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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

April 11, 2001

Hon. Steven W. Williams, Acting Secretary  
Postal Rate Commission  
1333 H Street, NW, Suite 300  
Washington, D.C. 20268-0001

RE: Docket No. MC2000-1

Dear Mr. Williams:

**RE: Docket No. MC2000-1**

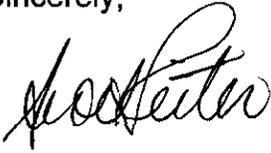
Paragraph 2 of Attachment B to the Stipulation and Agreement among the parties in Docket No. MC2000-1 (Experimental "Ride-Along" Classification Change for Periodicals), provides as follows:

The Postal Service will conduct quantitative market research to obtain data enabling the Postal Service to address the issues listed below [omitted here] in the event the Postal Service seeks either an extension of the experiment, a new experiment, a market test, or a permanent classification for "Ride-Along" service. Prior to conducting the research, the Postal Service will provide interested participants to this proceeding with the proposed research methodology and will indicate the universe of subjects to be studied. The Postal Service will request comments from participants and will take all such comments into account before conducting the research.

In order to be prepared to make a determination whether to file a request for any such continuation of the experimental service, the Postal Service has engaged National Analysts to conduct market research in this area. In accordance with the Stipulation and Agreement, the Postal Service is hereby providing all participants with a Project Description containing the information referred to therein. The Postal Service welcomes comments from participants on the proposed research methodology. The Postal Service asks that participants provide comments to the undersigned no later than April 20, 2001, so that the research can begin and other

preparations follow therefrom, in light of the experiment's February 26, 2002, expiration date.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott L. Reiter". The signature is written in a cursive style with a large, looping initial "S".

Scott L. Reiter  
Attorney

cc: Participants of record in Docket No. MC2000-1

## **Ride-Along Classification Research -- Project Description --**

### **Overview**

National Analysts has been commissioned to perform a two-phase research project to assess the impact of the Ride-Along experiment. In one phase, users of the Ride-Along experiment and the publishers who mailed their Ride-Along pieces will be queried and, in the other phase, companies that specialize in mailing samples for multiple clients will be interviewed. The primary thrust of the interviews with users and publishers is to understand what would have happened to the Ride-Along pieces had this experimental program not been available. The primary thrust of the interviews with companies specializing in mailing fulfillment samples is to determine the impact that the Ride-Along rate has had, if any, on their business (i.e., increase or reduction in number of, nature, or size of mailings, etc.). The approach that will be taken with each of these groups is described more fully below.

### **Survey Among Users of Ride-Along Experimental Rate**

It is our intent to complete up to 75 pairs of telephone interviews (up to 150 interviews in total) with users of the Ride-Along rate and their respective publishers. Initial pretests reveal that users and publishers have different information about the decision to use the Ride-Along rate and that interviews with both groups will be required to provide the most complete picture of what would have happened had the Ride-Along rate not been available. To accomplish our objectives, the Postal Service is providing us with a list of users (i.e., owners or sources) of Ride-Along pieces, the publishers who mailed these pieces, and the number of pieces. The list includes about 1,500 mailings, some of which belong to the same users. It is our intent to sample mailings. We plan to stratify our sample into two or three strata, based upon the volume of Ride-Along pieces sent per mailing, and to allocate interview pairs across the strata such that we have a good representation of user/publisher mailings by volume in each stratum. It should be noted that the size of the list and our desire to complete 75 interview pairs might result in a contact being attempted for every mailing to which Ride-Along pieces have been attached.

Telephone screenings will identify the individuals at the user and publisher organizations who are most knowledgeable about the decision to send Ride-Along pieces. The interviewer will confirm that pieces were, indeed, sent for the particular issue identified in the Postal Service list and will verify how the publication was prepared for mailing (e.g., unwrapped, sleeve-wrapped, polybagged, etc.) and where the piece was placed (e.g., on top of the publication, inside the publication, etc.). The interviewer will then ask questions, first of the publisher, then of the user, to determine

what would have happened to these Ride-Along pieces had the program not been available.

### Questions for the Publisher

- In 1999, before the Ride-Along rate experiment became available, how was this publication prepared for mailing (unwrapped, sleeve-wrapped, polybagged, etc.)?
- Since February, 2000 until now, how has the publication been prepared for mailing (unwrapped, sleeve-wrapped, polybagged, etc.)?

Assuming the Ride-Along rate had not been available and the user's budget remained the same...

- How do you think the user would have chosen to send the piece instead: (*Check one response unless pieces would have been split multiple ways*)
  - Along with the publication as an enclosure or attachment at the Standard (A) Mail rate?
  - As a stand-alone piece...
    - as Standard (A) Mail?
    - as First-Class Mail?
  - Along with a newspaper not delivered by mail?
  - Using an alternative delivery system (e.g., home delivery)?
  - Some other way (specify)?
  - Not at all -- the piece was only sent because the Ride-Along rate was available?
- (*For alternative method(s)*) How many of the pieces originally sent do you think the user would have sent this way? (*Total must equal number of Ride-Along pieces sent*)

### Questions for the User

- How satisfied or dissatisfied were you with where the Ride-Along piece were placed (e.g., on top of publication, inside publication, etc.)?
- How satisfied or dissatisfied were you with how the publication was packaged (unwrapped, sleeve-wrapped, polybagged, etc.)?
- If available at similar prices, how likely is it that you would use the same mailing method for future mailings (# mailings, volume)?

- To the best of your knowledge, what is the postage rate to send a Ride-Along rate piece? (*Amount or DK*)
  
- (*If amount given is 10 cents per piece*) Assume the Ride-Along rate had not been available and your budget remained the same. How do you think you would have chosen to send the piece instead, even though you may not know what the actual cost would have been: (*Check one response unless pieces would have been split multiple ways*)
  - Along with the publication as an enclosure or attachment?  
(*If known by respondent*)
    - as Standard (A) Mail?
  - As a stand-alone piece?  
(*If known by respondent*)
    - as Standard (A) Mail?
    - as First-Class Mail?
  - Along with a newspaper not delivered by mail?
  - Using an alternative delivery system (e.g., home delivery)?
  - Some other way (specify)?
  - Not at all -- the piece was only sent because the Ride-Along rate was available?
  
- (*For alternative method(s)*) How many of the pieces you originally sent do you think you would have sent this way? (*Total must equal number of Ride-Along pieces sent*)
  
- (*If amount given is not 10 cents or is DK*) Assuming your budget remained the same, if it would not have been possible to send the piece at the Ride-Along rate, which of the following would you have considered instead, even though you may not know what the actual cost would have been: (*Check one response unless pieces would have been split multiple ways*)
  - Along with the publication as an enclosure or attachment?  
(*If known by respondent*)
    - as Standard (A) Mail?
  - As a stand-alone piece?  
(*If known by respondent*)
    - as Standard (A) Mail?
    - as First-Class Mail?
  - Along with a newspaper not delivered by mail?
  - Using an alternative delivery system (e.g., home delivery)?
  - Some other way (specify)?
  - Not at all -- the piece was only sent because the Ride-Along rate was available?

- *(For alternative method(s) How many of the pieces you originally sent do you think you would have sent this way? (Total must equal number of Ride-Along pieces sent)*

The results from the two interviews will be combined to provide an estimate of the number of pieces that would not have been sent, and an estimate of the number of pieces that would have been mailed in the other ways mentioned above. An indication of anticipated future volume of Ride-Along pieces will also be obtained. A Library Reference documenting the methodology and results will be prepared for the Postal Service to support a request to the Postal Rate Commission to recommend a permanent service.

### **Interviews with "Samples Fulfillment" Companies**

It is our intent to complete up to ten in-depth interviews with vice presidents of Marketing/Sales of fulfillment organizations and other companies that distribute merchandise samples. The Postal Service is providing us with a list of such companies. Interviews are planned to achieve four purposes:

- Confirm awareness of the Ride-Along Experimental rate.
- Determine the volume, by category, of the sample mailings that the company had in the period prior to the initiation of the Ride-Along experiment.
- Estimate the increases or decreases the company has experienced in those categories during the pilot period.
- Understand the possible explanations for these changes (e.g., downturn in the economy, change in clientele, introduction of new Postal services, etc.).

Results of these interviews will be included in the Library Reference.

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