

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

REVIEW OF NONPOSTAL SERVICES

Docket No. MC2008-1

STATEMENT
OF
TINA M. LANCE
ON BEHALF OF THE
UNITED STATES POSTAL SERVICE

TABLE OF CONTENTS

AUTOBIOGRAPHICAL SKETCH	1
I. PURPOSE AND SCOPE OF STATEMENT	2
II. PASSPORT PHOTO SERVICE	2
III. PHOTOCOPYING SERVICE	4
IV. NOTARY PUBLIC SERVICE	6
V. STORED VALUE CARDS	8
VI. OFFICIAL LICENSED RETAIL PRODUCTS	11
SUMMARY AND CONCLUSION	13

Appendix A: Examples of Official Licensed Retail Products

Appendix B. Opinion Research Corporation Survey Description

1

2 **AUTOBIOGRAPHICAL SKETCH**

3

4

5 My name is Tina M. Lance. I am currently the manager of Retail
6 Marketing in the Retail Operations Department of the United States Postal
7 Service, a position I first took in September, 2006. Prior to that, beginning in
8 2000, I was manager of Segment Advertising. I joined the Postal Service in
9 August, 1979 as a Parcel Post Distribution Machine Operator (PPDMO) at the
10 Jacksonville, FL Bulk Mail Center and performed those duties for five years. My
11 next assignment was as a window clerk, which I performed for nine years. I was
12 promoted to Postmaster in 1994 and then to Retail Specialist at the North Florida
13 District Office in 1995. I came to Headquarters in August, 1997 as a Marketing
14 Specialist in the Retail Department until I was promoted to the Advertising
15 Specialist position in 1998.

16 Currently, my primary responsibilities relate to the selection, marketing
17 and merchandising of postal retail products sold in more than 32,000 Post
18 Offices, stations and branches.

19 I earned a Masters of Business Administration from Jacksonville
20 University in 1997, and a Bachelor of Arts in Education from Luther Rice
21 University in 1985. I previously received an AA in Sales and Marketing from
22 Florida Community College at Jacksonville in 1979.

23

1 **I. PURPOSE AND SCOPE OF STATEMENT**

2
3 The purpose of my statement is to explain and provide justification for the
4 continued provision by the Postal Service of certain long-standing nonpostal
5 retail products and service offerings that the Postal Service believes it should
6 continue to offer in the future to meet the needs of postal patrons. The Postal
7 Accountability and Enhancement Act of 2006 provides for such services to be
8 “grandfathered” under the new regulatory scheme.

9 Some of these products and services are offered through formalized,
10 nationwide programs. Others are currently offered through local or regional
11 initiatives based on local needs. All of the services I describe were offered by the
12 Postal Service prior to and on January 1, 2006. These are services that are
13 useful to postal customers, often not conveniently available in certain locations,
14 and which support the nationwide infrastructure that provides postal services
15 throughout the nation. It is the Postal Service’s intent to formalize these
16 product/service offerings to provide consistent options for customers at postal
17 retail facilities where it would be appropriate to make them available. In some
18 cases, this will involve uniform, national prices and adjustments to postal
19 reporting systems to track sales.

20
21 **II. PASSPORT PHOTO SERVICE**

22
23 Through a long-standing interagency Memorandum of Understanding with
24 the Department of State -- the current one was executed in 2001 -- the Postal
25 Service currently offers passport application acceptance service at more than
26 6,000 post offices. A recent GAO audit, GAO-07-1193 *Border Security*
27 (September, 2007), noted that the State Department is authorized to designate
28 acceptance facilities – in addition to its own passport offices – to provide
29 passport application acceptance services to the American public. “The majority
30 of passport applications are submitted at acceptance facilities nationwide; these
31 include post offices, federal, state, and probate courts, public libraries, and

1 county and municipal offices.” *Id.* at 5. As of September 30, 2006, post offices
2 constituted almost two thirds of all active facilities, and accounted for
3 approximately 72 percent of all passport application acceptance fees. *Id.* at 6.
4 The Postal Service is a vital link between the State Department and the citizens
5 of the United States.

6 Passport application acceptance fees are set by the State Department, not
7 by the Postal Service¹. In Fiscal Year 2007 (FY07), revenue for passport
8 application acceptance fees was \$295.2 million, growing at a rate of 64.3 percent
9 over the previous year².

10 As part of this effort, at more than 5,000 postal passport application
11 acceptance sites, passport photo service also is offered for the convenience of
12 applicants. While the number of offices offering this service has increased in
13 recent years, some version of this service has been widely available since prior
14 to January 1, 2006. In many locations, there is no other convenient alternative
15 for customers to get the required photos. A nationwide fee of \$15 has been
16 established for passport photos, and the availability of photo service is promoted
17 on menu boards at the full-service counter. In setting this price, as it does for the
18 other nonpostal services I describe, the Postal Service strives to use
19 “convenience pricing.” In other words, the price is set at a reasonable level in
20 order to reflect the convenience provided to postal patrons who can engage in
21 several related transactions at the post office. This tends in practice to be a price
22 higher than at commercial alternatives. The nationally established price of \$15 is
23 at the high end of the range for passport photos. Some representative prices
24 obtained by reviewing websites or direct inquiries include: \$8 at major national
25 drugstore chains; \$10 at The UPS Store; \$13.50 at FedEx Kinkos; and \$15.70 at
26 Ritz Camera. Thus, passport photo services are not intended to under-price
27 similar services that may or may not be commercially available, but, if anything,
28 are offered at a price disadvantage. This higher pricing still serves the needs of

¹ 22 U.S.C. §214.

² It is my understanding that the Postal Service has determined that it is not necessary to seek to “grandfather” passport application acceptance services, as this is provided pursuant to independent statutory authority under 39 U.S.C. § 411 and 22 U.S.C. § 214. This section of my Statement focuses on passport photo service.

1 those postal customers for whom convenience is more important than price,
2 while simultaneously avoiding direct price competition with potential private
3 sector providers.

4 The service is also a benefit to customers in some smaller communities
5 where there are fewer options available for having passport photos taken. In
6 areas with wide-ranging options, customers who are price-conscious will be more
7 likely to make an extra stop to acquire their photos at a lower price before coming
8 to the Post Office.

9 Revenue in FY07 for passport photos was \$64.8 million, up 64.5 percent
10 from the previous year. Thus, the Postal Service sold approximately 4.32 million
11 photo sets to postal patrons.

12 In a study conducted by Opinion Research Corporation, the methodology
13 of which is attached as Appendix B, 81 percent of residential customers and 78
14 percent of small business customers surveyed said that it is very or somewhat
15 appropriate for the Postal Service to offer passport photo service. Residential
16 customers find passport photo service more helpful than small business
17 customers do. (When asked to what degree is passport photo service helpful, 66
18 percent of consumers said “a great deal/somewhat” vs. 40 percent of small
19 business customers.)

20 When asked about offering passport application acceptance service, the
21 results were consistent with 84 percent of residential customers and 83 percent
22 of small business customers responding that it is very or somewhat appropriate
23 for the Postal Service to offer this service. There is clearly a strong interest on
24 the part of some postal patrons for this convenience.

25 26 **III. PHOTOCOPYING SERVICE**

27
28 The Postal Service has traditionally offered photocopying as a
29 convenience to postal customers to support their shipping and other business
30 needs. In rural areas, the post office may sometimes be the only place available
31 to do so. Over the years, the Postal Service has used local contracts for offering

1 coin-operated photocopiers in post offices. These are offered through machines
2 which are placed by vendors. Beginning in 2005, the Postal Service's
3 Information Technology (IT) organization installed multi-function printer/copier/fax
4 machines in facilities with sufficient demand to justify their placement. In addition
5 to the local coin-operated photocopier contracts mentioned above, some postal
6 locations have instituted their own photocopying service using these IT-provided
7 copiers. Based on a survey of postal districts nationwide, 3951 Post Offices
8 reported offering photocopying service with estimated revenue in FY07 of
9 \$548,215. While I lack nationwide information on prices charged for this service,
10 one district reported that prices range from 10 to 50 cents per page for this
11 service. It should be noted that this revenue was achieved without the benefit of
12 having this service on the menu boards or any authorized national promotion or
13 signage.

14 In May 2003, Supply Management established a program to improve,
15 streamline and simplify the process for obtaining and maintaining coin-operated
16 copiers. Coin-operated photocopiers in Post Offices are operated under local
17 contracts with commercial firms which are selected on a competitive basis.³ In
18 FY07, the USPS share of revenue from coin-operated photocopier contracts was
19 \$1,766,894. While prices are locally negotiated, and I lack comprehensive
20 information on actual pricing, on a national level the Postal Service calls for a
21 minimum per-page fee of 15 cents. From web sites and direct phone calls it
22 appears that UPS Stores charge 12 cents, and FedEx/Kinkos charges 10 cents
23 per page.

24 There is a definite convenience factor for customers who need to make
25 copies of documents before putting them in the mail. Having photocopying
26 service available at the Post Office makes sense for these customers who do not
27 wish to make multiple stops to accomplish their tasks or in smaller communities
28 where there are limited places to have copies made. Photocopy service is

³ Although I am not a lawyer, I am informed that since the placement of coin-operated copiers in postal service lobbies could be viewed as a lease of space, and thus an exercise of the Postal Service's property rights, the Commission may conclude that no grandfathering is required for such activity. I am providing information on coin-operated copy machines as background for the Commission's deliberations.

1 helpful to postal patrons mailing tax returns, or bills, or who want a record of any
2 other transaction.

3 In the study conducted by Opinion Research Corporation, 74 percent of
4 residential customers and 68 percent of small business customers surveyed said
5 that it is very or somewhat appropriate for the Postal Service to offer
6 photocopying service. Residential customers find photocopying service more
7 helpful than small business customers do. (When asked to what degree is
8 photocopying service helpful, 47 percent of consumers said “a great
9 deal/somewhat” vs. 35 percent of small business customers.)

10 Establishing a consistent price for photocopying service and making this
11 service available under national program guidelines would provide a convenient
12 option for customers needing photocopies, especially in underserved areas
13 where the options are limited.

14 15 **IV. NOTARY PUBLIC SERVICE**

16
17 The Postal Service has long provided opportunities for notarial services in
18 post offices. Notary Public services have been available in some locations since
19 long before January 1, 2006, and continue to be provided. However, the Postal
20 Service does not, on its own behalf, offer notarial services outside of Alaska.
21 Specifically, “Postmasters in Alaska have the authority to administer oaths and
22 affirmations, take acknowledgments and make and execute certificates thereof,
23 and perform all other functions of a notary public within Alaska when a
24 certification is necessary to meet any Act of Congress or the Legislature of
25 Alaska.”⁴

26 Notaries public are public officials appointed under the authority of the
27 various states, districts, territories or commonwealths with the power, among
28 other things, to administer oaths, certify affidavits, take acknowledgments, take
29 depositions, perpetuate testimony, and protest negotiable instruments.
30 *Anderson’s Manual for Notaries Public*, §1.1 (2nd Ed. 1991). The procedures for

⁴ 39 C.F.R. § 222.6(d).

1 performing notarial acts vary among jurisdictions. Notaries are not appointed
2 under federal law; even in Alaska, where all postmasters act as notaries public.
3 It is my understanding that they do so pursuant to Alaska state law as well as
4 federal regulation.⁵ Postal employees can serve as notaries public in those
5 states that do not prohibit federal officials from holding a state office. Current
6 postal regulations provide that postal employees who are notaries public may not
7 receive compensation for notarial services for any person during the hours of the
8 employee's services to the Government, including the lunch period. 39 C.F.R. §
9 222.6(e). This regulation would have to be changed if the Postal Service began
10 charging fees for notarial services.

11 Therefore, notarial services are offered by postal employees who have
12 been certified as notaries by States in locations where there is a public need for
13 the service, and usually where there is no other convenient alternative.

14 Based on a survey of postal districts nationwide, 264 Post Offices reported
15 offering notary public service with 192 of those offices located in Alaska. In the
16 study conducted by Opinion Research Corporation, -- which was not limited to
17 Alaska --73 percent of residential customers and 72 percent of small business
18 customers surveyed said that it is very or somewhat appropriate for the Postal
19 Service to offer notary public service. Residential customers find notary public
20 service more helpful than small business customers do. (When asked to what
21 degree is notary public service helpful, 56 percent of consumers said "a great
22 deal/somewhat" vs. 43 percent of small business customers.)

23 In combination with other services discussed in this statement, notary
24 public service can provide significant convenience for postal customers.
25 Documents may be copied, notarized, and mailed all in one stop, saving
26 customers from having to go to one place for copies, another for notarization,
27 and a third for mailing.

28 In some areas, there are non-postal mobile notaries public who will come
29 to a client's home to provide service. Their fees may be as much as \$10 per
30 notarized signature plus surcharges for fuel and off-hour service. Most financial

⁵ 39 C.F.R. § 222.6(d); Alaska Stat. § 09.63.010

1 institutions have a notary public on staff and many provide notary service at no
2 charge to bank account holders. State laws address maximum notary fees in
3 some jurisdictions. For example, in New York, notaries can not charge more
4 than \$2 per person for a signing; in Washington State, the maximum fee is \$10.
5 In cities and suburban areas, notaries are more widely available but in smaller
6 communities, the Postal Service can fill a void by allowing postal employees to
7 offer notary public service.

9 **V. STORED VALUE CARDS**

10
11 In the modern retail environment, postal customers need convenient
12 access to payment alternatives that support their shipping and business needs.
13 Stored value cards, such as phone cards, gift cards, and prepaid debit cards,
14 offer that convenience. In addition, it appears that some postal customers prefer
15 the use of postal-branded stored value cards. Some customers collected the
16 Postal Service phone cards, treating them as a philatelic item. For others it is
17 simply a convenience while they are transacting their shipping business with the
18 Postal Service.

19 In 1996 the Postal Service began its Stored Value Card program with the
20 issuance of the Liberty Cash Card. Administered by Value-Link, a subsidiary of
21 FirstData, the Liberty Cash Card was a re-loadable stored value card for the
22 purchase of Postal Service products and services. The card, valued from \$5 to
23 \$300, was sold at 2,700 locations, marketed primarily to small business
24 customers. Initial activations and reloads for Liberty Cash Card indicated that
25 customer loyalty was apparently a major factor in the use of the cards. However,
26 due to declining activation and reload volumes, the program was suspended at
27 the end of FY03.

28 The Postal Service offered another stored value card, the FirstClass
29 PhoneCard, through an alliance with AT&T from December, 1997 until October,
30 2006. Cards were sold in set denominations with both domestic and international
31 versions.

1 Since their introduction in the mid-1990s, the demand for prepaid stored
2 value cards has increased exponentially, making them one of the fastest growing
3 and most sustainable new payment products on the market. Awareness, usage,
4 and acceptance have increased rapidly and it is expected that use of the cards
5 will continue to grow across a broad spectrum of consumer and commercial
6 businesses. The number of transactions made with stored value cards and the
7 dollar value of those transactions is expected to grow from \$5 billion in 2008 to
8 \$7 billion in 2010.

9 Store-specific stored value cards (e.g., Home Depot, Macy's, Borders
10 Books, etc.) are offered by most major US retailers and many supermarket
11 chains, drugstores, and other retailers, which offer a broad range of stored value
12 cards to their customers. Debit card issuers (e.g., American Express,
13 MasterCard, and Visa) offer stored value cards that may be used anywhere their
14 traditional credit cards are accepted.

15 On a frequent basis, postal employees submit suggestions through the
16 eldeas program, saying that their customers are asking for a stored value card at
17 the Post Office. In addition, in the study conducted by Opinion Research
18 Corporation, 54 percent of residential customers and 54 percent of small
19 business customers surveyed said that it is very or somewhat appropriate for the
20 Postal Service to offer stored value cards. Residential customers find stored
21 value cards more helpful than small business customers do. (When asked to
22 what degree stored value cards are helpful, 39 percent of consumers said "a
23 great deal/somewhat" vs. 27 percent of small business customers.)

24 It is interesting to note that minority customers were significantly more
25 supportive of the appropriateness of buying stored value cards at the post office.
26 Seventy-one percent of African-American consumers and 76 percent of Hispanic
27 consumers surveyed said a stored value card offering is very/somewhat
28 appropriate. Fifty-seven percent of African-American consumers and 59 percent
29 of Hispanic consumers said a stored value card would be helpful.

30 This is consistent with research done by Bearing Point-Visa which showed
31 28 million un-banked and 45 million under-banked individuals in the US in 2004.

1 *Bank Systems and Technology* magazine, July 28,2006. In a separate survey to
2 measure the un-banked population, Survey of Income Program Participation, it
3 was found that specific minority populations seem to be more heavily
4 represented among the un-banked and underserved. United States Census
5 Bureau, Demographics Survey Division, January 2, 2008.

6 As a well-established provider of financial instruments -- specifically,
7 Postal Service Money Orders and Sure Money electronic funds transfer service --
8 the Postal Service is a trusted service provider, well positioned in the
9 marketplace to enhance its offering with the flexibility of stored value cards as
10 this technology begins to cannibalize its hardcopy money order instrument. The
11 Stored Value Card offers greater flexibility for our customers to transact business
12 at retail outlets and online with greater speed than offered by a hardcopy money
13 order. Development of the Liberty Cash Card and the FirstClass PhoneCard has
14 given the Postal Service experience in the stored value card marketplace.

15 The Postal Service intends to package stored value cards with envelopes
16 or other mail pieces as a single mailable item, possibly with postage prepaid. For
17 example, they could be convenient as a way to send presents to friends or
18 family.⁶

19 Stored value cards present an opportunity to provide a convenience to
20 postal patrons using other postal services, as well as a way to leverage the
21 postal brand.

22

23 **VI. OFFICIAL LICENSED RETAIL PRODUCTS.**

24

25 The Postal Service has had an extensive program to sell official licensed
26 retail products (OLRP) in post offices since before January 1, 2006. Similar
27 programs are available from other government agencies, such as the National
28 Park Service, NASA, and the United States Mint. In FY07, OLRP sales

⁶ It is possible that the Commission may ultimately conclude that the cards are a postal service, which would not need to be "grandfathered" in this proceeding.

1 accounted for \$30.7 million in revenue. These products are unique and sold only
2 in post offices, or in some cases through usps.com or at off-site special events
3 such as the National Postal Forum or NASCAR races. Some of these products
4 are designed to support customer mailing needs (e.g., scales) or relate to other
5 services provided at postal facilities (e.g., passport holders). Other items (e.g.
6 note cards) are designed to offer customers the convenience of being able to
7 select an item, perhaps as a last minute gift, which can then be mailed using
8 ReadyPost or other Postal Service packaging.

9 There are other items produced by postal licensees for sale in commercial
10 retail outlets. All OLRP items bear postal branding, trademarks, or other
11 intellectual property, and roughly fall into two categories:⁷

12
13 **a) Ancillary Services.** The Postal Service offers a variety of postal
14 branded items that are ancillary to services offered in post offices. These include
15 scales, stamp dispensers, passport holders, etc. Examples of these items are
16 included in Appendix A. It is possible that the Commission might conclude that
17 some of those items are ancillary postal services under the new statutory
18 provisions; if so they would not need to be “grandfathered” in this proceeding.

19
20 **b) Brand Management.** The Postal Service also traditionally has offered
21 a number of other items, such as teddy bears, pens, key chains, etc, bearing a
22 postal theme.

23

⁷ Some OLRP items are philatelic collectibles, including framed first day covers with other artwork that are currently accounted for under the OLRP program, but are likely to be accounted as philatelic items in the future.

1 **SUMMARY AND CONCLUSION.**

2

3 The services and products I have described were offered by the Postal
4 Service on January 1, 2006, to meet the needs of postal patrons, often in very
5 specific markets. In a 2004 report to the U.S. Senate Committee on
6 Governmental Affairs, the Government Accountability Office (GAO) noted that,
7 “USPS provides its customers, regardless of where they live, with services that
8 include mail delivery at no charge and access to retail services. However,
9 differences exist in how, when, and where USPS provides these services. These
10 differences have always existed due to the nation’s geographic diversity and
11 changes in technology, transportation, and communications.”

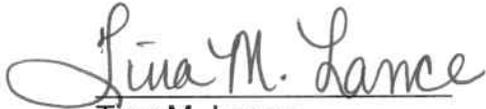
12 It remains appropriate to tailor retail offerings taking into consideration the
13 customer base served by a given Post Office (i.e., rural vs. urban, small business
14 vs. residential, etc.) and other similar services available from non-postal sources
15 nearby.

16 The services I have described meet definite public needs, certainly in
17 specific markets. Customers often may wish to use these services in connection
18 with their core business transactions with the Postal Service, but in some areas
19 such services are not otherwise, or at least not conveniently, available. The
20 Postal Service believes that they should be “grandfathered” under the new
21 regulatory regime.

22

DECLARATION

I, Tina M. Lance, declare under penalty of perjury that the foregoing statement is true and correct to the best of my knowledge, information and belief.


Tina M. Lance

3-19-08
Date

APPENDIX A
Official Licensed Retail Product
Photos

Electronic Scales



5-pound



10-pound

Stamp Dispenser



Pre-Inked Stamps



First-Class Mail



Do Not Bend

Passport Holder



**Caravan® Consumer Market Research
On Retail Products
(January 31 through February 4, 2008)**

TABLE OF CONTENTS

INTRODUCTION	1
CARAVAN TELEPHONE SAMPLING METHODOLOGY	1
RELIABILITY OF SURVEY PERCENTAGES	2
SAMPLING TOLERANCES WHEN COMPARING TWO SAMPLES	2
HOW TO READ THE TABLES	2
DEFINITION OF CLASSIFICATION TERMS	2
SIGNIFICANCE TESTING	3
QUESTIONNAIRE	5

INTRODUCTION

The Postal Service has used Opinion Research Corporation's twice weekly omnibus Caravan service to gain insights and learnings from consumers and small business owner/managers on a variety of topics.

The screening for the samples that are the subject of this particular study were conducted over two waves of a telephone survey conducted among a national probability sample of 2010 adults comprising 1,005 men and 1,005 women, 18 years of age and older, living in private households in the continental United States. Screening consisted of identifying respondents as either having involvement in the handling of mail for a small business or household. Interviewing was completed during the period Jan. 31st – Feb 4th, 2008.

This report presents the findings of two parallel studies: one conducted among a sample of 1,536 consumers and a second among 248 small business owners/managers. We screened for small business owners (i.e. question B1A) and the remainder of the sample was interviewed as consumers. For both samples, the respondents needed to be responsible for making decisions about using the Post Office (business respondents) or responsible for mail in the home (consumers).

All CARAVAN interviews are conducted using Opinion Research Corporation's computer-assisted telephone interviewing (CATI) system. The system is state-of-the-art and offers several distinct advantages such as full-screen control which allows multi-question screens, fully-programmable help and objection screens to aid interviewing, an extremely flexible telephone number management system and powerful data checking facilities. This process is designed to conduct interviews efficiently and allows interviewers easy response recording. This interviewing method also allows for accurate data entry by guiding the interviewer through the programmed question flow and by providing on-screen interviewer instructions.

The most advanced probability sampling techniques are employed in the selection of households for telephone interviewing. An unrestricted random sampling procedure was used that controls the amount of serial bias found in systematic sampling to generate its random-digit-dial sample. The sample is fully replicated and stratified by region. Only one interview is conducted per household. All sample numbers selected are subject to up to four attempts to complete an interview.

Included in the Technical Information which follows are tables of sampling tolerances of survey results and a copy of the question series as it appeared in the survey questionnaire.

As required by the Code of Standards of the Council of American Survey Research Organizations the anonymity of respondents is maintained. No information is be released that in any way will reveal the identity of a respondent.

Opinion Research Corporation's CARAVAN is a shared-cost data collection vehicle. Opinion Research Corporation has exercised its best efforts in the preparation of this information.

CARAVAN TELEPHONE SAMPLING METHODOLOGY

Opinion Research Corporation's national probability telephone sample uses an efficient form of random-digit-dialing. Unlike published directories, Opinion Research Corporation's national probability telephone sample includes both unlisted numbers and numbers issued after publication of the directories. The following procedure was used to create the sample:

- Opinion Research Corporation has an annual license for GENESYS, a custom RDD sample generation system developed by Marketing Systems Groups.

- The methodology for generating random digit dialing (RDD) telephone samples in the GENESYS system provides for a sample of residential telephone numbers. It is updated twice a year.
- When a national probability sample is needed, a random selection is made from approximately 62,000 exchanges and about 2.6 million working banks.
- Each telephone number is transferred to a separate call record. The record shows the computer-generated telephone number to be called, as well as the county, state, Metropolitan Statistical Area (if applicable), band and time zone into which the telephone number falls. Our computerized interviewing system (CATI) uses this information to keep track of regional quotas. The CATI interviewing program also keeps track of the disposition categories for each call attempt.

RELIABILITY OF SURVEY PERCENTAGES

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results.

The chances are 95 in 100 that a CARAVAN survey result does not vary, plus or minus, by more than a specified number of percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample. For a sample of 1,536, the error margin is +/-2.5%; for the sample of 248, the margin is +/- 6.4%.

SAMPLING TOLERANCES WHEN COMPARING TWO SAMPLES

Tolerances are also involved in the comparison of results from independent parts of any one Opinion Research Corporation's CARAVAN sample and in the comparison of results between two independent CARAVAN samples. A difference, in other words, must be of at least a certain number of percentage points to be considered statistically significant.

HOW TO READ THE TABLES

The following pages present the detailed tabulations of the survey results. The data are percentaged vertically and, therefore, should be read from top-to-bottom. The total number of interviews, (i.e., unweighted), appears at the top of each column. Percentages are calculated on the unweighted bases. Percentages may not add to 100% due to weighting factors or multiple responses. Where an asterisk (*) appears, it signifies any value of less than one-half percent.

DEFINITION OF CLASSIFICATION TERMS

The following definitions are provided for some of the standard demographics by which the results are tabulated. Other demographics are self-explanatory.

Income

The income groupings refer to the total household income for 2006 before taxes.

Metro Size

Metro --	In Center City of Metropolitan Area Outside Center City, Inside Center City County Inside Suburban County of Metropolitan Area In Metropolitan Area with No Center City
----------	--

Non-Metro --	In Non-Metropolitan Area
--------------	--------------------------

Children in Household

- None -- No children under 18 years of age living in household
- Total -- Have children under 18 years of age living in household
- Under 12 -- Have children under 12 years of age living in household
- 12 - 17 -- Have children ages 12 to 17 living in household

Geographic Region

The continental states are contained in four geographic regions as follows:

North East

- New England: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut
- Middle Atlantic: New York, New Jersey, Pennsylvania

North Central

- East North Central: Ohio, Indiana, Illinois, Michigan, Wisconsin
- West North Central: Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas

South

- South Atlantic: Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida
- East South Central: Kentucky, Tennessee, Alabama, Mississippi
- West South Central: Arkansas, Louisiana, Oklahoma, Texas

West

- Mountain: Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada
- Pacific: Washington, Oregon, California

Occupation (Optional)

The occupation classification refers to the occupation of the respondent. The types of positions included in each category are:

- Professional/Manager/Owner - Executives, Professionals, Technical and Kindred Workers, Managers, Officials, and Proprietors
- White Collar - Sales/Clerical - Clerical, Office and Secretarial Workers, and Sales Agents and Workers
- Blue Collar - Craftsmen/Foremen - Craftsmen, Foremen, Kindred Workers, Carpenters, Plumbers, Electricians, Mechanics, and Bakers
- Blue Collar - Semi-Skilled/Unskilled - Apprentices, Laborers, Assembly Line Workers, Motormen and Fishermen
- Service Workers - Housekeepers in Private Households, Police, Beauticians, Barbers, Security Guards, Waitresses and Waiters

SIGNIFICANCE TESTING

When results from sub-groups of a CARAVAN sample appear in the detailed tabulations, an indicator of statistically significant differences is added to the tables run on standard demographic banners. The test is performed on percentages as well as mean values. Each sub-sample is assigned a letter. When the percentage of one sub-sample is significantly different from the percentage of another sub-sample, the letter representing one of the two samples appears next to the percentage (or mean) of the other sample.

As an example, the percentage of males answering yes to a particular question may be compared to the percentage of females answering yes to the same question. In the example on the next page, the male sample is assigned the letter B, and the female sample is assigned the letter C. Here, respondents were asked whether a certain business practice is acceptable. 67% of women said that it was -- a proportion significantly greater than the 57% of males who believe that the practice is acceptable. To indicate that women are significantly more likely to find the practice acceptable than are men, the letter B -- the letter assigned to the male sub-sample -- appears next to the "67%" in the female column. Similarly, the 37% of men that find the practice unacceptable is significantly greater than the 29% of women who do so and, therefore, the letter C -- the letter assigned to the female sub-sample -- appears next to the "37%" in the male column.

Significance Testing (continued)

Acceptability of [practice]

	Total (A)	Sex	
		Male (B)	Fe- male (C)
Unweighted Total	977	488	489
Acceptable	611 63%	274 59%	337 67%B
Not Acceptable	319 33%	171 37%C	148 29%
Don't Know	37 4%	18 4%	19 4%

Significance testing is done to the 95% confidence level. The columns compared are listed at the bottom of each table.

A number of factors need to be considered when determining which type of t-test should be applied, such as whether the samples being compared overlap, whether they are means or percentages, etc. Opinion Research Corporation's software has the capability to perform the appropriate test.

Note that any statistical test becomes less reliable when the sample sizes are small. Even though the test mathematically can be performed on samples as low as thirty, sixty respondents is the reasonable lower bound on the size of the sample.

QUESTIONS

On another subject . . .

Section 1

B1A Are you the owner OR MANAGER of a small business, either a sole proprietorship or a business with fewer than 20 employees in total? [RECORD ONE ANSWER. IF NEEDED, SAY: That would be 1-19 employees, either full or part-time, including yourself]

- 01 OWNER
- 02 MANAGER
- 98 NOT AN OWNER OR MANAGER OF A SMALL BUSINESS
- 99 DON'T KNOW

IF OWNER OR MANAGER, B1A [01-02], CONTINUE.
ALL OTHERS SKIP TO B2

B1B Are you the person in your business who makes decisions about using the U.S. Postal Service for mailing and shipping needs?

- 01 YES
- 02 NO
- 99 DON'T KNOW/REFUSED

IF PERSON IS IN CHARGE OF MAILING AND SHIPPING NEEDS FOR BUSINESS, B1B [01],
SKIP TO SECTION 2 (QUESTIONS B3-B5).
ALL OTHERS SKIP TO B2

B2 Are you at least PARTIALLY responsible for the mail in your HOUSEHOLD, including purchasing stamps, going to the Post Office, etc.?

- 01 YES
- 02 NO
- 99 DON'T KNOW

IF PARTIALLY RESPONSIBLE FOR HOUSEHOLD MAIL, B2 [01], SKIP TO SECTION 3
(QUESTIONS B6-B8).
ALL OTHERS SKIP TO NEXT SECTION (next ORC client section)

Section 2 – Small Business

ASK B3-B5 FOR EACH PRODUCT IN SEQUENCE [A-H]. ROTATE A-H

The Postal Service offers a variety of products and services which it sells at post offices. For each of these products and services, I would like to ask if they help your BUSINESS, if you use them for your BUSINESS and the importance of the Postal Service to continue to sell them.

B3 To what degree does or could the following product or service help your BUSINESS?

[INSERT ITEM]

Would you say . . . [READ LIST. RECORD ONE ANSWER]

- 01 A great deal
- 02 Somewhat
- 03 A little
- 04 Not at all
- 99 DON'T KNOW

- A. Notary services
- B. Photocopy services
- C. Fax services
- D. Greeting cards
- E. Passport acceptance -- Applying for passports at the Post Office
- F. Passport photos -- Having photos taken at the Post Office to submit with a passport application
- G. Official licensed retail products, which are items such as stuffed plush toys, magnets, tote bags, or art pieces which carry USPS stamp images
- H. Stored value card, which is similar to a gift card which has a cash value and could be used anywhere

B4 Have you used this product or service for your BUSINESS through the Postal Service within the PAST 12 MONTHS? [DO NOT RE-READ ITEM UNLESS NECESSARY]

- 01 YES
- 02 NO
- 99 DON'T KNOW

- A. Notary services
- B. Photocopy services
- C. Fax services
- D. Greeting cards
- E. Passport acceptance -- Applying for passports at the Post Office
- F. Passport photos -- Having photos taken at the Post Office to submit with a passport application
- G. Official licensed retail products, which are items such as stuffed plush toys, magnets, tote bags, or art pieces which carry USPS stamp images
- H. Stored value card, which is similar to a gift card which has a cash value and could be used anywhere

B5 How appropriate is it for the U.S. Postal Service to sell this product or service? Would you say ... [READ LIST. RECORD ONE ANSWER. DO NOT RE-READ ITEM UNLESS NECESSARY]

- 01 Very appropriate
- 02 Somewhat appropriate
- 03 Neither appropriate nor inappropriate
- 04 Somewhat inappropriate

- 05 Very inappropriate
- 99 DON'T KNOW

- A. Notary services
- B. Photocopy services
- C. Fax services
- D. Greeting cards
- E. Passport acceptance -- Applying for passports at the Post Office
- F. Passport photos -- Having photos taken at the Post Office to submit with a passport application
- G. Official licensed retail products, which are items such as stuffed plush toys, magnets, tote bags, or art pieces which carry USPS stamp images
- H. Stored value card, which is similar to a gift card which has a cash value and could be used anywhere

Section 3 – General Public

ASK B6-B8 FOR EACH PRODUCT IN SEQUENCE [A-H]. ROTATE A-H
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The Postal Service offers a variety of products and services which it sells at post offices. For each of these products and services, I would like to ask if they help you, if you use them and the importance of the Postal Service to continue to sell them.

B6 To what degree does or could the following product or service help you? Would you say . . . [READ LIST. RECORD ONE ANSWER]

- 01 A great deal
- 02 Somewhat
- 03 A little
- 04 Not at all
- 99 DON'T KNOW

- A. Notary services
- B. Photocopy services
- C. Fax services
- D. Greeting cards
- E. Passport acceptance -- Applying for passports at the Post Office
- F. Passport photos -- Having photos taken at the Post Office to submit with a passport application
- G. Official licensed retail products, which are items such as stuffed plush toys, magnets, tote bags, or art pieces which carry USPS stamp images
- H. Stored value card, which is similar to a gift card which has a cash value and could be used anywhere

B7 Have you used this product or service through the Postal Service within the PAST 12 MONTHS? [DO NOT RE-READ ITEM UNLESS NECESSARY]

- 01 YES
- 02 NO
- 99 DON'T KNOW

- A. Notary services
- B. Photocopy services
- C. Fax services
- D. Greeting cards
- E. Passport acceptance -- Applying for passports at the Post Office
- F. Passport photos -- Having photos taken at the Post Office to submit with a passport application

- G. Official licensed retail products, which are items such as stuffed plush toys, magnets, tote bags, or art pieces which carry USPS stamp images
- H. Stored value card, which is similar to a gift card which has a cash value and could be used anywhere

B8 How appropriate is it for the U.S. Postal Service to sell this product or service? Would you say . . . [READ LIST. RECORD ONE ANSWER. DO NOT RE-READ ITEM UNLESS NECESSARY]

- 01 Very appropriate
- 02 Somewhat appropriate
- 03 Neither appropriate nor inappropriate
- 04 Somewhat inappropriate
- 05 Very inappropriate
- 99 DON'T KNOW

- A. Notary services
- B. Photocopy services
- C. Fax services
- D. Greeting cards
- E. Passport acceptance -- Applying for passports at the Post Office
- F. Passport photos -- Having photos taken at the Post Office to submit with a passport application
- G. Official licensed retail products, which are items such as stuffed plush toys, magnets, tote bags, or art pieces which carry USPS stamp images
- H. Stored value card, which is similar to a gift card which has a cash value and could be used anywhere