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POSTAL RATE COMMISSION  
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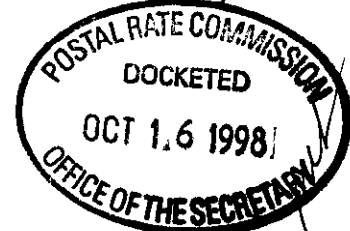
Mailing Online Service

Docket No. MC98-1

PRESIDING OFFICER'S INFORMATION REQUEST NO. 2  
(October 16, 1998)

The Postal Service is requested to provide the information described below to assist in developing a record for the consideration of its request for changes in rates and fees. In order to facilitate inclusion of the requested material in the evidentiary record, the Postal Service is to have a witness attest to the accuracy of the answers and be prepared to explain to the extent necessary the basis for the answers at our hearings. The answers are to be provided on or before October 26, 1998.

1. Witness Seckar states that the fixed or start-up costs of mailing online are attributable and will be recovered over the first two years of the service. USPS-T-2 at 9 and USPS-T-2 Exhibit A at 2. However, witness Plunkett excludes them from his *Sample Mailing Online Prices* exhibit and his revenue calculation. USPS-T-5 Exhibits A and B, footnote 1. If these costs are attributable, why does witness Plunkett exclude them?
2. In the proposed fee schedule, the pre-mailing fee for Mailing Online is shown as  $1.25 * (\text{printer costs} + .1)$ . USPS Request, Attachment B1. In the response of witness Plunkett to Interrogatory OCA-T-5-28, the information systems cost is shown as .16 cents for two impressions and .4 cents for five impressions, implying a per impression charge of .08 cents. Tr. 2/618. Please reconcile this apparent discrepancy.



3. In response to OCA/USPS-T5-17, witness Garvey stated that non-merge jobs are treated as separate batches. Tr. 2/182.

a. Will non-merge jobs continue to be treated as separate batches during the market test? During the experiment?

b. If so, please explain why the non-merge jobs are not batched and if there are any plans to modify the system so that non-merge jobs can be batched.

4. During oral cross examination, witness Garvey stated that there is a "marketing plan that includes a variety of different devices and ways in which [the Postal Service] will market the Postoffice Online." Tr. 2/305.

a. Please provide this, and any other relevant, marketing plans.

b. Please provide copies of the marketing materials used by the plan identified in response to a.

c. Will customer service representatives market or promote Mailing Online services? If so, how?

5. During oral cross examination witness Garvey stated that "the underlying technology of digital printing has a certain characteristic of limiting the usage to mailings of less than 5,000." Tr. 2/398.

a. Please discuss the characteristics that limit usage.

b. Is this 5,000 limit expected to increase as the technology improves? If so, over what time horizon?

6. Table 15 of USPS-T-4 presents volume estimates for Mailing Online broken down by number of pages and page sizes. The sum of these breakdowns do not match the totals presented in the same table. For example, the sum of the three page sizes for 1999 is 295,694, the sum of the number of page categories is 295,635 and the total for 1999 is 295,665. Discrepancies in these three totals exist for all years. Please reconcile these differences.

7. In exhibit USPS-T-5 and response to OCA-T5-21 (Tr. 2/609), witness Plunkett uses the Standard (A) letter size basic piece rate less the destination entry discount-BMC in calculating the postage rate for example 3. In his testimony he states that the applicable postage rate would be the Automation Basic DBMC Rate. Tr. 2/589. Please explain this apparent discrepancy.

8. Please refer to USPS-T-5, Exhibit D, page 1. Please explain why the postage rates for the flat mail categories are simply the additional ounce rates and do not include the automation basic rate of 30 cents.

  
W.H. "Trey" LeBlanc III  
Presiding Officer