

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 APWU INTERROGATORIES
APWU/USPS-T11-1-16**

The United States Postal Service hereby provides the responses of witness Elmore-Yalch to the above-listed interrogatories of the American Postal Workers Union, AFL-CIO, dated January 10, 2012. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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APWU/USPS-T11-1: On page 6 of your testimony you indicate that one objective of the qualitative research was to “understand why consumers and businesses would respond as they do.” Was this objective achieved? If so, what was learned?

RESPONSE:

Yes, this objective was achieved. The transcripts (see USPS-LR-N2012-1/26) and the Final Qualitative Research Report (which was recently finalized and made part of that same library reference) provide details on what was learned from the qualitative research.

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APWU/USPS-T11-2. Would you agree that focus groups cannot provide statistically valid estimates of changes in mail volume?

RESPONSE:

Generally speaking, yes. That is not to say you cannot derive any statistically valid reports from qualitative research, such as the numbers of respondents who agreed to attend specific focus group sessions, but did or did not show up for those groups. But if the goal is statistically valid estimates of mail volume changes, quantitative research would be the way to do so.

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APWU/USPS-T11-3. What was the main purpose of the focus groups?

RESPONSE:

The overall purpose and specific objectives of the qualitative research are stated in my testimony, see page 6.

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APWU/USPS-T11-4: How did the information obtained in the qualitative market research impact the current proposal to eliminate overnight delivery and close processing facilities?

(a) If this information did not inform the current proposal, what was the purpose of conducting this research with regard to this proposal and how has the Postal Service used the qualitative market research?

RESPONSE:

This was not an objective of the qualitative market research. See page 6 of my testimony as to the objectives of the research as well as the moderator's guides in Appendix C for the questions asked in the qualitative research.

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APWU/USPS-T11-5: Why was the CBCIS list from August 2009 used as the sampling frame for the National, Premier and Preferred Accounts?

RESPONSE:

These were the files provided to ORC International for use in the previous Five-Day Delivery research. Discussion with the Postal Service indicated that accounts contained in each of these segments do not change significantly over time. These files had been setup for telephone data collection for the Five-Day Delivery research. It was therefore more efficient to use the existing files rather than run new files which would largely duplicate the files in hand.

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APWU/USPS-T11-6: On page 25 of your testimony you state that you conducted interviews with respondents at 26 unique National Accounts, or approximately 11 percent of the total universe of National Accounts that the Postal Service had in August 2009.

- a. What percentage of the mail volume of all the National Account holders did these 26 companies represent?
- b. You seem to have tried to contact all the National Account holders that were not on your do-not-call list. What reasons did the others give you for not participating in the survey?
- c. Of what type of businesses are National Account holders representative? (by firm size, single or multi-establishment.
- d. Were the changes to the service standards explained to National Account holders using the statement in Appendix E at page 88? If not, what description of the service standard changes was provided to the National Account holders
- e. The description on page 88 describes the change in service standards and describes mail delivery as though it would happen according to the optimum described.
 - i. What percentage of the time are current service standards achieved for the National Account holders?
 - ii. Were National Account holders provided a description of the likely actual mail delivery profile their mail would be provided?
- f. Were National Account holders interviewed about their likely response to a combination of this change in service standards combined with a change to 5-day delivery?
- g. Were National Account holders provided with a list of mail processing facilities that are being examined for closure at the time of the interview?
- h. What information were National Account holders given about the status of the specific mail processing locations that each of them use?
- i. What percentage of National Account holders indicated they thought they could prepare and deliver mail to the Postal Service to meet the requirements for overnight local delivery?
- j. Were any of the National Account holders asked if they had been impacted by a mail processing facility closure between 2008 and the present? If so, what types of questions were they asked?
- k. You state that no weighting was required for the National Account holders. Did you assume that the percentage change in mail volume resulting from the change in service standards calculated for this subset of National Account holders was applicable to all the National Account holders?

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RESPONSE:

- (a) This information is not available from the research.
- (b) Various reasons explain why we were unable to complete an interview with all National Accounts. In some instances, the individual identified as the appropriate contact was not available or we were unable to reach a contact during the time the research was being conducted. The primary reasons given for not completing the survey were (1) a company policy against completing survey research or (2) no time then available to complete survey..
- (c) This information was neither necessary to nor developed by the research.
- (d) The description on page 88 was read to individuals from National and Preferred Accounts that were interviewed as part of the qualitative research. The description on page 100 was read to those responding to the quantitative survey.
- (e)
 - (i) I do not have this information and it was not necessary to the research.
 - (ii) No. Descriptions provided to National Accounts were those on pages 88 and 100 of my testimony.
- (f) No.
- (g) No.
- (h) Information provided to National Accounts is described on pages 88 and 100 of my testimony.
- (i) This was not a question asked in this research.

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(j) No.

(k) My testimony on page 27 provides the reasons why, based on the sampling plan, weights for this segment were not applicable.

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APWU/USPS-T11-7: On page 27 of your testimony you state that you conducted interviews with respondents at 416 unique Premier Accounts, or approximately 1.7 percent of the total universe of Premier Accounts that the Postal Service had in August 2009.

- (a) What percentage of the mail volume of all the Premier Account holders did these 416 respondents represent?
- (b) Did you make an attempt to contact each of the Premier Account holders? If not, how was this subset of account holders selected?
- (c) Of what type of businesses are Premier Account holders representative? (by firm size, single or multi establishment)
- (d) Were the changes to the service standards explained to Premier Account holders using the statement in Appendix E at page 88? If not, what description of the service standard changes was provided to the Premier Account holders?
- (e) The description on page 88 describes the change in service standards and describes mail delivery as though it would happen according to the optimum described.
 - i. What percentage of the time are current service standards achieved for the Premier Account holders?
 - ii. Were Premier Account holders provided a description of the likely actual mail delivery profile their mail would be provided?
- (f) Were Premier Account holders interviewed about their likely response to a combination of this change in service standards combined with a change to 5-day delivery?
- (g) Were Premier Account holders provided with a list of mail processing facilities that are being examined for closure at the time of the interview?
- (h) What information were Premier Account holders given about the status of the specific mail processing locations that each of them use?
- (i) What percentage of Premier Account holders indicated they thought they could prepare and deliver mail to the Postal Service to meet the requirements for overnight local delivery?
- (j) Were any of the Premier Account holders asked if they had been impacted by a mail processing facility closure since 2008? If so, what sort of questions were they asked?
- (j) Were any of the Premier Account holders asked if they had been impacted by a mail processing facility closure since 2008? If so, what sort of questions were they asked
- (k) You state that no weighting was required for the Premier Account holders. Did you assume that the percentage change in mail volume resulting from the change in service standards calculated for this subset of Premier Account holders was applicable to all the Premier Account holders?

RESPONSE:

- (a) This information is not available from the research.

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(b) As stated on page 27 of my testimony, among 24,754 sample elements available, 9,697 had identified telephone numbers (provided by USPS or looked up by ORC). Our sampling procedure did not exhaust this pool before the requisite number of interviews were obtained. We did not attempt to contact every available sample element. Dialing protocols were established so that multiple attempts were made to reach each sample element before it was replaced. Of the 9,697 available sample elements, 648 were unusable as they were disconnected, were fax numbers, privacy managers were in place, *etc.* An additional 167 were screened out because they did not meet the screening criteria. Six hundred seven sample elements reached the maximum number of attempts (6) established by the dialing protocols. A total of 2,722 sample elements were not used as there were adequate numbers (4,376) remaining in the queue. These sample elements were attempted multiple times (on average 3) but a contact was not reached before the required number of interviews was completed. These elements had not reached the maximum number of attempts but had been dialed on average several times.

(c) This information was neither necessary to nor developed by the research.

(d) The description on page 88 was read to individuals from National and Preferred Accounts that were interviewed as part of the qualitative research. The description on page 100 was read to those responding to the quantitative survey.

(e) (i) This information was neither necessary to nor developed by the research.

(ii) No. Descriptions provided to Premier Accounts were those on

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pages 88 and 100 of my testimony.

- (f) No.
- (g) No.
- (h) Information provided to Premier Accounts is described on pages 88 and 100 of my testimony.
- (i) This question was not examined in the research.
- (j) No.
- (k) My testimony on page 29 provides the reasons why, based on the sampling plan, weights for this segment were not applicable.

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APWU/USPS-T11-8: On page 29 of your testimony you state that you used interviews with respondents at 414 unique Preferred Accounts, or approximately 0.1 percent of the total universe of Premier Accounts that the Postal Service had in August 2009.

- (a) What percentage of the mail volume of all the Preferred Account holders did these 414 respondents represent?
- (b) Of what type of businesses are the preferred accounts representative? (by firm size, single or multi-establishment)?
- (c) Please describe the sampling procedures that resulted in these accounts being selected?
- (d) Were the changes to the service standards explained to Preferred Account holders using the statement in Appendix F at page 100? If not, what description of the service standard changes was provided to the Preferred Account holders?
- (e) The description on page 100 describes the change in service standards and describes mail delivery as though it would happen according to the optimum described?
 - i. What percentage of the time are current service standards achieved for the Preferred Account holders?
 - ii. Were Preferred Account holders provided a description of the likely actual mail delivery profile their mail would be provided?
- (f) Were Preferred Account holders interviewed about their likely response to a combination of this change in service standards combined with a change to 5-day delivery?
- (g) Were Preferred Account holders provided with a list of mail processing facilities that are being examined for closure at the time of the interview?
- (h) What information were Preferred Account holders given about the status of the specific mail processing locations that each of them use?
- (i) What percentage of Preferred Account holders indicated they thought they could prepare and deliver mail to the Postal Service to meet the requirements for overnight local delivery?
- (j) Were any of the Preferred Account holders asked if they had been impacted by the closure of a mail processing facility since 2008? If so, what questions were they asked?
- (k) You state that no weighting was required for the Premier Account holders. Did you assume that the percentage change in mail volume resulting from the change in service standards calculated for this subset of Premier Account holders was applicable to all the Premier Account holders?

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RESPONSE:

- (a) This information was neither necessary to nor developed by the research.
- (b) This information was neither necessary to nor developed by the research.
- (c) As stated on page 35 of my testimony, there were more than 3.36 million elements in the sample frame. ORC International drew a random sample of 18,612 elements from this frame.
- (d) The description on page 100 was read to those responding to the quantitative survey.
- (e)
 - (i) This information was neither necessary to nor developed by the research.
 - (ii) No. Descriptions provided to Preferred Accounts were those on pages 88 and 100 of my testimony.
- (f) No.
- (g) No.
- (h) Information provided to Preferred Accounts is described on pages 88 and 100 of my testimony.
- (i) This question was not examined in the research.
- (j) No.
- (k) See the response to APWU/USPS-T11-7(k).

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APWU/USPS-T11-9: You indicate on page 39 that supplemental interviews were conducted to add consumers in Hawaii and Alaska to your sample. Were those consumers asked exactly the same questions as the consumers in the main CARAVAN® sample?

RESPONSE:

Yes.

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APWU/USPS-T11-10: Was the description of service standard changes provided to consumers the description in Appendix F at page 142? If not, what description was used?

RESPONSE:

Yes.

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APWU/USPS-T11-11: Were consumers participating in the quantitative survey asked about their potential behavior if these changes in service standards were combined with the proposed changes necessary for 5-day delivery?

RESPONSE:

No.

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APWU/USPS-T11-12: What information, if any, were the participants in the quantitative survey provided about the rates of the postal products affected by the proposed service standard changes?

RESPONSE:

The only information provided to participants in the quantitative survey is provided on pages 100 (Commercial Accounts), 127 (Small and Home-Based Business Accounts), and 142 (Consumers) in Appendix F of my testimony.

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APWU/USPS-T11-13: Were consumers participating in the quantitative survey asked about their potential behavior if these changes in service standards were combined with an increase in postal rates?

RESPONSE:

No.

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APWU/USPS-T11-14: For Figures 34-39, are the percentages based on the percentage of respondents that chose each point on the likelihood scale or the percentage of mail volume corresponding to the respondents that had chosen the given level on the likelihood scale?

RESPONSE:

Responses are based on the number of respondents in each segment identifying a scale point between 0 and 10.

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APWU/USPS-T11-15: On page 34 of your testimony you show the weights applied to small businesses. Were all the small businesses surveyed ones who had employees in addition to the owner?

RESPONSE:

To qualify as a small business, business were defined as companies with fewer than 100 employees, not included in other business segments, and operating a location other than their home (see page 21 my testimony).

115 or 21 percent of the 553 small businesses surveyed indicated that including themselves there was one person employed at their location.

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APWU/USPS-T11-16 On page 31 of your testimony you indicate that screening questions were used to screen out companies that pay for postage via a postage meter, permit imprint, pre-cancelled stamps, or Express Mail corporate account?

- (a) Of what subset of all businesses is this sample designed to be representative?
- (b) How are businesses that are not account holders of the Postal Service (National, Premier or Preferred) but do use postage meters represented in your quantitative survey?

RESPONSE:

(a) The cited testimony involves all businesses that do not have an account with the U.S. Postal Service. All businesses making use of a postage meter, permit imprint, pre-cancelled stamps, or Express Mail corporate account have an account with the U.S. Postal Service and are therefore included among those in the Commercial Accounts (National, Premier, and Preferred) sample frames.

(b) Any business with a postage meter has an account with the U.S. Postal Service and is included somewhere in the Commercial Accounts (National, Premier, and Preferred) sample frames.