

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

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MAIL PROCESSING NETWORK  
RATIONALIZATION SERVICE CHANGES, 2012

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Docket No. N2012-1

**INTERROGATORIES OF THE AMERICAN POSTAL WORKERS UNION, AFL-CIO  
TO USPS WITNESS GREG WHITEMAN  
(APWU/USPS-T12-1-13)  
(January 9, 2012)**

Pursuant to Rules 25 through 28 of the Rules of Practice, American Postal Workers Union, AFL-CIO directs the following interrogatories to United States Postal Service witness Greg Whiteman (USPS-T-12). If the witness is unable to respond to any interrogatory, APWU requests that a response be provided by an appropriate person capable of providing an answer.

Instructions and Definitions applicable to these Interrogatories are contained in the Interrogatories of the American Postal Workers Union, AFL-CIO to the United States Postal Service witness David E. Williams (APWU/USPS-T1-1-4), filed on December 22, 2011, and are hereby incorporated by reference.

Respectfully submitted,

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Jennifer L. Wood  
Counsel for American Postal Workers Union, AFL-CIO

APWU/USPS-T12-1 Would you agree that the estimated volume and revenue losses in your testimony are determined from the proposed change in the service standards and will take place regardless of whether any of the AMP studies are found to be feasible?

APWU/USPS-T12-2 Is it your understanding that the Postal Service plans to promulgate the new service standards before determining the final cost savings from a new network configuration?

APWU/USPS-T12-3 On page 3 of your testimony you indicate that the positive aspects that consumers have toward First Class mail come from it being “easy to use, dependable, safe and secure, and not costly.”

- a) How are consumers defining dependable in this instance?
- b) Was any of your research geared toward determining what consumers’ reactions would be to an increased uncertainty about the timing of mail delivery?

APWU/USPS-T12-4 On page 4 of your testimony you indicate that many customers perceive that First Class mail service performance takes longer than the current service standards and actual service performance. Was any of your market research geared toward asking consumers about their response to use of the mail if a day was added to their actual service performance?

APWU/USPS-T12-5 On page 4 of your testimony you state that with respect to First-Class Mail, consumers and small businesses “expect reliability, dependability, and reasonable speed of service at a low price.” Please provide the definitions for the following terms as used in your testimony and understood by consumers and small businesses:

- a) Reliability.
- b) Dependability.
- c) “Reasonable speed of service.”

APWU/USPS-T12-6 You state on page 5 of your testimony that “most consumers and commercial organizations will accept the service standards changes if it is necessary to help the Postal Service regain its financial stability.”

- a) In your research were the service standard changes presented to consumers as a method of ensuring the financial stability of the Postal Service?
- b) Were the service standard changes presented as being necessary to “save” the Postal Service?

APWU/USPS-T12-7 Would you agree that focus groups cannot be used to provide a statistically sound estimate of volume losses?

APWU/USPS-T12-8 On page 7 of your testimony you indicate that “qualitative research indicates that customers could make changes to their mailing practices by diverting mail volume to the internet and competitive shipping companies.” What information was given to consumers about a potential change in the service standards of the Priority and Express mail products?

APWU/USPS-T12-9 On page 8 of your testimony you state that most consumers and commercial organizations “would prefer the changes in service standards to significant price increases.”

- a) Please define “significant price increases” as used in your testimony and understood by the qualitative market research participants.
- b) Were participants to assume that rates currently charged for First Class mail products would not increase as a result of the change in service standards?

APWU/USPS-T12-10 Ms. Elmore-Yalch’s Figures 42-47 show that the use of Priority and Express mail products by Preferred accounts, Home-Based businesses and Consumers would decline by as much, or in some cases, much more than the percentage decline in First Class mail.

- a) Based on your long experience in postal market research, how do you explain such a large impact on products whose service standards are not being changed?
- b) On Table 1 of your testimony, the largest impact from these proposals appears to be the expected 5.3% decline in Priority and Express Mail. Given that these products are part of the Postal Service’s rapidly growing shipping services segment, did you ask further questions to determine what actions the Postal Service could take to reduce or eliminate this result? If so, what did you ask and what did consumers tell you?

APWU/USPS-T12-11 On Table 1, you show no change in the expected use of the Postal Service for parcel products. However, Ms. Elmore-Yalch’s research did not ask any questions about parcel products. How did you determine that there would be no impact on these products?

APWU/USPS-T12-12 Please provide the steps that you used to weight up the results from Ms. Elmore-Yalch’s research that allowed you to produce Chart 1 in your report including any assumptions you made about weighting the different segments together.

APWU/USPS-T12-13 Given the impending market dominant rate adjustment, scheduled for January 22, 2012, and the ongoing Postal Service request for an exigent rate increase (Docket No. R2010-4(R)), do any of volume, revenue and contribution estimates change if the rates for each product increase? If so, how?

- a) Were any of the market research participants informed of the rate increase expected on January 22, 2012? If not, please provide an explanation for why this was not explained to market research participants.
- b) Were any of the market research participants informed of the possible rate increase if the Postal Service receives approval for the exigent rate increase proposed in Docket No. R2010-4(R)? If not, please provide an explanation for why this was not explained to market research participants.