

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

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
ELMORE-YALCH TO INTERROGATORIES OF DOUGLAS CARLSON
DFC/USPS-T8-4-12
(May 25, 2010)

The United States Postal Service hereby files the response of witness Elmore-Yalch to the following interrogatories of Douglas Carlson: DFC/USPS-T8-4-12, filed on May 11, 2010.

Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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DFC/USPS-T8-4. Please confirm that all the Postal Service's market research advised respondents that eliminating collection and processing of outgoing mail on Saturdays would "generally add a day to the delivery" of mail deposited in a collection box after the final collection time on Friday. If you do not confirm, please explain and specifically identify how the Postal Service described the delay.

RESPONSE:

Confirmed that the quoted language was used (USPS-T-8 at 8, 15, 27, 84, 89, 103, 122, 141, 160 and 179), but only as part of the following two statements:

No mail collected from street addresses, businesses, collection boxes, or Post Offices on Saturday. Mail dropped off at a Post Office or in a collection box after the last Friday scheduled pickup time will be collected and processed on Monday.

Elimination of Saturday collection, processing and delivery will generally add a day to the delivery of mail that is currently collected and processed or scheduled to be delivered on Saturday.

These statements were part of a larger description of the proposed five-day delivery concept and were read to and read by participants in the focus groups. These two statements were also included as part of a more complete description of the proposed-five delivery concept that was read to respondents in the quantitative research. The full concept statement used in the qualitative research is contained in Appendices D, Part 1 (Description of Five-Day Delivery Concept), F (Business Segments Questionnaires), and G (Consumer Questionnaire) in USPS-T-8.

As such, the language quoted in the question is not limited to "mail deposited in a collection box after the final collection time on Friday". The term "generally" was

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used in the concept statement because it was easily understood by consumers and small business respondents. It was meant to cover most situations for most mailers that eliminating Saturday delivery and collections would generally add a delivery day to the delivery time they now experienced. The qualitative research clearly showed that participants recognized and accepted that there would generally be an additional delivery day added to the delivery time for those items placed into collection boxes or at a Post Office after the last scheduled Friday pick-up through Sunday evening: delivery would occur on Tuesday rather than Monday for mail with a one-day service standard.

Customers involved in the research readily understood this reference as 'delivery day' since customers already understand that the Postal Service does not routinely delivery mail on Sundays or holidays. They accordingly had no difficulty understanding that the five-day proposal does not entail commencement of delivery on those days.

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DFC/USPS-T8-5. At the time when you designed, supervised, or conducted the market research for the plan for five-day service that the Postal Service has presented in this docket, were you aware that mail deposited on a Saturday and destined to a city for which the First-Class Mail service standard is two days or more would be delayed for two days if the Postal Service eliminated collection and processing of outgoing mail on Saturdays? Please explain your response.

RESPONSE:

Members of the research team were aware that under the five-day delivery concept tested in the market research, mail placed in a collection box on Saturday whether on the street or at a Post Office would not be processed until Monday. We were also aware that currently mail placed in a collection box or deposited at a Post Office on Saturday is processed on Saturday (assuming that collection and dispatch have not concluded that day). Therefore, members of the research team understood that the change in processing would add one delivery day if placed into the system on Saturday. Since it was clear that mail put into the system between the last collection on Friday evening through Monday morning would be delayed by one delivery day; this was included as part of the concept statement. It was clear in the focus groups all participants understood that mail would be delayed by one delivery day.

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DFC/USPS-T8-6. If you were asked to measure public support for a plan that caused mail to be delayed by two days, please explain whether you would advise respondents that the mail would be delayed by two days or by some other number of days.

RESPONSE:

The market research I conducted was not a public opinion poll. It was a market research study designed to obtain customers' reaction to five-day delivery by obtaining key insights into potential attitudes and behaviors through qualitative research and to develop a forecast of the changes in their mailing behavior through quantitative research. A concept statement was developed and tested for use in the qualitative and quantitative research that outlined the different components of the proposal.

The hypothetical put forward in this interrogatory was not the objective of the market research that I conducted for this docket.

I cannot answer this hypothetical as phrased because there is no context of the purpose of the research, whether the research would be qualitative or quantitative, and who would be sampled as part of this research (consumers, small businesses, large businesses, etc).

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DFC/USPS-T8-7. Please provide the percentages of outgoing First-Class Mail for which the service standard for delivery is one day, two days, three days, four days, and five days.

RESPONSE:

I do not have that information since it was not needed for the research I conducted.

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DFC/USPS-T8-8. During the market research, did the Postal Service provide to or discuss with respondents the service standards for First-Class Mail? Please explain.

RESPONSE:

No. Five-day delivery does not change service standards so it was not part of the research. However, discussion did sometimes reach to customers' assumptions about these standards and their experience. Specifically, the moderator of the focus groups (1) asked what participants currently assumed was the time of delivery under different distance scenarios and then (2) what their assumptions would be under 5-day delivery. We started doing this after the first couple of groups in Chicago based on voluntary feedback given by participants in these initial groups. As noted in the Five-Day per Week Delivery Schedule Qualitative Research Results Final Report (provided in Library Reference USPS-LR-N2010-1/12), participants had reasonable expectations about how much time mail spent in transit that exceeded Postal Service standards. For example, when sending something within the same area where they live or do business, participants' expectations were that it would take two to three days from the time it was mailed until it was received. When sending something across the country participants' general expectations were that it would take three to five days.

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DFC/USPS-T8-9. During the market research, did the Postal Service explain to respondents that some First-Class Mail normally will be delivered in two to five days?

RESPONSE:

No, but some respondents described their expectations for delivery of letters using time frames consistent with this question. See the response to DFC/USPS-T8-8.

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DFC/USPS-T8-10. For First-Class Mail delivered to a street address that currently would be delivered on a Saturday (e.g., the letter was mailed on Friday from the same city as the delivery address), please provide a specific example of how the elimination of Saturday delivery would cause this mail to be delayed only one day if the Postal Service delivered the mail in exactly the number of days that the service standard prescribed.

RESPONSE:

The concept statement presented to qualitative research participants and respondents in the quantitative research specified elimination of Saturday collection, processing and delivery will generally add a day to the delivery of mail that is currently collected and processed or scheduled to be delivered on Saturday. Participants and respondents understood that the additional day added to delivery commenced on Monday and that we were specifying the number of delivery days as opposed to the number of calendar days. See response to DFC/USPS-T8-4.

DFC/USPS-T8-11. Please confirm that, under the plan that the Postal Service has proposed in this docket, mail that currently would be delivered on a Saturday always would be delayed for two days (assuming Monday is not a holiday). If you do not confirm, please explain.

RESPONSE:

See the response to DFC/USPS-T8-10.

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DFC/USPS-T8-12. Please confirm that all the Postal Service's market research advised respondents that eliminating carrier delivery of mail on Saturday would "generally add a day to the delivery" of this mail. If you do not confirm, please explain and specifically identify how the Postal Service described the delay.

RESPONSE:

See the response to DFC/USPS-T8-4.