

ORIGINAL

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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FEDERAL BUREAU OF INVESTIGATION
OFFICE OF THE SECRETARY

Mailing Online Service

Docket No. MC98-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
WITNESS ROTHSCHILD TO INTERROGATORIES OF
OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T4-1-11)

The United States Postal Service hereby provides the response of witness Rothschild to the following interrogatories of Office of the Consumer Advocate: OCA/USPS-T4-1-11, filed on July 31, 1998.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Richard T. Cooper

475 L'Enfant Plaza West, S.W.
(202) 268-3083; Fax: -5402
Washington, D.C. 20260-1137
August 10, 1998



**Response of Postal Service Witness Rothschild
to OCA Interrogatories**

OCA/USPS-T4-1. Please refer to page 4 of your testimony where you discuss the focus groups held during December, 1995 and January, 1996.

- a. Were transcripts made of the focus group tapes? If so, please provide a transcript from one of the twelve focus groups. If not, please explain in detail how the data was analyzed?
- b. Please explain how the focus group data was coded and provide the coded data.

RESPONSE:

- a. No transcripts were made from the focus group tapes. Analysts listened to the tape recordings of all sessions and outlined salient points and observations from which conclusions were drawn and reported upon.
- b. No coding was done; rather, analysts noted key themes and points of view expressed by participants as described in point [a] above.

**Response of Postal Service Witness Rothschild
to OCA Interrogatories**

OCA/USPS-T4-2. Please refer to page 4 of your testimony where you list four characteristics for which mailing online was deemed most appropriate and five applications determined to best meet the criteria.

- a. Please provide a crosswalk between the four characteristics and the specific topics listed in Attachment B, Qualitative Discussion Guide.
- b. Please provide a crosswalk between the five applications and the specific topics listed in Attachment B, Qualitative Discussion Guide.

RESPONSE:

a. - b. Based upon analysis of the discussion of all of the topics listed in Attachment B Qualitative Discussion Guide, the project team, of which I am the head, determined qualitatively which types of focus group participants were interested in NetPost, the reasons for their interest, and the types and characteristics of the applications they produced. From this analysis, we derived the conclusions regarding the five applications and four characteristics stated on pages 3 and 4 of the library reference. Because the analysis was qualitative, no determinative "crosswalk" exists.

**Response of Postal Service Witness Rothschild
to OCA Interrogatories**

OCA/USPS-T4-3. Were the prices you assumed in the NetPost survey focus groups using 25% and 50% contribution margins for the piece printing and production costs the same prices which are detailed in the testimony of witnesses Seckar and Plunkett in this case? If not, please provide a table of all the prices you assumed in the focus group conversations.

RESPONSE:

No prices were presented during the focus groups. Participants were asked willingness-to-pay questions, including what they considered appropriate prices to be. I have no knowledge of the prices detailed in the testimony of witnesses Seckar and Plunkett.

**Response of Postal Service Witness Rothschild
to OCA Interrogatories**

OCA/USPS-T4-4. Did either the quantitative phase or the qualitative phase of the NetPost research involve a discussion or consideration of printing on card stock (folded or unfolded) for such documents as invitations or greeting cards? If so, what was the level of customer interest and your conclusions regarding this potential application of Mailing Online?

RESPONSE:

The NetPost research did not include a consideration of printing on card stock. Hence, the level of customer interest for this potential application is not available.

**Response of Postal Service Witness Rothschild
to OCA Interrogatories**

OCA/USPS-T4-5. Please refer to the NetPost research report, Library Reference-LR-2 at page 3 where it states, "The focus groups were configured to represent the full range of potential end-users and intermediaries...." If the NetPost study did not consider customers who might send invitations or greeting cards on card stock, how did you reach this conclusion?

RESPONSE:

Within the universe of applications deemed appropriate for the focus groups, we attempted to insure a mix of industry groups and company sizes that produce these applications. No attempt was made to include producers of other applications such as invitations or greeting cards.

**Response of Postal Service Witness Rothschild
to OCA Interrogatories**

OCA/USPS-T4-6. Please define "quick delivery" as used in the Library Reference LR-2 at the top of page 4.

RESPONSE:

"Quick delivery" is the terminology used by focus group participants; no quantitative definition was provided.

**Response of Postal Service Witness Rothschild
to OCA Interrogatories**

OCA/USPS-T4-7. Please refer to the statement in LR-2 at page 4 concerning the universe of establishments and producers that “generate at least some NetPost-appropriate pieces....” Was there a minimum number of pieces that needed to be produced in order to qualify for “some” in the universe you defined? If so, what was the minimum?

RESPONSE:

No minimum number was required. One or more pieces qualified.

**Response of Postal Service Witness Rothschild
to OCA Interrogatories**

OCA/USPS-T4-8. Did the sample design for the quantitative phase of the NetPost study produce a statistically significant sample?

RESPONSE:

The initial (and primary) purpose for this research was to support business planning activities, not to be submitted as testimony before the Postal Rate Commission. Our goal, as stated in page 2 of the library reference, was to provide an indication of whether there was sufficient interest to justify further evaluation of NetPost. To that end, a probability sample was drawn, interviews conducted and standard errors produced to provide an estimate of the range of NetPost pieces that could be expected based upon the survey results.

**Response of Postal Service Witness Rothschild
to OCA Interrogatories**

OCA/USPS-T4-9. Please refer to LR-2 at page 5 and explain the basis for selecting the employee size strata as you did with groups of 1-9 & unknown, 10-99 and 100+.

RESPONSE:

These are commonly used employee size classifications when researching business customers.

**Response of Postal Service Witness Rothschild
to OCA Interrogatories**

OCA/USPS-T4-10. Please provide the underlying quantitative analysis supporting the conclusions in the paragraph in LR-2 at page 6 relating to the decision to break down the employee size and industry grouping that (1) an industry related to the types and time sensitivity of documents produced, and (2) the organization's size related to comfort with technology and resources to assist in document production and distribution.

RESPONSE:

There is no quantitative support; rather, it was noted when analyzing the focus group proceedings that participants in certain industries produced certain applications with more frequency than others, and that participants from small organizations expressed different attitudes toward technology and had more constrained resources than participants from large organizations.

**Response of Postal Service Witness Rothschild
to OCA Interrogatories**

OCA/USPS-T4-11. Please explain what is meant by the term "readable base" at the top of page 7 of LR-2.

RESPONSE:

A "readable base" for large organizations across all SIC's means a large enough sample so that estimates based on it would have reasonably small standard errors. A rule of thumb is that a stratum must contain at least 50 interviews to yield reasonable results.

DECLARATION

I, Beth B. Rothschild, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Beth B. Rothschild

Dated: 8-10-98

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


Richard T. Cooper

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