

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

FILING ONLINE

Docket No. RM2002-1

COMMENTS OF UNITED STATES POSTAL SERVICE
ON POSTAL RATE COMMISSION ORDER No. 1341,
NOTICE OF PROPOSED RULEMAKING
TO REQUIRE FILING OF DOCUMENTS
IN ELECTRONIC FORM
(June 21, 2002)

I. INTRODUCTION.

On May 8, 2002, the Postal Rate Commission issued Order No. 1341, Notice of Proposed Rulemaking to Require Filing of Documents in Electronic Form (Order 1341), Docket No. RM2002-1, Filing Online. Comments on the proposed rules were requested by June 21, 2002. This document provides the Postal Service Comments on the proposed rules.

The Postal Service supports the mechanisms, procedures and tools the Commission has provided to enable the conduct of proceedings in largely electronic form using Filing Online. The Commission's methodical development of Filing Online should be commended; the results appear to improve and simplify existing procedures, reduce the costs of participation in Commission proceedings, and capitalize on the capabilities and opportunities brought by current technology. By introducing most of its current proposals last year in Docket No. RM2001-2, the Commission has enabled the Postal Service to build capabilities that, in concert with the Commission's website, permit the Postal Service both to file and to accept service of documents electronically.¹

¹ The absence of a real test for these capabilities yet leaves some doubt as to their ultimate viability. Some testing in the context of smaller cases therefore seems appropriate. In view of the issues raised by these Comments, the Commission might consider proceeding by issuing special rules and deferring the final rulemaking until more experience is gained.

However, the Postal Service strongly opposes the Commission's proposal to codify its expectation that rate and classification cases can and should be conducted using tools limited to the world of Windows-based microcomputers. This proposal, which was never mentioned in connection with Docket No. RM2001-2, is fatally flawed *ab initio* because it carries with it the implied expectation that the Postal Service's business of moving the mail – the costs, volumes and revenues of which are always featured in Commission dockets – can also be managed using Windows-based computers exclusively. The Postal Service relies upon mainframes for the conduct of its business because, when its computing needs were first implemented, mainframes provided the only viable solution. Millions if not billions of dollars have been invested in systems that continue to meet real needs and mainframes continue to offer what appear to be the only suitable platform. The necessity for and costs related to a platform change have only begun to be analyzed. The ever-increasing capabilities of microcomputers do not mean their operating systems are necessarily capable of efficiently managing the complex, high volume, high transaction, multi-user environments in which the Postal Service operates. The Postal Service has been relying more and more upon personal computers to manipulate certain data sets that are used in Commission litigation, a trend likely to increase. The proposal to do away with mainframes and minicomputers, absent a waiver, reflects a mistaken understanding of the extent to which cases today must be built upon mainframe data and analyses. The day may come when substantially all of an omnibus rate case can be conducted in a microcomputer environment. Over time, all necessary computer applications are re-engineered; when that happens all suitable platforms are evaluated.

Computer applications for businesses have evolved in the direction of greater use of client/server or browser-based models. It seems, however, inappropriate for the Commission to insert itself in this trend and force the evolution of specific new models when their suitability and viability have not been investigated and costs are unknown but certainly high. If the Commission must make some move now in the direction of microcomputers, let it be in the direction of gaining information rather than forcing potentially inappropriate change.

The Postal Service support for Filing Online, and opposition to a Commission codification of a due process challenge to the longstanding and necessary use of mainframes, are quite independent of one another. These two distinct reactions to the proposed new rules dictate the structure of these Comments by the Postal Service. Discussion of Filing Online in the following section presumes the many benefits brought by electronic filing and service of process, and therefore focuses upon identification of smaller issues that the Commission may, or may not, need to address at this time. Thereafter, the extent to which mainframes can and will continue to underlie rate and classification cases is addressed to illustrate why the proposed rule changes, even with a waiver mechanism, would constitute an inappropriate procedural burden on Commission cases.

II. Filing Online.

The Postal Service supports implementation of Filing Online in the near future, subject to certain of its comments below. Since no omnibus case is currently pending, the present time consists of a period when Filing Online can be tested with “live” pleadings in smaller dockets. One element necessary to the success of Filing Online is the ability of the Postal Service to accept service of process via documents posted on the Commission’s website. That capability is already functioning but still needs further testing prior to the rigors of a large docket.

The Filing Online procedures are solid and have not led to identification of specific problems during testing. In general, the Postal Service expects that any problems found during “live” usage are likely to be few and can be addressed on ad hoc basis. The web interface seems sufficiently developed and backed by appropriate checks and balances. The Postal Service would like to take this opportunity to address a common situation, the need to attach material available only in hard copy form, and comment on several other issues, some of which also were raised during the Filing Online workshop on June 12, 2002. The Commission could reasonably conclude that some tweaking of the proposed rules is in order.

The proposed rules require the filing of documents via Filing Online absent a waiver, which itself appears to apply only to a participant who is wholly excluded from

Filing Online. See Rules, 9, 10, 11. Situations in which electronic copy is unavailable do, however, occur with some regularity when preparing responses to interrogatories or requests for production of documents.² The proposed rules do not appear to contemplate a request for, or grant of, a waiver for use with a single document.³ In lieu of a waiver, it appears that the material unavailable in electronic copy could be filed as a library reference since the existing language in Rule 31(b)(2)(vii) to that effect is retained in its proposed replacement. The notice of filing a library reference could still be in electronic form. This procedure would have the advantage of avoiding any apparent need for motions for waiver, responses, and rulings from the Presiding Officer – and concomitant delay – which itself would also trigger the need for a motion for late acceptance. The overall count of library references will likely increase as a result.

The gap between the time a filer prints out a receipt indicating successful uploading and acceptance by Filing Online system, and the later appearance of that pleading on the Commission's web page, drew discussion at the workshop. In general practice, the Postal Service does not anticipate significant problems arising during the gap that would warrant changing this proposal. But as indicated by Rules 9(c-d), the Secretary may reject a pleading (for which a receipt has already been issued) "that does not comply with any applicable statute, rule, regulation or order....". In the pre-Filing Online world, this situation could not arise, if only because the realities of a hard copy world control the situation: if the docket section date stamps a hard copy pleading it would appear that acceptance has occurred. On the other hand, if the docket section currently reviews hard copy documents for minimal sufficiency before date stamping the pleading, then Filing Online rules may effect no real change.

The discussion in a Filing Online context suggests that the docket section will review electronic pleadings for minimal sufficiency presumably consisting of the presence (or absence in some circumstances) of a docket number, an appropriate

² On some occasions, electronic copy is furnished to counsel that was created using software that is not in wide use; this can trigger a decision to file it in hard copy instead. Requests for videotapes or Priority Mail envelopes raise the same class of issues.

³ This point also draws substantial discussion in section III.

document title, and perhaps an appropriate Commission heading. At the workshop, however, Commission staff members also made clear that a pleading which serves two separate purposes, such as a motion for late acceptance of late-filed interrogatories and the late-filed interrogatories themselves, would be rejected. Since what “statute, rule, regulation or order” such a pleading violates has not been identified, the basis for this rejection remains unclear. This is not to state that the Postal Service believes such a restriction to be inappropriate – which it is not – but that the descriptions provided by staff members do not appear to comport with the legal reality. The Postal Service accordingly queries whether the rules should also state what constitutes a minimal sufficiency and/or that the Commission should consider revising the rules specifically to preclude the filing of pleadings that consist of multiple document types.

Another issue that drew some discussion at the Filing Online workshop was the potential for divergence between the format of a native word processing file and its PDF version. During many months of testing, the Postal Service has experienced relatively few such problems – especially if Postscript printer drivers and hard rather than soft formatting techniques are employed. The suggestion that only the PDF version should undergo a final review and then be filed does not completely address the range of problems that can arise. If a document (especially one containing imported spreadsheets) uses word processing features to create a table of authorities or table of contents, for example, the pagination in a PDF file created thereafter does sometimes change. A fix requires a return to the document and potentially repeated comparison of a native format display with that of the PDF. The Postal Service does not have a specific solution to propose for this. Maintaining one’s awareness that the problem can occur and finding ad hoc ways around it do appear appropriate, however.

The proposed rules contemplate that a participant may obtain a uniform waiver of the requirement that Filing Online be used to effectuate filings. See, e.g., proposed Rules 9(a), 10(b), 12(a)(2). No standards appear to be identified, however, pursuant to which requests for waivers will be considered.⁴ Participants who succeed in obtaining a

⁴ The experience in recent dockets suggests that all participants can participate electronically, and could therefore be required to do so. In any event, most public libraries in this country can provide the necessary access to new participants. Since the

waiver of Filing Online requirements raise two types of issues that the Commission is in a position to resolve or mitigate: service of process from, and to, such participants. The Commission itself should take on the burden of serving such participants since it can print and send all of the documents filed each day. The proposed rules do not currently contain such a procedure, which would reduce the duplication of effort inherent in, for example, all participants serving respective responses to a Notice of Inquiry separately upon such technologically challenged participants.

The Commission's facilitation of service by such participants upon others is somewhat more problematic. The proposed rules preserve the traditional rule that service is effective as of the date of physical delivery or mailing by First-Class Mail. An approach more in keeping with the burdens and obligations undertaken by Filing Online participants would be 1) to require the non-participants to use a more expedited means of physical delivery such as Express Mail or even facsimile transmission to the Commission itself, and/or 2) to make the date of receipt by the Commission the effective date for service.⁵ This latter alternative would also augment the significance of a pleading's posting on the Commission's website by making it the effective service date for all pleadings, regardless of the source's status vis-a-vis Filing Online.

A different set of limits on Filing Online as proposed relates to documents that are required also to be filed and served in both electronic and hard copy form. Pursuant to proposed Rule 10(a), such documents include formal Requests, testimony or briefs greater than 20 pages in length, and material filed under seal. Requests, testimony, and briefs may warrant longer retention in hard copy form than other types of pleadings.

cost savings from Filing Online would not materialize if hard copy distribution were to be required, the Postal Service believes that the Commission can reasonably set the bar for those seeking to exclude themselves *per se* from the requirements of Filing Online quite high.

⁵ The Commission has attempted to make the date it receives an appeal pursuant to 39 U.S.C. § 404(b) the trigger date for participants' due process rights, notwithstanding the contrary weight of legal authority based upon limited legislative grants of subject matter jurisdiction. However, no such legal barrier appears to exist in the present circumstances if the date of receipt and posting by the Commission were deemed the effective service date for non-participants in Filing Online.

Since sealed material cannot be accommodated on the Commission's current website absent an additional level of security, this exclusion from Filing Online is sensible. Much of the burden of these exceptions to the general rule of pure electronic filing appears to fall on the Postal Service, which does not oppose the proposed approach.

One additional issue warrants comment before mention of minor technical points. Proposed Rule 10(a)(2) states, "Documents filed online must satisfy computer system compatibility requirements specified by the Secretary," while indicating that the Commission's website provides these further details. It is not clear how restrictive those requirements are intended to be; the responses expressed in section III, *infra*, serve only to augment this concern. The only information that the undersigned counsel was able to locate on the Commission's website which might conceivably be responsive to proposed Rule 10(a)(2) consists of a list of word processing, browser, and PC/MAC components that have been tested. These words of description apply to combinations of hardware and software, not to files themselves; nor are they written prescriptively. The details of RTF files found in the Commission's discussion of Filing Online in Docket No. RM2001-2 are germane here. Word processing applications that are absent from the website compatibility lists can produce RTF files. It would appear imprudent of the Commission to preclude participants' use of technology that its staff have not yet explored but which may be compatible, and no such preclusion seems to appear on the website. The dictates of proposed Rule 10(a)(2) therefore beg the question of what purpose that language serves. The Commission should consider explaining more fully or otherwise describing the purpose of this language.

Three minor matters warrant identification, but little discussion; the Commission should consider addressing these matters in the discussion of further proposed or final rules. First, as addressed in the Filing Online workshop, the courtesy of filing interrogatories in their native form (*e.g.*, Word or WordPerfect, or for that matter in RTF) can facilitate the preparation of responses, especially for more complicated questions that may involve quotations, parts, sub-parts, or formulae; in the alternative, native format files can be shared via email directly from proponent to recipient. The same courtesy from the Commission itself would also be welcome. Second, in light of the Commission's admonition that regular password changes augment security – which is in

all participants' interest – the Commission could consider adding to its website the necessary software hooks to enforce regular password changes.⁶ Third, the requirement stated in Order 1341, at page 6, that , “Any collateral files that can be produced in text-based PDF must also be submitted in that form,” is not strictly correct. Excel files, which may or may not be “text-based”, can be converted to PDF which has the effect of eliminating most of their embedded utility. Recent practice has been to provide Excel files in their native format, rather than as PDF files.

III. Mainframes Are Not Dead.

As occasionally brought to light in discovery, the Postal Service runs its business by relying upon a large network of mainframe computers. Many of these host applications that are quite familiar to the Commission and rate case participants. These include IOCS, TRACS, RPW, CCS, ODIS, and MODS. Others, such as the General Ledger, HRIS, AIMS, FMS, and a host of others are well known to smaller circles of rate case participants. For the truly hardcore, the Postal Service CRA/Rollforward model gets close examination. The overall reliability of respective mainframe applications typically is not raised in omnibus cases for they are familiar to participants and the Commission alike and have long been relied upon to support postal ratemaking.⁷ Moreover, many of these applications provide data necessary to various periodic reports filed with the Commission. On the other hand, issues regarding one or more pieces of each may arise in a given case; more generally, discovery tends to focus on comparing the product of one system with that of another in a quest for an outcome that favors the economic interest behind a given participant or result.

⁶ Ratemaking staffers expressed a wide range of opinions on this issue.

⁷ In Docket No. R2000-1, United Parcel Service challenged the fundamental reliability of the BRPW system by requesting several upstream data sources such as mailing statements for bulk-entered mail. The Presiding Officer rejected the UPS claim that “the requested raw postage statement information [was] needed to establish a foundation for receipt of the [RPW testimonies]”. POR R2000-1/72 (May 30, 2000). This tailors neatly with the use of “Category 1” library references, which document ongoing data systems without the need for those systems to be sponsored into evidence in each omnibus case. See Rule 31(b)(2)(i).

In an environment where microcomputers continue their rapid technological evolution, the Postal Service has been able to provide more and more information and analyses in a form that can be analyzed, reviewed, sometimes even replicated on microcomputers. In parallel, the rules for library references now require their filing in electronic form absent a showing that such form is unavailable. See Rule 31(b)(2)(vii). In early rate cases, the Commission reportedly retained the necessary employees, contractors, and mainframe resources to replicate, and perhaps to change inputs to, models presented by Postal Service witnesses. More recently, the Commission has sought the wherewithal to analyze Postal Service information on microcomputers.

This trend toward personal computers has received strong support from the Postal Service in three ways. First, mainframe derived data files (such as comma delimited text files) have been provided in PC-readable media, as required under the current rules. Second, with the convergence of mainframe and PC SAS, intervenors in recent rate cases have successfully taken Postal Service mainframe SAS programs and written the necessary routines to run those SAS programs on personal computers.⁸ Third, sometimes at the Commission's request, Postal Service witnesses have taken to downloading mainframe database files into Excel. In the most recent omnibus case, the Commission expressed interest apparently in not just replicating, but running the mainframe FORTRAN weight study sponsored by witness Schenk using different inputs.⁹ That exploration by the Commission, which was effectively terminated by the progress of the settlement, is consistent with the Commission's current proposal to require that material provided in electronic form permit replication "using a publicly available PC application". Proposed Rule 31(b)(2)(vii). The apparent intent is to

⁸ SAS is perhaps the best example of convergence between mainframe and personal computer versions, with the syntax close to indistinguishable. This is less true of other software tools such as COBOL and FORTRAN, on which the Postal Service relies heavily. The C language, apparently running on a UNIX platform, appears to be what the Commission itself has adopted to run the PRC version of the "roll forward".

⁹ See, e.g., Report of United States Postal Service on Status of Response to Questions Raised at the Close of Oral Cross-examination of Witness Schenk (January 25, 2002)

eliminate use of mainframes in analyses presented to the Commission, “absent a showing of why a version on PC media cannot be supplied”.¹⁰ *Id.*

The reasoning upon which Order 1341 relies to justify the elimination of mainframe-based computer analyses appears at pages 12-13:

While reviewing its proposal to require that documents filed with the Commission be in a standardized electronic form, the Commission also re-evaluated the form requirements that are set forth in its rules of practice with respect to library references and computer analyses. Current Rule 31(b)(2)(vii) requires that material filed as a library reference be provided in an “electronic version” unless it is shown that an electronic version cannot be provided. The current rule is broad enough to permit material to be filed as a library reference even if it can only be read and executed on a mainframe or on a Macintosh computer. Neither of these is commonly available hardware. If material can only be accessed through such hardware, it imposes on participants and the Commission the undue burden of acquiring such hardware, or converting the files to a PC compatible form, in order to read and execute the files. To avoid this, the Commission proposes to revise this rule to require that material filed as a library reference be provided on “PC media,” unless it is shown that it cannot be provided in that form.

The Commission’s evidence rule governing the submission of computer analyses requires that a listing of input data, output data, and source codes be provided, unless it is shown that they cannot be provided. See current Rule 31(k)(3)(i). As with the current library reference rule, this is broad enough to allow such material to be submitted in a form that can only be read and executed by a mainframe or a Macintosh computer. To make such material reasonably accessible to participants and the Commission, the Commission proposes to revise this rule to require that a copy of input data, output data, and source codes be provided in a form that allows them to be replicated using a publicly available PC application.

This reasoning is flawed as to its facts, logic, and characterization of what the proposed rules themselves state. The Postal Service has long provided data and analyses from mainframes; it is not something new that now imposes any undue burden on participants. Macs and mainframes are widely available even though the

¹⁰ The wording of the rule appears to confuse the distinction between data readable by a PC, which may or may not be mainframe sourced, with the ability to replicate an analysis on a PC. The waiver would appear to apply only to the former, with no waiver available for the latter.

Commission may currently lack such resources. It has certainly made use of such services in the past and could reasonably do so again. Moreover, the Postal Service has gone to great lengths to provide the Commission and participants with data, regardless of source, that are readable by a microcomputer; in recent years this has largely been accomplished using diskettes, CD-ROMs, and direct internet uploads. Further, the use of PCs has been facilitated by increasing the extent that Windows-based personal computers are used to analyze evidence placed before the Commission. Converting mainframe files to an Excel format, a frequent occurrence, also assists in the use of PCs.

The proposed rules also do not accomplish what Order 1341 claims. Proposed Rule 31(b)(2)(vii) requires library references to be provided on PC-readable media, absent good cause shown. The big change to this rule is that “material provided on PC media must be submitted in a form that allows it to be replicated using a publicly available PC application.” The showing of good cause relates only to an inability to use PC-readable media, not to PC replication.

Proposed Rule 31(k)(3)(i), *Computer Analyses*, is different. As before, “a copy of the input and output data and source codes” must be provided absent a showing pursuant to Rule 31(k)(3)(iii) as to why such codes cannot be furnished.¹¹ Accordingly, there appears to be no mechanism by which any computer analysis can avoid compliance with the PC compatibility requirement, even if the cross-reference is corrected.

The Commission appears to intend that mainframes be taken out of the ratemaking function.¹² If there is some way of obtaining a waiver from the proscription on mainframes, the means for doing so is manifestly unclear. However, because of the

¹¹ Rule 31(k)(3)(iii), however, relates to the sharing of costs associated with producing electronic information. It appears the intended cross reference is to Rule 31(k)(3)(iv), relating to intellectual property rights embodied in underlying electronic information. This apparent error is carried over from the existing rules.

¹² If so, this would appear to violate the general power granted the Postal Service “to determine and keep its own system of accounts and the forms and contents of its contracts and other business documents.” 39 USC § 401(4).

extent to which the business of the Postal Service relies upon mainframes, and the close ties between mainframe applications and the postal costs, volumes, and revenues scrutinized in ratemaking, the Postal Service must strongly object to the removal of mainframe analyses from Commission proceedings.

The Postal Service is prepared to concede that eliminating mainframes from Commission cases might theoretically be possible. When major information systems are re-engineered – virtually a certainty given unlimited time – new platforms will be considered and the merits of converting each of many data systems, including the time, cost, and likelihood of inducing unexplained longitudinal changes, will be considered.¹³

The Postal Service does not agree that eliminating mainframes from their role supporting the business of moving the mail, and the applicable rates, fees and classifications, is appropriate or fair at this time. Several factors still point to mainframes as likely business solutions. These include the volume of transactions (millions), the complexity of calculations, the multitudes of simultaneous data inputs and users, and the need for efficient processing. Moreover, rate cases are about this business of moving the mail; the inefficiencies of severing the connection between the computer systems needed to run the business and the data about that business necessary to support rate cases mean that complete conversion to Windows-based microcomputers cannot occur any time in the near future, notwithstanding the Commission's apparent intent to induce this change. Whether data are analyzed to measure service, costs, volumes or revenues, utilizing the data to improve the Postal Service should be the prime focus, not whether parties or the Commission can replicate the Postal Service's results using different, and to date apparently inferior, technology.

¹³ In Presiding Officer's Information Request No. 4, question 4 (Docket No. R2001-1), inquiry was made into an apparently anomalous inverse relationship between reported cost and distance traveled. After examining the 1960s era COBOL code without finding an explanation, the Postal Service decided to re-engineer that code using SAS. See Further Report of United States Postal Service on Status of Response to Presiding Officer's Information Request No. 4, Question 4 (January 15, 2002). This example illustrates the inevitability of re-engineering, the time that may pass before the need for an update is established, and the close examination of costs versus benefits that must be part of each decision.

Data used for ratemaking do not exist in isolation from the mainframe data sources. Various calculations prepared for financial purposes are best performed on the mainframe, where efficient processing and the most up-to-date information are available. Transferring even one of the larger files to a microcomputer can require many hours. The Postal Service is quite aware of microcomputer capabilities and routinely examines their potential utility.

In a study conducted in 1998, Price Waterhouse examined the feasibility of converting the COBOL-based CRA to a PC platform and recommended that it remain a mainframe application. The principal reasons were the model's voluminous printed output, which the Postal Service requires not only for rate filings, but also for extensive internal analysis. In addition, the Postal Service needs a quick execution and turnaround time during the CRA production cycle because the model is often run several times in a single day. Backup and storage capabilities were also strong factors, as there may be many different versions of the CRA model during a given fiscal year, and the Postal Service maintains both online and tape copies of all models for many years. Also, the Postal Service retains online print files of the 40,000 lines of job output generated by each model version and quite frequently has the need to examine older models or view their job output. The mainframe allows quick access as well as the use of powerful file comparison and editing tools.

Viewed from the perspective of a Postal Service contractor heavily involved in ratemaking, one of the major reasons for using a mainframe (aside from the fact that mainframe files constitute the starting point) was the availability of a Sort/Merge tool and a proprietary tool written in the C language that searches FORTRAN code.¹⁴ Neither of these tools is available on a personal computer. Are there other tools that might do the same job? In the abstract, the likely answer is affirmative. Is it prudent, cost efficient, or a good use of postal resources for the Commission to ordain re-engineering of postal data systems simply to meet the needs of ratemaking? The Postal Service response to

¹⁴ See footnote 9, supra. The lack of microcomputer cognates to these tools were some of the challenges examined when the Presiding Officer requested that a mainframe FORTRAN study be converted to a microcomputer.

this question in the aggregate would be, “Clearly not,” although a different answer might be applicable in a given context.

The foregoing discussion illustrates the importance of a mainframe infrastructure for the Postal Service data systems necessary to run its business. Ratemaking, which goes to the core of that business, necessarily relies upon those mainframes, too. The large data sets, need for efficient processing, simultaneous access by nationwide users, frequent updates, and millions of records are all consistent with use of mainframes as the appropriate business solution. So for ratemaking purposes, the information is 1) already available in the mainframe environment, 2) subject to frequent updates, 3) able to be processed efficiently and with frequent iterations, 4) supported by stable security, backup and maintenance, and 5) rarely the subject of close scrutiny in ratemaking contexts. Moreover, ratemaking also requires external inputs that come in the form of mainframe data files.¹⁵

The bottom line on the Postal Service opposition to proposed rules that appear to require all electronic evidence, including library references, to be provided in a form that permits complete replications on a personal computer is that it would freeze ratemaking activity for many years while perhaps hundreds of millions of dollars and tens of thousands of contractor hours were expended to recreate the Postal Service mainframe infrastructure in the Commission’s preferred form. That makes no sense. The alternative of meaningful waivers does not appear in the proposed rules and the foundation upon which Order 1341 proposes to ban mainframes is flawed. The Postal

¹⁵ Extrinsic data sources include the Office of Personnel Management, the Department of Labor, and DRI-WEFA for the revenue requirement alone.

Service currently relies heavily upon mainframes,¹⁶ and that will continue for at least several years to come.

The Postal Service does not believe that the Commission would take action that would paralyze the ratemaking function by precluding the use of mainframes, although that appears to be the likely effect of the proposed rules. One can only conclude that the Commission does not truly understand how much of ratemaking relies upon mainframes.

The discussion in Order 1341 appears to contemplate that waivers may be appropriate. In light of the heavy usage of mainframes, even a waiver approach would likely burden a case with the need to consider potentially hundreds of waivers. Unlike with library references, which can be grouped with a waiver requested for each, the disparate uses of mainframes do not appear to lend themselves to a similar exercise.

The procedural complexities of requesting multitudinous waivers, with potentially major impacts upon a given case if a waiver were denied, and the potential for participants to raise due process claims if the Postal Service is unable to avoid using mainframes in a given analysis, together seem to suggest a more cautious approach to restricting the use of mainframes in ratemaking. Over time, many applications have already migrated successfully to personal computers, and with the Commission's express interest in hurrying a similar migration for ratemaking, mainframes may well be eliminated. In the meantime, the Postal Service urges that the Commission move more cautiously in the direction of microcomputers.

One way of doing this would be to require that introductions to library references, and perhaps also to testimonies, explain whether mainframes were relied upon, and if

¹⁶ In the last omnibus rate case, Docket No. R2001-1, many library references relied upon mainframe applications, at least in part. The following incomplete list (all are identified solely by numbers, which should be understood as being prefaced with "USPS-LR-J-" and perhaps followed by "/R2001-1") includes: 4-6, 8-22, 24-25, 29-33, 35-37, 41, 46, 53-59, 65, 70-83, 87, 95-96, 105, 112-14, 117, 154, 180, 182, 187, 191-92, 194, 198-99, 202, 210, and 214. In the previous omnibus case, Docket No. R2000-1 – which was more fully litigated – the master list of library references extended nearly to a count of 500 while in Docket No. R2001-1 the list only exceeded 200 by a few. Accordingly, other dockets would probably generate a much longer enumeration. Many direct testimonies also rely heavily upon mainframe analyses and data.

so, how and why. This would serve to educate all participants as to mainframes' significance while encouraging respective witnesses and participants to examine the extent to which mainframes continue to be necessary.

Otherwise, the alternatives on the table seem to include removing the "no mainframes" mandates embodied in proposed rules,¹⁷ forestalling further ratemaking, or encouraging due process challenges to all cases that proceed in reliance upon mainframes.

The Commission has made great strides with Filing Online, an application that took time and cooperation to mature to its present state where substantially all participants support it. If successful, elimination of the retained hard copy service requirements for testimony, briefs, and Requests may also lie in our future. The "no mainframes" thrust, which had not previously been signaled, should await a more advanced awareness of the ramifications and alternatives.

Respectfully submitted,

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¹⁷ This could be accomplished with minor changes to proposed Rules 31(b)(2)(vii), 31(k)(3)(i), and 31(k)(3)(i)(j).

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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