

ORIGINAL

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

RECEIVED
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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

MAILING ONLINE SERVICE

Docket No. MC98-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS GARVEY TO INTERROGATORY OF
THE OFFICE OF THE CONSUMER ADVOCATE
REDIRECTED FROM WITNESS PLUNKETT
(OCA/USPS-T5-14)

The United States Postal Service hereby provides the response of witness Garvey to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-T5-14, filed on July 23, 1998, and redirected from witness Plunkett.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

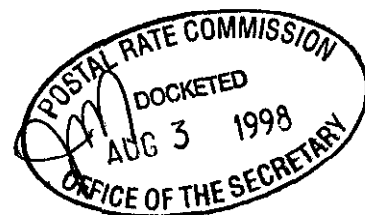
By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Kenneth N. Hollies

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
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August 3, 1998



RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS GARVEY
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE, REDIRECTED
FROM WITNESS PLUNKETT

OCA/USPS-T5-14. Please refer to your testimony at page 13, lines 9-11. You state that "the Postal Service has been conducting an operations test during which customers have received free printing services"

- a. Have these "free printing services" ever been performed on site at a postal facility. If so, please identify that facility and describe its physical relationship to the facility referred to in interrogatory OCA/USPS-T5-3(b).
- b. Please provide the total Postal Service expenditures to date on "free printing services."
- c. Have these "free printing services" ever been performed off site at a nonpostal facility. If so, please identify that facility and describe its physical relationship to the facility referred to in interrogatory OCA/USPS-T5-3(b).
- d. Has the "operations test" ever involved the transportation of Mailing Online pieces between a printing site and the facility referred to in interrogatory OCA/USPS-T5-3(b)? If so, please identify the form(s) of transportation utilized (contract highway intra SCF, VSD, private printer vehicle, etc.).
- d. Has the "operations test" ever involved the transportation of Mailing Online pieces between a printing site and the facility referred to in interrogatory OCA/USPS-T5-3(b)? If so, please identify the form(s) of transportation utilized (contract highway intra SCF, VSD, private printer vehicle, etc.).
- e. Please provide the total Postal Service expenditures to date on the transportation services referred to in part (d) of this interrogatory.
- f. Since the commencement of the operational test period, on how many days have Mailing Online pieces been transported to the facility referred to in part (b) of interrogatory OCA/USPS-T5-3? On how many days have there been no transportation runs?
- g. Please provide a frequency distribution showing the number of days on which 0, 1, 2, etc., transportation runs of Mailing Online pieces have been made to the facility referred to in part (b) of interrogatory OCA/USPS-T5-3 since the commencement of the operational test period.
- h. Please provide a tabulation showing the volume of Mailing Online pieces broken down by number of transportation runs per day. In other words, the tabulation should show the total volume of Mailing Online received at the facility referred to in part (b) of interrogatory OCA/USPS-T5-3 on days when 1, 2, 3, etc., transportation runs were made.
- i. During the "operations test," have Mailing Online pieces been entered through a Bulk Mail Acceptance Unit? If not, please describe precisely how Mailing Online pieces have entered the mailstream at the facility referred to in interrogatory OCA/USPS-T5-3(b). Please describe all documents created or exchanged during the entry process and provide examples of such documents.
- j. Please provide copies of all documents relating to the "operations test." (See instructions for definitions of "all documents" and "relating to." The OCA is particularly interested in documents describing or evaluating the "operations test" or any portion thereof.)

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- k. Was any evaluation of the "operations test" made prior to the decision to proceed to a market test? If not, why not? If so, please provide a copy of the evaluation.
- l. Has the feasibility of Mailing Online been reevaluated since the commencement of the "operations test"? If not, why not? If so, please provide copies of all documents relating to such reevaluation. (See instructions for definitions of "all documents" and "referring to.")

RESPONSE:

- a. No printing services have been performed at a postal facility.
- b. Based on bills received and paid to date, total Postal Service expenditure on printing has been \$7991.53.
- c. Printing services have been performed at the Xerox Dallas Document Technical Center (DTC) in Farmer's Branch, Texas. This facility is located within the same metropolitan area as the facility referred to in interrogatory OCA/USPS-T5-3(b).
- d. For the most part Mailing Online pieces have been transported to the facility referred to in interrogatory OCA/USPS-T-5-3(b) by Postal Service employees using postal vehicles. It is my understanding that these have been primarily, if not exclusively, carrier delivery vehicles.
- e. Postal Service expenditures on these transportation services have not been calculated.
- f-h. The available information regarding Mailing Online activity appears as USPS-LR-6/MC98-1 and Exhibit to Response to OCA/USPS-T1-10. It is my understanding that on days when mail has been printed, one run takes place; on days when no mail exists, no run occurs.

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- i. Confirmed that Mailing Online mail has been entered through the Dallas, Texas Business Mail Entry Unit (BMEU). Documents submitted with the mail consist of USPS Forms 3600, an example of which is attached as Exhibit 1 to this response
- j. Due to an extremely rapid development effort, most evaluation of the operational test has been verbal. However, USPS-LR-Y/MC98-1 contains weekly reports from PriceWaterhouseCoopers which informed the discussion.
- k. The plan to conduct a market test subsequent to the operational test was made early in the planning stages of Mailing Online. Ongoing reviews of operations test results have been conducted with the understanding that such a schedule would occur unless substantial problems were encountered. Since such problems have not occurred, to my knowledge a formal, documented evaluation does not exist.
- l. In keeping with its purpose, evaluations of the operations test feasibility have been limited to confirmations that the technical solution was operational and that users continued to use the system. This is confirmed by a review of USPS-LR-7/MC98-1. To my knowledge a formal, documented evaluation does not exist.

EXHIBIT 1 TO RESPONSE TO OCA/USPS-T5-14

Post3600.rpt

STATEMENT OF POSTAGE with Permit Imprints

First-Class Mail

Entry Point: (1) Local post office, DALLAS P&DC, TX 95099-9993
 NETPOST
 Presort: (2) 1C/STD_A, Single Piece
 USPS-NETPOST

Post Office of Mailing | Mailing Date | Pr
 Access Category | Federal Agency Cost Code
 DALLAS P&DC TX 95099-9993 | 10-Mar-98 |

X] Letter (DMM C050) | Statement Sequence No |
 Permit No | USPS Authorized Mailing ID Code(s) |
] Flat (DMM C050) | 100 | 0001 |
] Automated Flat |

(DMM C820) |
 Name and Address of | Telephone Number | Receipt No. |
] Regular Permit |
 Permit Holder | (202) 268-3436 |
 (DMM C050) |
 (Include ZIP Code) |

USPS-NETPOST | Weight of Single Piece
 0 0200 lbs
 LEE GARVEY
 475 L'ENFANT PLAZA, SW

WASHINGTON, DC 20260 | Total Pieces | T
 Total Weight |
 Dun & Bradstreet No. | 18 |
 0.3600 |

OTAB CUST. REC. ID |

Name and Address of Individual or | Name and Address of Mai
 ling Agent | Prepared Under DMM (Check one)
 Organization for which Mailing is Prepared |

EXHIBIT 1 TO RESPONSE TO OCA/USPS-T5-14

Post3600.rpt

M130 (Letters, flats, parcels)

M130 (Upgradable letters)

M810 (Automation letters)

M820 (Automation flats)

Dun & Bradstreet No. _____

Dun & Bradstreet No. _____

Containers & Trays	1	2-FLAT Trays	0	2-FLAT Trays
0	Ttl Ltr Trays	1		
Quantities	Flat trays	0	Sacks	Pallet
	Other			

For automation rate flats (DMM C820) go to Part A. Part A \$

For automation rate flats (DMM C820) go to Part B. Postage Part B \$

For nonautomation rate pieces (DMM C020) Other than cards, go to Part C. Part C \$ 5.760

For postal cards and postcards (DMM E100), go to Part D. Part D \$

Additional postage payment (state reasons)

No. Pieces	Rate/Piece	
<input type="checkbox"/> special service (Specify)	x	= \$

TOTAL POSTAGE ----> \$ 5.76 ✓

PS FORM 3600-R, July 1996 Facsimile
Financial Document - Forward To Finance Office

The signature of a mailer certifies that it will be liable for and a
gross to pay, subject to appeals prescribed by postal laws
and regulations, any revenue deficiencies assessed on this mailing.
(If this form is signed by an agent, the agent certifies

EXHIBIT 1 TO RESPONSE TO OCA/USPS-T5-14

Post3600.rpt

| that it is authorized to sign this statement, that the certification binds the agent and the mailer, and that both the mailer and the agent will be liable for and agree to pay any deficiencies).

| The submission of a false, fictitious, or fraudulent statement may result in imprisonment of up to 5 years and a fine of up to \$10,000 (18 USC 1001). In addition, a civil penalty of up to \$5,000 and an additional assessment of twice the amount falsely claimed may be imposed (31 USC 3802).

| [] For Enclosed Reply Pieces (Automation rate only) (Effective January 1, 1997): I certify that any business reply, courtesy reply or metered reply letter-size cards or envelopes, enclosed in the pieces described above, bear the correct facing identification mark (FIM) and barcode.

| [] For Updated Addresses (Presorted and automation rate only) (Effective January 1, 1997): I certify that the addresses appearing on the pieces described above have been updated within 6 months of the date of this mailing using a USPS-approved address update tool.

| [] For ZIP Codes (Presort rate only) (Effective October 1, 1996): I certify that the ZIP Codes appearing on pieces in the mailing described above have been verified and corrected where necessary within 12 months of the date of this mailing using a USPS-approved method.

| I hereby certify that all information furnished on this form is accurate and truthful, that this mailing meets all applicable CASS/MASS standards for address and barcode accuracy, and that the material presented qualifies for the rates of postage claimed.

| Signature of Permit Holder or Agent (Both principal and agent are liable for any postage deficiency incurred) Telephone No.

(202) 208-1446

| Single Piece Weight 0 2 3 3 lbs | Are figures at left adjusted from mailer's entries? [] Yes [x] No

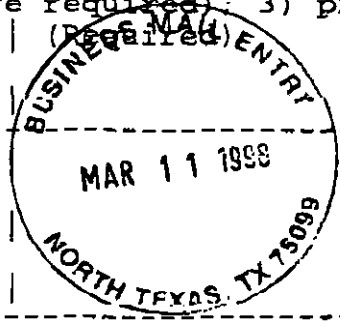
EXHIBIT 1 TO RESPONSE TO OCA/USPS-T5-14

POST3600.rpt

Total Pieces	<u>18</u>	If "Yes" Reason
Total Weight	<u>.4194</u>	
Total Postage	<u>5.76</u>	

Check One [] Presort Verification Not Scheduled
 Mailer Notified [] Contact By (Initials) Date Ma
 [] Presort Verification Performed as Scheduled

I CERTIFY that this mailing has been inspected concerning: 1) eligib
 ility for postage rate claimed; Round Stamp
 2) proper preparation (and presort where required); 3) proper comple
 tion of postage statement; and (Required)
 4) payment of the required annual fee.



Signature of Weigher: Maria King
 Time: 1475 AM
 (PM)

PS FORM 3600-R, July 1996 Facsimile
 Financial Document - Forward To Finance Office

Form 3600-R -- First Class Mail -- Permit Imprint
 1 oz. Pieces

						Postage Computa
Presort/ort/						Pres
Automation	Net	Net	Count			Auto
mation	Rate	Rate	(Pcs)			Disc
Discounts	Rate	Rate	(Pcs)	Charge		
ounts	Rate	Rate	(Pcs)	Charge		

EXHIBIT 1 TO RESPONSE TO OCA/USPS-T5-14

Post3600.rpt

Part A - Automation Rates--Letters (DMM C810)			Part
B - Automation Rates--Flats (DMM C820)			
Carrier Route	0.230 x	pcs. = \$	3/5
	0.270 x	pcs. = \$	
5 - Digit	0.238 x	pcs. = \$	Basi
	0.290 x	pcs. = \$	
3 - Digit	0.254 x	pcs. = \$	Nons
Standard Surcharge			
(If Applicable)			(I
Basic	0.261 x	pcs. = \$	
	0.050 x	pcs. = \$	

Total - Part A (Carry to front of form)		\$	Tota
Total - Part B (Carry to front of form)		\$	

Part C - Nonautomation Rates--Other Than Cards			Part
D - Postal Cards and Postcards			

Automation *			Auto
Presorted	0.295 x	pcs. = \$	C

EXHIBIT 1 TO RESPONSE TO OCA/USPS-T5-14

		Post3600.rpt			
Carrier Route	0.140 x		pcs. = \$		
Single-Piece	0.320 x	18 pcs.	= \$	5.760	5
- Digit	0.143 x		pcs. = \$		
Nonstandard Surcharge					
- Digit	0.159 x		pcs. = \$		3
(If Applicable)					
Basic	0.166 x		pcs. = \$		B
Presorted	0.050 x		pcs. = \$		
Automation					Nona
Single-Piece	0.110 x		pcs. = \$		
Presorted	0.180 x		pcs. = \$		P
Single-Piece	0.200 x		pcs. = \$		S
* AV					
Available only for automation compatible cards (DMM C010)					
Total - Part C (Carry to front of form)			\$	5.760	Total
Part D (Carry to front of form)			\$		

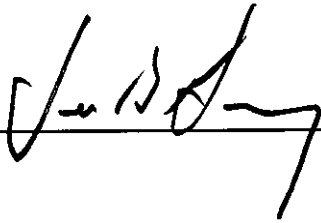
PS FORM 3600-R, July 1996 Facsimile (Reverse)
 Financial Document - Forward To Finance Office

EXHIBIT 1 TO RESPONSE TO OCA/USPS-T5-14

<input type="checkbox"/> Single List <input checked="" type="checkbox"/> Multiple Lists		Coding Accuracy Support System (CASS) Report	
S O F T W A R E	CASS CERTIFICATE INFORMATION		
	A1.	CASS CERTIFIED COMPANY NAME United States Postal Service	
	C	Software Name, Version, and Date of Certification Address Matching System 01-Jan-1998	
	A S S	Configuration STD	
L I S T	B1. LIST PROCESSOR U.S. Postal Service	B2. Date Processed 3/10/98	B3. Date of Zip+4 Data 1/1/98
	B4. ADDRESS LIST NAME CASS Stage II	B5. Number of Lists 1	B6. Total Addresses 25
O U T P U T	CASS OUTPUT RATING	TOTAL CODED	PERCENT OF TOTAL ADDRESSES
	C1. RECORDS ZIP+4 CODED	0	0%
	C2. RECORDS 5 DIGIT CODED	18	
	C3. RECORDS CR RT CODED	0	
M A I L E R	D1. SIGNATURE OF MAILER I certify that the mailing submitted with this form has been ZIP+4 coded (as indicated above) using CASS certified software meeting all requirements of Domestic Mail Manual A0950.	D2. NAME & ADDRESS OF MAILER XEROX Farmer's Branch, TX	
		D3. DATE SIGNED f	

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.

Dated: August 3, 1998

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.



Kenneth N. Hollies

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
August 3, 1998