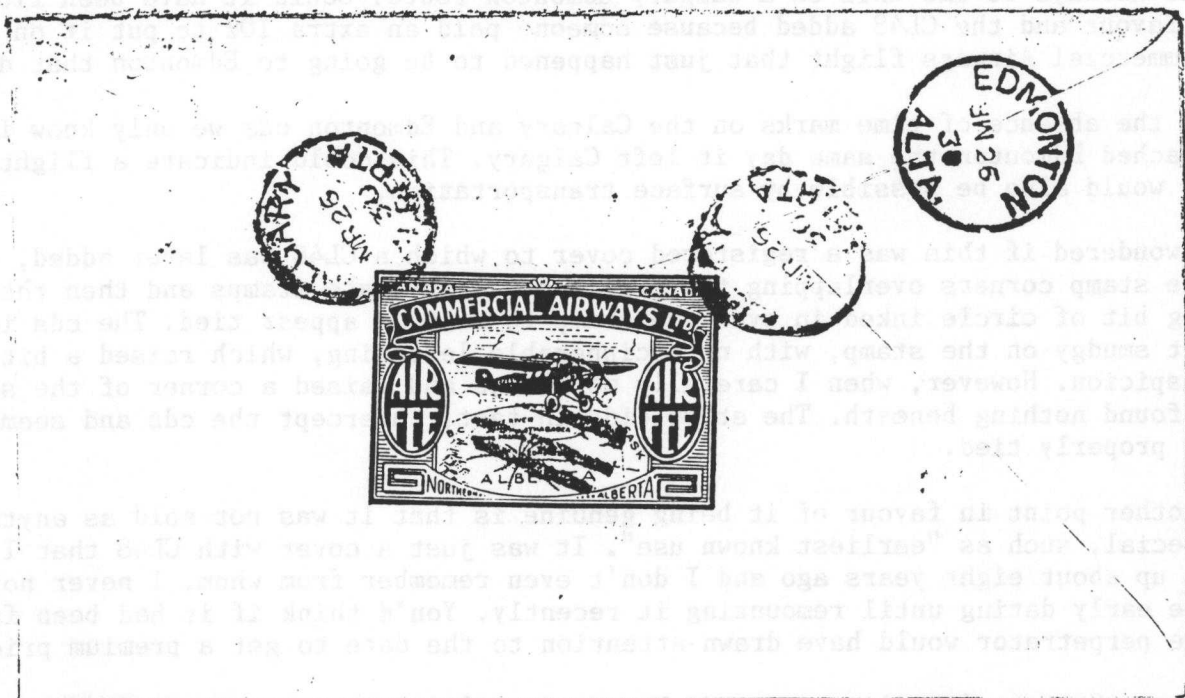
INITIAL SCHEDULE				
Westbound (read down)		PRAIRIE AIRMAIL SERVICE Winnipeg-Calgary		Eastbound (read up)
21:00	Lv.	Winnipeg	Ar.	12:15
23:20	Ar.	Regina	Lv.	8:00
23:40	Lv.	Regina	Ar.	7:25
24:10	Ar.	Moose Jaw	Lv.	6:55
24:30	Lv.	Moose Jaw	Ar.	6:35
2:55	Ar.	Medicine Hat	Lv.	4:15
3:15	Lv.	Medicine Hat	Ar.	3:55
5:00	Ar.	Calgary	Lv.	2:15
Westbound (read down)		Regina-Edmonton		Eastbound (read up)
8:00	Lv.	Regina	Ar.	18:00
9:35	Ar.	Saskatoon	Lv.	16:25
9:50	Lv.	Saskatoon	Ar.	16:05
10:40	Ar.	North Battleford	Lv.	15:15
10:50	Lv.	North Battleford	Ar.	14:55
13:30	Ar.	Edmonton	Lv.	12:15

As can be seen, the Winnipeg to Calgary flights were made at night, while the Regina to Edmonton mail flight was conducted during daylight hours. On April 14, 1930 the junction point of the Edmonton leg was changed from Regina to Moose Jaw. This new route flew from Moose Jaw to Saskatoon, North Battleford and Edmonton and then return. Despite changing the route, the daytime flight schedule was still maintained. However on February 15, 1931 the daytime schedule on the Moose Jaw - Edmonton route was changed to being a night schedule. It was then that Robert

"Bob of the Northland" Arlidge produced the commemorative "First Night Flight" covers. The AAMC #235 date listing is incorrect, possibly as a result of confusing the fact that, in 1930, Prairie night air mail flights did occur, but only on the Winnipeg - Calgary route, and mistaking the fact that Arlidge's covers were issued to commemorate the inauguration of night flights from Moose Jaw to Edmonton.

# WHEN WAS COMMERCIAL AIRWAYS BLACK "AIR FEE" (CL48) PRINTED? - by Mike Painter

Longworth-Dames, The Airmails of Canada and Newfoundland, Dworak, Holmes, Lowe, Sanguinetti (1985 BNAPS Study Group Report) and Heifetz (Canadian Philatelist, Vol 23, P.215 and Canadian Aerophilatelist June 1994) all state that the first printing of the semi-official airmail CL48 was on June 2, 1930. Sanabria says "June, 1930". However, I have a cover - illustrated below, which has five Calgary and



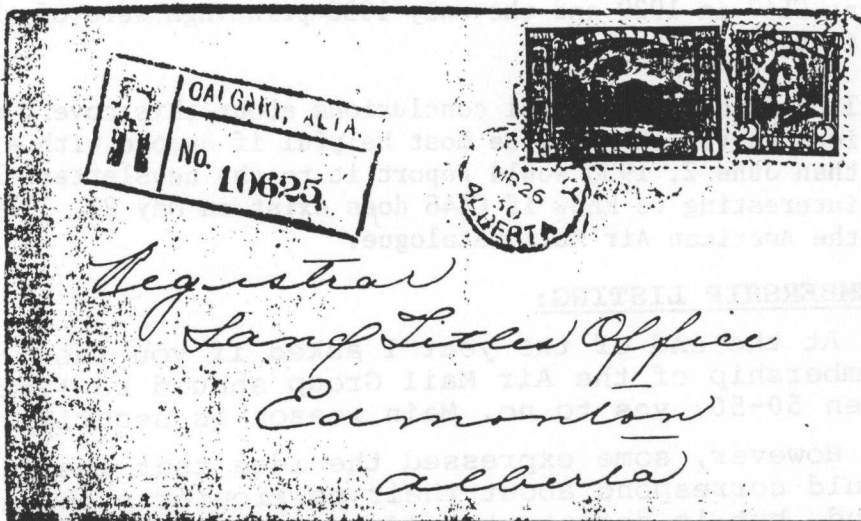
Back of cover with black CL48 semi-official.

and one Edmonton cds all clearly showing the date of March 26, 1930. CL48 is tied by two of the Calgary cds, which seems to indicate the stamp was around more than two months before the date on which all the above authorities agree.

The only suggestion that CL48 appeared earlier is in Vol 4 of the American Airmail Catalogue (mine is the fifth edition) in which it is stated that on AAMC 130 of May 21, 1929 "covers in each

direction are known with stamps No [CL47] and [CL48]". In view of the virtual unanimity of all the authorities cited, I had always supposed this was an error. But maybe not?

The question of course arises - is the cover genuine? The fact that it is regist-



Front x 75%

ered, addressed to the Registrar in the Land Titles Office, and is split open on three sides suggests commercial rather than philatelic mail. The date stamps from two cities are clear and seem to establish the date of March 26, 1930. The franking with #150 and #155 (1928) appears correct. There are none of the sort of marking that suggest creations of dealers like Roessler or Bob of the Northland.

But why the semi-official stamp? I'm not aware of any authorization for Commercial Airways to use this on a Calgary-Edmonton route. Could it have been flown as a favour and the CL48 added because someone paid an extra 10¢ to put it on a Commercial Airways flight that just happened to be going to Edmonton that day?

In the absence of time marks on the Calgary and Edmonton cds we only know it reached Edmonton the same day it left Calgary. This could indicate a flight, but it would also be possible by surface transportation.

I wondered if this was a registered cover to which a CL48 was later added, with the stamp corners overlapping the previous Calgary date stamps and then the missing bit of circle inked in over the stamp to make it appear tied. The cds is a bit smudgy on the stamp, with no decipherable lettering, which raised a bit of suspicion. However, when I carefully moistened and raised a corner of the stamp I found nothing beneath. The stamp did, in fact, intercept the cds and seems to be properly tied.

Another point in favour of it being genuine is that it was not sold as anything special, such as "earliest known use". It was just a cover with CL48 that I picked up about eight years ago and I don't even remember from whom. I never noticed the early dating until remounting it recently. You'd think if it had been faked the perpetrator would have drawn attention to the date to get a premium price.

Murray Heifetz (ibid) questioned why the June 2 and November 5, 1930 printings of CL48 were necessary, given the limited use of semi-officials on Commercial Airways covers. Maybe they weren't. Maybe CL48 was printed around the same time as CL47 in 1929 and the only 1930 printings were of the purple and the orange issues?

I don't have any final conclusions about this cover, only the various speculations above. It would be most helpful if anyone with a cover with CL48 earlier than June 2, 1930 would report it to the newsletter. It would be particularly interesting to know if CL48 does exist on May 21, 1929 covers, as reported in the American Air Mail Catalogue.

#### **MEMBERSHIP LISTING:**

At the end of the year I asked if you thought the names of the membership of the Air Mail Group should be listed. The result was an even 50-50, yes to no. Main reason is security, I believe.

However, some expressed the idea that they'd like to know so they could correspond about their particular problems. That is all well and good, but it defeats the idea of having everyone in on the conversation. It is like being at a conference where two people carry on a a hushed conversation that only they can benefit from. I believe we'd all like to know, and I think the Newsletter offers that platform.

**ADDRESS CHANGE:** Audrey and I are moving in August and my references have been put away making this a difficult production. I thank all the contributors. New Add: 857 Pembroke Drive, Lake Forest, IL 60045 and I suggest you use this after September 1st.

**BNAPEX '98 - ORLANDO, FLA:**

The Air Mail Study Group plans to have a meeting at Orlando in October. (See the Chairman's Comments for specifics.)

Is there anyone who would like to speak for 15 or 20 minutes on some aspect of Air Mail that interests him? Anything on the subject would surely interest the group.

We have decided to skip the 1-framer this year as they are asking for a minimum of 2 frames per exhibit. Lets shoot for 1999 in Canada.

**THE AIRPOST JOURNAL, APRIL 1998:**

This issue of the monthly put out by the American Air Mail Society carries a wonderful article by Murray Heifetz. It is entitled "Identifying Airmail - USA & Canada".

He has written Part 1 of the subject to cover airmail stamps, etiquettes, handstamps, envelopes, OAT and AV2 markings, and aerogrammes and airletters.

I mention this as it covers the Canadian as well as the US attempts to standardize the air mail procedures. I find that only about one third of our members are also members of the AAMS, and therefore I offer the non-members information as to where the article is and if you don't find it drop me a line and I will help you find it.

**CANADIAN AIR MAIL STAMP VALUES:**

Because every once in a while we all wonder what the values may be of the stamps we save, we can thank Linn's who published in a recent edition the progress of stamp prices for 1998 over 1997.

You can draw your own conclusions about values, but it seems to me that all but the C7 are doing okay.

Scott No.	Mint NH	Unused FVF	Used Fine
C1 .....	8.50	8.25+	2.10+
C2 .....	34.00+	30.75+	13.75+
C3 .....	5.75+	4.40+	1.70+
C4 .....	14.25+	11.00+	5.25
C5 .....	2.30+	1.75+	.70+
C6 .....	2.80+	1.90+	.20+
C7 .....	3.40+	2.10-	.30-
C8 .....	.45-	.45	.10+
C9 .....	.50+	.45+	.12+
C9a .....			
CE1 .....	1.50	.90-	1.15+
CE2 .....	2.60+	1.40	1.25-
CE3 .....	3.10+	2.50+	1.70-
CE4 .....	3.00+	2.50+	2.00-
CO1 .....	8.25+	8.00+	3.40+
CO2 .....	14.25+	10.25+	12.75+
E1 .....	65.00+	39.25+	4.00
E2 .....	53.75+	42.00+	5.00+
E3 .....	17.00+	9.00+	5.00
E4 .....	55.75+	28.50+	10.00+
E5 .....	57.00	31.75+	11.25+
E6 .....	8.00+	4.00-	3.85-
E7 .....	4.00+	2.50-	1.70+
E8 .....	23.75	15.50+	16.25+
E9 .....	6.00+	2.95	5.00+
E10 .....	1.80-	1.50+	.75
E11 .....	1.05-	.90-	.50

**THE AIRPOST JOURNAL, MARCH 1998:**

This issue of the Airpost Journal has an eight page article on "The 1938 Six-Cent Airmail Stamp of Canada" by James E. Kraemer. He covers the design of the stamp and its variations. Also tells of the design of the plane over the the steamer "Distributor" etc.

Again, if you are not an AAMS member and cannot find the article drop me a note.

Here's a news item that should scare the pants off everyone of us. It was sent in by Walter Hees, who suggested that maybe the future of airmail collecting lies in the clipping of 2" x 4" corners from our mail, like slogan collecting.

## UNDER THE RADAR

# E-Stamp Aims to Lick Postal Tradition

By LISA BRANSTEN

THE WALL STREET JOURNAL INTERACTIVE EDITION

As a longtime high-tech executive, Sunir Kapoor used to make fun of "snail mail." Now, he hopes to make a fortune off the postal system.

Mr. Kapoor is the chief executive officer of E-Stamp Corp., a start-up that plans to sell postage over the Internet. The potential is vast if the Palo Alto, Calif., company can capture even a tiny part of the billions of dollars that flow through the postal system each year.

"All of the numbers have nine zeros, which is nice," Mr. Kapoor says.

"There is a huge opportunity if we just execute well." The U.S. Postal Service in 1996 had revenue of \$56 billion, of which \$12 billion came from stamps and \$21 billion came from postage meters.

E-Stamp's initial target will be the untapped small-business market where less than a quarter of potential customers are using postage meters. Raymond Boggs, director of small business research at market research firm IDC/LINK, estimates that small businesses spend \$7 billion in postage, nearly half of it on stamps. He thinks many businesses would welcome the convenience and professional image that PC-based postage would offer.

The genesis for E-Stamp, now with 64 employees, came in 1993 after founder Salim Kara grew tired of having to send employees out to refill the postage meter he used at his refrigeration business. Mr. Kapoor, who had been vice president of strategic marketing at Oracle Corp. and director of world-wide business strategy at Microsoft Corp., joined the company in 1996 and was promoted to CEO late last year.

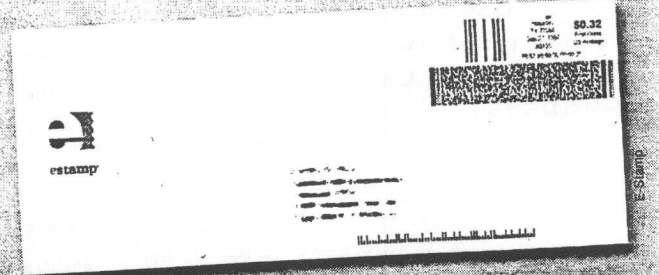
Last month, E-Stamp cleared one of its biggest obstacles when its SmartStamp became the first new "evidence of postage" to be approved since 1920 when the Postal Service signed off on the familiar red markings of a postage meter. That wasn't easy to get, in large part because the Postal Service is extremely worried about handing out what is essentially the capacity to print money on a laser printer.

To make the technology secure, E-Stamp developed a dime-sized "vault," basically a chip with software, that plugs into the PC and stores the postage in encrypted, tamper-proof form. Postage can be added to the vault as needed simply by going to E-Stamp's Web site.

Users print out postage when they address an envelope, either by clicking on an icon or through a pull-down menu in applications. A key part of E-Stamp's strategy is to develop products that work seamlessly with existing applications. The company developed a special interface that should allow software publishers to easily integrate E-Stamp technology into their products, and hopes the product will be included in such products as PC address books, financial management software and other desktop applications.

## E-Stamp Start-Up

The two-year road to USPS approval:



■ In early 1996 E-Stamp submitted a white paper on Internet Postage to the US Postal Service. In December of that year the company presented a technical document on the design of the product and how it would work.

■ In May 1997 E-Stamp submitted a preliminary product with information about security but not exactly how it would appear to consumers.

■ The final product was submitted in December 1997.

■ By March 1998 E-Stamp got approval to begin testing the product with 10 small businesses in the Washington D.C. area.

■ E-Stamp estimates that the beta test will be expanded to more users in more areas in May and July of this year. The company hopes to begin shipping product in the fourth quarter of this year.

and the hardware for around \$199 and then charge a transaction fee—which will be somewhere less than 10%—to access its servers and refill the vault with postage. Initially, each desktop will have to be equipped with the hardware to print out metered letters, but E-Stamp plans a future product that resides on a host computer that can serve many PCs, which will only need the software.

With the stamp of approval from the Postal Service, E-Stamp has just begun testing the technology with 10 small businesses in the Washington, D.C., area. It hopes to begin selling products by the fourth quarter.

But to capture the PC postage market E-Stamp will have to contend with the granddaddy of postage-meter makers, Pitney Bowes Inc., and a spate of other companies also hoping to get into the business. Roy Gordon, who is managing the PC-based postage program for the Postal Service, says he expects to have half a dozen companies testing products by the summer.

Pitney Bowes expects to be among those, and the 78-year-old company founded by postage meter-inventor Arthur Pitney has no plans to let some Internet upstart steal away a new postage business. About 85% of the postage meters in the U.S. are Pitney Bowes machines, with the bulk of those owned by big companies. Last year Pitney Bowes formed a home-office division just after it started leasing meters based on ink-jet printer technology for \$19.95 a month and it thinks that a meter combined with a PC-based system will win in small offices. Michael Ste-

rice division, says a drawback of E-Stamp's SmartStamp is that it can't be used with a hand-addressed envelope.

But E-Stamp has its own giant in reserve: Microsoft. Last year the software behemoth, which is to PC operating systems what Pitney Bowes is to corporate mailrooms, took a 10% stake in E-Stamp, as did AT&T Ventures, a venture capital group that makes investments for AT&T Corp. Terms of that deal weren't disclosed. Before Microsoft and AT&T put any money into the company, however, E-Stamp had gathered \$11.4 million from wealthy individuals.

Microsoft won't say whether it might include E-Stamp as a feature of its Microsoft Office suite of products, but E-Stamp is certainly hoping for some sort of marketing relationship with the software giant. Mr. Kapoor says that such a relationship could also take the form of promotion through Microsoft's Web site. E-Stamp also has been working closely with printer giant Hewlett-Packard Co. to ensure that the technology works smoothly on their laser printers, and that relationship could blossom into a marketing pairing as well.

Meanwhile, E-Stamp's Mr. Kapoor is preparing for the battle he knows he will have to wage to promote the product. "The biggest hurdle we face isn't competition from Pitney Bowes," he says. "When you develop a business that changes the way humans behave, you face a natural hurdle."

**WSJ Journal Link:** Other potential E-Stamp uses could be in the works. See The Wall Street Journal Interactive Edition