

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS NIETO
TO INTERROGATORY OF DOUGLAS F. CARLSON
(DFC/USPS-T26--7)

The United States Postal Service hereby provides the response of witness Nieto to the following interrogatory of Douglas F. Carlson: DFC/USPS-T26-7, filed on November 26, 2001.

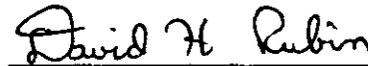
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



David H. Rubin

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(202) 268-2986; Fax -6187
December 10, 2001

**Response of Postal Service Witness Nieto to
Interrogatory of Douglas F. Carlson**

DFC/USPS-T26-7.

- a. Please identify and itemize all costs that the Postal Service will incur to provide a return receipt after mailing that a customer purchases by visiting a retail window at a post office.
- b. Please identify and itemize all costs that the Postal Service will incur to provide a return receipt after mailing that a customer purchases via the Internet.
- c. Please identify and itemize all costs that the Postal Service will incur to provide an electronic return receipt that a customer purchases at the time of mailing at a retail window at a post office, as you described in your response to DFC/USPS-T26-4.
- d. Please identify and itemize all costs that the Postal Service will incur to provide an electronic return receipt that a customer purchases subsequent to the time of mailing via the Internet, as you described in your response to DFC/USPS-T26-4.
- e. Please identify and itemize all costs that the Postal Service will incur to provide a return receipt.
- f. Please identify and itemize all costs that the Postal Service will incur to provide a return receipt for merchandise.
- g. Please identify and itemize all costs involved in developing the software and related systems necessary to implement the electronic return receipt.

Response to DFC/USPS-T26-7.

- (a) and (b) Please refer to USPS-LR-J-135, Return Receipt Workbook, Worksheet C-4 for an itemization of costs for return receipts after mailing. I do not calculate a separate estimate based on where the return receipt after mailing is purchased.
- (c) These costs are presented in USPS-LR-J-135, Return Receipt Workbook, Worksheet C-5.

Response of Postal Service Witness Nieto to
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(d) These costs are presented in USPS-LR-J-135, Return Receipt Workbook,
Worksheets C-4 and C-5.

Total RRAM from Online Purchase Cost	\$0.2621
<u>Cost of Digitally Secure Email Transmission</u>	<u>\$0.5000</u>
Internet-Purchased eRR Volume Variable Cost	\$0.7621

Please also see response to part (g) for non-volume variable costs.

(e) These costs are presented in USPS-LR-J-135, Return Receipt Workbook,
Worksheets C-1-3.

(f) These costs are presented in USPS-LR-J-135, Return Receipt Workbook,
Worksheets C-6-8.

(g) Estimated costs for developing the software and related systems for sending the secure email to electronic return receipt customers are included in the \$0.50 transmission fee charged by an outside vendor. Other development costs, which include integration of vendor software with Postal Service systems and an upgrade to the retail POS-One systems, are estimated at \$1.65 million.

DECLARATION

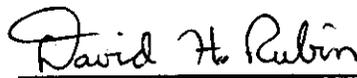
I, Norma B. Nieto, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Norma B. Nieto

Dated: DECEMBER 10, 2001

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.



David H. Rubin

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