

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

MAILING ONLINE EXPERIMENT

Docket No. MC2000-2

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS GARVEY TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T1-12-18)

The United States Postal Service hereby provides the responses of witness Garvey to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T1-12-18, filed on December 22, 1999.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.

Chief Counsel, Ratemaking



Kenneth N. Hollies

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OCA/USPS-T1-12. Please refer to your response to OCA/USPS-T1-2(d).

- a. Please identify and describe the "component of the Mailing Online system" referenced in your response.**
- b. Please explain what "component" (or components) of the Mailing Online system currently reside at the San Mateo data center. Please explain what "component" (or components) of the Mailing Online system (other than the component identified in part a. of this interrogatory) are currently scheduled to reside at the San Mateo data center.**

RESPONSE:

- a. The component referenced is the "Postal Soft Presort 5.6" software, detailed as Item 135 in Workpaper A, MOL System Development & Implementation, of Witness Lim's testimony, USPS-T-3.**
- b. Details for all MOL components can be found in Witness Lim's testimony, USPS-T-3.**

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OCA/USPS-T1-13. Please refer to your response to OCA/USPS-T1-2(g). Please explain how the Postal Service used 1) the electronic mailing statements, Forms 3600 and 3602, and the USPS Qualification Reports, and 2) the printed mailing statements and USPS Qualification Reports to prepare the Accounting Period Reports and the Bi-weekly Reports during the Market Test.

RESPONSE:

- 1) The Mailing Online Version 2 system used during the market test did not have the capability to store permanently electronic copies of the mailing statements, Forms 3600 and 3602, or the USPS Qualification Reports. As such, electronic copies were not used in preparing the Accounting Period and Bi-weekly Reports provided during the market test.**
- 2) Printed mailing statements, Forms 3600 and 3602, and USPS Qualification Reports were reviewed and manually corrected by the Business Mail Entry Unit upon submission of the physical mail into the mail stream. These documents were then sent to the Postal Service, which collected these and provided them as attachments to the Bi-weekly Reports. These documents serve as documentation of the level of sortation achieved by the batching process.**

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OCA/USPS-T1-14. Please refer to your response to OCA/USPS-T1-4(a), and the testimony of witness Poellnitz (USPS-T-2) at page 9, lines 1-7.

- a. Are the terms "binding options," as used in your response to OCA/USPS-T1-4(a), and the term "finishing options," as used in the testimony of witness Poellnitz, synonymous? Please define (and distinguish each term, if necessary).
- b. Please refer to footnote 15 in the testimony of witness Poellnitz, where it states, "Finishers are required only for finishing 11x17 impressions." Your response to OCA/USPS-T1-4(a) states that there are "3 possible binding options - stapled, not stapled or tape binding" for letter and legal size pages. Please reconcile your response with the statement of witness Poellnitz in footnote 15 quoted above. Please coordinate your response with the response of witness Poellnitz to OCA/USPS-T2-3.

RESPONSE:

- a. As with any specialized nomenclature, printing terminology may carry different meanings when used out of context or by laypersons. In my understanding of the usage, the term "finishing options" refers to any of several optional actions performed on documents subsequent to their printing, *i.e.*, actions which complete or "finish" the document preparation process. I understand "binding" to refer to methods of combining several individual pages into a single unit, *e.g.*, a "bound" volume of a book. In addition to binding, finishing options include such actions as folding, tabbing and trimming.
- b. In this context, I believe "finisher" refers to an offline (standalone) device used for folding and stitching (stapling) 11"x17" paper as compared to an integrated component of the main printing device which accomplishes the stapling task on letter and legal size paper inline.

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OCA/USPS-T1-15. Please refer to your response to OCA/USPS-T1-5. Will the single-piece First-Class Mail rate be paid on

- a. First-Class mailpieces with addresses that cannot be standardized?**
- b. Standard (A) mailpieces with addresses that cannot be standardized?**
- c. Nonprofit mailpieces with addresses that cannot be standardized?**

RESPONSE:

- a-c. The only rate available to mailers choosing to send domestic mailpieces with addresses that cannot be standardized will be the First-Class Mail single piece rate.**

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OCA/USPS-T1-16. Please refer to your response to OCA/USPS-T1-6, and your response to OCA/USPS-T1-4(a), where it states, "Newsletter size - 11" x 17" - paper limit the page count to 24 pages."

- a. For First-Class Mail, please confirm that the total number of job-type/page-count batches equals 2,928 ((30 letter-size job types x 48 page count) + (30 legal-size job types x 48 page count) + (2 newsletter-size job types x 24 page count)). If you do not confirm, please explain.
- b. For Standard (A) Mail, please confirm that the total number of job-type/page-count batches equals 2,928 ((30 letter-size job types x 48 page count) + (30 legal-size job types x 48 page count) + (2 newsletter-size job types x 24 page count)). If you do not confirm, please explain.
- c. In PB/OCA-T100-8, Attachment 1, in Docket No. MC98-1, please refer to the columns headed "BI-BJ/1-48" and "Rates (cents)."
 - i. Please confirm that the heading for the column "BI-BJ/1-48" should be changed to "BI-BJ/1-24" and the last four cells of the column should be deleted. If you do not confirm, please explain.
 - ii. Please confirm that the last cell of column headed "Rates (cents)" should be deleted. If you do not confirm, please explain.
- d. In PB/OCA-T100-9, Attachment 2, in Docket No. MC98-1, please refer to the columns headed "BI-BJ/8-48," "Weight per Piece (oz.), Newsletter-size," and "Automation Flats, Rates (cents), Nsltr. Size" (footnote omitted).
 - i. Please confirm that the heading for the column "BI-BJ/8-48" should be changed to "BI-BJ/8-24" and the last 24 cells of the column should be deleted. If you do not confirm, please explain.
 - ii. Please confirm that the last 24 cells of column headed "Weight per Piece (oz.), Newsletter-size" should be deleted. If you do not confirm, please explain.
 - iii. Please confirm that the last 24 cells of column headed "Automation Flats, Rates (cents), Nsltr. Size" (footnote omitted) should be deleted. If you do not confirm, please explain.

RESPONSE:

- a. – c. Confirmed.
- d.
 - i. Confirmed.
 - ii. Confirmed, with the notation that the column heading is "Weight per Page (oz.)", not "Weight per Piece (oz.)".
 - iii. Confirmed.

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OCA/USPS-T1-17. Please refer to your testimony at page 16, lines 1-4, and your rebuttal testimony (USPS-RT-1) at page 4, lines 15-18, in Docket No. MC98-1 concerning the OCA's proposal for Mailing Online. Also, please refer to Table I and the pricing formula (Equation 1) in section IV.B. of OCA witness Callow's testimony (OCA-T-100) in Docket No. MC98-1.

- a. Please identify all actions that would need to be taken by the Mailing Online system developer and the Postal Service to implement a production system of the pricing formula (Equation 1).
- b. Please provide the total estimated time necessary to implement a production system of the pricing formula (Equation 1).
- c. Please provide the total estimated time necessary to implement a production system if the pricing formula (Equation 1) were modified as follows:

$$D = x$$

- d. Please provide the total estimated time necessary to implement a production system if the pricing formula (Equation 1) were modified as shown in part c. of this interrogatory, and the total number of job-type/page-count "look-up" tables were reduced to 2,928 ((30 letter-size job types x 48 page count) + (30 legal-size job types x 48 page count) + (2 newsletter-size job types x 24 page count)) in First -Class Mail and Standard (A) Mail, respectively.
- e. Please provide the total estimated time necessary to implement a production system if the pricing formula (Equation 1) were modified as shown in part c. of this interrogatory, and the total number of job-type/page-count "look-up" tables were reduced to 1,008 ((10 letter-size job types x 48 page count) + (10 legal-size job types x 48 page count) + (2 newsletter-size job types x 24 page count)) in First -Class Mail and Standard (A) Mail, respectively.

Note: The 10 letter-size and 10 legal-size job-types assumes there will be no binding options for letter-size and legal-size documents, consistent with the testimony of witness Poellnitz. See USPS-T-2 at 9, footnote 15.

The number of letter and legal job-types is computed as follows:

Letter & legal 2 possible plex options - simplex or duplex
 x 2 possible paper sizes - letter or legal
 4
 x 5 possible color options - black, red, green, blue,
magenta

20

RESPONSE:

The Postal Service has neither planned nor calculated time estimates needed to implement any alternative production systems, let alone one that it does not currently support. Such an effort would likely require both payment to a

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contractor and finalization of system requirements before it could be accomplished. The posited functional requirements only begin that latter process. These difficulties alone justify my opinion that there is virtually no realistic likelihood that Postal Service management would even consider asking the Governors to implement such a system during an experiment intended simply to determine whether Mailing Online constitutes a viable product.

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OCA/USPS-T1-18. Please refer to your testimony at pages 9-11, concerning customer volumes during the Market Test. Please provide the accumulated volumes by job-type by page-count by depth of sort from the USPS Qualification Reports during the Market Test.

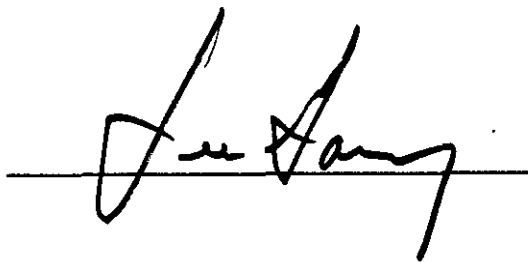
RESPONSE:

As stated in my response to OCA/USPS-T1-11:

"The Postal Service has not compiled nor does it plan to compile the volume data analyses requested by this interrogatory. Due to factors explained in my testimony, the market test data are not deemed worthy of the sort of quantitative analysis requested here. The raw data necessary to calculate these volumes ha[ve] been provided in data collection reports and attachments and can be used to determine these and other measures if they are deemed to be of value by others."

DECLARATION


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

A handwritten signature in black ink, appearing to read "Lee Garvey", is written over a horizontal line. The signature is cursive and somewhat stylized.

Dated: January 4, 2000

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



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January 4, 2000