

ORIGINAL

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

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POSTAL RATE
COMMISSION

MAILING ONLINE SERVICE

Docket No. MC98-1

NOTICE OF UNITED STATES POSTAL SERVICE
REGARDING EXPECTED FILING
DATE FOR SUPPLEMENTAL TESTIMONY
(November 20, 1998)

In hearings on November 18, 1998, the Presiding Officer directed the Postal Service to provide "as definite a schedule as you can possibly get" regarding when supplemental evidence concerning updated Postal Service information systems costs can be filed with the Commission. Tr. 5/1026. This pleading responds to that request.

BACKGROUND

In support of its Request for Mailing Online, the Postal Service provided eight pieces of testimony and substantial supporting documentation. The testimony of witness Stirewalt (USPS-T-3) provided a "set of estimated information technology costs for operating the proposed Mailing Online service." USPS-LR-1/MC98-1 at 3. When that testimony was developed, the Postal Service was operating Mailing Online as an operations test; witness Stirewalt's testimony was accordingly based on what was known about the Mailing Online system as it then operated together with projections and assumptions regarding what the system would look like during the experiment.

The Postal Service procedural approach was unusual in that it requested separate Commission opinions regarding a market test and an experiment, and because it requested that the Commission expedite its consideration of



The Commission responded affirmatively to the Request by issuing an Opinion and Recommended Decision on the market test in **less** than the time period established as the goal in the Rules of Practice. Moreover, the Commission affirmatively sought to expedite its consideration of the Request for an experiment, consistent with participants' exercise of their due process rights. As this notice is being written, hearings on the Postal Service direct case supporting the experiment have just concluded.

During these hearings, and in the period led up to them, the Postal Service determined that the projections and estimates originally provided by witness Stirewalt had been overtaken by evolution in what the Mailing Online system will consist of, in terms of both hardware and software. Witness Stirewalt's testimony was not and is not wrong, but it has become sufficiently outdated that the Postal Service determined that the Commission should be apprised of more current expectations for Mailing Online information technology costs. This determination was originally announced by witness Stirewalt's response to interrogatory OCA/USPS-T3-77, filed on November 10, 1998. Discussion of this resulted in the Presiding Officer's statement, quoted in part in the first paragraph above, directing that the Postal Service notify participants and the Commission of when the update would be available.

UPDATED TESTIMONY

The architecture of the Mailing Online system through which most if not all of the experiment will be conducted is now being defined by the system developers. A consultant who will summarize those developments for the Commission is also participating. The Postal Service expects to provide supplemental testimony regarding the hardware and software costs for the Mailing Online experiment on or before January 14, 1999.

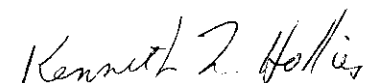
The Postal Service recognizes that some participants may assert that the provision of this testimony will require some adjustment in the procedural schedule in this case, most recently set forth in Presiding Officer's Ruling MC98–1/10. The Postal Service will accordingly be providing its suggestions regarding possible modifications by November 24, 1998.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Kenneth N. Hollies

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

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