

GCA/USPS-T9-2

Bob Michelson

Michelson, Robert - Washington, DC

From: Michelson, Robert - Washington, DC
Sent: Thursday, August 06, 2009 5:24 PM
To: Becky Yalch; Jeff Resnick; Neil Wolch
Cc: Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC
Subject: FW: Read Jordan Small's July 30 Testimony

Importance: High

Here is Jordan's testimony. The PMGs is coming to you next.

Bob

From: PMG Communications
Sent: Friday, July 31, 2009 10:33 AM
Subject: Read Jordan Small's July 30 Testimony
Importance: High

Jordan Small, Acting Vice President, Network Operations
appeared yesterday before the United States House of Representatives
Subcommittee on Federal Workforce, Postal Service and the District Of Columbia

Read his testimony at the following link:

http://www.usps.com/communications/newsroom/testimony/2009/pr09_ismall0730.htm

Michelson, Robert - Washington, DC

From: Michelson, Robert - Washington, DC
Sent: Thursday, August 06, 2009 5:25 PM
To: Becky Yalch; Jeff Resnick; Neil Wolch
Cc: Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC
Subject: FW: Link EXTRA -- Aug. 6, 2009

Here is today's testimony of the PMG.

Bob

From: USPS News Link - Washington, DC
Sent: Thursday, August 06, 2009 10:42 AM
Subject: Link EXTRA -- Aug. 6, 2009

usps | **news | linkextra**

Aug. 6, 2009

[x]

POTTER SEEKS 'FUNDAMENTAL RESTRUCTURING' OF POSTAL LAWS

PMG Jack Potter today testified before a Senate panel responsible for USPS oversight, stressing the need for a "fundamental restructuring" of the Postal Service's legislative and regulatory framework. He said such changes are "critical to future growth" of the organization.

Potter said the Postal Service supports efforts on Capitol Hill to approve S. 1507, a Senate bill aimed at providing fiscal relief by restructuring the payment schedule USPS is required to make to the Retiree Health Benefits Fund. The proposal does not affect the fund's obligations to retired postal employees.

Potter also noted the Postal Service supports portions of the bill that require an arbitrator to consider the agency's financial health in a binding arbitration settlement and another provision that accelerates the completion of a report by the General Accountability Office on the current USPS business model. "This will initiate a necessary and broader debate about the manner in which the Postal Service can continue to serve the American public," he said.

"The issue is not the mail," Potter said as he concluded his testimony, adding USPS needs additional flexibility to meet changing mail patterns and a shifting business environment.

"Together, we must identify a new business model," said Potter. "We must close the huge gap between our revenues and our costs."

[Click here](#) to read Potter's formal testimony.

Michelson, Robert - Washington, DC

From: Whiteman, Greg - Washington, DC
Sent: Tuesday, August 11, 2009 8:52 AM
To: Michelson, Robert - Washington, DC
Subject: FW: 5 Day Research Planning
Attachments: USPS 5 Day - Focus Group Plan Revised 8-10-09.docx; USPS 5 Day - Timeline - 8-10-09.docx; USPS 5 Day - Sampling Plan Draft 8-10-09.docx

Bob:

For today's telecon.

Greg

Greg Whiteman
Manager, Market Research
202-268-3565 (phone)
202-255-2394 (cell)
202-268-5761 (fax)
Greg.Whiteman@usps.gov

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]
Sent: Monday, August 10, 2009 11:31 PM
To: Smith, Bob - Washington, DC; Whiteman, Greg - Washington, DC
Cc: Jeff Resnick; Becky Yalch; Lisa Brunning; Graham Hueber
Subject: 5 Day Research Planning

Hi Bob and Greg,

Attached are three documents we would like to use to facilitate our call and help us firm up plans for the 5-Day Research Program. These cover:

- The updated focus group plan
- A proposed study timeline (covering both phases)
- The quantitative sampling plan

We look forward to our discussion at 1:00 Eastern.

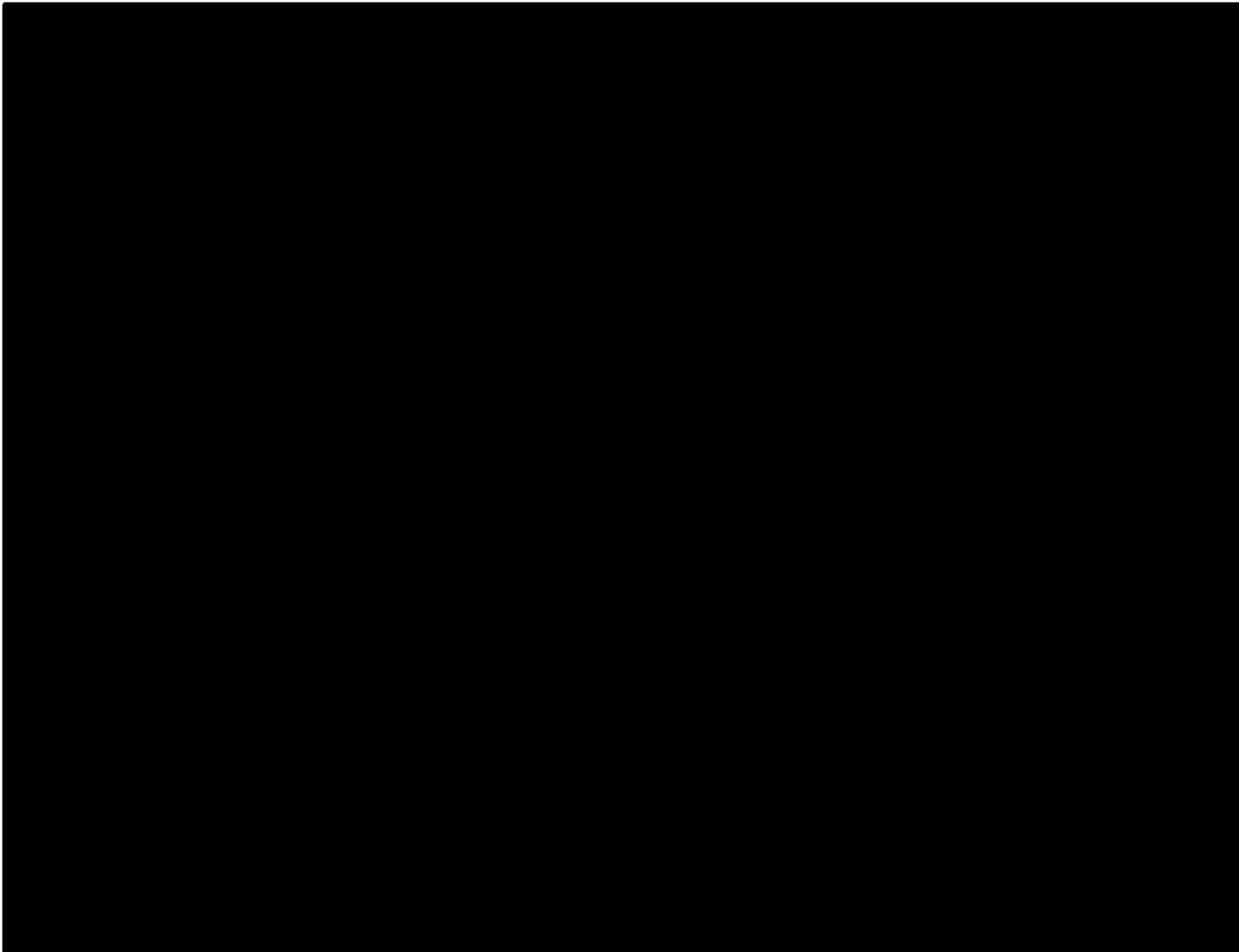
Best regards,

Neil Wolch
Vice President
Opinion Research Corporation
Please note new information:
25 Northwest Point Blvd., Suite 800
Elk Grove Village, IL 60007
Phone: 847-378-2244
Fax: 847-378-2291

5/26/2010

e-mail: Neil.Wolch@opinionresearch.com

5/26/2010



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Sent: Tuesday, August 11, 2009 8:52 AM
To: Michelson, Robert - Washington, DC
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Bob:

For today's telecon.

Greg

Greg Whiteman
Manager, Market Research
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202-255-2394 (cell)
202-268-5761 (fax)
Greg.Whiteman@usps.gov

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Vice President
Opinion Research Corporation
Please note new information:
25 Northwest Point Blvd., Suite 800
Elk Grove Village, IL 60007
Phone: 847-378-2244
Fax: 847-378-2291
e-mail: Neil.Wolch@opinionresearch.com

Michelson, Robert - Washington, DC

From: Neil Wolch [neil.wolch@opinionresearch.com]
Sent: Friday, August 07, 2009 4:00 PM
To: Michelson, Robert - Washington, DC; Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC; Becky Yalch; Jeff Resnick
Subject: RE: 5 Day Delivery Research

Thanks, Bob. That would be great.

Best regards,

Neil

From: Michelson, Robert - Washington, DC [mailto:robert.michelson@usps.gov]
Sent: Friday, August 07, 2009 1:34 PM
To: Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC; Becky Yalch; Jeff Resnick; Neil Wolch
Subject: 5 Day Delivery Research

I mentioned at our kick off meeting on Monday that the August Costco Connection has an article and debate on whether the Postal Service should be allowed to implement 5 day delivery.

Here is a copy of the article. <<Costco Connection August 09.pdf>>

Greg and I were talking this morning and I will draft an explanation of what and why we are moving to 5 day delivery. I will do this by early next week. Then, everyone can weigh in and give your reactions.

Bob

Michelson, Robert - Washington, DC

From: Michelson, Robert - Washington, DC
Sent: Thursday, August 06, 2009 5:23 PM
To: Smith, Bob - Washington, DC; Whiteman, Greg - Washington, DC
Cc: Becky Yalch; Jeff Resnick; Neil Wolch
Subject: RE: USPS 5-Day Delivery Kick Off meeting - Follow-up
Attachments: Guiding Principles of 5 Day Delivery.doc

Bob and Greg,

As I promised at our meeting on Monday, I will be shortly forwarding the Congressional testimony of Jordan Small and the PMG describing the 5 Day Delivery Concept. The PMG's testimony is from today. These testimonies provide the rationale for the Postal Service having to eliminate delivery on Saturday.

Attached are the guiding principles of how we would communicate the operational and expected delivery days to customers. Customers will be informed of the expected day of delivery based upon the product they use (First-Class Mail), the day and time of acceptance and whether it is addressed to a street address or PO Box.

I do not have the email addresses of all the ORC folk we met with on Monday. I am copying Jeff, Neil and Becky as I have their email addresses.

Bob Michelson
Manager, Program Management and Support
Shipping and Mailing Services
(202) 268-7708
Cell (202) 297-2486

From: Smith, Bob - Washington, DC
Sent: Monday, August 03, 2009 9:05 AM
To: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: FW: USPS 5-Day Delivery Kick Off Agenda

Here is the agenda for the meeting today.

Bob Smith
Market Research
Room 1106
202 268 3579

From: Lisa Brunning [mailto:Lisa.Brunning@opinionresearch.com]
Sent: Monday, August 03, 2009 7:05 AM
To: Smith, Bob - Washington, DC
Cc: Jeff Resnick; Neil Wolch; Becky Yalch; Christopher Communi; Graham Hueber; Galen Yalch; Cori Larson
Subject: USPS 5-Day Delivery Kick Off Agenda

Bob,

5/25/2010

Attached please find the agenda we put together for our discussion today at 1:00 p.m. If you could distribute to your team prior to the meeting, we would appreciate it. Thanks.

Lisa M. Brunning
Senior Project Manager

Opinion Research Corporation
248 . 628 . 7662 - office
248 . 622 . 3569 - cell
Lisa.Brunning@OpinionResearch.com

Michelson, Robert - Washington, DC

From: Michelson, Robert - Washington, DC
Sent: Wednesday, August 12, 2009 4:47 PM
To: Lisa Brunning; Smith, Bob - Washington, DC; Neil Wolch; Becky Yalch
Cc: Whiteman, Greg - Washington, DC
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

There should be. We'll let you know tomorrow.

Bob Michelson

From: Lisa Brunning [mailto:Lisa.Brunning@opinionresearch.com]
Sent: Wednesday, August 12, 2009 4:45 PM
To: Michelson, Robert - Washington, DC; Smith, Bob - Washington, DC; Neil Wolch; Becky Yalch
Cc: Whiteman, Greg - Washington, DC
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

Bob,

There are contact names for about 2/3 of the accounts, but we are missing contact names for 1/3 of the accounts. Would it be possible to fill in the blanks? Please let us know. Thanks.

Lisa M. Brunning
Senior Project Manager

Opinion Research Corporation
248 . 628 . 7662 - office
248 . 622 . 3569 - cell
Lisa.Brunning@OpinionResearch.com

From: Michelson, Robert - Washington, DC [mailto:robert.michelson@usps.gov]
Sent: Wednesday, August 12, 2009 4:41 PM
To: Lisa Brunning; Smith, Bob - Washington, DC; Neil Wolch; Becky Yalch
Cc: Whiteman, Greg - Washington, DC
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

For the frequency issues. the percent of usage by National Account looks reasonable and is what I would expect.

There should be a contact name with the files. If not we can get that.

Bob Michelson

From: Lisa Brunning [mailto:Lisa.Brunning@opinionresearch.com]
Sent: Wednesday, August 12, 2009 1:51 PM
To: Smith, Bob - Washington, DC; Neil Wolch; Becky Yalch
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

Bob,

So to confirm, anyone that has a negative volume that we should be treating them as having no volume. Is that correct? If that is the case, if you can provide additional files that we could use to supplement the original file to get more accounts that have sent Priority Mail, that would be helpful.

Also, I have had a chance to take a quick look at the National Account file and here are the counts that I found:

	Frequency	Percent
First-Class Mail (Volume)	232	98.31%
Priority (Volume)	177	75.00%
Express (Volume)	187	79.24%
Periodicals (Volume)	74	31.36%
Standard Mail (Volume)	235	99.58%
Residual Mail (Revenue)	228	96.61%
Parcel Select (Volume)	54	22.88%
Parcel Post (Volume)	81	34.32%
Total Preferred Accounts	236	100%

** Has negative revenue*

** Has negative volume*

Only Residual Mail and Parcel Post had any negative values so I think this file is okay. I did also take a look at those records that have a contact name included and only about 2/3 have a contact name associated with the account. Is it possible to get contact for all accounts or did you provide all that you have? Please let me know. Thanks.

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From: Smith, Bob - Washington, DC [mailto:bob.smith@usps.gov]
Sent: Wednesday, August 12, 2009 1:09 PM
To: Lisa Brunning; Neil Wolch; Becky Yalch
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: FW: USPS 5-Day Delivery Research - Preferred Accounts

I didn't realize that this email was not sent to you. The minuses that you sent us represent a credit in 08 for 07 volumes. It appears the customers with negative volume in 08 probably have no actual volume in that year and should be ignored. Have you looked at the National Account list yet to see if there are any problems? Our data people can run the PC Postage and the Click N Ship lists to find more Priority Mail users. The timing is not known. Pc Postage will have 08 volume. Click N Ship will have only ½ year volume.

5/25/2010

Bob Smith
Market Research
Room 1106
202 268 3579

From: White, John H - Washington, DC - Contractor
Sent: Tuesday, August 11, 2009 5:30 PM
To: Smith, Bob - Washington, DC
Cc: Caroncino, Vic M - Washington, DC
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

I have looked up some of the examples with explanations below:
All examples I have researched is where adjustments were given for a prior year.

Custid 3465703024

Credit adjustment of (1,145) pieces was given in Jan FY08 for volume mailed in April FY07.
This was the only entry made in FY08.

Custid 0350034000

Credit adjustment of (4,166) pieces was given in Oct FY08 for volume mailed in Sept FY07.
This was the only entry made in FY08.

Custid 0438216521

Credit adjustment of (2,617) pieces was given in Oct FY08 for volume mailed in Sept FY07.
An additional mailing was done in Dec FY08 for 1,146 pieces resulting in (1,471) pieces in FY08.
No other mailing were made in FY08.

John H. White
(202) 268-2203

From: Smith, Bob - Washington, DC
Sent: Tuesday, August 11, 2009 3:01 PM
To: White, John H - Washington, DC - Contractor
Cc: Caroncino, Vic M - Washington, DC
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

FYI, Here are the counts ORC came up with.

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From: Lisa Brunning [mailto:Lisa.Brunning@opinionresearch.com]
Sent: Tuesday, August 11, 2009 2:13 PM
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Here are some examples of accounts that have negative volumes. If you have any questions, please let me know. Thanks.

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Senior Project Manager

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Lisa.Brunning@OpinionResearch.com

5/26/2010

Michelson, Robert - Washington, DC

From: Neil Wolch [neil.wolch@opinionresearch.com]
Sent: Sunday, November 15, 2009 12:35 PM
To: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC; Lisa Brunning
Cc: Smith, Bob - Washington, DC; Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Delivery Forecasts
Follow Up Flag: Follow up
Due By: Sunday, November 15, 2009 10:30 AM
Flag Status: Flagged

Hi Greg and Bob,

Please see **responses** embedded below. I would be good if we could schedule a call to discuss this. I'll be out on business all week, but I will make time to talk. Can you please send along a few options (days/times) that would work on your end? Also, it would help if you could email back any preliminary responses to our comments.

Thanks,

Neil

From: Whiteman, Greg - Washington, DC [mailto:greg.whiteman@usps.gov]
Sent: Friday, November 13, 2009 8:13 AM
To: Michelson, Robert - Washington, DC; Neil Wolch; Lisa Brunning
Cc: Smith, Bob - Washington, DC
Subject: RE: 5-Day Delivery Forecasts

Neil/Lisa:

See the comments below. Can you check the files to see if for any of the challenges below could be affected by (1) outliers or (2) large customers for their volumes represents a high percent of the total volume for that segment/product.

Greg

Greg Whiteman
Manager, Market Research
202-268-3565 (phone)
202-255-2394 (cell)
202-268-5761 (fax)
Greg.Whiteman@usps.gov

From: Michelson, Robert - Washington, DC

5/26/2010

Sent: Wednesday, November 11, 2009 3:58 AM
To: Whiteman, Greg - Washington, DC
Subject: Fw: 5-Day Delivery Forecasts

Greg,

The numbers do and do not make sense. You may have already made comments on them. I am doing emails in the order I received them this morning while I ride the Eurostar to Brussels.

Here are my observations about the numbers:

It does not seem likely that we could see an increase in Periodicals after 5 Day Delivery. Agree-need to check to see if any outliers exist. **This appears to be an issue primarily for Preferred Accounts.** (There is no change for National, and Premier Regular Periodical decreases about 5% while Non-Profit Periodical only increases about 2%.) Regarding the increase for Preferred: This is, unfortunately, driven by just one respondent. That account (a local newspaper) has a relatively large volume, and indicated that they would switch much of it from Standard Mail to Periodical Mail. When we check back to CBCIS, they only show up with volume for Periodical, so it appears they were confused when they allocated 30% of their past 12 month volume to Standard Mail; more generally, differences in their allocations across the three time periods do not seem to make sense. We are going to try to call the respondent back to confirm their responses. If we can't reach them or their answers still don't make sense, we would recommend deleting this respondent. If we take just that respondent out of the data, the predicted change in Periodical Mail volume would become negative (about -10% for Standard Periodical, -0.2% for Non-Profit Periodical Mail). It will be interesting to see what happens to the forecast if we reach that respondent and they change their answers to something more believable.

Decreases in Express Mail do not seem likely. The only possible explanations would be (1) customers may assume that there would be a surcharge for Saturday delivery and (2) customers assume that there could be an overall decrease in the reliability of service. As we see a decrease in the National, premier, and Preferred segments, this implies a consistency of the reaction. Given Greg's points (which seem valid to me), are we comfortable believing the forecast decreases? I don't have another explanation at this point.

Consumers reacted as expected and increased usage. They also indicated decrease usage of First-Class Mail. **So, are we comfortable with the consumer forecasts?**

Businesses did not. A 7% decrease in usage of Priority Mail by National accounts seems high. However, we also see decreases with the Premier and Preferred accounts so there is a degree of consistency. One large shipper could account for a somewhat larger drop for National Accounts. We can check on this. Similar to Express Mail, the decrease in Priority Mail is consistent across the three segments in your database. So, I would hesitate to dismiss or disbelieve this too quickly. Perhaps the change to 5-Day would lead to a kind of negative halo effect -- making some customers choose to pick a competitors even for situations where the service change would not impact them.

The issue of a small number of large National shippers impacting the forecasts for that segment is worth separate consideration. You seem to have concerns about the decreases forecast among National Accounts for three products: Non-Profit Standard/Bulk Mail, Priority Mail, and Parcel Select. We found three (of the 61) respondents who have large volumes and responses that, in part due to these volumes, have major impacts on the forecasts. IF we were to take those three respondents out of the data, the forecast decreases would become almost negligible. However, we have examined the data for those three respondents and do not believe they are outliers. Their changes have a relatively big impact due to their high volumes, their high confidence that they would make the changes indicated (question 10, the one we convert to a percentage probability of changing due to 5-Day), and the limited sample size in this segment.

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Decreases in Parcel Select are not reasonable. Neither UPS nor FedEx drop packages on Saturday. And I recall that Saturday delivery of Parcel Select is a few percentage points - I want to say 3 or 4 (I'll check next week when I return to the office - if you want to know before that check out the report from Colography on 5 Day Delivery or ask Krista. If she still has access to my shared drive she can get it for you.). Conversely, increases in Parcel Select do not seem reasonable. The decrease occurs with both National and Preferred Accounts. Will check to see if any large accounts created this decrease. Could the increase for Premier accounts reflect a concern that the quality of Priority Mail it does seem strange that Parcel Select increases for National and Preferred and decreases for Premier. We have to keep in mind that the base size of users (past 12 month) of Parcel Select in each segment is extremely small (5 National, 11 Premier, 4 Preferred). I'm also concerned that our decision to zero out self-reported past 12 month Parcel Select volume for accounts that do not have volume for that product in CBCIS, while rational given the obvious over-statement of usage, could be biasing results; if we force zero as the baseline, any reported increase could be over-stated on a percentage change basis; we are going to look into the impact of not allowing these respondents to have Parcel Select volume in any time period (not just past 12 months).

I think any increases in Standard Mail (Regular or non-profit) seem unreasonable. Could this represent a downgrade from First-Class Mail. If accounts thought that the reliability of First-Class Mail would decrease, they could consider switching to Standard Mail. It is interesting that for both Premier and Preferred, we forecast an increase for non-profit and a decrease for regular Standard Mail. This could have something to do with the weighting plan. This issue applies to Standard Mail and Periodical Mail, the two products for which we decided fairly late in the process to gather data separately for regular vs. non-profit. The database you provided did not split out the data into these sub-products. So, when we calculated the product weights, the target proportion of usage is based on each product overall; so, the weights we calculated necessarily treated regular and non-profit users the same. That shouldn't necessarily bias the results, but it is certainly less accurate than if we were able to calculate weights on an individual product level. Can you possibly re-create the sample files you originally sent, but with volumes broken out by regular vs. non profit for Standard and Periodical Mail? Alternatively, how would you feel about combining regular and non-profit in the forecasts, so the we just have one forecast for Standard and one for Periodical within each segment?

We should be looking for outliers in these categories and relooking at our weighting methodology to ensure we got it right. Please take a look at the explanation of the weighting scheme in the Methodology Report. We believe the logic behind this is valid (with the possible exception noted above), but we're open to discussion; we all need to feel comfortable with what we did. Please note that weighting only applies to the Premier and Preferred segments.

Since you didn't comment on them, can we assume you are comfortable with the Small Business forecasts?

Bob

From: Neil Wolch <neil.wolch@opinionresearch.com>
To: Michelson, Robert - Washington, DC; Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC
Cc: Lisa Brunning <Lisa.Brunning@opinionresearch.com>; Jeff Resnick <jeff.resnick@opinionresearch.com>; Becky Yalch <Becky.Yalch@opinionresearch.com>
Sent: Fri Nov 06 17:08:53 2009
Subject: RE: 5-Day Delivery Forecasts

Hi Bob,

Have a great time in London!

Here are the key numbers (% change attributable to the switch to 5-Day Delivery). I hope this formats okay on your BB:

5/26/2010

National:

	As % of PAST 12 Month Volume	As % of NEXT 12 Month Volume
	K	L
<u>Product (qre codes)</u>		
Single Piece FCM (2, b) -- MEAN	-1.2%	-1.0%
Pre-Sort FCM (3, c) -- MEAN	-1.1%	-1.0%
Regular Standard/Bulk Mail (4, d) -- MEAN	-0.4%	-0.4%
Non-Profit Standard/Bulk Mail (5, e) -- MEAN	-17.2%	-10.3%
Priority Mail (6, f) -- MEAN	■	■
Express Mail (7, g) -- MEAN	■	■
Parcel Select (8, h) -- MEAN	-7.4%	-10.1%
Parcel Post (9, i) -- MEAN	0.0%	0.0%
Regular Periodical Mail (10, j) -- MEAN	0.0%	0.0%
Non-Profit Periodical Mail (11, k) -- MEAN	0.0%	0.0%

Premier:

	As % of PAST 12 Month Volume	As % of NEXT 12 Month Volume
	K	L
<u>Product (qre codes)</u>		
Single Piece FCM (2, b) -- MEAN	1.1%	1.2%
Pre-Sort FCM (3, c) -- MEAN	-1.8%	-2.3%
Regular Standard/Bulk Mail (4, d) -- MEAN	-7.5%	-8.2%
Non-Profit Standard/Bulk Mail (5, e) -- MEAN	4.5%	10.2%
Priority Mail (6, f) -- MEAN	■	■
Express Mail (7, g) -- MEAN	■	■
Parcel Select (8, h) -- MEAN	8.5%	17.4%
Parcel Post (9, i) -- MEAN	-4.2%	-3.8%
Regular Periodical Mail (10, j) -- MEAN	-5.3%	-5.3%
Non-Profit Periodical Mail (11, k) -- MEAN	1.9%	2.4%

Preferred:

	As % of PAST 12 Month Volume	As % of NEXT 12 Month Volume
	K	L
<u>Product (qre codes)</u>		
Single Piece FCM (2, b) -- MEAN	-0.8%	-0.6%
Pre-Sort FCM (3, c) -- MEAN	-1.9%	-2.6%
Regular Standard/Bulk Mail (4, d) -- MEAN	-2.8%	-4.3%
Non-Profit Standard/Bulk Mail (5, e) -- MEAN	3.2%	3.4%
Priority Mail (6, f) -- MEAN	■	■
Express Mail (7, g) -- MEAN	■	■

Parcel Select (8, h) -- MEAN	-5.6%	-2.8%
Parcel Post (9, i) -- MEAN	-3.0%	-4.8%
Regular Periodical Mail (10, j) -- MEAN	27.0%	21.3%
Non-Profit Periodical Mail (11, k) -- MEAN	16.9%	16.6%

Small Business:

	As % of PAST 12 Month Volume	As % of NEXT 12 Month Volume
	K	L
<u>Product (qre codes)</u>		
FCM (1, a) -- MEAN	-4.3%	-4.8%
Priority Mail (6, f) -- MEAN	██████	██████
Express Mail (7, g) -- MEAN	██████	██████
Parcel Post (9, i) -- MEAN	-11.2%	-10.4%

Consumer:

	Raw	Adjusted
	E	F
<u>Product (qre codes)</u>		
FCM (a) -- MEAN	-2.9%	-1.9%
Priority Mail (b) -- MEAN	██████	██████
Express Mail (c) -- MEAN	██████	██████
Parcel Post (d) -- MEAN	-20.9%	-14.0%

From: Michelson, Robert - Washington, DC [mailto:robert.michelson@usps.gov]
Sent: Friday, November 06, 2009 4:34 PM
To: Neil Wolch; Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: Re: 5-Day Delivery Forecasts

Hi Neil,

I am on a plane about to leave for London. I'll be gone for 10 days. I can't read the spreadsheets on my Blackberry. Can you send me an email summarizing the results of the volume loss? I am curious.

Thanks,

Bob

From: Neil Wolch <neil.wolch@opinionresearch.com>
To: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC; Smith, Bob - Washington, DC
Cc: Lisa Brunning <Lisa.Brunning@opinionresearch.com>; Jeff Resnick <jeff.resnick@opinionresearch.com>;
Becky Yalch <Becky.Yalch@opinionresearch.com>
Sent: Fri Nov 06 16:19:10 2009

5/26/2010

Subject: 5-Day Delivery Forecasts

Hi Greg and Bobs,

Well, we made it! The forecasts are ready. They are in the attached file, one sheet per segment. For the most part, the results appear to make sense. Of course, we look forward to hearing your perspective on that.

We are working on the methodology report and will send it next week. In the meantime, please let us know if you have any questions or comments.

Have a great weekend.

Best regards,

Neil Wolch
Vice President
Opinion Research Corporation
Please note new information:
25 Northwest Point Blvd., Suite 800
Elk Grove Village, IL 60007-1099
Phone: 847-378-2244
Fax: 847-378-2290
e-mail: Neil.Wolch@opinionresearch.com

5/26/2010

Michelson, Robert - Washington, DC

From: Neil Wolch [neil.wolch@opinionresearch.com]
Sent: Wednesday, November 11, 2009 4:08 PM
To: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC; Smith, Bob - Washington, DC
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Delivery Forecasts
Attachments: USPS 5-Day Delivery - Methodology Report 11-11-09.ppt; USPS 5-Day Delivery Questionnaires by Segment.zip

Hi all,

The methodology report for the quantitative phase of the 5-Day Delivery study is attached. This documents what we did in and how we calculated the forecasts. We've also attached versions of the questionnaire that are customized for each segment.

Please let us know if you have any questions or comments.

Best regards,

Neil

From: Neil Wolch
Sent: Friday, November 06, 2009 4:19 PM
To: 'Whiteman, Greg - Washington, DC'; 'Michelson, Robert - Washington, DC'; 'Smith, Bob - Washington, DC'
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: 5-Day Delivery Forecasts

Hi Greg and Bobs,

Well, we made it! The forecasts are ready. They are in the attached file, one sheet per segment. For the most part, the results appear to make sense. Of course, we look forward to hearing your perspective on that.

We are working on the methodology report and will send it next week. In the meantime, please let us know if you have any questions or comments.

Have a great weekend.

Best regards,

Neil Wolch
Vice President
Opinion Research Corporation
Please note new information:
25 Northwest Point Blvd., Suite 800
Elk Grove Village, IL 60007-1099
Phone: 847-378-2244
Fax: 847-378-2290
e-mail: Neil.Wolch@opinionresearch.com

5/26/2010

Michelson, Robert - Washington, DC

From: Neil Wolch [neil.wolch@opinionresearch.com]
Sent: Wednesday, January 20, 2010 12:08 PM
To: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC; Smith, Bob - Washington, DC
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Forecasts
Attachments: USPS 5-Day Delivery - Business Data File - Records to Add Back in (Decreases of 25% or More).xls

Hi Greg,

Attached is a spreadsheet (one tab per segment) that shows the volumes and allocations for the respondents added back in (those reporting a 25% or greater decrease in total volume as a result of 5-day (compared to next 12 months before 5-day).

Our current thinking is similar to yours, that a case can be made for keeping these respondents out of the analysis (even though that was not our initial intent).

Looking forward to discussing this at 2:30.

Neil

From: Whiteman, Greg - Washington, DC [mailto:greg.whiteman@usps.gov]
Sent: Wednesday, January 20, 2010 10:24 AM
To: Michelson, Robert - Washington, DC; Neil Wolch; Smith, Bob - Washington, DC
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Forecasts

Folks:

Bob, I share you reaction to the Priority Mail number and this also would apply to Express Mail for Preferred and Small Businesses. Regarding Non-Profit Standard, as the earlier estimate was a 4.4 percent decrease, is a 8.6 percent decrease significantly different?

Neil, to help us understand how the changes occurred, can you prepare a summary chart of the number of customers added back in and the specific the volumes and percent reductions (in total for the account and for the products). In talking with Bob, we raised the following thought: if a small number of accounts had large reductions and accounted for most of the decreases, then could they be considered in-liers, given that they may not be "representative" of the large number of commercial customers in the specific segments?

Given that we did not hear any commercial customers in the groups and the IDIs that they would make drastic changes in their use of postal services and almost all said they would adapt (a soft term in context of the magnitude of the range of reactions). We are very concerned that a few customers in the research could carry a disproportional impact on our volume estimate. Given that it is very hard to construct a definitive sample frame of commercial mailers, we think it might be the best course of action to consider these customers who gave us an estimate of huge reductions as in-illers, not really representative

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of customers in those segments.

The key question to ask is whether we are more reasonable to consider them as outliers/inliers or as representative customers within each segment.

We want to be able to discuss this at 2:30 pm so having the profile information on those larger reducers would be very important.

Greg

Greg Whiteman
Manager, Market Research
202-268-3565 (phone)
202-255-2394 (cell)
202-268-5761 (fax)
Greg.Whiteman@usps.gov

From: Michelson, Robert - Washington, DC
Sent: Wednesday, January 20, 2010 10:08 AM
To: Neil Wolch; Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Forecasts

Folks,

I started to input the new percentages into my model this morning by updating my chart that sets forth the % change in volume by account segment. They are in the attached. I did not input anything into my model because THEY MAKE NO SENSE and are not minor adjustments.

For example, there cannot be a 61.9% loss of Priority Mail volume from small businesses. Nor can there be a -8.6% loss of non-profit Standard Mail for Premiers. I cannot come up with a rational explanation based on the qualitative market research or my 30 years of Postal experience for these numbers.

We need to talk and do so ASAP. I am available this afternoon after about 2 pm EST.

Bob

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]
Sent: Tuesday, January 19, 2010 5:42 PM
To: Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC; Michelson, Robert - Washington, DC
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Forecasts
Importance: High

Hi everyone,

I have attached a file that includes revised forecasts, per the note below. The second attachment summarizes the changes, showing the new forecasts next to those sent on 12/1/09. The National and Consumer segments did not change. Most of the other changes are fairly small, but a few (for lower volume

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products) are larger.

What stands out most is the sharp decline in Priority Mail for Small Businesses. There are a few fairly heavy users (compared to others in the segment) who reported that they would sharply decrease or completely stop their use of this product if the change were made. This could be a legitimate reaction.

Once again, we are very sorry for the error. Please let us know if you have any questions or comments, or if there is anything else we can do.

Best regards,

Neil

From: Neil Wolch

Sent: Tuesday, January 19, 2010 10:04 AM

To: Whiteman, Greg - Washington, DC; 'Smith, Bob - Washington, DC'; 'Michelson, Robert - Washington, DC'

Cc: Lisa Brunning; Jeff Resnick; Becky Yalch

Subject: 5-Day Forecasts

Hi Greg and Bobs,

As I just mentioned to Greg, we just discovered that we had accidentally cleaned out more "inliers" than intended when we updated the forecasts (to those we sent on 12/1/09). We agreed to drop cases where there was a 25% or greater increase in total volume from the next 12 months before 5-Day to the first 12 months with it, since this would not be a logical response to the change. While this was done, it turns out that we also dropped cases where there was at least a 25% decrease; it is not unreasonable for an account to report such a decrease, and we did not intend to drop those respondents. The error was due to a miscommunication on our end, which we realized when pulling comparing our notes in order to update the methodology report.

We are updating the forecasts and hope to have the revisions to you by the end of today. Clearly, this change will increase our forecast of the negative impact of the change on volume. Fortunately, it looks like there will not be a change in our forecasts for National Accounts, and the impact on the higher volume products in the other segments will be relatively small.

We are very sorry for the mistake. Please let me know if there is anything else we can do to address this.

Best regards,

Neil Wolch

Vice President

Infogroup | ORC

25 Northwest Point Blvd., Suite 800

Elk Grove Village, IL 60007-1099

847-378-2244 (phone)

847-378-2290 (fax)

www.opinionresearch.com

5/26/2010

Once again, we are very sorry for the error. Please let us know if you have any questions or comments, or if there is anything else we can do.

Best regards,

Neil

From: Neil Wolch
Sent: Tuesday, January 19, 2010 10:04 AM
To: Whiteman, Greg - Washington, DC; 'Smith, Bob - Washington, DC'; 'Michelson, Robert - Washington, DC'
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
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Vice President

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Elk Grove Village, IL 60007-1099
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847-378-2290 (fax)
www.opinionresearch.com

5/26/2010

Michelson, Robert - Washington, DC

From: Neil Wolch [neil.wolch@opinionresearch.com]
Sent: Wednesday, January 20, 2010 10:13 AM
To: Michelson, Robert - Washington, DC; Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Forecasts

I'm available to talk this afternoon. Shall we target 2:30 EST?

Neil

From: Michelson, Robert - Washington, DC [mailto:robert.michelson@usps.gov]
Sent: Wednesday, January 20, 2010 9:08 AM
To: Neil Wolch; Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Forecasts

Folks,

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Sent: Tuesday, January 19, 2010 5:42 PM
To: Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC; Michelson, Robert - Washington, DC
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Forecasts
Importance: High

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5/26/2010

Michelson, Robert - Washington, DC

From: Neil Wolch [neil.wolch@opinionresearch.com]
Sent: Tuesday, January 19, 2010 11:04 AM
To: Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC; Michelson, Robert - Washington, DC
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: 5-Day Forecasts

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We are very sorry for the mistake. Please let me know if there is anything else we can do to address this.

Best regards,

Neil Wolch
Vice President

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25 Northwest Point Blvd., Suite 800
Elk Grove Village, IL 60007-1099
847-378-2244 (phone)
847-378-2290 (fax)
www.opinionresearch.com

Michelson, Robert - Washington, DC

From: Becky Yalch [Becky.Yalch@opinionresearch.com]
Sent: Wednesday, November 18, 2009 10:55 AM
To: Michelson, Robert - Washington, DC; Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC
Cc: Neil Wolch; Lisa Brunning; Jeff Resnick
Subject: Re: Catching Up

Neil has requested 1100 eastern. That works for me as well

From: Michelson, Robert - Washington, DC
To: Whiteman, Greg - Washington, DC ; Becky Yalch; Smith, Bob - Washington, DC
Cc: Neil Wolch; Lisa Brunning; Jeff Resnick
Sent: Wed Nov 18 10:35:02 2009
Subject: RE: Catching Up

I'm available. Let me know what time.

Bob

From: Whiteman, Greg - Washington, DC
Sent: Wednesday, November 18, 2009 9:58 AM
To: Becky Yalch; Smith, Bob - Washington, DC; Michelson, Robert - Washington, DC
Cc: Neil Wolch; Lisa Brunning; Jeff Resnick
Subject: RE: Catching Up

Folks:

I am asking Bob Smith to set up time for next Monday.

Greg

Greg Whiteman
Manager, Market Research
202-268-3565 (phone)
202-255-2394 (cell)
202-268-5761 (fax)
Greg.Whiteman@usps.gov

From: Becky Yalch [mailto:Becky.Yalch@opinionresearch.com]
Sent: Tuesday, November 17, 2009 11:41 PM
To: Smith, Bob - Washington, DC; Michelson, Robert - Washington, DC; Whiteman, Greg - Washington, DC
Cc: Neil Wolch; Lisa Brunning; Jeff Resnick
Subject: Catching Up

5/26/2010

I'm thinking you all must be inundated with information at this point and I know that Bob M. is just getting back in town and acclimated. But given the holidays it would behoove us all to meet and regroup on this whole project. When I sent the qualitative report I suggested the 19th. But also I know that Neil is out but could become available. Can we identify some times say Thursday or Friday of this week or Monday of next for a meeting to discuss feedback and outstanding issues. I know that if we get much past Tuesday of next week then we lose a lot of momentum.

I can be totally flexible through this period so let's get some times out there and we'll let the USPS and Neil pick and coordinate.

I have been looking through all of the findings and I think we have a winner – we just need to pull together to tell the story.

Michelson, Robert - Washington, DC

From: Neil Wolch [neil.wolch@opinionresearch.com]
Sent: Thursday, January 07, 2010 2:02 PM
To: Smith, Bob - Washington, DC; Lisa Brunning; Becky Yalch
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: Re: Elimination rule

Let's shoot for 9:00 tomorrow.

Lisa: can you send a bridge line please?

From: Smith, Bob - Washington, DC
To: Neil Wolch; Lisa Brunning; Becky Yalch
Cc: Whiteman, Greg - Washington, DC ; Michelson, Robert - Washington, DC
Sent: Thu Jan 07 13:56:51 2010
Subject: RE: Elimination rule

Greg and Bob are both free from 9 AM to 10 AM, 12 to 1 PM and 3 to 4 PM Eastern time.

Bob Smith
Market Research
Room 1106
202 268 3579

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]
Sent: Thursday, January 07, 2010 1:52 PM
To: Smith, Bob - Washington, DC; Lisa Brunning; Becky Yalch
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: Re: Elimination rule

How about 1:30 tomorrow?

From: Smith, Bob - Washington, DC
To: Neil Wolch; Lisa Brunning; Becky Yalch
Cc: Whiteman, Greg - Washington, DC ; Michelson, Robert - Washington, DC
Sent: Thu Jan 07 13:45:31 2010
Subject: RE: Elimination rule
Greg is booked until 4PM.

Bob Smith
Market Research
Room 1106
202 268 3579

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]
Sent: Thursday, January 07, 2010 1:44 PM
To: Smith, Bob - Washington, DC; Lisa Brunning; Becky Yalch
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: Re: Elimination rule

Would 2:30 or 3:30 work?

From: Smith, Bob - Washington, DC
To: Neil Wolch; Lisa Brunning; Becky Yalch
Cc: Whiteman, Greg - Washington, DC ; Michelson, Robert - Washington, DC
Sent: Thu Jan 07 13:41:59 2010
Subject: RE: Elimination rule
Greg and I are scheduled to be in a meeting at 3 PM.

Bob Smith
Market Research
Room 1106
202 268 3579

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]
Sent: Thursday, January 07, 2010 1:41 PM
To: Smith, Bob - Washington, DC; Lisa Brunning; Becky Yalch
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: Re: Elimination rule

Can we have a quick call today at 3:00?

From: Neil Wolch
To: 'bob.smith@usps.gov' ; Lisa Brunning; Becky Yalch
Cc: 'Greg.Whiteman@usps.gov' ; 'robert.michelson@usps.gov'
Sent: Thu Jan 07 12:10:07 2010
Subject: Re: Elimination rule

Sorry, Bob. We've been looking at individual respondents' data for those who meet various criteria, analyzing with different options.

I think we need another call with all of us to discuss this. We just got to the point where we are ready. Unfortunately, Becky and I are both out of town in all day meetings today and tomorrow. Can this wait for early next week? If not, we'll find a way to make progress sooner.

Best regards,

Neil

From: Smith, Bob - Washington, DC
To: Neil Wolch; Lisa Brunning; Becky Yalch
Cc: Whiteman, Greg - Washington, DC ; Michelson, Robert - Washington, DC

5/26/2010

Sent: Thu Jan 07 11:59:05 2010

Subject: Elimination rule

We are wondering what is happening on the development of the rule for what inliers can be removed from the data. We thought you were going to get back to us on this the next day. When will you get back to us on this?

Bob Smith
Market Research
Room 1106
202 268 3579

5/26/2010

Michelson, Robert - Washington, DC

From: Lisa Brunning [Lisa.Brunning@opinionresearch.com]
Sent: Thursday, August 13, 2009 4:45 PM
To: Smith, Bob - Washington, DC; Neil Wolch; Becky Yalch; Jeff Resnick
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: RE: PC Postage/CNS files

Got it. Thanks.

Lisa M. Brunning
Senior Project Manager

Opinion Research Corporation
248 . 628 . 7662 - office
248 . 622 . 3569 - cell
Lisa.Brunning@OpinionResearch.com

From: Smith, Bob - Washington, DC [mailto:bob.smith@usps.gov]
Sent: Thursday, August 13, 2009 4:44 PM
To: Lisa Brunning; Neil Wolch; Becky Yalch; Jeff Resnick
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: FW: PC Postage/CNS files

Below is the National Account file including contact info from two sources. Please confirm receipt.

Bob Smith

Market Research

Room 1106

202 268 3579

From: White, John H - Washington, DC - Contractor
Sent: Thursday, August 13, 2009 4:38 PM
To: Smith, Bob - Washington, DC
Cc: Caroncino, Vic M - Washington, DC
Subject: RE: PC Postage/CNS files

Bob,

Here is an updated National Account file.

I have included a second tab of possible contact names from Sales if there was not a contact from Equifax.

5/26/2010

As you can see there are multiple contacts to choose from. I have narrowed down the choices but there still remains multiple contacts per some accounts.

Vic has received CNS data which is being formatted then we will send to you.

The Premier accounts with proper contacts is running.

And the PCP data is also running.

We will send as soon as it is completed.

<<Nationals.xls>>

John H. White

(202) 268-2203

From: Smith, Bob - Washington, DC

Sent: Wednesday, August 12, 2009 3:10 PM

To: Caroncino, Vic M - Washington, DC; White, John H - Washington, DC - Contractor

Subject: PC Postage/CNS files

I have been let know that we need these files as soon as possible as this 5-day delivery research is a top priority to senior management and we don't want the project delayed. Please let me know when the files will be provided. Thanks.

Bob Smith

Market Research

Room 1106

202 268 3579

5/26/2010

Michelson, Robert - Washington, DC

From: Neil Wolch [neil.wolch@opinionresearch.com]
Sent: Wednesday, July 29, 2009 9:58 AM
To: Smith, Bob - Washington, DC; Jeff Resnick; Becky Yalch
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC; Lisa Brunning
Subject: RE: Proposal for 5-Day Delivery Research

Hi Bob,

I just want to thank you very much for awarding ORC this important research program. We're looking forward to working with you. (Sorry for not responding yesterday; I had a crazy day of travel.)

We're finalizing plans, but at least some of us will be there in person on Monday, while others will call in. We will address all of the issues you raise below and, as you know, Lisa Brunning has already been in touch regarding specific needs for the sample files.

Thanks again,

Neil

From: Smith, Bob - Washington, DC [mailto:bob.smith@usps.gov]
Sent: Tuesday, July 28, 2009 11:07 AM
To: Neil Wolch; Jeff Resnick; Becky Yalch
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: RE: Proposal for 5-Day Delivery Research

We have reviewed proposals and are hereby awarding this project to ORC. You have a good understanding of our needs coupled with a reasonable price. We will not hold you to the admirable schedule you proposed. We need to have our kick off meeting on Monday, August 3 from 1 PM to 3 PM and all key people from ORC need to participate. You may choose to participate here at our office or by phone. We will set up a conference phone number. Please let me know who will participate and whether in person or by phone.

Here are a few things for you to consider in the meantime for discussion at the kick off meeting. For the qualitative, we do not want to add Boise. We have experience in the past with recruiting rural groups in the Atlanta and Seattle areas. You may be able to use an outlying facility if you go outside the Fieldwork network, or it is an acceptable option for you to hold a group in a hotel in a rural area. In that case, we would waive the requirements for a one-way mirror but would still need audio hookup into an adjoining room and transcripts. Also we do not want to mix rural and suburban or city and suburban in the same group. We wish to avoid most of the week before and after Labor Day. We will work out the schedule and the number of moderators on Aug 3. We do not want to exclude businesses that are not open on weekends because while incoming mail is one side of the issue, the other side of the issue concerns what day the mail they send out is received by the addressees. We will discuss the required content of the discussions during our kick off meeting.

For the quantitative there are a few issues. One relates to Mail Service Providers (MSP). These are companies that handle the mailing for other companies that actually own the mail. We want to interview them ONLY if and when a mail owner refers you to an MSP to answer your questions. We do not want to interview MSPs about their own mail volume because this would lead to double counting. We can flag MSPs on the CBCIS files we give you. On page 4 of your proposal the second bullet refers to collecting information about the organization's mail usage and the third bullet refers to finding the correct respondent. Perhaps these bullets were reversed. We see the telephone interview process you proposed more as a screen, recruit and reinterview process because the first person you call from the list will probably not know about the company's mail volumes, and when you find that person for the application you need they will probably have to collect mail volume data for a second phone call. We suggest you might want to email the person a form to organize

5/26/2010

the data before you recontact them. Regarding the sampling, you will need to dedup the files so that a Preferred account does not also show up in your small business sample.

You mention collecting information on First Class Mail and Standard Mail. You also will need to collect information on **packages** and **periodicals** to represent the shipping and periodicals applications mentioned on page 3 of our SOW. Related to screening, we need to interview the person in the small business who is responsible for the firm's mail. How they pay for postage is irrelevant. And for consumers we need the person who handles the mail for the household, which we refer to as the CEO of the mail.

Please note on page 7 of your proposal in the schedule there were asterisks which were not footnoted.

While web panels are acceptable, we are a bit curious as to why you are using web panels for the consumers rather than the ORC Caravan. Please explain.

Again, it is critical that all key ORC staff on this project participate on Aug 3.

Please send me an email saying that you accept this assignment as described and at your proposed pricing.

Bob Smith
Market Research
Room 1106
202 268 3579

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]
Sent: Friday, July 24, 2009 8:46 AM
To: Smith, Bob - Washington, DC
Cc: Whiteman, Greg - Washington, DC; Jeff Resnick; Becky Yalch
Subject: Proposal for 5-Day Delivery Research

Hi Bob,

Thank you very much for the opportunity to provide a proposal for research regarding the potential switch to a 5-day per week delivery schedule. The attached proposal describes our understanding of your business and research objectives, specifies our recommended methodology for qualitative and quantitative research to support these objectives, and details the associates timing and fees for this research.

Please let us know if you have any questions or comments. I'll be in the office all day today but traveling on Monday. If you are unable to reach me, please call Becky Yalch at 208-863-9910.

Best regards,

Neil Wolch
Vice President
Opinion Research Corporation
Please note new information:
25 Northwest Point Blvd., Suite 800
Elk Grove Village, IL 60007
Phone: 847-378-2244
Fax: 847-378-2291
e-mail: Neil.Wolch@opinionresearch.com

5/26/2010

Michelson, Robert - Washington, DC

From: Jeff Resnick [jeff.resnick@opinionresearch.com]
Sent: Tuesday, July 28, 2009 12:25 PM
To: Smith, Bob - Washington, DC; Neil Wolch; Becky Yalch
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: RE: Proposal for 5-Day Delivery Research

Bob and Greg – thank you for this award. We'll get back to you later today with attendance for the Monday meeting. I'm actually with Becky in Seattle today.

We're excited and ready to work!

Jeffrey T. Resnick
 President, US Market Research
 Opinion Research Corporation

902 Carnegie Center, Suite 220
 Princeton, NJ 08540

Direct: 609-452-5210
 Mobile: 908-693-7286
 e-fax: 609-964-1899

From: Smith, Bob - Washington, DC [mailto:bob.smith@usps.gov]
Sent: Tuesday, July 28, 2009 12:07 PM
To: Neil Wolch; Jeff Resnick; Becky Yalch
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
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Again, it is critical that all key ORC staff on this project participate on Aug 3.

Please send me an email saying that you accept this assignment as described and at your proposed pricing.

Bob Smith
Market Research
Room 1106
202 268 3579

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]
Sent: Friday, July 24, 2009 8:46 AM
To: Smith, Bob - Washington, DC
Cc: Whiteman, Greg - Washington, DC; Jeff Resnick; Becky Yalch
Subject: Proposal for 5-Day Delivery Research

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Please let us know if you have any questions or comments. I'll be in the office all day today but traveling on Monday. If you are unable to reach me, please call Becky Yalch at 208-863-9910.

Best regards,

Neil Wolch
Vice President
Opinion Research Corporation
Please note new information:
25 Northwest Point Blvd., Suite 800
Elk Grove Village, IL 60007
Phone: 847-378-2244

5/26/2010

Fax: 847-378-2291
e-mail: Neil.Wolch@opinionresearch.com

Michelson, Robert - Washington, DC

From: Neil Wolch [neil.wolch@opinionresearch.com]
Sent: Sunday, January 10, 2010 4:49 PM
To: Smith, Bob - Washington, DC; Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Cc: Becky Yalch; Lisa Brunning
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

All,

To close the loop on this issue, we have considered the four cases mentioned below and determined that they do not meet any of the previously established criteria for designating them as outliers to be cleaned out of the dataset. While their responses may be surprising, they are not inherently impossible. Therefore, in accordance with accepted marketing research principles, we will keep them in the dataset. Our previously provided forecasts will not change.

Please let me know if you have any questions or comments.

Best regards,

Neil

From: Neil Wolch
Sent: Tuesday, December 29, 2009 6:13 PM
To: 'Smith, Bob - Washington, DC'; Becky Yalch; Lisa Brunning
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Hi Bob,

Sorry it took a while to respond. Anyway, I've been digging around in the Premier Accounts' data and found the following four cases which, while not necessarily outliers, have responses that you might consider suspect.

- Respondent #474:
 - Next 12 months: 80% Pre-Sort FCM / 10% Regular SM / 7% Non-Profit SM / 3% other
 - First 12 months with 5-Day: 3% Pre-Sort FCM / 80% Regular SM / 17% Non-Profit SM / 0% other
- Respondent #1154:
 - Next 12 months: 20% Single Piece FCM / 80% Pre-Sort FCM
 - First 12 months with 5-Day: 100% Single Piece FCM
- Respondent #12110:
 - Next 12 months: 100% Pre-Sort FCM
 - First 12 months with 5-Day: 50% Single Piece FCM / 50% other
- Respondent #12335:
 - Next 12 months: 95% Non-Profit SM / 5% other
 - First 12 months with 5-Day: 60% Single Piece FCM / 10% Non-Profit SM / 20% Non-Profit Periodicals / 10% other

5/26/2010

Please let us know if you think any of these should be removed from the analysis. Please note that if we do remove any/all of these, the forecast for most products (within the Premier segment) could change.

Thanks,

Neil

From: Smith, Bob - Washington, DC [mailto:bob.smith@usps.gov]
Sent: Tuesday, December 29, 2009 9:28 AM
To: Becky Yalch; Neil Wolch; Lisa Brunning
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: FW: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Please look at the chart below which compares changes across mail types by account size. Bob Michelson is wondering why Premier does not seem to follow the same pattern as the other accounts. They plan to increase single piece FC and decrease non-profit standard, just the opposite of the other accounts, although the differences are not huge. Do you have any thoughts on this based on what you heard in the interviews? Bob is wondering if we could still have one more outlier causing this. We could assume that they plan to shift some of their mail from Standard to FCM but it is not good to make that assumption without some proof to back it up. I was going to read through the transcripts to see what I could find. In my file, I found an email with 5 initial transcripts dated 10/14 that are all National Accounts. There were two more sent on 10/23, one of which is Premier. And there are 4 recordings sent on 10/21 (out of 6 you sent, apparently the other 2 didn't come through). Since you did 20 interviews, did you ever send us the rest of the transcripts?

Bob Smith
Market Research
Room 1106
202 268 3579

From: Michelson, Robert - Washington, DC
Sent: Monday, December 28, 2009 6:12 PM
To: Smith, Bob - Washington, DC
Cc: Whiteman, Greg - Washington, DC
Subject: FW: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Bob,

Could you read through the transcripts of the IDIs and see if you can see an explanation of the reasoning for the differences between managed accounts for First-Class and Standard Mail - Why did Premier's say they will increase their usage?

I seem to recall some discussion about it, but I do not want to speculate.

Bob

From: Michelson, Robert - Washington, DC
Sent: Monday, December 28, 2009 6:09 PM
To: Reblin, Gary C - Washington, DC; Foti, Thomas J - Washington, DC; Devar, Rod - Washington, DC; Mastervich, Karen C - Washington, DC; Montelth, Steven W - Washington, DC
Cc: Whiteman, Greg - Washington, DC
Subject: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

As a follow-up to our meeting last Monday, I am sending you a breakdown of the percentage loss of volume by product by customer segment - national, premier, preferred, small business and consumers.

5/26/2010

Looking at this chart should help you understand the total volume loss numbers.

For example, the market research shows that there will be substantial losses of volume shipped by managed accounts (national, premier and preferred). However, the losses are more than offset by an increase of 16% from consumers. The total volume loss from the managed accounts is 4,206,058 pieces. The 16% increase in Priority Mail pieces shipped by consumers amounts to 13,078,839. This reaction to 5 Day delivery is consistent with what we heard in the qualitative market research; basically, managed accounts will move to competitors and consumers will buy up from First -Class Mail.

Standard Mail is also interesting when you look at the reaction to the concept by segment. The total volume is an increase of +0.14% or 94,268,862 pieces. This is basically flat - no affect. The market research shows that National and Preferred accounts would decrease their volume usage by -0.4 or -117,977,540 pieces and -0.5 or -40,653,831 pieces, respectively, while the Premier segment would increase their usage by +0.8% or 252,900,232 pieces. Thus, there is a slight increase. This too is consistent with what we heard in the qualitative market research. Most advertisers had no reaction to 5 Day Delivery because their target days for delivery are currently during the week (Monday - Friday). This includes virtually all Business to Business advertisers. The elimination of Saturday delivery would have no affect on them. Those that had a negative reaction to 5 Day Delivery have a need for delivery of their ads to be delivered by Saturday or Monday. These mailers are mostly retailers, seeking to drive retail traffic on Saturday and/or Sunday. Those needing delivery on Saturday could not see how using the mail would help them, if there was no Saturday delivery because they need/want delivery on Saturday. They indicated they would use alternative media (i.e., newspapers). Those concerned with delivery on Monday were worried about the Postal Service's ability to deliver their advertisements on Monday due to the amount of mail that would have to be delivered on that day. The Premier segment's very small increase in usage is due, I believe, to this segment sending fewer ads seeking to drive retail store traffic on a weekend than the National or Preferred accounts. As a result, I believe that they will downgrade more First-Class Mail to Standard Mail than the other two segments.

The market research shows that single piece First-Class Mail will decline by between 1 and 2% for each segment, except for Premier. They said they would have a 1.5% increase in volume.

If you have any further questions or concerns, do not hesitate to ask me.

Bob

5/26/2010

Michelson, Robert - Washington, DC

From: Neil Wolch [neil.wolch@opinionresearch.com]
Sent: Monday, January 04, 2010 4:35 PM
To: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC; Martin Pacino; Smith, Bob - Washington, DC
Subject: FW: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

From: Neil Wolch
Sent: Tuesday, December 29, 2009 6:13 PM
To: 'Smith, Bob - Washington, DC'; Becky Yalch; Lisa Brunning
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Hi Bob,

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Sent: Tuesday, December 29, 2009 9:28 AM
To: Becky Yalch; Neil Wolch; Lisa Brunning
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC

5/26/2010

Subject: FW: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

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Bob Smith
Market Research
Room 1106
202 268 3579

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Cc: Whiteman, Greg - Washington, DC
Subject: FW: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

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From: Michelson, Robert - Washington, DC
Sent: Monday, December 28, 2009 6:09 PM
To: Reblin, Gary C - Washington, DC; Foti, Thomas J - Washington, DC; Devar, Rod - Washington, DC; Mastervich, Karen C - Washington, DC; Monteith, Steven W - Washington, DC
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5/26/2010

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Bob

5/26/2010

Michelson, Robert - Washington, DC

From: Neil Wolch [neil.wolch@opinionresearch.com]
Sent: Wednesday, December 30, 2009 4:30 PM
To: Michelson, Robert - Washington, DC; Becky Yalch; Smith, Bob - Washington, DC; Lisa Brunning; Whiteman, Greg - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Everybody (except Lisa, who is off today) has accepted the meeting, so it looks like we are on for Monday at 4:00 Eastern.

In the meantime, have a very Happy New Year!

Neil

From: Neil Wolch
Sent: Wednesday, December 30, 2009 2:12 PM
To: Michelson, Robert - Washington, DC; Becky Yalch; Smith, Bob - Washington, DC; Lisa Brunning; Whiteman, Greg - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

I'll send an invite now for Monday at 4:00 EST. If it turns out not to work, we can always go to plan B (or is it plan C? or D?).

Neil

From: Michelson, Robert - Washington, DC [mailto:robert.michelson@usps.gov]
Sent: Wednesday, December 30, 2009 1:53 PM
To: Becky Yalch; Neil Wolch; Smith, Bob - Washington, DC; Lisa Brunning; Whiteman, Greg - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Can we make this any more complicated. I now have a meeting from 1 to 2 pm EST. So, does 4 pm work for everyone? It may be a little late for Greg, we will have to wait until Monday to know for sure.

If this works for everyone, Neil can set up a conference call number and send a meeting invite so it is on our calendars?

Bob

From: Becky Yalch [mailto:Becky.Yalch@opinionresearch.com]
Sent: Wednesday, December 30, 2009 1:54 PM
To: Neil Wolch; Michelson, Robert - Washington, DC; Smith, Bob - Washington, DC; Lisa Brunning; Whiteman, Greg - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

☺ -- I can / will make that happen!!

From: Neil Wolch
Sent: Wednesday, December 30, 2009 10:50 AM
To: Becky Yalch; 'Michelson, Robert - Washington, DC'; 'Smith, Bob - Washington, DC'; Lisa Brunning; 'Whiteman, Greg - Washington, DC'
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

I'm really sorry, this time I miscalculated. It is 2-4 EST that I'm not available. So, starting at 1:00 EST would give us an hour if that works for everyone else.

Neil

From: Becky Yalch
Sent: Wednesday, December 30, 2009 12:47 PM
To: Michelson, Robert - Washington, DC; Neil Wolch; Smith, Bob - Washington, DC; Lisa Brunning; Whiteman, Greg - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Neil is saying that he is not available between 1:00 and 3:00 Eastern. Would 3:00 Eastern work for everyone?

From: Michelson, Robert - Washington, DC [mailto:robert.michelson@usps.gov]
Sent: Wednesday, December 30, 2009 10:30 AM
To: Neil Wolch; Becky Yalch; Smith, Bob - Washington, DC; Lisa Brunning; Whiteman, Greg - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Okay, how about 130 EST? I want to give us enough time to read the transcripts.

Bob

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]
Sent: Wednesday, December 30, 2009 1:26 PM
To: Michelson, Robert - Washington, DC; Becky Yalch; Smith, Bob - Washington, DC; Lisa Brunning; Whiteman, Greg - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Sorry, I have another call at that time. I'm available other than 1-3 EST on Monday.

Neil

From: Michelson, Robert - Washington, DC [mailto:robert.michelson@usps.gov]
Sent: Wednesday, December 30, 2009 12:22 PM
To: Becky Yalch; Neil Wolch; Smith, Bob - Washington, DC; Lisa Brunning; Whiteman, Greg - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

5/26/2010

Becky,

A great plan. Let's tentatively set up a telecom for 3 pm EST on Monday. Does that work for everyone?

Bob

From: Becky Yalch [mailto:Becky.Yalch@opinionresearch.com]
Sent: Wednesday, December 30, 2009 1:18 PM
To: Michelson, Robert - Washington, DC; Neil Wolch; Smith, Bob - Washington, DC; Lisa Brunning; Whiteman, Greg - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

I am driving back to Seattle late this week and will get into the office over the weekend and round up these transcripts to send your way so we have them in hand.

Then let's plan on connecting on Monday after we all get a chance to get our heads wrapped around the question and see what we can. I can also do very early Tuesday morning. I have a 12:25 (pacific) flight so have to be at the airport well 2 hours early☺

From: Michelson, Robert - Washington, DC [mailto:robert.michelson@usps.gov]
Sent: Wednesday, December 30, 2009 9:40 AM
To: Neil Wolch; Smith, Bob - Washington, DC; Becky Yalch; Lisa Brunning; Whiteman, Greg - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Bob Smith and I just talked and I want to set out what we need to do going forward. To be clear, neither Bob nor I are saying these 4 respondents are outliers and should be thrown out.

We need to first understand why Premier accounts' change in volume due to implementation of 5 Day Delivery are so different than National and Preferred accounts and to some extent small businesses and consumers. The difference is directional and/or order of magnitude. Premiers say they will increase their usage of single piece First-Class Mail and regular Standard Mail when every other customer segment says they will decrease their usage. Premiers also are the only customer segment that said they would decrease their usage of non-profit Standard Mail. Premiers decreased usage of Priority Mail is significantly less than Preferreds and over 1/7 the of the reduction from National accounts. Premiers increase of 2.2% of non-profit periodicals is leaps and bounds more than the basically flat reaction that the other segments had. Based upon on my experience I expected Premiers to be in between Nationals and Preferreds and to be closer to Nationals for all products

The thing we need to do is to provide an explanation like we can for why consumers will increase their usage of Express Mail and Priority Mail, based on the qualitative focus groups. My thinking is that we ought to be able get an understanding from the IDIs of what Premiers were thinking. That is why we need the transcripts from all the IDIs and they need to be identified by type of account. Becky or Neil, can you tell us how many Premier accounts were interviewed? Hopefully, that will be the end of it. If the transcripts do not provide an explanation, than I think we will need to contact the Premier accounts who were interviewed in the quantitative to get an understanding of why they said what they did. The four respondents below may or may not be sufficient for this purpose.

We should touch base on Monday when Greg and Becky are back in the office to see if we need to do more.

Bob Michelson

5/26/2010

Manager, Program Management and Support
Shipping and Mailing Services
(202) 268-7708
Cell (202) 297-2486

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]
Sent: Wednesday, December 30, 2009 10:38 AM
To: Smith, Bob - Washington, DC; Becky Yalch; Lisa Brunning; Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Hi Bob,

I think we are on the same page here. I was just making the point that we should not change or drop their data based on what they tell us when we talk to them again. We'll treat those conversations like additional qualitative research.

Please let us know where you net out on how far to take this. It sounds like we might want to treat this as an addition to the qualitative phase.

Best regards,

Neil

From: Smith, Bob - Washington, DC [mailto:bob.smith@usps.gov]
Sent: Wednesday, December 30, 2009 9:06 AM
To: Neil Wolch; Becky Yalch; Lisa Brunning; Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

I agree that if their data does not meet the rules for dropping them, then we should leave their data in. I think re-contacting them could help us understand why they would shift from Pre-sort to single-piece. That seems to be one of the things Bob M is wondering about. I don't understand your comment that re-questioning them could change their reaction to the 5-day concept. I think we would simply repeat the data back to them and ask them if they can recall why they would make that change. Granted, it may not work. The other part of the puzzle was those who are planning to decrease use of non-profit standard. We would have to find a few of them in the data and re-contact them to try to understand their reasoning. The attempt is not to get them to change anything but just to try to understand the reasoning in case we need to explain it to management or the PRC. Just how far we want to go with this I will leave up to Greg and Bob.

Bob Smith
Market Research
Room 1106
202 268 3579

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]
Sent: Wednesday, December 30, 2009 9:52 AM

5/26/2010

To: Smith, Bob - Washington, DC; Becky Yalch; Lisa Brunning; Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC

Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Hi Bob,

I totally agree that we have to be careful about not creating the appearance that we are trying to manipulate the data. It is also the case that if we drop some respondents in an attempt to correct a result that seems strange, we might create other results that seem strange. So, we should only drop respondents if, as in the previous decisions to clean out respondents, their responses do not make sense; we consistently used a small set of justifiable rules to identify those cases.

The current four cases do not meet those criteria. I just wanted to point them out because they seem to drive the results you were questioning.

I think it would be okay to recontact the three you mentioned to get a qualitative read of what is driving their response. But, I don't think we should change or delete their data based on that conversation; otherwise, someone can question why we didn't subject other respondents to a second "interview" to validate their responses. Also, it is possible that re-questioning them could change their reaction to the 5-Day concept; this change would not realistically reflect how decision makers would respond to the change in the real world (outside our study).

Does this make sense?

Best regards,

Neil

From: Smith, Bob - Washington, DC [mailto:bob.smith@usps.gov]

Sent: Wednesday, December 30, 2009 8:24 AM

To: Neil Wolch; Becky Yalch; Lisa Brunning; Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC

Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

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Bob Smith
Market Research
Room 1106
202 268 3579

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]

Sent: Tuesday, December 29, 2009 7:13 PM

To: Smith, Bob - Washington, DC; Becky Yalch; Lisa Brunning

Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC

5/26/2010

Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Hi Bob,

Sorry it took a while to respond. Anyway, I've been digging around in the Premier Accounts' data and found the following four cases which, while not necessarily outliers, have responses that you might consider suspect.

- Respondent #474:
 - Next 12 months: 80% Pre-Sort FCM / 10% Regular SM / 7% Non-Profit SM / 3% other
 - First 12 months with 5-Day: 3% Pre-Sort FCM / 80% Regular SM / 17% Non-Profit SM / 0% other
- Respondent #1154:
 - Next 12 months: 20% Single Piece FCM / 80% Pre-Sort FCM
 - First 12 months with 5-Day: 100% Single Piece FCM
- Respondent #12110:
 - Next 12 months: 100% Pre-Sort FCM
 - First 12 months with 5-Day: 50% Single Piece FCM / 50% other
- Respondent #12335:
 - Next 12 months: 95% Non-Profit SM / 5% other
 - First 12 months with 5-Day: 60% Single Piece FCM / 10% Non-Profit SM / 20% Non-Profit Periodicals / 10% other

Please let us know if you think any of these should be removed from the analysis. Please note that if we do remove any/all of these, the forecast for most products (within the Premier segment) could change.

Thanks,

Neil

From: Smith, Bob - Washington, DC [mailto:bob.smith@usps.gov]
Sent: Tuesday, December 29, 2009 9:28 AM
To: Becky Yalch; Neil Wolch; Lisa Brunning
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: FW: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Please look at the chart below which compares changes across mail types by account size. Bob Michelson is wondering why Premier does not seem to follow the same pattern as the other accounts. They plan to increase single piece FC and decrease non-profit standard, just the opposite of the other accounts, although the differences are not huge. Do you have any thoughts on this based on what you heard in the interviews? Bob is wondering if we could still have one more outlier causing this. We could assume that they plan to shift some of their mail from Standard to FCM but it is not good to make that assumption without some proof to back it up. I was going to read through the transcripts to see what I could find. In my file, I found an email with 5 initial transcripts dated 10/14 that are all National Accounts. There were two more sent on 10/23, one of which is Premier. And there are 4 recordings sent on 10/21 (out of 6 you sent, apparently the other 2 didn't come through). Since you did 20 interviews, did you ever send us the rest of the transcripts?

Bob Smith
 Market Research
 Room 1106
 202 268 3579

From: Michelson, Robert - Washington, DC

5/26/2010

Sent: Monday, December 28, 2009 6:12 PM

To: Smith, Bob - Washington, DC

Cc: Whiteman, Greg - Washington, DC

Subject: FW: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Bob,

Could you read through the transcripts of the IDIs and see if you can see an explanation of the reasoning for the differences between managed accounts for First-Class and Standard Mail - Why did Premier's say they will increase their usage?

I seem to recall some discussion about it, but I do not want to speculate.

Bob

Robert - Washington, DC
 December 28, 2009 6:09 PM
 - Washington, DC; Foti, Thomas J - Washington, DC; Devar, Rod - Washington, DC; Mastervich, Karen C - Washington, DC; Monteith, Steven W - Washington, DC
 - Washington, DC
 Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

As a follow-up to our meeting last Monday, I am sending you a breakdown of the percentage loss of volume by product by customer segment - national, premier, preferred, small business and consumers.

Looking at this chart should help you understand the total volume loss numbers.

For example, the market research shows that there will be substantial losses of volume shipped by managed accounts (national, premier and preferred). However, the losses are more than offset by an increase of 16% from consumers. The total volume loss from the managed accounts is 4,206,058 pieces. The 16% increase in Priority Mail pieces shipped by consumers amounts to 13,078,839. This reaction to 5 Day delivery is consistent with what we heard in the qualitative market research; basically, managed accounts will move to competitors and consumers will buy up from First-Class Mail.

Standard Mail is also interesting when you look at the reaction to the concept by segment. The total volume is an increase of +0.14% or 94,268,862 pieces. This is basically flat - no affect. The market research shows that National and Preferred accounts would decrease their volume usage by -0.4 or -117,977,540 pieces and -0.5 or -40,653,831 pieces, respectively, while the Premier segment would increase their usage by +0.8% or 252,900,232 pieces. Thus, there is a slight increase. This too is consistent with what we heard in the qualitative market research. Most advertisers had no reaction to 5 Day Delivery because their target days for delivery are currently during the week (Monday - Friday). This includes virtually all Business to Business advertisers. The elimination of Saturday delivery would have no affect on them. Those that had a negative reaction to 5 Day Delivery have a need for delivery of their ads to be delivered by Saturday or Monday. These mailers are mostly retailers, seeking to drive retail traffic on Saturday and/or Sunday. Those needing delivery on Saturday could not see how using the mail would help them, if there was no Saturday delivery because they need/want delivery on Saturday. They indicated they would use alternative media (i.e., newspapers). Those concerned with delivery on Monday were worried about the Postal Service's ability to deliver their advertisements on Monday due to the amount of mail that would have to be delivered on that day. The Premier segment's very small increase in usage is due, I believe, to this segment sending fewer ads seeking to drive retail store traffic on a weekend than the National or Preferred accounts. As a result, I believe that they will downgrade more First-Class Mail to Standard Mail than the other two segments.

The market research shows that single piece First-Class Mail will decline by between 1 and 2% for each segment, except for Premier. They said they would have a 1.5% increase in volume.

If you have any further questions or concerns, do not hesitate to ask me.

Bob

5/26/2010

Michelson, Robert - Washington, DC

From: Becky Yalch [Becky.Yalch@opinionresearch.com]
Sent: Wednesday, December 30, 2009 1:54 PM
To: Neil Wolch; Michelson, Robert - Washington, DC; Smith, Bob - Washington, DC; Lisa Brunning; Whiteman, Greg - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

☺ -- I can / will make that happen!!

From: Neil Wolch
Sent: Wednesday, December 30, 2009 10:50 AM
To: Becky Yalch; 'Michelson, Robert - Washington, DC'; 'Smith, Bob - Washington, DC'; Lisa Brunning; 'Whiteman, Greg - Washington, DC'
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

I'm really sorry, this time I miscalculated. It is 2-4 EST that I'm not available. So, starting at 1:00 EST would give us an hour if that works for everyone else.

Neil

From: Becky Yalch
Sent: Wednesday, December 30, 2009 12:47 PM
To: Michelson, Robert - Washington, DC; Neil Wolch; Smith, Bob - Washington, DC; Lisa Brunning; Whiteman, Greg - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

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5/26/2010

be able get an understanding from the IDIs of what Premiers were thinking. That is why we need the transcripts from all the IDIs and they need to be identified by type of account. Becky or Neil, can you tell us how many Premier accounts were interviewed? Hopefully, that will be the end of it. If the transcripts do not provide an explanation, than I think we will need to contact the Premier accounts who were interviewed in the quantitative to get an understanding of why they said what they did. The four respondents below may or may not be sufficient for this purpose.

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Bob Michelson
 Manager, Program Management and Support
 Shipping and Mailing Services
 (202) 268-7708
 Cell (202) 297-2486

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Please let us know where you net out on how far to take this. It sounds like we might want to treat this as an addition to the qualitative phase.

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Neil

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Market Research
Room 1106
202 268 3579

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Please let us know if you think any of these should be removed from the analysis. Please note that if we do remove any/all of these, the forecast for most products (within the Premier segment) could change.

Thanks,

Neil

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Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
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5/26/2010

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Room 1106
202 268 3579

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Cc: Whiteman, Greg - Washington, DC
Subject: FW: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

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Looking at this chart should help you understand the total volume loss numbers.

For example, the market research shows that there will be substantial losses of volume shipped by managed accounts (national, premier and preferred). However, the losses are more than offset by an increase of 16% from consumers. The total volume loss from the managed accounts is 4,206,058 pieces. The 16% increase in Priority Mail pieces shipped by consumers amounts to 13,078,839. This reaction to 5 Day delivery is consistent with what we heard in the qualitative market research; basically, managed accounts will move to competitors and consumers will buy up from First-Class Mail.

Standard Mail is also interesting when you look at the reaction to the concept by segment. The total volume is an increase of +0.14% or 94,268,862 pieces. This is basically flat - no affect. The market research shows that National and Preferred accounts would decrease their volume usage by -0.4 or -117,977,540 pieces and -0.5 or -40,653,831 pieces, respectively, while the Premier segment would increase their usage by +0.8% or 252,900,232 pieces. Thus, there is a slight increase. This too is consistent with what we heard in the qualitative market research. Most advertisers had no reaction to 5 Day Delivery because their target days for delivery are currently during the week (Monday - Friday). This includes virtually all Business to Business advertisers. The elimination of Saturday delivery would have no affect on them. Those that had a negative reaction to 5 Day Delivery have a need for delivery of their ads to be delivered by Saturday or Monday. These mailers are mostly retailers, seeking to drive retail traffic on Saturday and/or Sunday. Those needing delivery on Saturday could not see how using the mail would help them, if there was no Saturday delivery because they need/want delivery on Saturday. They indicated they would use alternative media (i.e., newspapers). Those concerned with delivery on Monday were worried about the Postal Service's ability to

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deliver their advertisements on Monday due to the amount of mail that would have to be delivered on that day. The Premier segment's very small increase in usage is due, I believe, to this segment sending fewer ads seeking to drive retail store traffic on a weekend than the National or Preferred accounts. As a result, I believe that they will downgrade more First-Class Mail to Standard Mail than the other two segments.

The market research shows that single piece First-Class Mail will decline by between 1 and 2% for each segment, except for Premier. They said they would have a 1.5% increase in volume.

If you have any further questions or concerns, do not hesitate to ask me.

Bob

5/26/2010

Michelson, Robert - Washington, DC

From: Smith, Bob - Washington, DC
Sent: Monday, August 03, 2009 9:05 AM
To: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: FW: USPS 5-Day Delivery Kick Off Agenda
Attachments: USPS 5-Day Research Kick Off Agenda.docx

Here is the agenda for the meeting today.

Bob Smith
Market Research
Room 1106
202 268 3579

From: Lisa Brunning [mailto:Lisa.Brunning@opinionresearch.com]
Sent: Monday, August 03, 2009 7:05 AM
To: Smith, Bob - Washington, DC
Cc: Jeff Resnick; Neil Wolch; Becky Yalch; Christopher Communi; Graham Hueber; Galen Yalch; Cori Larson
Subject: USPS 5-Day Delivery Kick Off Agenda

Bob,

Attached please find the agenda we put together for our discussion today at 1:00 p.m. If you could distribute to your team prior to the meeting, we would appreciate it. Thanks.

Lisa M. Brunning
Senior Project Manager

Opinion Research Corporation
248 . 628 . 7662 - office
248 . 622 . 3569 - cell
Lisa.Brunning@OpinionResearch.com

Michelson, Robert - Washington, DC

From: Neil Wolch [neil.wolch@opinionresearch.com]
Sent: Friday, August 14, 2009 1:35 PM
To: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC; Smith, Bob - Washington, DC; Lisa Brunning; Becky Yalch; Lisa Brunning; Jeff Resnick
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

Thanks, Greg.

Best regards,

Neil

From: Whiteman, Greg - Washington, DC [mailto:greg.whiteman@usps.gov]
Sent: Friday, August 14, 2009 12:21 PM
To: Neil Wolch; Michelson, Robert - Washington, DC; Smith, Bob - Washington, DC; Lisa Brunning; Becky Yalch; Lisa Brunning; Jeff Resnick
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

Neil:

You can assume that 100 percent use First-Class Mail and 50 percent use Priority Mail (Bob Michelson-is that reasonable?) Based on you point about Express Mail, we do not need to supplement the sample.

Greg

Greg Whiteman
Manager, Market Research
202-268-3565 (phone)
202-255-2394 (cell)
202-268-5761 (fax)
Greg.Whiteman@usps.gov

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]
Sent: Friday, August 14, 2009 12:16 AM
To: Michelson, Robert - Washington, DC; Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC; Lisa Brunning; Becky Yalch; Lisa Brunning; Jeff Resnick
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

Hi Bob, Greg and Bob,

It is totally up to you whether we need a supplemental sample of Express Mail users, but please note that even if we do not, we will still be able to measure the extent to which users of the other products might switch to Express Mail. The only thing we might miss by omitting that supplement would be if those who currently

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use both Express and other products would be more likely to shift more of their non-Express volume to Express than would those who do not currently use Express at all.

I assume the split of 85-90% FCM / 10-15% Priority from Residual reflects volume, not the proportion using each. Is there any way to estimate the % of those with any Residual volume who use each product? We can get by without that information, but it would help us fine-tune our estimates of what a representative sample would yield.

Thanks,

Neil

From: Michelson, Robert - Washington, DC [mailto:robert.michelson@usps.gov]
Sent: Thursday, August 13, 2009 2:00 PM
To: Whiteman, Greg - Washington, DC; Neil Wolch; Smith, Bob - Washington, DC; Lisa Brunning; Becky Yalch; Lisa Brunning; Jeff Resnick
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

I am not sure about needing a supplemental sample for Express Mail. It may be sufficient to sample users in the databases we have and will provide.

Parcel Post and Parcel Select are separate issues. Parcel Post is primarily a retail product. Sampling small businesses and consumers should work. Strong data will be needed because of the PRC interest in protecting those groups. Parcel Select is shipped by a small number of shippers and consolidators. The customer base is so small that one could almost do a census. And we need to deal with the consolidators - FedEx and UPS are the prime ones. We probably need to discuss this in more detail.

Bob

From: Whiteman, Greg - Washington, DC
Sent: Thursday, August 13, 2009 2:47 PM
To: Neil Wolch; Smith, Bob - Washington, DC; Lisa Brunning; Becky Yalch; Lisa Brunning; Jeff Resnick
Cc: Michelson, Robert - Washington, DC
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

Folks:

As we may gain new Express Mail business as a way to overcome no Priority Mail delivery on Saturday, we may want to have a supplemental sample for Express Mail. In the Residual mail, we estimate that 85-90 percent is First-Class Mail and 10-15 percent is Priority Mail.

Bob Michelson, do you think we need strong data for Parcel Post/Parcel Select?

Greg

Greg Whiteman
Manager, Market Research
202-268-3565 (phone)
202-255-2394 (cell)
202-268-5761 (fax)
Greg.Whiteman@usps.gov

5/26/2010

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]
Sent: Thursday, August 13, 2009 2:23 PM
To: Smith, Bob - Washington, DC; Lisa Brunning; Becky Yalch; Lisa Brunning; Jeff Resnick
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

Hi Bob,

Thank you for clarifying. I don't know that you have to go through the effort of separating out PCP users. As long as they are in the database, we will have them in our sampling frame. A representative sample of the database should yield enough Priority Mail users, if I'm correct in expecting that they make up a fairly large portion of those with Residual Mail volume.

When we receive the Click N Ship file, we'll append it to the file we already have and take out duplications.

I'd like to suggest that we randomly sample from that combined database. A decent size representative sample (perhaps 500) should yield enough FCM and Priority Mail users. Then, we can add a couple of supplemental samples, specifically targeting Standard Mail and Periodical users; we could also supplement for Express Mail users, if you deem this important enough for a reliable sample. That would only leave Parcel Post and Parcel Select with tiny (unreadable) sample sizes. We would end up with unbiased samples of users of the other products.

Please let me know what you think. If you agree with the general approach, I can write it up more formally as part of the sampling plan.

Best regards,

Neil

From: Smith, Bob - Washington, DC [mailto:bob.smith@usps.gov]
Sent: Thursday, August 13, 2009 12:44 PM
To: Neil Wolch; Lisa Brunning; Becky Yalch; Lisa Brunning; Jeff Resnick
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

Re: the Preferred Accounts volumes by product – The PC Postage users are already included in the Residual Meter category but the file we provided does not contain the Click N Ship users because they are not integrated into CBCIS. We are in the process of separating out PCP users and showing their product usage, i.e. Priority, Express mail as this should be helpful to you in locating users of Priority Mail. We have also run the click N Ship file for businesses only. We will FTP these to you.

Re: Contact information: For the Preferred Account file, the only source of contact information is matching against the Equifax file. The sales force does not deal with these accounts. We have done that for the file you received. So there is no other source for contact information for the one third that are missing it. For some reason no match was found for those businesses. That means you will need to do telephone number look up for those businesses. We have come up with a plan for the National and Premier Accounts. We will match against Equifax and then where there is no contact information found we will supplement with whatever Sales can provide. Some of the contact information has not been updated by Sales since January, so the Equifax info may be more accurate.

Bob Smith
Market Research
Room 1106

5/26/2010

202 268 3579

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]
Sent: Wednesday, August 12, 2009 7:24 PM
To: Smith, Bob - Washington, DC; Lisa Brunning; Becky Yalch
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

Hi Bob,

Based on our conversation yesterday, I think we'll have enough FCM and Priority Mail users in the Preferred segment; this is based on expecting Residual Mail users to be users of one or both of those products.

However, I want to be sure our sampling plan neither misses nor over-represents those who use PC Postage and Click N Ship. My impression is that Preferred Accounts that *only* use one of those options are not in the database you already sent. Is that correct? If so, we should probably add them into the sampling frame (and take out any duplicates), to make sure our sample is representative.

Please let me know what you think.

Thanks,

Neil

From: Smith, Bob - Washington, DC [mailto:bob.smith@usps.gov]
Sent: Wednesday, August 12, 2009 12:09 PM
To: Lisa Brunning; Neil Wolch; Becky Yalch
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: FW: USPS 5-Day Delivery Research - Preferred Accounts

I didn't realize that this email was not sent to you. The minuses that you sent us represent a credit in 08 for 07 volumes. It appears the customers with negative volume in 08 probably have no actual volume in that year and should be ignored. Have you looked at the National Account list yet to see if there are any problems? Our data people can run the PC Postage and the Click N Ship lists to find more Priority Mail users. The timing is not known. Pc Postage will have 08 volume. Click N Ship will have only 1/2 year volume.

Bob Smith
Market Research
Room 1106
202 268 3579

From: White, John H - Washington, DC - Contractor
Sent: Tuesday, August 11, 2009 5:30 PM
To: Smith, Bob - Washington, DC
Cc: Caroncino, Vic M - Washington, DC
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

I have looked up some of the examples with explanations below:
All examples I have researched is where adjustments were given for a prior year.

Custid 3465703024

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Credit adjustment of (1,145) pieces was given in Jan FY08 for volume mailed in April FY07.
This was the only entry made in FY08.

Custid 0350034000

Credit adjustment of (4,166) pieces was given in Oct FY08 for volume mailed in Sept FY07.
This was the only entry made in FY08.

Custid 0438216521

Credit adjustment of (2,617) pieces was given in Oct FY08 for volume mailed in Sept FY07.
An additional mailing was done in Dec FY08 for 1,146 pieces resulting in (1,471) pieces in FY08.
No other mailing were made in FY08.

John H. White
(202) 268-2203

From: Smith, Bob - Washington, DC
Sent: Tuesday, August 11, 2009 3:01 PM
To: White, John H - Washington, DC - Contractor
Cc: Caroncino, Vic M - Washington, DC
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

FYI, Here are the counts ORC came up with.

Bob Smith
Market Research
Room 1106
202 268 3579

From: Lisa Brunning [mailto:Lisa.Brunning@opinionresearch.com]

5/26/2010

Sent: Tuesday, August 11, 2009 2:13 PM
To: White, John H - Washington, DC - Contractor
Cc: Smith, Bob - Washington, DC; Caroncino, Vic M - Washington, DC
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

Here are some examples of accounts that have negative volumes. If you have any questions, please let me know. Thanks.

Lisa M. Brunning
Senior Project Manager

Opinion Research Corporation
248 . 628 . 7662 - office
248 . 622 . 3569 - cell
Lisa.Brunning@OpinionResearch.com

From: White, John H - Washington, DC - Contractor [mailto:john.h.white@usps.gov]
Sent: Monday, August 10, 2009 4:32 PM
To: Lisa Brunning
Cc: Smith, Bob - Washington, DC; Caroncino, Vic M - Washington, DC
Subject: RE: USPS 5-Day Delivery Research - Preferred Accounts

Lisa,
Can you send me a couple of examples of the negative volumes.
They could be adjustments, or in the Residual Meter columns where we did not show any meter settings for a customer but did show mailings by the customer using a meter. This can be caused when a mail service provider is involved in a customer's mailing.
If you give me a couple of examples I can speak to the specifics.

John H. White
(202) 268-2203

From: Smith, Bob - Washington, DC
Sent: Monday, August 10, 2009 2:01 PM
To: White, John H - Washington, DC - Contractor; Caroncino, Vic M - Washington, DC
Subject: FW: USPS 5-Day Delivery Research - Preferred Accounts

Can you answer this question?

Bob Smith
Market Research
Room 1106
202 268 3579

From: Lisa Brunning [mailto:Lisa.Brunning@opinionresearch.com]
Sent: Monday, August 10, 2009 1:15 PM
To: Smith, Bob - Washington, DC
Subject: USPS 5-Day Delivery Research - Preferred Accounts

5/26/2010

Bob,

We are looking at the Preferred Accounts file a little more closely and are wondering why there are negative numbers in the volume counts? Please let us know. Thanks.

Lisa M. Brunning
Senior Project Manager

Opinion Research Corporation
248 . 628 . 7662 - office
248 . 622 . 3569 - cell
Lisa.Brunning@OpinionResearch.com

5/26/2010

Michelson, Robert - Washington, DC

From: Whiteman, Greg - Washington, DC
Sent: Wednesday, December 02, 2009 8:08 AM
To: Michelson, Robert - Washington, DC
Subject: FW: Updated Forecasts
Importance: High
Attachments: USPS 5-Day Delivery - Forecasts - 12-1-2009.xls

Bob:

This now really works for us. The forecasts are very reasonable and reflect what should be the magnitude of change. when do you think you will have the volume forecast, reflecting the RPW/HHDS data? Also, let me know if you have any suggestions regarding the slides summarizing the key insights from the qualitative research.

I feel really good about this research. Together, working with ORC, I think we produce good work. Thanks for your contributions.

Greg

Greg Whiteman
Manager, Market Research
202-268-3565 (phone)
202-255-2394 (cell)
202-268-5761 (fax)
Greg.Whiteman@usps.gov

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]
Sent: Tuesday, December 01, 2009 5:18 PM
To: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC; Smith, Bob - Washington, DC
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: RE: Updated Forecasts
Importance: High

Hi Greg and Bobs,

Since we spoke this morning, we deleted one respondent from a National Account (the case we discussed) and four from Premier Accounts. Those four had responses that are logically inconsistent, especially when we checked back against their data in CBCIS. There were another few respondents who indicated they do/would use non-profit Standard Mail or Periodical Mail in two of the time periods, but indicated the regular version of the applicable product in the other; after checking out those accounts' websites, we feel comfortable changing their inconsistent answer to the non-profit product.

The attached forecasts reflect these changes. Only the National and Premier forecasts have changed since

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yesterday.

Please let us know if you have any questions or comments.

Best regards,

Neil

From: Neil Wolch
Sent: Monday, November 30, 2009 6:07 PM
To: 'Whiteman, Greg - Washington, DC'; 'Michelson, Robert - Washington, DC'; 'Smith, Bob - Washington, DC'
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: Updated Forecasts

Hi all,

Attached are the updated forecast sheets. They reflect the changes we have discussed over the past couple of weeks, including: deletion of "inliers" (those reporting that there would be a 25% or greater increase in total volume for the first 12 months with 5-day delivery compared to the next 12 months in the absence of a service change), dropping the forecasts for Parcel Post and Parcel Select (due to low sample sizes and low impact on total USPS revenue), relabeling "raw" changes to "unadjusted" changes, and implementing adjusted weights for the Premier and Preferred segments to reflect the breakouts of regular vs. non-profit volume for Standard Mail and Periodical Mail (reflecting the data John White sent earlier today).

In addition, we found one more Preferred Account with suspect (inconsistent) responses, so we took that respondent out of the dataset. We'd be happy to discuss this further if you would like.

Please let us know if you have any questions or comments.

Best regards,

Neil Wolch
Vice President
Opinion Research Corporation
Please note new information:
25 Northwest Point Blvd., Suite 800
Elk Grove Village, IL 60007-1099
Phone: 847-378-2244
Fax: 847-378-2290
e-mail: Neil.Wolch@opinionresearch.com

Michelson, Robert - Washington, DC

From: Neil Wolch [neil.wolch@opinionresearch.com]
Sent: Thursday, December 03, 2009 5:34 PM
To: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC; Smith, Bob - Washington, DC
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: RE: Updated Forecasts

Hi everyone,

We're just checking in to see how the latest forecasts look to you. We hope your preparations for the Monday meeting are going well. Please let us know if we can be of any further assistance.

Cheers,

Neil

From: Neil Wolch
Sent: Tuesday, December 01, 2009 4:18 PM
To: 'Whiteman, Greg - Washington, DC'; 'Michelson, Robert - Washington, DC'; 'Smith, Bob - Washington, DC'
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: RE: Updated Forecasts
Importance: High

Hi Greg and Bobs,

Since we spoke this morning, we deleted one respondent from a National Account (the case we discussed) and four from Premier Accounts. Those four had responses that are logically inconsistent, especially when we checked back against their data in CBCIS. There were another few respondents who indicated they do/would use non-profit Standard Mail or Periodical Mail in two of the time periods, but indicated the regular version of the applicable product in the other; after checking out those accounts' websites, we feel comfortable changing their inconsistent answer to the non-profit product.

The attached forecasts reflect these changes. Only the National and Premier forecasts have changed since yesterday.

Please let us know if you have any questions or comments.

Best regards,

Neil

From: Neil Wolch
Sent: Monday, November 30, 2009 6:07 PM
To: 'Whiteman, Greg - Washington, DC'; 'Michelson, Robert - Washington, DC'; 'Smith, Bob - Washington, DC'
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: Updated Forecasts

5/26/2010

Hi all,

Attached are the updated forecast sheets. They reflect the changes we have discussed over the past couple of weeks, including: deletion of "inliers" (those reporting that there would be a 25% or greater increase in total volume for the first 12 months with 5-day delivery compared to the next 12 months in the absence of a service change), dropping the forecasts for Parcel Post and Parcel Select (due to low sample sizes and low impact on total USPS revenue), relabeling "raw" changes to "unadjusted" changes, and implementing adjusted weights for the Premier and Preferred segments to reflect the breakouts of regular vs. non-profit volume for Standard Mail and Periodical Mail (reflecting the data John White sent earlier today).

In addition, we found one more Preferred Account with suspect (inconsistent) responses, so we took that respondent out of the dataset. We'd be happy to discuss this further if you would like.

Please let us know if you have any questions or comments.

Best regards,

Neil Wolch
Vice President
Opinion Research Corporation
Please note new information:
25 Northwest Point Blvd., Suite 800
Elk Grove Village, IL 60007-1099
Phone: 847-378-2244
Fax: 847-378-2290
e-mail: Neil.Wolch@opinionresearch.com

5/26/2010

Michelson, Robert - Washington, DC

From: Whiteman, Greg - Washington, DC
Sent: Friday, October 09, 2009 1:02 PM
To: Lisa Brunning; Neil Wolch; Smith, Bob - Washington, DC; Michelson, Robert - Washington, DC
Cc: Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Delivery: Pretest Results/Recommendations

Lisa:

The reason to limit Periodicals to the larger, managed accounts is that we want this to refer only to those who send periodical mail which requires a permit. This allows us them to apply any percent change in volume to our official "Periodical Mail" volumes.

There should be no periodical applications in Other as all such applications should arise when we cover Periodical Mail. But, if it helps to include it in Other, OK.

OK to the rest of your comments.

Greg

Greg Whiteman
Manager, Market Research
202-268-3565 (phone)
202-255-2394 (cell)
202-268-5761 (fax)
Greg.Whiteman@usps.gov

From: Lisa Brunning [mailto:Lisa.Brunning@opinionresearch.com]
Sent: Friday, October 09, 2009 12:41 PM
To: Whiteman, Greg - Washington, DC; Neil Wolch; Smith, Bob - Washington, DC; Michelson, Robert - Washington, DC
Cc: Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Delivery: Pretest Results/Recommendations

Greg,

Neil and I have reviewed your changes below and have a few comments in red below. Please see below. Thanks.

Lisa M. Brunning
Senior Project Manager

Opinion Research Corporation

5/26/2010

248 . 628 . 7662 - office
 248 . 622 . 3569 - cell
 Lisa.Brunning@OpinionResearch.com

From: Whiteman, Greg - Washington, DC [mailto:greg.whiteman@usps.gov]
Sent: Friday, October 09, 2009 11:46 AM
To: Lisa Brunning; Neil Wolch; Smith, Bob - Washington, DC; Michelson, Robert - Washington, DC
Cc: Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Delivery: Pretest Results/Recommendations

Lisa:

Below are the changes:

- **Bills:** For Small Businesses, it should be Full Rate First-Class Mail. **[Lisa Brunning]** Our understanding was that small businesses would not be able to distinguish between Full Rate First-Class Mail and Pre-Sort First-Class Mail so we only give them the option of First-Class Mail. We will know that they mean full rate.
- **Payments:** It should be Full Rate First-Class Mail for Small Businesses. Add telephone for small Businesses and Consumers. Add cash for Consumers. **[Lisa Brunning]** Again, our understanding was that small businesses would not be able to distinguish between the types of First-Class Mail, so we had all decided to just give them the option of First-Class Mail. Adding Telephone for Small Businesses and Consumers and Cash for Consumers we feel can be handled using the other specify option. If someone sends their payments by telephone or cash, they will volunteer the information and they/the interviewer can enter that method in the other specify option. That will help control the length of the survey.
- **Advertising:** Add Presort First-Class Mail for National, Premier, and Preferred accounts. Add Full rate First-Class Mail for small businesses. **[Lisa Brunning]** We can add Presort First-Class Mail as an option for National, Premier and Preferred Accounts, but feel we should add First-Class Mail for Small Businesses because they will not be able to distinguish between the different types of First-Class Mail.
- **Periodical:** remove the products from small businesses. **[Lisa Brunning]** Are you suggesting that we do not ask about Periodicals for Small Businesses? That we do not offer that as an option in S7 when we ask them the mail or package applications they are responsible for?
- **Documents:** All segments can use the products listed under Consumers. **[Lisa Brunning]** Documents is only asked about in the Consumer version of the questionnaire. For all Business Segments we are being more specific and asking about applications in a more specific manner -- general communications, bills/invoices/statements, etc.
- **Other:** Remove Periodicals (they are covered in the Periodical/Newspaper category. **[Lisa Brunning]** We don't know what type of applications someone might be sending that is entered into the other specify response so to be safe we feel we should leave Periodical Mail as an option.
- **Newsletters:** We need to add this for all the commercial segments. The products options would be Standard Mail and Presorted First-Class Mail for National, Premier and Preferred Accounts and Fullrate First-Class Mail for small businesses. **[Lisa Brunning]** We are in the process of adding Newsletters to the questionnaire. If they mention Newsletters, we then ask them how they send their Newsletters. If they send

them via FCM we display/ask about the same products as General Communications. If they say they send them via Standard Mail, we display/ask about the same products as Advertising or Marketing Materials. If they say they send them via Periodical Mail, we display/ask about the same products as Newspapers/Periodicals.

Greg

Greg Whiteman
Manager, Market Research
202-268-3565 (phone)
202-255-2394 (cell)
202-268-5761 (fax)
Greg.Whiteman@usps.gov

From: Lisa Brunning [mailto:Lisa.Brunning@opinionresearch.com]
Sent: Friday, October 09, 2009 11:07 AM
To: Neil Wolch; Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC; Michelson, Robert - Washington, DC
Cc: Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Delivery: Pretest Results/Recommendations

Just following up to see if you have had a chance to review the Excel file that we sent that lists the products that should be asked about for each application. Please let us know. Thanks.

Lisa M. Brunning
Senior Project Manager

Opinion Research Corporation
248 . 628 . 7662 - office
248 . 622 . 3569 - cell
Lisa.Brunning@OpinionResearch.com

From: Neil Wolch
Sent: Wednesday, October 07, 2009 1:00 PM
To: Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC; 'Michelson, Robert - Washington, DC'
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: 5-Day Delivery: Pretest Results/Recommendations
Importance: High

Hi Greg and Bobs,

As you know, we conducted a pretest of the telephone interviews for the National, Premier, and Preferred segments yesterday. The attached memo describes what we experienced and includes some recommendations on how to improve the interviews. Please take a look and let us know what you think. There are some pretty critical issues here, so it might be worth a call to discuss. Lisa and I are pretty free, so just let us know if/when you would like to talk.

5/26/2010

I've also attached a file that relates applications to the products that might be used; this is explained in the memo.

Finally, the latest version of the questionnaire is attached. This covers all segments except consumers. We have highlighted the adjustments made since the last version you saw (which was dated Sept. 23 and covered all segments). The changes are largely "technical," to facilitate programming/interviewing.

We are updating the timeline and will send that later today.

Best regards,

Neil Wolch
Vice President
Opinion Research Corporation
Please note new information:
25 Northwest Point Blvd., Suite 800
Eik Grove Village, IL 60007-1099
Phone: 847-378-2244
Fax: 847-378-2290
e-mail: Neil.Wolch@opinionresearch.com

Michelson, Robert - Washington, DC

From: Becky Yalch [Becky.Yalch@opinionresearch.com]
Sent: Friday, October 09, 2009 12:59 PM
To: Lisa Brunning; Whiteman, Greg - Washington, DC; Neil Wolch; Smith, Bob - Washington, DC; Michelson, Robert - Washington, DC
Cc: Jeff Resnick
Subject: Re: 5-Day Delivery: Pretest Results/Recommendations

I would agree with lisa's and0neil's comments below. Business groups clearly showed that small businesses cannot always distinguish between first and standard mail. It is even less likely they will be able to distinguish the nuances of first class. We can use the qualitative research to suppor this simplification of the questionnaire

If I am reading this correctly on my blackberry for payments I would add pay by phone. A significant number in groups mentioned this for payments. Also ach

From: Lisa Brunning
To: Whiteman, Greg - Washington, DC ; Neil Wolch; Smith, Bob - Washington, DC ; Michelson, Robert - Washington, DC
Cc: Jeff Resnick; Becky Yalch
Sent: Fri Oct 09 12:41:20 2009
Subject: RE: 5-Day Delivery: Pretest Results/Recommendations

Greg,

Neil and I have reviewed your changes below and have a few comments in red below. Please see below. Thanks.

Lisa M. Brunning
Senior Project Manager

Opinion Research Corporation
248 . 628 . 7662 - office
248 . 622 . 3569 - cell
Lisa.Brunning@OpinionResearch.com

From: Whiteman, Greg - Washington, DC [mailto:greg.whiteman@usps.gov]
Sent: Friday, October 09, 2009 11:46 AM
To: Lisa Brunning; Neil Wolch; Smith, Bob - Washington, DC; Michelson, Robert - Washington, DC
Cc: Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Delivery: Pretest Results/Recommendations

Lisa:

Below are the changes:

- Bills: For Small Businesses, it shoyld be Full Rate First-Class Mail.[**Lisa Brunning**]

Our understanding was that small businesses would not be able to distinguish between Full Rate First-Class Mail and Pre-Sort First-Class Mail so we only give them the option of First-Class Mail. We will know that they mean full rate.

- Payments: It should be Full Rate First-Class Mail for Small Businesses. Add telephone for small Businesses and Consumers. Add cash for Consumers. **[Lisa Brunning]** Again, our understanding was that small businesses would not be able to distinguish between the types of First-Class Mail, so we had all decided to just give them the option of First-Class Mail. Adding Telephone for Small Businesses and Consumers and Cash for Consumers we feel can be handled using the other specify option. If someone sends their payments by telephone or cash, they will volunteer the information and they/the interviewer can enter that method in the other specify option. That will help control the length of the survey.
- Advertising: Add Presort First-Class Mail for National, Premier, and Preferred accounts. Add Full rate First-Class Mail for small businesses. **[Lisa Brunning]** We can add Presort First-Class Mail as an option for National, Premier and Preferred Accounts, but feel we should add First-Class Mail for Small Businesses because they will not be able to distinguish between the different types of First-Class Mail.
- Periodical: remove the products from small businesses. **[Lisa Brunning]** Are you suggesting that we do not ask about Periodicals for Small Businesses? That we do not offer that as an option in S7 when we ask them the mail or package applications they are responsible for?
- Documents: All segments can use the products listed under Consumers. **[Lisa Brunning]** Documents is only asked about in the Consumer version of the questionnaire. For all Business Segments we are being more specific and asking about applications in a more specific manner – general communications, bills/invoices/statements, etc.
- Other: Remove Periodicals (they are covered in the Periodical/Newspaper category). **[Lisa Brunning]** We don't know what type of applications someone might be sending that is entered into the other specify response so to be safe we feel we should leave Periodical Mail as an option.
- Newsletters; We need to add this for all the commercial segments. The products options would be Standard Mail and Presorted First-Class Mail for National, Premier and Preferred Accounts and Fullrate First-Class Mail for small businesses. **[Lisa Brunning]** We are in the process of adding Newsletters to the questionnaire. If they mention Newsletters, we then ask them how they send their Newsletters. If they send them via FCM we display/ask about the same products as General Communications. If they say they send them via Standard Mail, we display/ask about the same products as Advertising or Marketing Materials. If they say they send them via Periodical Mail, we display/ask about the same products as Newspapers/Periodicals.

Greg

Greg Whiteman
 Manager, Market Research
 202-268-3565 (phone)
 202-255-2394 (cell)
 202-268-5761 (fax)
 Greg.Whiteman@usps.gov

5/26/2010

From: Lisa Brunning [mailto:Lisa.Brunning@opinionresearch.com]
Sent: Friday, October 09, 2009 11:07 AM
To: Neil Wolch; Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC; Michelson, Robert - Washington, DC
Cc: Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Delivery: Pretest Results/Recommendations

Just following up to see if you have had a chance to review the Excel file that we sent that lists the products that should be asked about for each application. Please let us know. Thanks.

Lisa M. Brunning
Senior Project Manager

Opinion Research Corporation
248 . 628 . 7662 - office
248 . 622 . 3569 - cell
Lisa.Brunning@OpinionResearch.com

From: Neil Wolch
Sent: Wednesday, October 07, 2009 1:00 PM
To: Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC; 'Michelson, Robert - Washington, DC'
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: 5-Day Delivery: Pretest Results/Recommendations
Importance: High

Hi Greg and Bobs,

As you know, we conducted a pretest of the telephone interviews for the National, Premier, and Preferred segments yesterday. The attached memo describes what we experienced and includes some recommendations on how to improve the interviews. Please take a look and let us know what you think. There are some pretty critical issues here, so it might be worth a call to discuss. Lisa and I are pretty free, so just let us know if/when you would like to talk.

I've also attached a file that relates applications to the products that might be used; this is explained in the memo.

Finally, the latest version of the questionnaire is attached. This covers all segments except consumers. We have highlighted the adjustments made since the last version you saw (which was dated Sept. 23 and covered all segments). The changes are largely "technical," to facilitate programming/interviewing.

We are updating the timeline and will send that later today.

Best regards,

Neil Wolch
Vice President
Opinion Research Corporation
Please note new information:
25 Northwest Point Blvd., Suite 800
Elk Grove Village, IL 60007-1099
Phone: 847-378-2244

5/26/2010

Fax: 847-378-2290
e-mail: Neil.Wolch@opinionresearch.com

Michelson, Robert - Washington, DC

From: Whiteman, Greg - Washington, DC
Sent: Wednesday, October 07, 2009 1:30 PM
To: Neil Wolch; Smith, Bob - Washington, DC; Michelson, Robert - Washington, DC
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Delivery: Pretest Results/Recommendations

Neil:

Cannot open the Excel document.

Greg

Greg Whiteman
Manager, Market Research
202-268-3565 (phone)
202-255-2394 (cell)
202-268-5761 (fax)
Greg.Whiteman@usps.gov

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]
Sent: Wednesday, October 07, 2009 1:00 PM
To: Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC; Michelson, Robert - Washington, DC
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: 5-Day Delivery: Pretest Results/Recommendations
Importance: High

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Neil Wolch

5/26/2010

Vice President
Opinion Research Corporation
Please note new information:
25 Northwest Point Blvd., Suite 800
Elk Grove Village, IL 60007-1099
Phone: 847-378-2244
Fax: 847-378-2290
e-mail: Neil.Wolch@opinionresearch.com

Michelson, Robert - Washington, DC

From: Smith, Bob - Washington, DC
Sent: Wednesday, October 07, 2009 1:25 PM
To: Neil Wolch; Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: RE: 5-Day Delivery: Pretest Results/Recommendations

I am not able to open the excel document. It says it is in an unrecognizable format.

Bob Smith
Market Research
Room 1106
202 268 3579

From: Neil Wolch [mailto:neil.wolch@opinionresearch.com]
Sent: Wednesday, October 07, 2009 1:00 PM
To: Whiteman, Greg - Washington, DC; Smith, Bob - Washington, DC; Michelson, Robert - Washington, DC
Cc: Lisa Brunning; Jeff Resnick; Becky Yalch
Subject: 5-Day Delivery: Pretest Results/Recommendations
Importance: High

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We are updating the timeline and will send that later today.

Best regards,

Neil Wolch
Vice President
Opinion Research Corporation
Please note new information:
25 Northwest Point Blvd., Suite 800
Elk Grove Village, IL 60007-1099
Phone: 847-378-2244
Fax: 847-378-2290
e-mail: Neil.Wolch@opinionresearch.com

5/26/2010

Michelson, Robert - Washington, DC

From: Neil Wolch [neil.wolch@opinionresearch.com]
Sent: Sunday, January 10, 2010 4:49 PM
To: Smith, Bob - Washington, DC; Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Cc: Becky Yalch; Lisa Brunning
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

All,

To close the loop on this issue, we have considered the four cases mentioned below and determined that they do not meet any of the previously established criteria for designating them as outliers to be cleaned out of the dataset. While their responses may be surprising, they are not inherently impossible. Therefore, in accordance with accepted marketing research principles, we will keep them in the dataset. Our previously provided forecasts will not change.

Please let me know if you have any questions or comments.

Best regards,

Neil

From: Neil Wolch
Sent: Tuesday, December 29, 2009 6:13 PM
To: 'Smith, Bob - Washington, DC'; Becky Yalch; Lisa Brunning
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: RE: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Hi Bob,

Sorry it took a while to respond. Anyway, I've been digging around in the Premier Accounts' data and found the following four cases which, while not necessarily outliers, have responses that you might consider suspect.

- Respondent #474:
 - Next 12 months: 80% Pre-Sort FCM / 10% Regular SM / 7% Non-Profit SM / 3% other
 - First 12 months with 5-Day: 3% Pre-Sort FCM / 80% Regular SM / 17% Non-Profit SM / 0% other
- Respondent #1154:
 - Next 12 months: 20% Single Piece FCM / 80% Pre-Sort FCM
 - First 12 months with 5-Day: 100% Single Piece FCM
- Respondent #12110:
 - Next 12 months: 100% Pre-Sort FCM
 - First 12 months with 5-Day: 50% Single Piece FCM / 50% other
- Respondent #12335:
 - Next 12 months: 95% Non-Profit SM / 5% other
 - First 12 months with 5-Day: 60% Single Piece FCM / 10% Non-Profit SM / 20% Non-Profit Periodicals / 10% other

5/26/2010

Please let us know if you think any of these should be removed from the analysis. Please note that if we do remove any/all of these, the forecast for most products (within the Premier segment) could change.

Thanks,

Neil

From: Smith, Bob - Washington, DC [mailto:bob.smith@usps.gov]
Sent: Tuesday, December 29, 2009 9:28 AM
To: Becky Yalch; Neil Wolch; Lisa Brunning
Cc: Whiteman, Greg - Washington, DC; Michelson, Robert - Washington, DC
Subject: FW: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Please look at the chart below which compares changes across mail types by account size. Bob Michelson is wondering why Premier does not seem to follow the same pattern as the other accounts. They plan to increase single piece FC and decrease non-profit standard, just the opposite of the other accounts, although the differences are not huge. Do you have any thoughts on this based on what you heard in the interviews? Bob is wondering if we could still have one more outlier causing this. We could assume that they plan to shift some of their mail from Standard to FCM but it is not good to make that assumption without some proof to back it up. I was going to read through the transcripts to see what I could find. In my file, I found an email with 5 initial transcripts dated 10/14 that are all National Accounts. There were two more sent on 10/23, one of which is Premier. And there are 4 recordings sent on 10/21 (out of 6 you sent, apparently the other 2 didn't come through). Since you did 20 interviews, did you ever send us the rest of the transcripts?

Bob Smith
 Market Research
 Room 1106
 202 268 3579

From: Michelson, Robert - Washington, DC
Sent: Monday, December 28, 2009 6:12 PM
To: Smith, Bob - Washington, DC
Cc: Whiteman, Greg - Washington, DC
Subject: FW: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

Bob,

Could you read through the transcripts of the IDIs and see if you can see an explanation of the reasoning for the differences between managed accounts for First-Class and Standard Mail - Why did Premier's say they will increase their usage?

I seem to recall some discussion about it, but I do not want to speculate.

Bob

From: Michelson, Robert - Washington, DC
Sent: Monday, December 28, 2009 6:09 PM
To: Reblin, Gary C - Washington, DC; Foti, Thomas J - Washington, DC; Devar, Rod - Washington, DC; Mastervich, Karen C - Washington, DC; Montelth, Steven W - Washington, DC
Cc: Whiteman, Greg - Washington, DC
Subject: Quantitative Market Research Percentage Loss of Volume by Product by Customer Segment.doc

As a follow-up to our meeting last Monday, I am sending you a breakdown of the percentage loss of volume by product by customer segment - national, premier, preferred, small business and consumers.

5/26/2010

Looking at this chart should help you understand the total volume loss numbers.

For example, the market research shows that there will be substantial losses of volume shipped by managed accounts (national, premier and preferred). However, the losses are more than offset by an increase of 16% from consumers. The total volume loss from the managed accounts is 4,206,058 pieces. The 16% increase in Priority Mail pieces shipped by consumers amounts to 13,078,839. This reaction to 5 Day delivery is consistent with what we heard in the qualitative market research; basically, managed accounts will move to competitors and consumers will buy up from First -Class Mail.

Standard Mail is also interesting when you look at the reaction to the concept by segment. The total volume is an increase of +0.14% or 94,268,862 pieces. This is basically flat - no affect. The market research shows that National and Preferred accounts would decrease their volume usage by -0.4 or -117,977,540 pieces and -0.5 or -40,653,831 pieces, respectively, while the Premier segment would increase their usage by +0.8% or 252,900,232 pieces. Thus, there is a slight increase. This too is consistent with what we heard in the qualitative market research. Most advertisers had no reaction to 5 Day Delivery because their target days for delivery are currently during the week (Monday - Friday). This includes virtually all Business to Business advertisers. The elimination of Saturday delivery would have no affect on them. Those that had a negative reaction to 5 Day Delivery have a need for delivery of their ads to be delivered by Saturday or Monday. These mailers are mostly retailers, seeking to drive retail traffic on Saturday and/or Sunday. Those needing delivery on Saturday could not see how using the mail would help them, if there was no Saturday delivery because they need/want delivery on Saturday. They indicated they would use alternative media (i.e., newspapers). Those concerned with delivery on Monday were worried about the Postal Service's ability to deliver their advertisements on Monday due to the amount of mail that would have to be delivered on that day. The Premier segment's very small increase in usage is due, I believe, to this segment sending fewer ads seeking to drive retail store traffic on a weekend than the National or Preferred accounts. As a result, I believe that they will downgrade more First-Class Mail to Standard Mail than the other two segments.

The market research shows that single piece First-Class Mail will decline by between 1 and 2% for each segment, except for Premier. They said they would have a 1.5% increase in volume.

If you have any further questions or concerns, do not hesitate to ask me.

Bob

5/26/2010

Michelson, Robert - Washington, DC

From: Becky Yalch [Becky.Yalch@opinionresearch.com]

Sent: Monday, January 04, 2010 3:28 PM

To: Neil Wolch; Lisa Brunning; Michelson, Robert - Washington, DC; Smith, Bob - Washington, DC; Whiteman, Greg - Washington, DC

Subject: 5-Day Forecast Follow-up Discussion

I am in a lynch meeting that is riunning. Long. Will dial in as I am walking back. Maqrty is calling in