

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE CONSUMER ADVOCATE

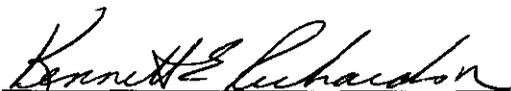
Classification and Fees For Confirm)

Docket No. MC2002-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORY TO UNITED STATES POSTAL SERVICE
WITNESS NORMA B. NIETO
(OCA/USPS-T3-4)
May 10, 2002

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits an interrogatory and request for production of documents. Instructions included with OCA interrogatories OCA/USPS-T1-1-18 dated May 1, 2002 are hereby incorporated by reference.

Respectfully submitted,



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OCA/USPS-T3-4. The following subparts refer to USPS-LR-2, the library reference that you sponsor.

- a. National Customer Support Center costs for FY 2003 are estimated to be \$382,480.00. See Input Sheet A-4. What impact would significant increases in Confirm® Planet Code Test Year volumes have on the helpdesk support costs? For example, if Confirm® were to be extended to retail First-Class consumers so that the volume initially forecast increased significantly, what would be the increase in support costs by, for example, "\$x.xx per call" or "y" percent.
- b. Please provide a copy of the Confirm, IT Service Level Agreement referred to in footnote "a" of Input Sheet A-4.
- c. On Input Sheet A-7, you refer to electronic post office (EPO) unit costs.
 1. Please confirm that the total number of EPO's needed in the Test Year is 4. If you are unable to confirm, what is the total the number of cumulative EPO's required in the Test Year and then please explain the 4 on line 13 of Worksheet A-5.
 2. Assume that the USPS Confirm® Planet Code volumes exceed the Test Year forecast. What level of increase in mail volumes would require the Postal Service to purchase additional Oracle database software?
 3. EPO "CLIN" storage costs are estimated at \$349,172. At what level of EPO usage would additional "CLIN" storage need to be purchased and what would be the effect on storage costs? For example, an "x" percent increase in volume would increase storage costs by "y" percent.

- d. The following refers to Input Sheet A-8.
1. For each of the "Business Plan" items listed (lines 2-7), please explain each cost as it relates to the Confirm® Planet Code.
 2. If Confirm® Planet Code usage exceeds the USPS forecast for the Test Year by a given percentage, please explain by line item (lines 2-7) the impact such an increase in volume would have on each cost listed.
 3. For each of the "Technology Support Plan" expenses (lines 9-13), please explain each cost as it relates to the Confirm® Planet Code.
 4. If Confirm® Planet Code usage exceeds the USPS forecast for the Test Year by a given percentage, please explain by line item (lines 9-13) the impact such an increase in volume would have on each cost listed.
- e. The following refers to Worksheet A-1, Marketing Products.
1. Please explain what the Presentation Development (line 2) costs are and to whom the Presentation is targeted.
 2. If Confirm® Planet Code usage exceeds the USPS forecast for the Test Year by a given percentage, please explain the impact such an increase in volume would have on the Presentation Development costs.
 3. Please explain (1) what the CD-ROM Production (line 3) costs are for, (2) who the CD-ROMs are for, and (3) the number of CD-ROMS to be produced.
 4. If Confirm® Planet Code usage exceeds the USPS Test Year forecast by a given percentage, please explain the impact such an increase in volume would have on the CD-ROM Production costs.

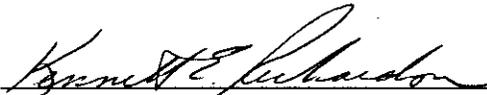
5. Please explain what the printing costs (line 4) are for; for example, marketing literature, product description, etc.
 6. If Confirm® Planet Code usage exceeds the USPS forecast for the Test Year by a given percentage, please explain the impact such an increase in volume would have on printing costs.
 7. Please explain (1) what the “Promotional Activities” (line 6) are for, and (2) if Confirm® Planet Code usage exceeds the USPS forecast for the Test Year by a given percentage, please explain the impact such an increase in volume would have on promotional activity costs.
- f. The following refers to Worksheet A-3.
1. *Program Management* costs are shown as \$163,376. What would be the percentage impact on program management costs if Confirm® Planet Code usage exceeds by a given percentage the USPS Test Year forecast?
 2. *Management Support* costs are shown as \$329,731. What would be the percentage impact on management support costs if Confirm® Planet Code usage exceeds by a given percentage the USPS Test Year forecast?
 3. *Strategy Support* costs are shown as \$197,971. What would be the percentage impact on strategy support costs if Confirm® Planet Code usage exceeds by a given percentage the USPS Test Year forecast?

- g. The following refers to Worksheet A-4.
1. If Confirm® Planet Code usage increases by a given percentage from that forecast for the Test Year, please explain the impact an increase in volume would have on the capital equipment purchased from Digital Equipment Corporation (DEC). For example, an increase in usage of “x” percent would require additional purchases of DEC equipment valued at “\$y.yy, in year 2002 and \$z.zz, in year 2003.”
 2. If the Confirm® Planet Code offering were expanded to include First-Class retail customers in the Test Year, please explain the impact on the “System Development” costs listed on line 9 for FY2002 and FY2003. For example, adding the capability to allow First-Class retail customers to access Confirm® Planet Code data, in a manner similar to that offered electronically when Delivery Confirmation information is accessed electronically by USPS retail customers, would add additional system development costs of “\$x.xx,” in FY 2002, and “\$y.yy,” in FY 2003.
 3. If the Confirm® Planet Code offering were expanded to include First-Class retail customers in the Test Year, please explain the impact on the “CMOR System Development” costs listed on line 17 for FY2002 and FY2003. For example, adding the capability to allow First-Class retail customers to access Confirm® Planet Code data, in a manner similar to that offered electronically when Delivery Confirmation information is accessed electronically by USPS retail customers, would add additional CMOR system development costs of \$x.xx, in FY 2002, and “\$y.yy,” in FY 2003.
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- h. The following refers to Worksheet A-6, lines 6, 7 and 8 (Capital Expenditures). For lines 6, 7 and 8 in FY 2002 and FY 2003, please explain the impact an expansion of the Confirm® Planet Code offering would have on each cost if First-Class retail customers accessed Confirm® Planet Code data in a manner similar to that offered electronically for Delivery Confirmation retail customers.
- i. The following refers to Worksheet A-5, line 11. Please explain the basis for using a peak load factor of 10.0%.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with Rule 12 of the rules of practice.


Kenneth E. Richardson

Washington, D.C. 20268-0001
May 10, 2002