

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

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSES OF UNITED STATES POSTAL SERVICE
WITNESS ELMORE-YALCH TO GREETING CARD ASSOCIATION
INTERROGATORIES
GCA/USPS-T11-1-6**

The United States Postal Service hereby provides the responses of witness Elmore-Yalch to the above-listed interrogatories of the Greeting Card Association, dated December 23, 2011. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
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GCA/USPS-T11-1: Please explain fully, with references to the forms and guides used for your opinion research, whether, and if so, how, respondents and participants were made aware of (i) the potential reduction of delivery days from six to five per week, and (ii) the effect on speed of delivery of a possible combination of this reduction with the change in service standards at issue in this Docket.

RESPONSE:

The concept statement contained in Appendix D, Part 2, contains the only information that was given to focus group participants regarding changes to service. Participants were told that one change in addition to the change in First-Class Mail service standards would be “eliminating Saturday mail delivery to homes and businesses.”

Information provided to respondents in the quantitative market research was limited to the proposed changes to First-Class Mail service standards. The survey questionnaires contain the description that was read to Large Commercial Accounts [page 100], Consumers [page 142]) or by Small and Home-Based Businesses [page 127]) regarding purchasing behavior for a product currently offered.

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GCA/USPS-T11-2. Please refer to your prefiled testimony at page 5, lines 17-18. Does “holiday cards” refer to holiday cards sent by businesses to their customers, holiday cards sent by households, or both?

RESPONSE:

The focus group research indicated that consumers send both holiday and other event cards such as birthday cards. On the other hand, most businesses limit cards to holidays. Therefore we did not limit the description for consumers to holiday cards. Use of the term “holiday cards” in the descriptions of mail applications should accordingly not be construed as words of limitation excluding other uses of greeting cards.

The descriptions of communications (businesses) and correspondence (consumers) questionnaires were slightly different to reflect the differences between the segments. Wording is as follows:

1. For Businesses: General communications including customer notifications, holiday cards, investor/shareholder mailings, etc.
2. For Consumers: Correspondence, such as a letter or cards.

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GCA/USPS-T11-3. Please refer to the description of Alaska and Hawaii interviews in your pre-filed testimony at page 13, and in particular the observation concerning relative impact at lines 2-3. Did the interviewees in this part of your research include any located with-in (i) the Intra-SCF Honolulu area (other than Guam), or (ii) ZIP codes 99501-99539 in Alaska?

RESPONSE:

The ZIP Codes for the 10 IDIs conducted in Alaska and Hawaii include:

- Alaska: 99901 (Business), 99701 (Business), 99705 (Consumer), 99654 (Consumer)
- Hawaii: 96819 (Business), 96813 (Business), 96701 (Consumer), 96792 (Consumer), 96706 (Consumer).

The following table provides a listing of the ZIP Codes associated with the consumer surveys conducted in Alaska and Hawaii.

State			Frequency
AK	Valid	99501	1
		99503	1
		99507	1
		99654	1
		99669	2
		99688	1
		99827	1
		99829	1
		99999 – Don't Know	1
		Total	10
HI	Valid	96573	1
		96701	1
		96744	1
		96771	1
		96772	1
		96782	1
		96792	1
		96816	2
		96819	1
		96822	1
Total	11		

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GCA/USPS-T11-4: Please refer to Appendix C, Part 1 (Business Groups), of your prefiled testimony, at page 75, and to Appendix D, at page 81.

- (a) Please explain fully why, in the Moderator's instructions (Appendix C, Part 1), at lines 6-19, the Moderator is directed to discuss "current," "outstanding," and "long" service standards, while at the cited page of Appendix D there is provision for participants to estimate times for "too long" standards as well as for the three just mentioned, and for estimating usage levels under "outstanding," "long," and "too long" scenarios.
- (b) Please provide the same information with respect to the corresponding part of Appendix C, Part 2 (Consumer Groups).

RESPONSE:

The overall purpose of the qualitative research was to evaluate how the proposed changes to First-Class Mail service standards would impact consumers and businesses. As a first step in this process, the objectives of the section and questions / instructions in the Moderator's Guide referenced in GCA/USPS-T11-4 were to obtain insights into business and consumer current levels of awareness of, and perceptions of, existing First-Class Mail service standards to allow for interpretation of their responses to subsequent questions regarding changes to these service standards. The Moderator focused on three scenarios to get a general feel for customer expectations within the time limits allocated to this written exercise and follow-up discussion (approximately 15 minutes out of the total 1.5 to 2 hours available for the entire discussion). The distinctions observed in this question between guides for oral and written instruments used with business and consumer customers reflect the greater detail allowed in written as opposed to oral communication.

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GCA/USPS-T11-5: Please refer to section 6.4 of your prefiled testimony, beginning on page 44, and to Appendix F.

(a) At lines 16-17 of page 44 you refer to "the likelihood they [i.e., respondents] would change the way they send their mail." Please explain fully (i) what options were intended to fall under the concept "the way they send their mail," and (ii) how, if at all, this range of options was conveyed to respondents.

(b) At Appendix F, Part 1 (page 89) the interviewer is directed, as part of the introduction, to ask for an interviewee "who makes decisions and/or recommendations on how to send the majority of your organization's mail? [AS NEEDED: By how to send, I mean decisions or recommendations as to what Postal Service products to use to send your organization's mail".

(i) Does the sentence following "AS NEEDED" correspond in any way to the concept "the way they send their mail" referred to in (a)? Please explain fully either an affirmative or a negative answer.

(ii) Does that sentence exhaust the concept "the way they send their mail"? If your answer is not an unqualified "yes," does the concept "the way they send their mail" cover communication or shipping options not covered by the sentence following "AS NEEDED"? If so, please describe and explain them.

(iii) Please explain under what circumstances an interviewer was to decide that the sentence following "AS NEEDED" should be added to his/her introduction.

(c) At several places in Appendix F, the phrase "(AS NEEDED: using the U.S. Postal Service)" appears as part of a question (e.g., Q2A, p. 93). Is this phrase intended to convey all and only the same meaning as the "AS NEEDED" sentence referred to in (b), above? If your answer is not an unqualified "yes," please explain fully its intended meaning.

RESPONSE:

a) The question read to Large Commercial Account customers and consumers or read by Small and Home-Based Businesses was as follows:

And what is the likelihood that the First-Class Mail service standards that you just read will cause your organization to **modify the way your organization mails different items in 2012?**

This question followed the question regarding the **number of individual pieces of mail their organization would mail in 2012.**

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The options intended to fall under the second question were the extent to which an organization would modify its use of Postal Service products. The questionnaire consistently uses the verb “mails” to denote use of Postal Service products.

- (b) (i) As stated in response to the first question, the use of the term “mails” throughout the questionnaire refers to use of Postal Service products.
 - (ii) Yes.
 - (iii) Interviewers were instructed to read the additional language contained in “AS NEEDED” when a respondent asked for clarification of the question or asked for more information.
- (c) Yes.

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GCA/USPS-T11-6: Please refer to (i) the prefiled testimony of witness Whiteman, USPS-T12, at pages 18, line 6, to 19, line 6, and (ii) your own prefiled testimony, at section 6.4.1.

(a) Mr. Whiteman, discussing a "tendency for over-projecting results," states that a more detailed discussion of techniques for dealing with it appears at the cited section of your testimony. Please provide references to all discussions or descriptions of such a tendency or of techniques for dealing with it which appear in your prefiled testimony or the Library References associated with your testimony or Mr. Whiteman's.

(b) To the extent such information is not supplied in the references requested in (a), please describe fully (i) the reasons for believing that responses in this research were overstated, (ii) the techniques used to adjust or otherwise deal with such perceived overstatement, and (iii) the difference, in each case where such a technique was used, between the adjusted and unadjusted results.

(c) Please provide all documents setting forth, explaining, or evaluating the matters covered by (b).

RESPONSE:

Discussions and descriptions of how survey respondents reply to questions regarding intentions and techniques for dealing with these tendencies are contained in the references provided in the footnotes on page 44 of my testimony. The bibliography contains an extensive list of references outlining the use of the Juster Probability Scale as well as other literature on how survey respondents respond to intention questions. In addition, the second footnote referencing testimony provided in PRC Docket No. N2010-1 provides additional comment on and descriptions of the referenced tendency and techniques for dealing with it, specifically the common use of the Juster Probability Scale.

See also my forthcoming response to POIR1, Q 20, which will provide appropriate citations to literature for use of the Juster Purchase Probability Scale to forecast a decrease in purchasing behavior for a product currently offered.