

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

**Six to Five Day Street Delivery)
And Related Service Changes)**

Docket No. N2010-1

**NATIONAL NEWSPAPER ASSOCIATION
INTERROGATORIES TO POSTAL SERVICE WITNESS WHITEMAN
(NNA/USPS T9-1 TO T9-12)
(June 7, 2010)**

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice, National Newspaper Association (NNA) submits interrogatories and requests for documents to United States Postal Service Witness Greg Whiteman. Document requests include requests for responsive information for any record within the Postal Service's possession, whether in printed or electronic form. NNA respectfully requests that if the witness cannot respond to any interrogatory, the Postal Service will refer the question to a competent witness or provide an institutional response.

Respectfully submitted,

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NNA/USPS T9-1

In your testimony on p. 8, you describe a conclusion about the attitudes of businesses that need Saturday delivery, which was reached as part of the Postal Service's qualitative research:

“Companies who do need Saturday delivery indicated that they would use a premium service.....

- Most see the proposal as a fundamental business decision and recognize it may be necessary in light of the economic situation the Postal Service faces. They are potentially more accepting of it now than they would have been in other years given the current recession and our economic situation.
- a. Does “it” in the bulleted sentence mean 5 day delivery or the necessity of businesses’ paying Express Mail rates as a substitute for First-Class mail rates?
 - b. Is the “fundamental business decision” you name here a reference to the Postal Service’s decision or the businesses’ accepting of premium rates in order to handle their own business needs?
 - c. Does it seem counter-intuitive to you that businesses making a business decision in a “current recession” would be more accepting of a premium price rather than less accepting?

NNA/USPS T9-2

Please refer to your response to GCA/USPS T9-6. When the questions for the qualitative market research were formulated, did you believe the Postal Service would enact no price increase in the foreseeable future?

NNA/USPS T9-3

What was the basis of the Postal Service’s choice of a 10 percent price increase as an alternative to 5 day delivery, when formulating questions for the consumer or business studies?

NNA/USPS T9-4

If the focus groups or interviewees in the market research studies had been presented with a third alternative, such as cost-cutting by the Postal Service without a material reduction in services, do you believe you would have received different responses? If so, please explain why no such alternative was discussed?

NNA/USPS T9-5

Do you believe participants in the market research studies were sensitive to the potential impact upon the Postal Service workforce if a strategy for further cost-cutting

without service reductions were suggested by the Postal Service? If your response is yes, please explain the basis of your response.

NNA/USPS T9-6

Please see the following statement on p 7 of your testimony: "At the same time, customers recognize that the Postal Service delivers a huge volume of mail at a relatively low cost."

- a. Please provide any documents upon which you relied to form this opinion.
- b. Do you believe the customers referred to in this statement primarily had the first-class stamp in mind? If not, please explain which rates you believe the customers to which you refer had in mind.

NNA/USPS T9-7

Please confirm that the Postal Service sometimes uses the term "customer" interchangeably to refer to consumers who receive mail as well as consumers or businesses that send mail.

NNA/USPS T9-8

Would the Postal Service consider an individual that receives mail but never sends mail (for example, conducts all personal business online) to be a customer?

NNA/USPS T9-9

On page 8 of your testimony, you refer to interviewees involved with National and Premier accounts, and provide the following initial reaction to the 5 day proposal:

"A common expectation was that the move to five-day delivery could reduce the need to increase prices as frequently as in the past few years."

- a. Does the "past few years" mean the years from 2007-2009?
- b. Please confirm that the price cap instituted by the Postal Accountability and Enhancement Act has governed rate increases for the "past few years."
- c. Do you believe that in the respondents' views, annual price-cap level increases equated to "frequent" price increases?

NNA/USPS T9-10

On p 9 of your testimony, you discuss

"Customers who rely on the Postal Service to deliver newspapers on Saturday were not sure how to respond to the major challenge five-day delivery poses to their business model."

- a. How many customers in this category were contacted by the Postal Service through any of the market research studies?
- b. How did the Postal Service identify the customers in this category?
- c. Did these customers include publishers of the following newspaper publishing frequencies:
 - i. Weekly issue mailings
 - ii. 2-3 times weekly issue mailings
 - iii. 6 day issue mailings
- d. In this context does “customer” mean only a mailer, and never a recipient?
- e. Were the respondents in this category aware that the Postal Service had selected Saturday as the non-delivery day?
- f. Did any of the respondents request that the Postal Service consider a Monday or Tuesday as the non-delivery day?
- g. Did any of the respondents mention non-Periodicals mail entered into the mailstream by their companies, such as ECRS-rate shoppers, or free publications whose mailings were part of their business model?
- h. Did any of the respondents tell the interviewers that their mailings would be diverted to private delivery options in the event of 5 day mail service?

NNA/USPS T9-11

Please refer to your statement on p. 9: “Most indicated that they would have serious problems making earlier deposit times on Saturday or Sunday.”

- a. Did the Postal Service tell these respondents that earlier Critical Entry Times would be an element in the 5-day plan?
- b. Has the Postal Service determined that earlier Critical Entry Times will be required in a 5-day delivery scenario? If so, please explain. If not, please explain why this question was asked.

NNA/USPS T9-12

With respect to the calculations for volume, revenue and contribution loss estimates in the 5-day delivery plan:

- a. Did the Postal Service consider during the survey design asking a question of the newspaper customers you referenced on p. 9 whether they would remove any product from the mail stream;
- b. Did the Postal Service consider asking whether any of the newspaper customers would remove a Standard ECRS product from the mail stream
- c. If either or both of these questions were posed, please provide the question as formulated and the response received
- d. If the questions were not asked, did the Postal Service consider any potential volume/revenue loss to derive solely from Periodicals newspaper mail that might be diverted from the mailstream?

- e. Did the Postal Service factor in the present calculation for Periodicals mail to be “under water” in the sense that this mail may not be covering incremental cost when considering the potential impact to volume/revenue loss?
- f. Did the Postal Service consider the so-called “ECSI” values embodied in 39 USC 3622(c)(11) as an element to include in any way in questioning of respondents to its research, either quantitative or qualitative? If so, please explain how such consideration weighed in the design or analysis of marketing studies.