

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 INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-37, 38, AND 40)

The United States Postal Service hereby provides its responses to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-37-38, and 40, filed on February 19, 1999. Objections to interrogatories OCA/USPS-39, and OCA/USPS-41-61 were filed on February 25, 1999.

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

Respectfully submitted,

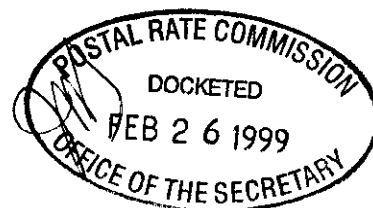
UNITED STATES POSTAL SERVICE

By its attorneys:

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February 26, 1999



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OCA/USPS-37. In a response (filed February 12, 1999) to a question posed at the February 5 hearing at Tr. 8/1987-88, the Postal Service indicated that it may have excluded operational and market test costs for Mailing Online.

- a. Please state whether this is the Postal Service's position.
- b. If this is the position of the Postal Service, please describe in detail the specific criteria applied in separating operational and market test costs and/or expenditures from those of the Mailing Online experiment.

RESPONSE:

This statement is not the Postal Service's position, and mischaracterizes the February 12 response. Witness Lim's methodology required identification of information systems costs for the Mailing Online experiment, so he did not need to separate out operational and market test costs. Those costs simply were never included in witness Lim's analysis.

Witness Seckar, however, does present costs for the operations and market tests in his Exhibit A, Table 14, line 29. The systems developer costs, which are less than \$1.2 million, include costs for the operations test, such as information systems and printer costs, and the market test. Witness Seckar included the system developer costs in his initial testimony because that testimony was intended to apply to both the market test and the experiment. When witness Seckar updated his costs to reflect witness Lim's supplemental testimony, he omitted the system developer costs because they were not undertaken for the experiment.

The best estimate isolating market test costs will be those costs reported to the Commission as part of the market test data collection process. While the reporting effort has so far produced less information than hoped, the problems in data collection are being resolved so that the flow of information should be improving substantially.

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OCA/USPS-38. USPS-LR-29/MC98-1 ("LR 29") is entitled "Compaq Contract, Delivery Orders and Task Orders for PostOffice Online." However, throughout the library reference, the contractor is identified as Digital Equipment Corporation. In addition, witness Lim's Exh. A, items 61-64, refers to Marconi as the manufacturer responsible for software enhancements, MOL application development, and MOL testing and documentation. Please explain the apparent discrepancies.

RESPONSE:

Compaq took over Digital Equipment Corporation after the contract was initiated.

Marconi is a subcontractor to Compaq. While the respective relationships among these three firms have varied during the contractual period, this has not affected the contract.

The salient point is that UPSP-LR-29/MC98-1 relates to a single master contract (No. 102590-98-B-0351).

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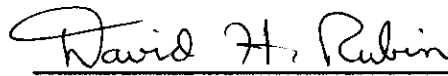
OCA/USPS-40. The last page of the original contract (dated 11/7/97 [the date is not very legible, possibly it is 11/9/97]) is headed "Section 1 [sic -- should be "I"]-List of Attachments." Attachments A-L are listed but not provided. Please provide copies of these attachments.

RESPONSE:

Copies of all but one of the attachments are being furnished as a supplement to USPS-LR-29/MC98-1. Attachment L, *IBIP Information*, is the exception; it is missing from the contracting officer's file and is accordingly unavailable. However, since "IBIP" refers to "Information Based Indicia Program" - which has no relationship at all with Mailing Online, that material is completely irrelevant to this proceeding.

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 cursive script, reading "David H. Rubin", is written over a horizontal line.

David H. Rubin

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