

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

SIX-DAY TO FIVE-DAY CARRIER DELIVERY
AND RELATED SERVICE CHANGES, 2010

Docket No. N2010-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS
WHITEMAN TO INTERROGATORIES OF DOUGLAS CARLSON
DFC/USPS-T9-1-10
(May 10, 2010)

The United States Postal Service hereby files the responses of witness
Whiteman to the following interrogatories of Douglas Carlson: DFC/USPS-T9-1-
10, filed on April 6, 2010.

Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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DFC/USPS-T9-1. Please refer to your testimony at page 5, lines 12–14. Please identify and provide the responses from customers and the other facts, information, and data that, in your opinion, support your assertion that the absence of collection and processing of outgoing mail on Saturdays would create “no problems” for customers.

RESPONSE:

The information that I rely upon to make the statement identified consists of the market research described in USPS-T-8 and USPS-T-9, and materials cited therein. Specific examples from the transcripts include:

Female: Be fine with me, because if I really needed to have something delivered on Saturday, I'd end up going to UPS. If I knew it wasn't going to be delivered on Saturday and I needed something delivered on Saturday, I'd end up using the other service. If it would save money because of hours, hourly employees— Atlanta, small business, September 24, 2009 12:00 p.m. (USPS-LR-N-2010-1_12.zip, Opinion Research –USPS 5 Day Work Delivery-Atl Bus Mix Shipping SvsRedacted.pdf, p. 24)

Female: I usually go ahead and wait for it to come on Saturday. Yeah, I could do it on Friday. Yeah, that's a solution. Atlanta, small business, September 24, 2009, 7:30 a.m. (USPS-LR-N-2010-1_12.zip, Opinion Research –USPS 5 Day Work Delivery-Atl Bus StandardMailRedacted.pdf, p. 22)

Male: In our case, it wouldn't affect it at all because we usually mail everything on Mondays, and we get our movies on Wednesday or Thursday. Atlanta, moderate income rural September 23, 2009, 5:30 p.m.(USPS-LR-N-2010-1_12.zip, Opinion Research –USPS 5 Day Work Delivery-Atl Moderate Income RuralRedacted.pdf, p. 46)

Female: Honestly I have no problem with this if this will save them money. We can live with this and you know what, like the banks. Most of the banks your businesses you deal with them Monday through Friday. Why not the Post Office? We can live with it. I guess we can all adjust if that saves them money. Chicago, small business, 5:30 PM. (USPS-LR-N-2010-1_12.zip, Opinion Research –USPS 5 Day Work Delivery-Chicago Bus Gnl MailRedacted.pdf, p. 18)

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Female: I just would have to adapt to it. It wouldn't be no difference Chicago, low income, center city, September 15, 2009, 8:00 p.m. (USPS-LR-N-2010-1_12.zip, Opinion Research –USPS 5 Day Work Delivery-Chicago Moderate Income SuburbanRedacted.pdf, p. 44)

Male: I mean personally, I mean I don't care about other people's habits, but I wouldn't feel that personally not being able to get pick up on a Saturday. I think for me, the plan works, this would work, and at least the people that I know it seems to kind of fit our (talk over.) New York, high income, center city (USPS-LR-N-2010-1_12.zip, Opinion Research –USPS 5 Day Work Delivery-NY Consumer High Income Center CityRedacted.pdf, p. 29)

Male: I agree with Dan. I think that people would adjust to it. It's like okay here's the new set of rules. They've changed a little bit and people would accommodate. Seattle, small business, September 15, 2009, 12:00 p.m. (USPS-LR-N-2010-1_12.zip, Opinion Research –USPS 5 Day Work Delivery-Seattle Bus Primarily USPS ShipperRedacted.pdf, p. 19)

Female: I think it could be solved, if they reduced by one day. It would be fine. I think a Saturday would be fine. . Seattle high income suburban September 16, 2009, 6:00 p.m. (USPS-LR-N-2010-1_12.zip, Opinion Research –USPS 5 Day Work Delivery-Seattle Consumer High Income SuburbanRedacted.pdf, p. 35)

Female: I would just plan (inaudible) it or just maybe plan better. I still would mail that card, birthday card. It would just go a day earlier. I would affect business, if there was a midweek day that you no longer got deliveries. That would be horrible. If you took away a Saturday, fine from a personal standpoint and business standpoint. Seattle high income suburban September 16, 2009, 6:00 p.m. (USPS-LR-N-2010-1_12.zip, Opinion Research –USPS 5 Day Work Delivery-Seattle Consumer High Income SuburbanRedacted.pdf, p. 36)

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DFC/USPS-T9-2. Please refer to your testimony at page 5, lines 12–14, where you stated that “most indicated they would mail a day earlier or wait until Monday.” Please explain the actions that other people not falling into the majority, as your use of the term “most” suggests, would take to compensate for the absence of collection and processing of outgoing mail on Saturdays.

RESPONSE:

From the focus group discussions, consumers and small businesses indicated that, in addition to mailing a day earlier or waiting until Monday, they could make more use of the Internet or make no changes in how they mail.

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DFC/USPS-T9-3. Please provide all facts and information that, you believe, support your contention that customers would support, or would not oppose, the elimination of collection and processing of outgoing mail on Saturdays.

RESPONSE:

See USPS-T-8 and USPS-T-9 and materials cited therein. Specific examples from the focus group transcripts include:

Female: I don't think Saturday's going to bother anybody, if they drop that. Atlanta, small business, September 24, 2009, 7:30 a.m. (USPS-LR-N-2010-1_12.zip, Opinion Research –USPS 5 Day Work Delivery-Atl Business Standard MailRedacted.pdf, p. 22)

Male: I don't need Saturday delivery or service. Chicago, Small Business, 5:30 pm. (USPS-LR-N-2010-1_12.zip, Opinion Research –USPS 5 Day Work Delivery-Chicago Bus Gnl MailRedacted.pdf, p. 15)

Male: They can cut Saturday. I don't think it would change people's lives dramatically. Seattle, small business, September 15, 2009, 12:00 p.m. (USPS-LR-N-2010-1_12.zip, Opinion Research – USPS 5 Day Work Delivery-Seattle Bus Primarily USPS ShipperRedacted.pdf, p. 12)

Female: Obviously, we'd adapt like anybody adapts to anything, like everybody has adapted to paying 44 cents for a letter instead of 10 cents like it was years and years and years ago. Chicago small business. (USPS-LR-N-2010-1_12.zip, Opinion Research –USPS 5 Day Work Delivery-Chicago Bus-Primarily USPS Shippers_2_Redacted.pdf, p. 13)

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DFC/USPS-T9-4. Please explain your understanding, in terms of dollars and cents, of the meaning of “significant price increase” as you used the term in your testimony at page 3.

RESPONSE:

We asked customers in the focus groups to express their preference along a scale that had a ten percent increase at one end and five-day delivery at the other. See USPS-T-8, Appendix A, page 77. The general understanding was that a ten percent price increase would be “significant”.

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DFC/USPS-T9-5. Please refer to your testimony at page 6, lines 1–5. Please identify any plans the Postal Service has to provide improvements in customer service to offset a reduction in delivery service.

RESPONSE:

The market research was about five-day delivery, not customer service, because five-day delivery constitutes a proposal for which the Commission’s advisory opinion has been requested. See the testimony of witness Pulcrano for details on what the Postal Service proposes, USPS-T-1. See *also*, response to DBP/USPS-12 (April 28, 2010), which notes, “Five-day delivery itself effectuates no change to current practice, although weekday retail hours may be increased in some locations. See USPS-T-3, at 14.”

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DFC/USPS-T9-6. Please refer to your testimony at page 7, lines 7–9. Please identify the percentage of customer respondents who suggested “later pickup of mail from collection boxes on Friday” and provide transcripts and other records relating to this suggestion.

RESPONSE:

When conducting qualitative focus groups, one does not develop any quantitative analyses. Hence, no percentages can be calculated. Focus groups are used to allow customers to express their opinions, describe reactions, or otherwise provide qualitative feedback. Transcripts of focus group discussion have been made available for any analysis one might choose to undertake. See USPS-LR-N2010-1/12 and USPS-LR-N2010-1/NP3.

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DFC/USPS-T9-7. Please refer to your testimony at page 7, lines 10–13. Did the Postal Service explain that outgoing mail deposited in collection boxes currently may be postmarked on Saturdays but would not be postmarked on Saturdays if the Postal Service implemented the proposal in this docket? Please explain your answer.

RESPONSE:

Yes. Customers were provided a written description. USPS-T-9, Appendix A, lines 22-25. During the group discussions, customers recognized that mail would be delivered later than currently when deposited on Saturday.

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DFC/USPS-T9-8. Please refer to your testimony at Appendix A, page 2, lines 1–3. Please explain whether the Postal Service advised customers during its market research that mail deposited for collection on Saturdays and destined to cities for which the service standard is two days or more would be delayed two days if the Postal Service stopped collecting and processing outgoing mail on Saturdays.

RESPONSE:

Customers were so advised. USPS-T-9, Appendix A, page 1, lines 22-25.

During the focus group discussions, customers recognized that First-Class Mail and Priority Mail would be delivered later than currently when deposited on Saturday.

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DFC/USPS-T9-9. Please refer to your testimony at page 5, lines 12–14, where you stated that “most indicated they would mail a day earlier or wait until Monday.” Please identify the actions other than to mail a day earlier or to wait until Monday that you might have expected a participant to suggest.

RESPONSE:

See the response to DFC/USPS-T9-2.

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DFC/USPS-T9-10. Please explain whether the Postal Service informed customers during its market research that mail (except Express Mail) tendered to a window clerk or deposited in a lobby drop on Saturday would not be processed until Monday.

RESPONSE:

See the responses to DFC/USPS-T9-2 and 8.