

ORIGINAL

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

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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-T1-53-55)

The United States Postal Service hereby provides the responses of witness Garvey to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T1-53-55, filed on November 2, 1998.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

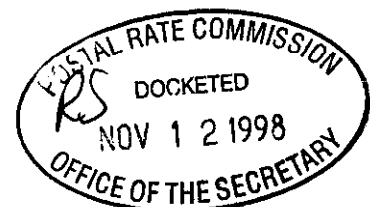
By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



Scott L. Reiter

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November 12, 1998



RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS GARVEY  
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-53. Please provide an updated response to interrogatory  
OCA/USPS-T1-10, parts d.-f.

RESPONSE:

The requested update is being filed in Library Reference USPS-LR-23.

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TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-54. Please provide an updated response to interrogatory  
OCA/USPS-T1-24.

RESPONSE:

The requested update is being filed in Library Reference USPS-LR-23.

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OCA/USPS-T1-55. Please refer to your response to interrogatory OCA/USPS-T1-19. In parts b.-d. of that interrogatory, you were asked to provide data on merging, batching, and presorting of Mailing Online pieces. In parts e.-i. of that interrogatory, you were asked for "downflow densities" for MOL pieces. In part j. of that interrogatory, you were asked whether the Postal Service would collect data responsive to that interrogatory during the experiment.

- a. In your response to part j. you stated, "Since the proposed Mailing Online fees are based solely upon pre-mail costs, and Mailing Online pieces are processed in conformity with existing procedures and capabilities, there is no need to study these issues." Please confirm that the data requested could be used to determine the most appropriate presort and entry discounts to be offered with Mailing Online. If you do not confirm, please explain.
- b. In its MC98-1 Recommended Decision on the market test, the Commission stated, "An important factual finding *necessary* to determine whether the Postal Service's proposed Mailing Online mailstream prices for the market test are reasonable is whether Mailing Online volumes will be sufficient in the long run (after batching), to bring essentially all Mailing Online mailings above the current volume thresholds for automation discounts . . . ." PRC Op. MC98-1, October 7, 1998, at 27.
  - i. Please explain how the Commission can make a similar finding for the experiment if "there is no need to study these issues."
  - ii. Please identify the data that the Postal Service will be providing during the market test that will allow the Commission to make findings on (a) the appropriate level of automation discount for Mailing Online pieces during the experiment and (b) the need for a waiver of minimum volume requirements.

RESPONSE:

- a. Not confirmed. In a fully implemented Mailing Online scenario, with all print sites in place and mature volumes, such data might indeed be analyzed to determine presort and entry discounts with some degree of confidence. However, during the experiment new print sites will be rapidly phased in as volume increases and as volume shifts to new locations, sortation densities will shift as well. This will have the effect of constantly changing the basis for evaluating any such data and significantly reducing its value for determining any mature presort levels.

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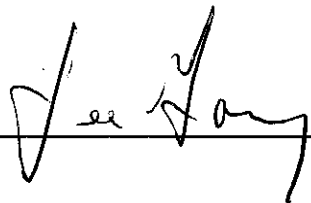
b.

i. See the balance of my response to OCA/USPS-T1-19, part j. where I state, “. . . Collection of Mail Online mailpiece characteristics will suffice for informing any determination regarding the appropriate mail categories in which any permanent Mail Online mailpieces should be entered.”

ii. The data requested by the Commission for the market test data collection plan will be reported. This will include documentation sufficient to determine that either with or without the usual minimum volumes, all MOL addresses and mailpieces have been prepared in accordance with automation processing requirements. In addition, batch mailing statements and accompanying qualification reports from the presorting software will provide information on batch volumes, including presort densities where volume allows presorting.

## 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.



Handwritten signature of Lee Garvey written over a horizontal line.

Dated: 11/12/98

## 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.

A handwritten signature in black ink, appearing to read "Scott L. Reiter", written over a horizontal line.

Scott L. Reiter

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