

ORIGINAL

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

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U.S. DEPARTMENT OF JUSTICE
OFFICE OF THE SECRETARY

MAILING ONLINE SERVICE

Docket No. MC98-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS GARVEY TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T1-31-39)

The United States Postal Service hereby provides responses of witness Garvey to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T1-31-39, filed on August 13, 1998.

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

Respectfully submitted,

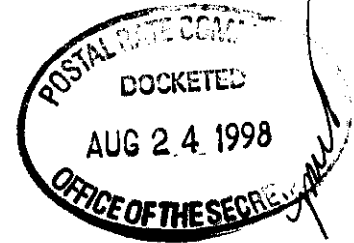
UNITED STATES POSTAL SERVICE

By its attorneys:

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August 24, 1998



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OCA/USPS-T1-31. Please refer to your testimony at page 2, line 7, concerning address hygiene.

- a. Please explain the phrase "address hygiene."
- b. Please describe the activities of the computer network control center to provide "address hygiene" for Mailing Online customers.

RESPONSE:

- a. In the context of my testimony, "address hygiene" refers to the validation, standardization and ZIP+4 Code appending process performed by the Mailing Online network control center in processing customer address files.
- b. See my Response to MASA/USPS-T5-8. As I understand it, the Mailing Online system uses the USPS Address Management System (AMS) database to accomplish the following process:
 - i. Compare complete address records to the current national database;
 - ii. validate, and modify if necessary and possible, the individual elements of address records such as street spelling and ZIP Code;
 - iii. validate each address's conformance, or lack of;
 - iv. assign ZIP+4 Codes and carrier route identification to valid addresses, and;
 - v. identify specific problems with unverifiable address records if possible and tag them with return codes.

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OCA/USPS-T1-32. Please refer to your testimony at page 9, lines 18-20.

- a. Please provide the internet address to be used by Mailing Online customers during the expanded (market) test.
- b. Also, please provide the internet address currently in use during the operations test. Witness Wilcox refers to it as "PostOffice Online. See response to interrogatory OCA/USPS-T7-5.

RESPONSE:

- a. <http://www.postofficeonline.com>
- b. <http://www.postofficeonline.com/dtpo>

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OCA/USPS-T1-33. Please refer to your testimony at pages 9 and 10, lines 10-20, and 1-10, respectively.

- a. Please confirm that during the expanded [*sic*] (market) test, an individual customer, located within one (or more) of the three metropolitan areas, that seeks to use the Mailing Online service for a one-time mailing, will be able to do so. If you do not confirm, please explain.
- b. Please confirm that during the expanded (market) test, an individual customer, located within one (or more) of the three metropolitan areas, that seeks to use the Mailing Online service for a one-time mailing consisting of a quantity of one, will be able to do so. If you do not confirm, please explain.

RESPONSE:

- a. Confirmed.
- b. Confirmed.

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OCA/USPS-T1-34. Please refer to your testimony at page 10, lines 2-5, where it states that Mailing Online customers "will be notified of addresses that cannot be matched with the Postal Service's Address Management System database and are therefore being purged from the list."

- a. Please confirm that during the operational test phase, the Postal Service did not offer the service feature described above to Mailing Online customers. If you do not confirm, please explain.
- b. Please confirm that during the expanded (market) test, the Postal Service plans to offer the service feature described above to Mailing Online customers. If you do not confirm, please explain.

RESPONSE:

- a. Confirmed.
- b. Confirmed.

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OCA/USPS-T1-35. Please refer to your testimony at page 10, lines 2-5, where it states that Mailing Online customers “will be notified of addresses that cannot be matched with the Postal Service’s Address Management System database and are therefore being purged from the list.” Please explain how this service feature described above differs from the special service

- a. ZIP Coding of Mailing Lists; and,
- b. Correction of Mailing Lists.

RESPONSE:

- a. If this question refers to the Diskette Coding service referred to in my Response to MASA/USPS-T5-8, the Mailing Online (MOL) address hygiene feature differs in several ways: 1) Diskette Coding requires the use of physical media for list submission; 2) a specific address hygiene service for lists is not currently offered as a distinct service within PostOffice Online, and is available only in conjunction with submission of a mailing list for creating a MOL mailing; 3) in MOL, the customer’s standardized, ZIP+4 Coded list is not returned in a database format as it is in Diskette Coding; a viewable and/or printable list of unverifiable addresses is automatically returned online and verified addresses can then be used to create a mailing but are only accessible as a viewable PDF document; and 4) Diskette Coding is a one-time only service, MOL has no such limits.
- b. “Correction of Mailing Lists” is a hard-copy-based list correction service offered by the Postal Service. Like Diskette Coding, and unlike the address hygiene feature of MOL, it deals with physical media only, in this instance paper – cards and pages. In addition, it differs in these ways: 1)

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a fee is charged for each correction provided, 2) a labor-intensive physical review of these mailing lists is performed at each office involved; and 3) only physical records are used in lieu of the AMS database.

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OCA/USPS-T1-36. Please refer to your testimony at page 10, lines 2-5, where it states that Mailing Online customers “will be notified of addresses that cannot be matched with the Postal Service’s Address Management System database and are therefore being purged from the list.”

- a. Please confirm that Mailing Online customers will be charged for the service feature described above. If you do not confirm, please explain.
- b. Please confirm that the Postal Service will return the corrected mailing list, or the names being purged from the list, to Mailing Online customers. If you do not confirm, please explain.

RESPONSE:

- a. Not confirmed. As explained in my testimony at page 2, lines 16-18, customers are charged postage plus a fee based upon printing and production options. These fees are explained in the testimony of Witness Plunkett.
- b. Confirmed that Mailing Online Customers will receive a viewable and/or printable list of unverifiable addresses via a PDF rendering online, these are the addresses being purged from the list.

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OCA/USPS-T1-37. Please refer to your testimony at page 10, lines 2-5.

- a. Please confirm that during the expanded (market) test, some Mailing Online customers may submit a document for the sole purpose of determining premailing fees, without completing the transaction and making payment for the Mailing Online service. If you do not confirm, please explain.
- b. Please confirm that the activities of some Mailing Online customers referred to in part (a) of this interrogatory will involve costs to the Postal Service for which it will receive no revenues. If you do not confirm, please explain.
- c. Please provide an estimate of the
 - i. number of Mailing Online customers described in part (a) of this interrogatory;
 - ii. number of occurrences for the activities described in part (a) of this interrogatory; and,
 - iii. costs associated with Mailing Online customers described in part (a) of this interrogatory.
- d. Please identify where the costs associated with Mailing Online customers described in part (a) of this interrogatory have been accounted for in the testimonies of witnesses Seckar and Stirewalt.

RESPONSE:

- a. Confirmed. Any supplier must expect that customers will want to browse and must be prepared to accommodate them.
- b. Not confirmed. It is unclear whether any measurable marginal costs would be incurred by the Postal Service in this scenario. System resources required for this activity must be in place and operational in any case and in my understanding such usage as described does not constitute a measurable incremental load.
- c.
 - i-ii. I know of no way to estimate these numbers.
 - iii. Not applicable.

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- d. I understand that, while not accounted for in a separate and distinct line item, these costs are included implicitly in witness Stirewait's estimation of peak load necessities.

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OCA/USPS-T1-38. Please refer to your testimony at pages 5 and 6, lines 19-20, and 1-4, respectively.

- a. Please confirm that potential Mailing Online customers will be able to access the Postal Service's Mailing Online World Wide Web site from anywhere in the
 - i. United States; and
 - ii. world.If you do not confirm, please explain.
- b. Please explain the rationale for limiting the geographic scope, as opposed to the number of participants, during the expanded (market) test to the three metropolitan areas of New York, Boston and Philadelphia.

RESPONSE:

- a. i-ii. Confirmed. The Mailing Online Web site will be accessible from anywhere full internet access is available.
- b. No opposition exists; both the number of participants and the geographic scope are limited during the market test. The reason for limiting the geographic scope was to establish and maintain some control over marketing activities and facilitate measurability. See my Response to OCA/USPS-T1-28 (b).

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OCA/USPS-T1-39. Please refer to your testimony at pages 5 and 6, lines 19-20, and 1-4, respectively. Isn't it correct that potential customers outside the United States, e.g., in Europe, Australia, etc., with internet access, and the ability to make payment for Mailing Online via credit card, will be able to access the Postal Service's Post Office Online site and have their mailpieces originate in the United States, rather than in the nation in which the customer is located?

- a. If your answer is negative, please explain why the Postal Service would not wish to have such international business.
- b. If your answer is negative, please explain how the Postal Service would prevent such international usage.
- c. If your answer is positive, does such international usage violate any of the Postal Service's international postal agreements? Please explain. (If you are not able to answer this question, please redirect it to another witness with the ability to provide an answer or to the Postal Service, as an institution, for an answer).
- d. If your answer is positive, isn't it correct that usage by customers residing or doing business outside of the United States might have the effect of diverting postal revenues from the postal department in the nation in which the customer is located to the United States Postal Service? Please explain.

RESPONSE:

During the expanded (market) test described in my testimony as referenced above, only customers in the specific areas of the northeast United States described in USPS-LR-9/MC98-1 will be able to register and use the PostOffice Online. As currently planned, the experimental service following the market test would open registration to anyone able to access the Web site. This would include customers outside the United States. In fact, anyone able to access the Web site and provide an acceptable payment could use Mailing Online. This is no different than the RelayOne Web service currently offered by Royal Mail and Microsoft Network.

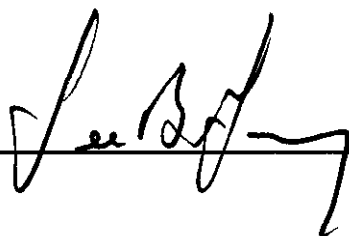
- a. Not applicable.

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- b. Not applicable.
- c. I am advised by counsel that the answer is no treaty or similar agreement or obligation would be violated. For purposes of MOL, that is all I need to know.
- d. I suppose anything is a possibility, but I really do not know. We have no experience with international users of MOL, and since its focus is on small, locally destinating mailings, it is not clear we should spend time contemplating it.

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: 8/24/98

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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