

ORIGINAL

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

APR 5 1999
APR 5 1999
APR 5 1999

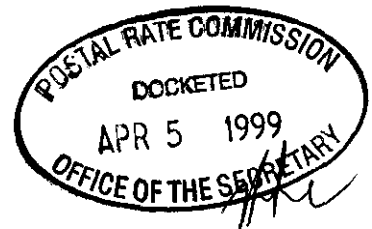
MAILING ONLINE SERVICE

Docket No. MC98-1

NOTICE OF UNITED STATES POSTAL SERVICE
OF FILING REVISED
ACCOUNTING PERIOD REPORTS
(April 5, 1999)

The United States Postal Service hereby gives notice of filing revised AP reports for each of Accounting Periods 2 through 6. These reports update previously filed reports in light of information requested at or adduced by the Technical Conference held on March 25, 1999. Also filed herewith is a separate tabular document that identifies and describes the changes from the AP reports filed on March 19, 1999.

Filed under separate cover today is a *Report of the United States Postal Service on Technical Conference Concerning Accounting Period Reports*, which describes the background furnished by Commission Order No. 1234, how the AP reports are compiled, what data are presented, how the costs should be



interpreted, the data sources, and descriptions of the respective tables that comprise each report.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3083; Fax -5402
April 5, 1999

DOCUMENTATION OF CHANGES MADE TO USPS ACCOUNTING PERIOD REPORTS
 BETWEEN THOSE FILED 3/19/99 AND THOSE FILED 4/5/99

Accounting Period/ Table	Item	Action	Change From	Change To	Comments
AP 2					
2/1	Media Costs	Change	Advertising costs - week of 10/26/98 \$0.00 Week of 11/2/98 \$123,110.00	Media costs - week of 10/26/98 \$110,865.00 Week of 11/2/98 \$12,330.00	Changed to correctly reflect period costs were incurred.
2/1	Creative Costs	Add	Not included	Week of 10/26/98 \$89,041.78 Week of 11/2/98 \$9,902.90	Added to reflect costs to design and manage the advertising.
2/1	Production Costs	Add	Not included	Week of 11/2/98 \$590,000.00	Added to reflect costs to construct, print, tape, and process all the ads planned for release during the market test
2/2	Set-up Costs	Change	POLSC hardware and software for buildout \$11,899.65	Software for Support Center buildout \$2,113.00 Hardware for Support Center buildout \$9,786.65	Split out into hardware and software line items. Net AP 2 change for Help Desk Costs: \$0.00

DOCUMENTATION OF CHANGES MADE TO USPS ACCOUNTING PERIOD REPORTS
 BETWEEN THOSE FILED 3/19/99 AND THOSE FILED 4/5/99

Accounting Period/ Table	Item	Action	Change From	Change To	Comments
2/3	Development and Coding Costs	Add	Not included	MOL-Specific Costs: C&A \$68,435.67 D&C V2 \$281,215.85 D&C V3 \$277,804.19 Shared Costs: D&C V2 \$745,003.35 Non-MOL Costs: D&C V2 \$1,332,837.00	Added to reflect costs to develop the system architecture, write code, and test and integrate the PostOffice Online system.
2/4	Line to Internet Service Provider	Add	Not included	\$7,000.00	Added to reflect communications line costs for all USPS internet initiatives to Internet Service Providers Net AP 2 change for Communications Costs: \$7,000.00
					Net AP 2 change for Hardware and Software Costs: \$2,705,296.06

DOCUMENTATION OF CHANGES MADE TO USPS ACCOUNTING PERIOD REPORTS
BETWEEN THOSE FILED 3/19/99 AND THOSE FILED 4/5/99

Accounting Period/ Table	Item	Action	Change From	Change To	Comments
AP 3					
3/1	Media Costs	Change	Advertising costs - week of 11/9/98 \$209,055.00 Week of 11/16/98 \$218,921.00 Week of 11/23/98 \$209,055.00 Week of 11/30/98 \$174,938.00	Media costs - week of 11/9/98 \$213,668.00 Week of 11/16/98 \$223,534.00 Week of 11/23/98 \$213,668.00 Week of 11/30/98 \$236,797.00	Changed to accommodate adjustments to costs incurred.
3/1	Creative Costs	Add	Not included	Week of 11/9/98 \$171,608.52 Week of 11/16/98 \$179,532.45 Week of 11/23/98 \$171,608.52 Week of 11/30/98 \$190,184.69	Added to reflect costs to design and manage the advertising.
3/2	Set-up Costs	Change	Support Center Buildout \$223,523.59	Support Center Construction & Upgrade \$101,806.74 Labor-Management \$48,661.80 Labor-Non- Management \$46,822.93 Support Center Hardware \$53,880.00	Net AP 3 change for Advertising and Marketing Costs: \$788,632.18 Costs for buildout broken down into line items and adjusted to include hardware costs previously omitted.
					Net AP 3 change for Help Desk Costs: \$27,647.88

DOCUMENTATION OF CHANGES MADE TO USPS ACCOUNTING PERIOD REPORTS
BETWEEN THOSE FILED 3/19/99 AND THOSE FILED 4/5/99

<i>Accounting Period/ Table</i>	<i>Item</i>	<i>Action</i>	<i>Change From</i>	<i>Change To</i>	<i>Comments</i>
3/3	Development and Coding Costs	Add	Not included	MOL-Specific Costs: C&A \$17,371.30 D&C V2 \$113,907.38 D&C V3 \$177,265.72 Shared Costs: D&C V2 \$26,551.68 D&C V3 \$87,500.00 Non-MOL Costs: D&C V2 \$81,458.88	Added to reflect costs to develop the system architecture, write code, and test and integrate the PostOffice Online system.
3/4	Line to Internet Service Provider	Add	Not included	\$7,000.00	Net AP 3 change for Hardware and Software Costs: \$504,054.96 Added to reflect communications line costs for all USPS internet initiatives to Internet Service Providers Net AP 3 change for Communications Costs: \$7,000.00

DOCUMENTATION OF CHANGES MADE TO USPS ACCOUNTING PERIOD REPORTS
 BETWEEN THOSE FILED 3/19/99 AND THOSE FILED 4/5/99

Accounting Period/ Table	Item	Action	Change From	Change To	Comments
AP 4					
4/1	Media Costs	Change	Advertising costs - week of 12/7/98 \$218,788.00 Week of 12/14/98 \$163,388.00 Week of 12/21/98 \$0.00 Week of 12/28/98 \$0.00	Media costs - week of 12/7/98 \$169,859.00 Week of 12/14/98 \$169,859.00 Week of 12/21/98 \$0.00 Week of 12/28/98 \$55,925.00	Changed to accommodate adjustments to costs incurred, and to accurately reflect when those costs were incurred.
4/1	Creative Costs	Add	Not included	Week of 12/7/98 \$136,423.11 Week of 12/14/98 \$136,423.11 Week of 12/21/98 \$0.00 Week of 12/28/98 \$44,916.44	Added to reflect costs to design and manage the advertising. Net AP 4 change for Advertising and Marketing Costs: \$331,229.65
4/2	Ongoing Costs: Labor- Management	Change	Labor-Management \$25,468.52	Labor-Management \$25,468.53	Minor adjustments Net AP 4 change for Help Desk Costs: \$0.01

DOCUMENTATION OF CHANGES MADE TO USPS ACCOUNTING PERIOD REPORTS
 BETWEEN THOSE FILED 3/19/99 AND THOSE FILED 4/5/99

<i>Accounting Period/ Table</i>	<i>Item</i>	<i>Action</i>	<i>Change From</i>	<i>Change To</i>	<i>Comments</i>
4/3	Development and Coding Costs	Add	Not included	MOL-Specific Costs: C&A \$8,347.18 D&C V2 \$29,289.43 D&C V3 \$166,612.59 Shared Costs: D&C V2 \$535,144.45 D&C V3 \$105,823.00	Added to reflect costs to develop the system architecture, write code, and test and integrate the PostOffice Online system.
4/4	Line to Internet Service Provider	Add	Not included	\$7,000.00	Net AP 4 change for Hardware and Software Costs: \$845,216.65 Added to reflect communications line costs for all USPS internet initiatives to Internet Service Providers Net AP 4 change for Communications Costs: \$7,000.00

DOCUMENTATION OF CHANGES MADE TO USPS ACCOUNTING PERIOD REPORTS
 BETWEEN THOSE FILED 3/19/99 AND THOSE FILED 4/5/99

Accounting Period/ Table	Item	Action	Change From	Change To	Comments
AP 5					
S/1	Media Costs	Change	Advertising costs - week of 1/2/99 \$0.00 Week of 1/9/99 \$55,400.00 Week of 1/16/99 \$171,838.00 Week of 1/23/99 \$113,833.00	Media costs - week of 1/4/99 \$0.00 Week of 1/11/99 \$0.00 Week of 1/18/99 \$162,701.00 Week of 1/25/99 \$198,321.00	Changed to accommodate adjustments to costs incurred, and to accurately reflect when those costs were incurred.
S/1	Creative Costs	Add	Not included	Week of 1/18/99 \$130,674.12 Week of 1/25/98 \$159,282.50	Added to reflect costs to design and manage the advertising. Net AP 5 change for Advertising and Marketing Costs: \$309,907.62
S/2	Set-up Costs: Software Media	Add	Not Included	Software Media \$40.00	Added to reflect software purchased in AP 5.
S/2	Ongoing Costs	Change	Labor-Management \$25,468.52 Labor-Non- management \$170,443.20	Labor-Management \$146,429.00 Labor-Non- management \$71,834.69 Labor-System Development V3 \$90,615.63	Adjustments Split into V2 ongoing support and V3 development activities. Net AP 5 change for Help Desk Costs: \$112,967.60

DOCUMENTATION OF CHANGES MADE TO USPS ACCOUNTING PERIOD REPORTS
 BETWEEN THOSE FILED 3/19/99 AND THOSE FILED 4/5/99

<i>Accounting Period/ Table</i>	<i>Item</i>	<i>Action</i>	<i>Change From</i>	<i>Change To</i>	<i>Comments</i>
5/3	Development and Coding Costs	Add	Not included	MOL-Specific Costs: C&A \$5,291.00 D&C V2 \$52,768.78 D&C V3 \$170,839.71 Shared Costs: D&C V2 \$376,035.76 D&C V3 \$139,257.00 Non-MOL Costs: D&C V2 \$1,003.39	Added to reflect costs to develop the system architecture, write code, and test and integrate the PostOffice Online system.
5/4	Line to Internet Service Provider	Add	Not included	\$7,000.00	Net AP 5 change for Hardware and Software Costs: \$745,195.74 Added to reflect communications line costs for all USPS internet initiatives to Internet Service Providers Net AP 5 change for Communications Costs: \$7,000.00

DOCUMENTATION OF CHANGES MADE TO USPS ACCOUNTING PERIOD REPORTS
 BETWEEN THOSE FILED 3/19/99 AND THOSE FILED 4/5/99

Accounting Period/ Table	Item	Action	Change From	Change To	Comments
AP 6					
6/1	Media Costs	Change	Advertising costs - week of 1/30/99 \$364,916.00 Week of 2/5/99 \$0.00 Week of 2/12/99 \$45,667.00 Week of 2/19/99 \$0.00	Media costs - week of 2/1/99 \$289,958 Week of 2/8/99 \$0.00 Week of 2/15/99 \$4,157.00 Week of 2/22/99 \$0.00	Changed to accommodate adjustments to costs incurred, and to accurately reflect when those costs were incurred.
6/1	Creative Costs	Add	Not included	Week of 2/1/99 \$232,881.22 Week of 2/15/98 \$3,338.72	Added to reflect costs to design and manage the advertising. Net AP 6 change for Advertising and Marketing Costs: \$119,751.93
6/2	Ongoing Costs	Change	Labor-Management \$24,279.33 Labor-Non- management \$162,485.81	Labor-Management \$87,024.03 Labor-Non- management \$37,355.56 Labor-System Development V3 \$87,534.30	Adjustments Split into V2 ongoing support and V3 development activities; adjustments Net AP 6 change for Help Desk Costs: \$25,148.75

DOCUMENTATION OF CHANGES MADE TO USPS ACCOUNTING PERIOD REPORTS
 BETWEEN THOSE FILED 3/19/99 AND THOSE FILED 4/5/99

Accounting Period/ Table	Item	Action	Change From	Change To	Comments
6/3	Development and Coding Costs	Add	Not included	MOL-Specific Costs: C&A \$16,343.24 D&C V2 \$49,421.00 D&C V3 \$222,947.84 Shared Costs: D&C V2 \$11,551.39 D&C V3 \$87,500 Non-MOL Costs: D&C V3 \$240,797.80	Added to reflect costs to develop the system architecture, write code, and test and integrate the PostOffice Online system.
6/4	Line to Internet Service Provider	Add	Not included	\$7,000.00	Added to reflect communications line costs for all USPS internet initiatives to Internet Service Providers Net AP 6 change for Communications Costs: \$7,000.00
TOTAL					NET CHANGE: \$7,867,639.98



Post Office Online



Postal Rate Commission

Mailing Online AP Report (AP 2: October 30 to November 06 1998)

REVISED 4/5/99

PRICEWATERHOUSECOOPERS 

MOL AP 2 Report AP 2 Week 3 & AP 2 Week 4 Index to Tables

1	Advertising and Marketing Costs (Source: Customer Segment Advertising)
2	Help Desk Costs (Source: Impact Innovations and Compaq)
3	Hardware and Software Costs (Source: USPS San Mateo Integrated Business Systems Solutions Center, Compaq, Marconi)
4	Communications Costs (Source: USPS San Mateo Integrated Business Systems Solutions Center, USPS Testimony for Mailing Online, primary research)
5	Print Site Costs (Source: Print Site Invoics)

Guide to reading the reports

MOL-Specific Costs: Costs that would disappear in their entirety if MOL did not exist
Shared Costs: Costs that include MOL components and would not disappear if MOL did not exist but would change if the MOL components were no longer needed
Non-MOL Costs: Costs that would stay the same regardless of whether MOL existed or not





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Table 1
Advertising and Marketing Costs
 AP 2 (October 30 to November 06 1998)

Total Advertising and Marketing Costs			
Category	Week Beginning 10/26/98	Week beginning 11/2/98	Total
NOL-Specific Costs			
None	\$0.00	\$0.00	\$0.00
Total NOL-Specific Costs	\$0.00	\$0.00	\$0.00
Shared Costs			
Advertising Costs	\$110,665.00	\$12,330.00	\$123,195.00
Media Costs			
Creative Costs	\$89,041.78	\$8,902.80	\$98,944.58
Production Costs	\$0.00	\$590,000.00	\$590,000.00
Customer Service Marketing			
None	\$0.00	\$0.00	\$0.00
Total Shared Costs	\$199,906.78	\$612,232.80	\$812,139.68
Non-MOL Costs			
None	\$0.00	\$0.00	\$0.00
Total Non-MOL Costs	\$0.00	\$0.00	\$0.00
Total	\$199,906.78	\$612,232.80	\$812,139.68
Market test to Date			\$812,139.68

* Media Costs: Costs for airtime, display space, purchasing address lists for direct mail and related postage
 ** Creative Costs: Costs to design the advertising and manage the account
 *** Production Costs: Costs to print, retouch, and otherwise process the ads. For the ads to be used during the market test, the costs were incurred in AP 2.



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* Hardware costs are for servers, server hub, rackmount and hard drives

Category	Total
MOL-specific Costs	
Set-up Costs	\$0.00
Ongoing Costs	None
Total MOL-specific Costs	\$0.00
Shared Costs	
Set-up Costs	\$2,113.00
Software for Support Center buildout	\$9,786.65
Hardware for Support Center buildout*	\$28,461.81
Ongoing Costs	
PostOffice Online Helpdesk	\$38,351.26
Total Shared Costs	\$38,351.26
Non-MOL Costs	
Set-up Costs	\$0.00
Ongoing Costs	None
Total Non-MOL Costs	\$0.00
Total	\$38,351.26
Market Test to Date	\$38,351.26

Table 2
Help Desk Costs
AP 2 (October 30 to November 06 1998)

Total Help Desk Costs

Hardware and Software Costs
AP 2 (October 30 to November 06 1988)

Total Hardware, Software, Development and Coding Costs

Category	Description	COM
MOL-specific Costs		
Hardware	PDM, NCC, MOL Database, Part Sm	\$135,680.00
	Test	\$71,621.00
Software	Commercial Software	\$172,647.00
	Certification and Accreditation	\$68,435.67
Development and Coding	Development and Coding V2	\$281,215.85
	Development and Coding V3	\$277,804.18
Total MOL-Specific Costs		\$1,007,633.71
Shared Costs		
Hardware	NET/FP1, Backup Server, Other	\$46,721.80
	Test	\$5,000.00
Software	Commercial Software	\$3,168.00
	Certification and Accreditation	\$0.00
Development and Coding	Development and Coding V2	\$746,003.36
	Development and Coding V3	\$0.00
Total Shared Costs		\$799,692.36
Non-MOL Costs		
Hardware	Production	\$44,637.00
	Test	\$43,553.00
Software	Commercial Software	\$68,650.00
	Certification and Accreditation	\$0.00
Development and Coding	Development and Coding V2	\$1,332,837.00
	Development and Coding V3	\$0.00
Total Non-MOL Costs		\$1,488,877.00
Grand Total		\$3,298,453.06
Market Test to Date		\$3,298,453.06

Development and Coding represents the costs incurred to have contractors develop the system architecture, write code, and test and integrate the PostOffice Online system.

**Table 4
Communications Costs
AP 2 (October 30 to November 06 1998)**

Category	Cost
MOL-Specific Costs	
Set-up Costs	\$2,000.00
T1 Installation Cost*	\$2,000.00
Ongoing Costs	\$5,200.00
T1 Line to the Print site	\$5,200.00
Total MOL-specific Costs	
	\$7,200.00
Shared Costs	
Set-up Costs	\$0.00
None	
Ongoing Costs	\$20.81
POL Payment Line	\$20.81
Line to Internet Service Provider **	\$7,000.00
Total Shared Costs	
	\$7,020.81
Non-MOL Costs	
Set-up Costs	\$0.00
None	
Ongoing Costs	\$0.00
None	
Total Non-MOL Costs	
	\$0.00
Total	
	\$14,220.81
Market Test to Date	
	\$14,220.81

* Note: The installation cost is a one time cost for installing the system

** Line to Internet Service Provider supports all USPS Internet Initiatives, not just PostOffice Online



Table 5
Print Site Costs
AP 2 (October 30 to November 06 1998)

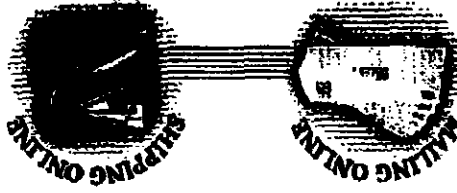
Total Print Site Costs

Category	Quantity	Total
MOL-Specific Costs		
<i>Printing</i>		
Simplex	0	\$0.00
Duplex	0	\$0.00
8.5"11	0	\$0.00
Spot Color	0	\$0.00
<i>Envelope</i>		
Letter	0	\$0.00
<i>Finishing</i>		
Stapling	0	\$0.00
Folding	0	\$0.00
Inserting	0	\$0.00
<i>Mailback Postage</i>		
Total MOL-Specific Costs	0	\$0.00
Shared Costs		
None	0	\$0.00
Total Shared Costs		\$0.00
Non-MOL Costs		
None	0	\$0.00
Total Non-MOL Costs		\$0.00
Total		\$0.00
Marked Test to Date		\$0.00



REVISED 4/5/99

Postal Rate Commission
Mailing Online AP Report (AP 3: November 07 to December 04 1998)



PostOffice Online



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MOL AP 3 Report

AP 3 (November 07 to December 04 1998)

Index to Tables

Table

1	Advertising and Marketing Costs (Source: Customer Segment Advertising)
2	Help Desk Costs (Source: Impact Innovations and Compaq)
3	Hardware and Software Costs (Source: USPS San Mateo Integrated Business Systems Solutions Center, Compaq, Marconi)
4	Communications Costs (Source: USPS San Mateo Integrated Business Systems Solutions Center, USPS Testimony for Mailing Online, primary research)
5	Print Site Costs (Source: Print Site Invoices)

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Shared Costs: Costs that include MOL components and would not disappear if MOL did not exist but would change if the MOL components were no longer needed.
Non-MOL Costs: Costs that would stay the same regardless of whether MOL existed or not.



Advertising and Marketing Costs
 AP 3 (November 07 to December 04 1998)

Table 1

Total Advertising and Marketing Costs

Category	Week Beginning 11/9/98	Week beginning 11/16/98	Week Beginning 11/23/98	Week Beginning 11/30/98	Total
MOL-Specific Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total MOL Specific Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Shared Costs					
Advertising Costs	\$213,668.00	\$223,534.00	\$213,668.00	\$236,797.00	\$887,667.00
Media Costs	\$171,608.52	\$179,532.45	\$171,608.52	\$190,184.69	\$712,934.19
Creative Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Production Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Customer Service Marketing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Shared Costs	\$385,276.52	\$403,066.45	\$385,276.52	\$426,981.69	\$1,600,601.19
Non-MOL Costs					
None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Non-MOL Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$385,276.52	\$403,066.45	\$385,276.52	\$426,981.69	\$1,600,601.19
Market last to Date					\$2,412,740.87

* Media Costs: Costs for airtime, display space, purchasing address lists for direct mail and related postage
 ** Creative Costs: Costs to design the advertising and manage the account
 *** Production Costs: Costs to print, retouch, and otherwise process the ads. For the ads to be used during the market test, the costs were incurred in AP 2.

Table 2
Help Desk Costs
 AP 3 (November 07 to December 04 1998)

Total Help Desk Costs

Category	Total
MOL-specific Costs	
Set-up Costs	None
Ongoing Costs	\$0.00
None	\$0.00
Total MOL Specific Costs	\$0.00
Shared Costs	
Set-up Costs	\$101,808.74
Support Center Construction and Upgrade ..	
Labor - Management	\$48,861.80
Labor - Non-Management	\$46,822.93
Support Center Hardware ..	\$53,880.00
Support Center Software	\$7,995.00
Ongoing Costs	
PostOffice Online Helpdesk	\$80,000.00
Labor - Management	\$28,781.11
Labor - Non-Management	\$8,437.84
Facilities Costs *	\$229.82
Voice and Fax Charges	\$258.82
Total Shared Costs	\$374,842.08
Non-MOL Costs	
Set-up Costs	None
Ongoing Costs	None
None	\$0.00
Total Non-MOL Costs	\$0.00
Total	\$374,842.08
Market Test to Date	\$413,183.32

* Facilities Costs are the cost of renting the premises

.. Support Center Construction and Upgrade Costs are for heating, ventilation and air conditioning, phone upgrades, electrical security and network, software, furniture and fixtures

... Support Center Hardware are for servers, hard drives, backup drives, cabinet and fourteen computer terminals.



Hardware and Software Costs

AP 3 (November 07 to December 04 1998)

Total Hardware, Software, Development and Coding Costs

Category	Description	Cost
MOL-Specific Costs		
Hardware	None	\$0.00
Production	None	\$0.00
Test	None	\$0.00
Software	None	\$0.00
Development and Coding *		
Hardware	Certification and Accreditation	\$17,371.39
Production	Development and Coding V2	\$113,907.38
Test	Development and Coding V3	\$177,285.72
Total MOL Specific Costs \$308,544.49		
Shared Costs		
Hardware	None	\$0.00
Production	None	\$0.00
Test	None	\$0.00
Software	None	\$0.00
Development and Coding *		
Hardware	Certification and Accreditation	\$0.00
Production	Development and Coding V2	\$28,561.68
Test	Development and Coding V3	\$87,500.00
Total Shared Costs \$114,061.68		
Non-MOL Costs		
Hardware	None	\$0.00
Production	None	\$0.00
Test	None	\$0.00
Software	None	\$0.00
Development and Coding *		
Hardware	Certification and Accreditation	\$0.00
Production	Development and Coding V2	\$81,458.88
Test	Development and Coding V3	\$0.00
Total Non-MOL Costs \$81,458.88		
Grand Total		\$504,064.96
Market Test to Date		\$3,800,500.02

* Development and Coding represents the costs incurred to have contractors develop the system architecture, write code, and test and integrate the PostOffice Online system

**Table 4
Communications Costs
AP 3 (November 07 to December 04 1998)**

Total Communications Costs	
Category	Cost
MOL-Specific Costs	
Set-up Costs	\$0.00
Ongoing Costs	\$0.00
T1 Line to the Print site	\$5,200.00
Total MOL specific Costs	\$5,200.00
Shared Costs	
Set-up Costs	\$0.00
Ongoing Costs	\$30.57
POL Payment Line	\$7,000.00
Line to Internet Service Provider *	\$7,000.00
Total Shared Costs	\$7,030.57
Non-MOL Costs	
Set-up Costs	\$0.00
Ongoing Costs	\$0.00
None	\$0.00
Total Non-MOL Costs	\$0.00
Total	\$12,230.57
Market Test to Date	\$28,451.38

* Line to Internet Service Provider supports all USPS Internet initiatives, not just PostOffice Online



Print Site Costs

AP 3 (November 07 to December 04 1998)

Total Print Site Costs

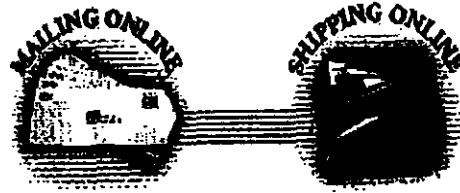
Category	Quantity	Total
MOL-Specific Costs		
Printing	2,952	\$58.45
Simplex	4,774	\$94.52
Duplex	5,339	\$25.08
Spot Color	124	\$1.24
Envelope	3,558	\$53.37
Letter	3,558	\$53.37
Finishing	26	\$0.21
Stapling	26	\$0.21
Folding	7,116	\$71.16
Inserting	3,558	\$48.39
Mailback Postage	1	\$0.96
Total MOL Specific Costs		\$353.39
Shared Costs		
None	0	\$0.00
Total Shared Costs		\$0.00
Non-MOL Costs		
None	0	\$0.00
Total Non-MOL Costs		\$0.00
Total		\$353.39
Market Test to Date		
		\$353.39





PostOffice Online

PRICEWATERHOUSECOOPERS 



**Postal Rate Commission
Mailing Online AP Report (AP 4: December 05 1998 to January 01 1999)**

REVISED 4/5/99

MOL AP 4 Report

AP 4 (December 05 1998 to January 01 1999)

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Guide to reading the reports

MOL-Specific Costs: Costs that would disappear in their entirety if MOL did not exist

Shared Costs: Costs that include MOL components and would not disappear if MOL did not exist but would change if the MOL components were no longer needed

Non-MOL Costs: Costs that would stay the same regardless of whether MOL existed or not

Table 1
Advertising and Marketing Costs
AP 4 (December 05 1998 to January 01 1999)

Total Advertising and Marketing Costs

Category	Week Beginning 12/7/98	Week beginning 12/14/98	Week Beginning 12/21/98	Week Beginning 12/28/98	Total
MOL-Specific Costs					
None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total MOL Specific Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Shared Costs					
<i>Advertising Costs</i>					
Media Costs *	\$169,859.00	\$169,859.00	\$0.00	\$55,925.00	\$395,643.00
Creative Costs **	\$136,423.11	\$136,423.11	\$0.00	\$44,916.44	\$317,762.65
Production Costs ***	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<i>Customer Service Marketing</i>					
None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Shared Costs	\$306,282.11	\$306,282.11	\$0.00	\$100,841.44	\$713,405.65
Non-MOL Costs					
None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Non-MOL Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$306,282.11	\$306,282.11	\$0.00	\$100,841.44	\$713,405.65
Market test to Date					\$3,126,146.52

* Media Costs: Costs for airtime, display space, purchasing address lists for direct mail and related postage

** Creative Costs: Costs to design the advertising and manage the account

*** Production Costs: Costs to print, retouch, and otherwise process the ads. For the ads to be used during the market test, the costs were incurred in AP 2.



Table 2
Help Desk Costs
AP 4 (December 05 1998 to January 01 1999)

Category	Total
MOL-Specific Costs	
Set-up Costs	
Desktop Publishing Software	\$27,780.00
Ongoing Costs	
Remedy Support Renewal	\$5,490.00
Total MOL Specific Costs	\$33,270.00
Shared Costs	
Set-up Costs	
None	\$0.00
Ongoing Costs	
Labor - Management	\$25,468.53
Labor - Non-Management	\$38,730.16
Facilities Costs *	\$1,551.98
Voice and Fax Charges	\$1,734.21
Total Shared Costs	\$67,484.88
Non-MOL Costs	
Set-up Costs	
None	\$0.00
Ongoing Costs	
None	\$0.00
Total Non-MOL Costs	\$0.00
Total	\$100,764.88
Market Test to Date	\$513,958.20

* Facilities Costs are the cost of renting the premises



Table 3
Hardware and Software Costs
AP 4 (December 05 1998 to January 01 1999)

Total Hardware, Software, Development and Coding Costs

Category	Description	Cost
MOL-Specific Costs		
<i>Hardware</i>		
Production	None	\$0.00
Test	None	\$0.00
<i>Software</i>		
	None	\$0.00
<i>Development and Coding *</i>		
	Certification and Accreditation	\$9,347.18
	Development and Coding V2	\$29,289.43
	Development and Coding V3	\$186,612.59
Total MOL Specific Costs		\$204,249.20
Shared Costs		
<i>Hardware</i>		
Production	None	\$0.00
Test	None	\$0.00
<i>Software</i>		
	None	\$0.00
<i>Development and Coding *</i>		
None	Certification and Accreditation	\$0.00
	Development and Coding V2	\$535,144.45
	Development and Coding V3	\$105,823.00
Total Shared Costs		\$640,967.45
Non-MOL Costs		
<i>Hardware</i>		
Production	None	\$0.00
Test	None	\$0.00
<i>Software</i>		
	None	\$0.00
<i>Development and Coding *</i>		
	Certification and Accreditation	\$0.00
	Development and Coding V2	\$0.00
	Development and Coding V3	\$0.00
Total Non-MOL Costs		\$0.00
Grand Total		\$845,216.65
Market Test to Date		\$4,645,724.67

* Development and Coding represents the costs incurred to have contractors develop the system architecture, write code, and test and integrate the PostOffice Online system

Table 4
Communications Costs
 AP 4 (December 05 1998 to January 01 1999)

Total Communications Costs

Category	Cost
MOL-Specific Costs	
<i>Set-up Costs</i>	
None	\$0.00
<i>Ongoing Costs</i>	
T1 Line to the Print site	\$5,200.00
Total MOL specific Costs	\$5,200.00
Shared Costs	
<i>Set-up Costs</i>	
None	\$0.00
<i>Ongoing Costs</i>	
POL Payment Line	\$44.55
Line to Internet Service Provider *	\$7,000.00
Total Shared Costs	\$7,044.55
Non-MOL Costs	
<i>Set-up Costs</i>	
None	\$0.00
<i>Ongoing Costs</i>	
None	\$0.00
Total Non-MOL Costs	\$0.00
Total	\$12,244.55
Market Test to Date	\$38,095.93

* Line to Internet Service Provider supports all USPS Internet initiatives, not just PostOffice Online



Table 6

Print Site Costs

AP 4 (December 05 1998 to January 01 1999)

Total Print Site Costs

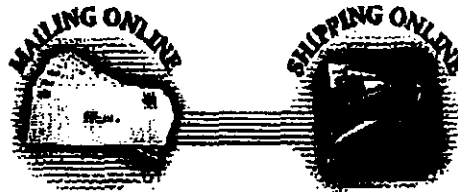
Category	Quantity	Total
MOL-Specific Costs		
<i>Printing</i>		
Simplex	3,820	\$75.64
Duplex	6,280	\$124.34
8.5*11	8,980	\$32.71
Spot Color	2,757	\$27.57
<i>Envelope</i>		
Letter	5,199	\$77.98
Fiat	1	\$0.05
<i>Finishing</i>		
Stapling	1,418	\$11.34
Folding	10,398	\$103.98
Inserting Letter	5,199	\$70.71
Inserting Fiat	1	\$0.15
Mailback Postage	1	\$0.32
Total MOL Specific Costs		\$524.79
Shared Costs		
None	0	\$0.00
Total Shared Costs		\$0.00
Non-MOL Costs		
None	0	\$0.00
Total Non-MOL Costs		\$0.00
Total		\$524.79
Market Test to Date		\$878.18





PostOffice Online

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**Postal Rate Commission
Mailing Online AP Report (AP 5: January 02 to January 29 1999)**

REVISED 4/5/99

MOL AP 5 Report

AP 5 (January 02 to January 29 1999)

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Guide to reading the reports

MOL-Specific Costs: Costs that would disappear in their entirety if MOL did not exist

Shared Costs: Costs that include MOL components and would not disappear if MOL did not exist but would change if the MOL components were no longer needed

Non-MOL Costs: Costs that would stay the same regardless of whether MOL existed or not

Table 1

Advertising and Marketing Costs

AP 5 (January 02 to January 29 1999)

Total Advertising and Marketing Costs

Category	Week Beginning 1/4/99	Week beginning 1/11/99	Week Beginning 1/18/99	Week Beginning 1/25/99	Total
MOL-Specific Costs					
None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total MOL Specific Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Shared Costs					
<i>Advertising Costs</i>					
Media Costs *	\$0.00	\$0.00	\$162,701.00	\$198,321.00	\$361,022.00
Creative Costs **	\$0.00	\$0.00	\$130,674.12	\$159,282.50	\$289,956.62
Production Costs ***	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<i>Customer Service Marketing</i>					
None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Shared Costs	\$0.00	\$0.00	\$293,375.12	\$357,603.50	\$650,978.62
Non-MOL Costs					
None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Non-MOL Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$0.00	\$0.00	\$293,375.12	\$357,603.50	\$650,978.62
Market test to Date					\$3,777,125.15

* Media Costs: Costs for airtime, display space, purchasing address lists for direct mail and related postage

** Creative Costs: Costs to design the advertising and manage the account

*** Production Costs: Costs to print, retouch, and otherwise process the ads. For the ads to be used during the market test, the costs were incurred in AP 2.

Table 2
Help Desk Costs
AP 5 (January 02 to January 29 1999)

Category	Total
MOL-Specific Costs	
Set-up Costs	
Software Media	\$40.00
Ongoing Costs	
None	\$0.00
Total MOL Specific Costs	\$40.00
Shared Costs	
Set-up Costs	
None	\$0.00
Ongoing Costs	
Labor - Management	\$146,429.00
Labor - Non-Management	\$71,834.69
Labor - System Development V3 *	\$90,615.63
Facilities Costs **	\$1,551.96
Voice and Fax Charges	\$1,734.21
Total Shared Costs	\$312,165.51
Non-MOL Costs	
Set-up Costs	
None	\$0.00
Ongoing Costs	
None	\$0.00
Total Non-MOL Costs	\$0.00
Total	\$312,205.51
Market Test to Date	\$626,163.71

* Represents programming costs to prepare Support Center systems to handle V3 volumes
 ** Facilities Costs are the cost of renting the premises



Table 3
Hardware and Software Costs
 AP 5 (January 02 to January 29 1999)

Total Hardware, Software, Development and Coding Costs

Category	Description	Cost
MOL-Specific Costs		
<i>Hardware</i>		
Production	None	\$0.00
Test	None	\$0.00
<i>Software</i>		
	None	\$0.00
<i>Development and Coding *</i>		
	Certification and Accreditation	\$5,291.00
	Development and Coding V2	\$52,798.79
	Development and Coding V3	\$170,839.71
Total MOL Specific Costs		\$228,929.49
Shared Costs		
<i>Hardware</i>		
Production	None	\$0.00
Test	None	\$0.00
<i>Software</i>		
	None	\$0.00
<i>Development and Coding *</i>		
	Certification and Accreditation	\$0.00
	Development and Coding V2	\$376,035.86
	Development and Coding V3	\$139,257.00
Total Shared Costs		\$515,292.86
Non-MOL Costs		
<i>Hardware</i>		
Production	None	\$0.00
Test	None	\$0.00
<i>Software</i>		
	None	\$0.00
<i>Development and Coding *</i>		
	Certification and Accreditation	\$0.00
	Development and Coding V2	\$1,003.39
	Development and Coding V3	\$0.00
Total Non-MOL Costs		\$1,003.39
Grand Total		\$745,195.74
Market Test to Date		\$5,390,820.41

* Development and Coding represents the costs incurred to have contractors develop the system architecture, write code, and test and integrate the PostOffice Online system



Table 4

Communications Costs

AP 5 (January 02 to January 29 1999)

Total Communications Costs

Category	Cost
MOL-Specific Costs	
<i>Set-up Costs</i>	
None	\$0.00
<i>Ongoing Costs</i>	
T1 Line to the Print site	\$5,200.00
Total MOL specific Costs	\$6,200.00
Shared Costs	
<i>Set-up Costs</i>	
None	\$0.00
<i>Ongoing Costs</i>	
POL Payment Line	\$44.58
Line to Internet Service Provider *	\$7,000.00
Total Shared Costs	\$7,044.58
Non-MOL Costs	
<i>Set-up Costs</i>	
None	\$0.00
<i>Ongoing Costs</i>	
None	\$0.00
Total Non-MOL Costs	\$0.00
Total	\$12,244.58
Market Test to Date	\$50,940.51

* Line to Internet Service Provider supports all USPS Internet Initiatives, not just PostOffice Online



Table 5

Print Site Costs

AP 5 (January 02 to January 29 1999)

Total Print Site Costs

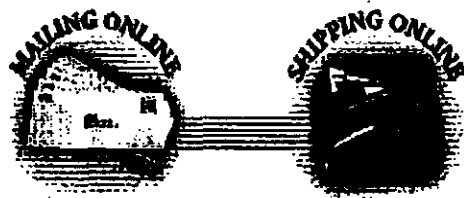
Category	Quantity	Total
MOL-Specific Costs		
<i>Printing</i>		
8.5*11 Paper	8,967	\$42.14
8.5*14 Paper	0	\$0.00
8.5*11 Simplex Impressions	6,752	\$133.89
8.5*11 Duplex Impressions	4,430	\$87.71
8.5*14 Duplex Impressions	0	\$0.00
8.5*14 Duplex Impressions	0	\$0.00
Spot Color	4,204	\$42.04
<i>Envelope</i>		
Letter	8,397	\$125.95
Flat	0	\$0.00
<i>Finishing</i>		
Stapling	30	\$0.24
Folding	16,794	\$167.94
Inserting Letter	8,397	\$114.20
Inserting Flat	0	\$0.00
Mailback Postage	0	\$0.00
Total MOL Specific Costs		\$713.91
Shared Costs		
None	0	\$0.00
Total Shared Costs		\$0.00
Non-MOL Costs		
None	0	\$0.00
Total Non-MOL Costs		\$0.00
Total		\$713.91
Market Test to Date		\$1,592.09





PostOffice Online

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**Postal Rate Commission
Mailing Online AP Report (AP 6: January 30 to February 26 1999)**

REVISED 4/5/99

MOL AP 6 Report

AP 6 (January 30 to February 26 1999)

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Guide to reading the reports

MOL-Specific Costs: Costs that would disappear in their entirety if MOL did not exist

Shared Costs: Costs that include MOL components and would not disappear if MOL did not exist but would change if the MOL components were no longer needed

Non-MOL Costs: Costs that would stay the same regardless of whether MOL existed or not

Table 1

Advertising and Marketing Costs

AP 6 (January 30 to February 26 1999)

Total Advertising and Marketing Costs

Category	Week Beginning 2/1/99	Week beginning 2/8/99	Week Beginning 2/15/99	Week Beginning 2/22/99	Total
MOL-Specific Costs					
None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total MOL Specific Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Shared Costs					
<i>Advertising Costs</i>					
Media Costs *	\$289,958.00	\$0.00	\$4,157.00	\$0.00	\$294,115.00
Creative Costs **	\$232,881.22	\$0.00	\$3,338.72	\$0.00	\$236,219.93
Production Costs ***	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<i>Customer Service Marketing</i>					
None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Shared Costs	\$522,839.22	\$0.00	\$7,495.72	\$0.00	\$530,334.93
Non-MOL Costs					
None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Non-MOL Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$522,839.22	\$0.00	\$7,495.72	\$0.00	\$530,334.93
Market test to Date					\$4,307,460.08

* Media Costs: Costs for airtime, display space, purchasing address lists for direct mail and related postage

** Creative Costs: Costs to design the advertising and manage the account

*** Production Costs: Costs to print, retouch, and otherwise process the ads. For the ads to be used during the market test, the costs were incurred in AP 2.

Table 2

Help Desk Costs

AP 6 (January 30 to February 26 1999)

Total Help Desk Costs

Category	Total
MOL-Specific Costs	
<i>Set-up Costs</i>	
None	\$0.00
<i>Ongoing Costs</i>	
None	\$0.00
Total MOL Specific Costs	\$0.00
Shared Costs	
<i>Set-up Costs</i>	
None	\$0.00
<i>Ongoing Costs</i>	
Labor - Management	\$87,024.03
Labor - Non-Management	\$37,355.56
Labor - System Development V3 *	\$87,534.30
Facilities Costs **	\$1,551.98
Voice and Fax Charges	\$1,734.21
Total Shared Costs	\$215,200.08
Non-MOL Costs	
<i>Set-up Costs</i>	
None	\$0.00
<i>Ongoing Costs</i>	
None	\$0.00
Total Non-MOL Costs	\$0.00
Total	\$215,200.08
Market Test to Date	\$1,041,363.78

* Represents programming costs to prepare Support Center systems to handle V3 volumes

** Facilities Costs are the cost of renting the premises

Table 3
Hardware and Software Costs
 AP 6 (January 30 to February 26 1999)

Total Hardware, Software, Development and Coding Costs

Category	Description	Cost
MOL-Specific Costs		
Hardware		
Production	None	\$0.00
Test	None	\$0.00
Software	None	\$0.00
Development and Coding *	Certification and Accreditation	\$18,343.24
	Development and Coding V2	\$48,421.00
	Development and Coding V3	\$222,847.84
Total MOL Specific Costs		\$289,612.08
Shared Costs		
Hardware		
Production	None	\$0.00
Test	None	\$0.00
Software	Commercial Software	\$1,910.00
Development and Coding *	Certification and Accreditation	\$9.00
	Development and Coding V2	\$11,551.39
	Development and Coding V3	\$87,500.00
Total Shared Costs		\$100,961.39
Non-MOL Costs		
Hardware		
Production	None	\$0.00
Test	None	\$0.00
Software	None	\$0.00
Development and Coding *	Certification and Accreditation	\$0.00
	Development and Coding V2	\$0.00
	Development and Coding V3	\$240,797.80
Total Non-MOL Costs		\$240,797.80
Grand Total		\$630,471.27
Market Test to Date		\$8,021,391.66

* Development and Coding represents the costs incurred to have contractors develop the system architecture, write code, and test and integrate the PostOffice Online system

Table 4

Communications Costs

AP 6 (January 30 to February 26 1999)

Total Communications Costs

Category	Cost
MOL-Specific Costs	
<i>Set-up Costs</i>	
None	\$0.00
<i>Ongoing Costs</i>	
T1 Line to the Print site	\$5,200.00
Total MOL specific Costs	\$5,200.00
Shared Costs	
<i>Set-up Costs</i>	
None	\$0.00
<i>Ongoing Costs</i>	
FOL Payment Line	\$89.07
Line to Internet Service Provider *	\$7,000.00
Total Shared Costs	\$7,089.07
Non-MOL Costs	
<i>Set-up Costs</i>	
None	\$0.00
<i>Ongoing Costs</i>	
None	\$0.00
Total Non-MOL Costs	\$0.00
Total	\$12,289.07
Market Test to Date	\$63,229.58

* Line to Internet Service Provider supports all USPS Internet initiatives, not just PostOffice Online

Table 5

Print Site Costs

AP 6 (January 30 to February 26 1999)

Total Print Site Costs

Category	Quantity	Total
MOL-Specific Costs		
<i>Printing</i>		
8.5*11 Paper	37,733	\$177.35
8.5*14 Paper	0	\$0.00
8.5*11 Simplex Impressions	31,326	\$620.25
8.5*11 Duplex Impressions	12,814	\$253.72
8.5*14 Duplex Impressions	0	\$0.00
8.5*14 Duplex Impressions	0	\$0.00
Spot Color	17,636	\$176.36
<i>Envelope</i>		
Letter	16,226	\$243.39
Flat	29	\$1.57
<i>Finishing</i>		
Stapling	4	\$0.03
Folding	32,452	\$324.52
Inserting Letter	16,226	\$220.67
Inserting Flat	29	\$4.35
Mailback Postage	0	\$0.00
<i>Other</i>		
IS Printsite Support *		\$3,606.00
Total MOL Specific Costs		\$5,628.21
Shared Costs		
None	0	\$0.00
Total Shared Costs		\$0.00
Non-MOL Costs		
None	0	\$0.00
Total Non-MOL Costs		\$0.00
Total		\$5,628.21
Market Test to Date		\$7,220.30

* Note: Represents site visits by USPS Raleigh Network Information Systems supervisors for the market test to date

