

ORIGINAL

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

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MAILING ONLINE SERVICE

Docket No. MC98-1

RESPONSE OF UNITED STATES POSTAL SERVICE
TO QUESTIONS RAISED DURING FEBRUARY 5, 1999 HEARING
(February 22, 1999)

The United States Postal Service hereby provides its responses to the last two questions raised during hearings on February 5, 1999.

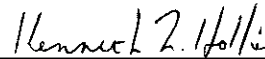
Each question is paraphrased with citations to the transcript, followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

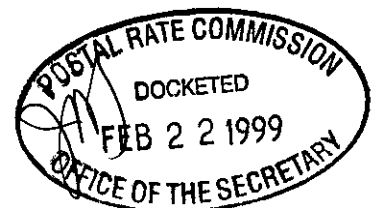
By its attorneys:

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February 22, 1999



**RESPONSE OF UNITED STATES POSTAL SERVICE
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QUESTION: Chairman Gleiman asked the Postal Service to provide information for the record indicating when Standard (A) Mail first became available via Mailing Online. Tr. 8/1851-52.

RESPONSE:

Standard (A) Mail first became available via Mailing Online on December 20, 1998. The change coincided with the first software upgrade (POL Version 2.1) applied to the PostOffice Online system after its October 30, 1998 launch.

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QUESTION: The Presiding Officer asked the Postal Service to describe the functional components of POL that are not related to MOL. Tr. 8/2027.

RESPONSE:

PostOffice Online (POL) consists of seven major functional components, each with sub-components. This response describes them and explains why some are included in witness Lim's testimony, USPS-ST-9, and others are not.

MAJOR POL FUNCTIONAL COMPONENTS

- 1) POL Web Graphical User Interface (GUI) and General Web Content
- 2) New Registration and Account Maintenance
- 3) Payment Processing and Payment Reporting for Registered Users
- 4) Reporting for Internal Operations and Management
- 5) POL Help Desk
- 6) Shipping Online
- 7) Mailing Online

The first five functional components support both Mailing Online (MOL) and Shipping Online (SOL), and use the resources of many physical POL system components. Some costs for these five are accordingly included in the cost for the MOL program, as discussed below.

Naturally, all costs of the sixth functional component are excluded from the estimate of MOL's costs, while all of the seventh component's costs are included.

(1) POL Web GUI and General Web Content

This functional component can be described as having three sub-components:

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- A) POL GUI
- B) Online Help
- C) Public Services

The POL GUI provides access to information and services that are available to the general public, including Web site navigation, general information about POL and its services, online help pages, and simple demonstration versions of both MOL and SOL. The POL GUI also provides a means of accessing public services such as shipment tracking, which is available to all customers – including those whose shipments were not entered via POL.

Current plans also call for inclusion, likely during the experiment, of links to other public service offerings via the POL GUI; these may include: ZIP Code Lookup; MoversNet; Postal Explorer resources and general rate information.

The major hardware components that support the POL Web GUI and its general content include Web servers, internal switches, internet interface routers, load balancing system, and firewalls. The operating system, and Web pages and their development, drive separate software costs.

Using the causation test described at USPS-ST-9, page 4, a portion of the costs for these functional components is allocated to MOL, including services to develop MOL Web pages and content (Exhibit B, Items 44 and 45), web servers (Exhibit B, Items 3 through 23, and Exhibit D, Items 3 and 4), and T3 leased line costs (Exhibit B, Items 39 and 40).

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(2) New Registration and Account Maintenance

This functional component has three sub-components:

- A) New Registrations
- B) Account Maintenance
- C) Address Book

Customers must register and create an account with POL prior to using MOL or SOL. This functional component accordingly handles new registrations, maintenance of customer account data, customer updates of that data, and the use of an address book. The address book was developed for use with SOL and is also expected to be used by later-arriving POL services; it is not currently used by MOL.

Necessary hardware components include the POL servers, database server, backup tape system and internal switches. Software components include the database management system, operating system, customized registration application, account maintenance and address book.

Applying the causation test, a portion of this functional component's costs are allocated to MOL because it increased the necessary storage capacities. Accordingly, USPS-ST-9 includes database storage system costs (Exhibit B, Item 26) and the tape backup system (Exhibit B, Item 30).

(3) Payment Processing and Payment Reporting for Registered Users

MOL and SOL customers pay for transactions using this functional component. The only current payment option is a credit card, which is necessary to complete the registration process. This functional component accordingly

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processes credit card payments, reports charges to the customer, and allows the processing of refunds. Thus it has three sub-components:

- A) Payment
- B) Reports-Statements
- C) Refund Application

Necessary hardware includes the POL servers, database server, internal switches, backup tape system and routers to the payment-processing site. Software includes the database; operating system; and payment processing, refund, and reporting applications.

A portion of this functional component is allocated to MOL based on MOL-caused increases in storage capacities, including system storage (Exhibit B, Item 26) and the tape backup system (Exhibit B, Item 30).

(4) Reporting for Internal Operations and Management

This POL functional component consists of the following sub-components:

- A) Ad Hoc Interface
- B) DDD Interface
- C) Help Desk Application
- D) Report Generation
- E) Report-File-Data Transfer
- F) Y&R Interface

This functional component generates reports for various interested parties. Data are reported to the POL program manager, package shipping interfaces, the help desk, web site development team, and internally to others in the Postal Service on an ad hoc basis.

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The major hardware that performs these functions includes the Datamart database server, POL servers, and internal switches. Software consists of the database, operating system and customized reports.

A portion of the Datamart server satisfies the causation test for this functional component, and has been allocated to MOL in Exhibit B, Item 28 of witness Lim's testimony.

(5) POL Help Desk

The POL Help Desk assists POL customers with any problems or issues that may arise from use of the POL GUI (which is the first functional component discussed above).

Based on the causation test, a portion of this functional component's costs are allocated to MOL by means of Exhibit E to Witness Lim's testimony.

(6) Shipping Online

Shipping Online (SOL) consists of various sub-components that assist a customer in entering Priority Mail or Express Mail. These include:

- A) SOL GUI & Online Help
- B) Address Matching System
- C) Rate Engine
- D) Airbill Creation & Shipping Basket
- E) Online Pickup Logic and Data
- F) Service Standards Logic & Data
- G) Package Tracking
- H) Post Office Locator
- I) Shipping API

With SOL, a customer may variously choose either Priority Mail or Express Mail, enter addresses, calculate postage based upon specified weight and size parameters, create a printable airbill/label. A pickup request can be

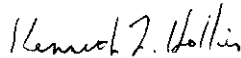
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initiated, with pickup fee included in the total charges. Users also may identify specific service standards, track delivery status information for Express Mail, and receive delivery confirmations for Priority Mail. A locator function allows a user to identify the nearest mailbox or post office.

None of the costs of this functional component are allocated to MOL.

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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