

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

MAIL PROCESSING NETWORK RATIONALIZATION  
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS WHITEMAN  
TO NATIONAL POSTAL POLICY COUNCIL INTERROGATORIES  
NPPC/USPS-T12-11-12**

The United States Postal Service hereby provides the response of witness Whiteman to the above-listed interrogatories of the National Postal Policy Council, dated January 31, 2012. Parts (b-c) of interrogatory NPPC/USPS-T12-11 were redirected to witness Elmore-Yalch for response. The interrogatories are stated verbatim and followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
WHITEMAN TO NPPC INTERROGATORY

**NPPC/USPS-T12-11.** Please refer to your responses to NPPC/USPS-T12-5 and 6.

a. Are the four “Financial Services” organizations indicated in your response to NPPC/USPS-T12-5 the same companies as the four “Finance, Insurance or Real Estate” organizations indicated in your response to NPPC/USPS-T12-6?

b-c [Redirected to witness Elmore-Yalch]

**RESPONSE:**

a. No, as the response to NPPC/USPS-T11-3 reflects.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
WHITEMAN TO NPPC INTERROGATORY

**NPPC/USPS-T12-12.** Please refer to your response to NPPC/USPS-T12-9, where you state “a price increase or increase in the cost to use a service or product will not necessarily lead to a changed purchase decision.”

- a. Please describe the circumstances, other than a perfectly inelastic demand curve, in which a price increase or increase in the cost to use a product will not lead to a changed purchase decision?
- b. Do you believe that there are National Mailers whose demand for Presort Mail is perfectly inelastic?

**RESPONSE:**

I answer these questions as a market research expert. See USPS-T-12, pp. 1-2.

- a. As an example, if a customer is buying a product that is priced 20 percent below the competitor’s price, a 2 percent increase in the price of that product may be considered such an insignificant price increase that, in light of the much higher competitor’s price, the customer continues to buy the lower priced product.
- b. I lack the knowledge necessary to answer this question. Only the individual customers can answer this question as it relates to their respective buying situations.