

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 ELMORE-YALCH
TO GREETING CARD ASSOCIATION INTERROGATORIES,
REDIRECTED FROM WITNESS WHITEMAN
GCA/USPS-T12-1-2, 12**

The United States Postal Service hereby provides the responses of witness Elmore-Yalch to the above-listed interrogatories of the Greeting Card Association, dated February 24, 2012, and redirected from witness Whiteman. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

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RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
ELMORE-YALCH TO GCA INTERROGATORY,
REDIRECTED FROM WITNESS WHITEMAN

GCA/USPS-T12-1: On lines 12-16 of page 4 of your testimony, you note that many customers “perceive that First-Class Mail service performance takes longer than the current service standards (and longer than our actual service performance)” and that, accordingly, they did not perceive the service standard change as “significant.”

(a) Was any effort made to correct these customers' misperception of the Postal Service's actual service performance? If your answer is not an unqualified “no,” please provide references to all instances of such efforts in the research.

(b) If your answer to (a) is negative, please explain fully the reasons for allowing customers to proceed under their misperception of service performance.

RESPONSE:

(a) All groups were provided with details regarding the Postal Service’s current service standards. The information they were provided is contained in the written concept provided to all participants (USPS-T-11, Appendix D, Part 2). Specifically, participants were told that in the continental U.S., the service standard for First-Class Mail delivery is 1 to 3 days. Currently,

- Delivery in the local area is next delivery day.
- Delivery to destinations outside the local area up to 1,000 miles is 2 days.
- Delivery to destinations over 1,000 miles within the continental U.S. is 3 days.

For those living in Alaska and Hawaii, delivery to anywhere in the continental U.S. is 4 days.

b. The purpose of the market research was limited to evaluating the impact of changes to First-Class Mail service standards.

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GCA/USPS-T12-2: On page 5, lines 1-3 of your testimony you indicate survey results show that “most consumers and commercial organizations will accept the service standard changes if it is necessary to help the Postal Service regain its financial stability”.

(a) Did the ORC survey provide respondents with other alternatives to ending overnight delivery for stamped First-Class Mail (FCM) or raising rates that would *also* solve its financial problems?

(b) If you answer to a. is “No”, why did ORC not structure its survey questions in this way?

(c) If your answer to a. is “Yes”, what other alternatives than rate increases or ending overnight delivery did you present to respondents? Please provide references to the survey material showing the alternatives presented.

RESPONSE:

The first paragraph of the question mischaracterizes witness Whiteman’s summary of the qualitative market research.

(a) No. The purpose of the market research was to evaluate the impact of changes in First-Class Mail service standards.

(b) Measuring response to other alternatives was not an objective of this research.

(c) N.A.

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GCA/USPS-T12-12: In various places in your testimony such as page 9, lines 22 - 23 through page 10, lines 1-4, you indicate that respondents said they could easily adapt to ending overnight delivery by e.g. mailing earlier than they do now and/or by switching to the Internet.

(a) Please provide the exact wording of all questions from qualitative or quantitative survey research which raised these issues or provide complete citations to same.

b) What is the frequency of responses stating respondents' adaptation would consist mainly of continuing to use the mail as before, but adapting to the change?

(c) What is the frequency of responses stating adaptation would consist mainly of moving to the Internet?

(d) What is the frequency of responses stating adaptation would consist of adapting to the change in mail service and continuing to use the mail, but also using the Internet more than before the standards changes?

RESPONSE:

The first paragraph of this question misstates the focus of the quantitative market research, which sought to quantify changes in mailing behavior in response to changes in First-Class Mail service standards.

(a) The specific questions posed to the quantitative market research respondents are detailed in the written, direct testimony of witness Elmore-Yalch, USPS-T-11. Questions in the qualitative market research were not constrained closely. However, the moderators' guides are also found in that testimony. Any interested party is also free to examine transcripts of the qualitative market research sessions, where the moderators' use of professional discretion can also be observed. See USPS-LR-N2012-1/26.

(b) The written, direct testimony of witness Elmore-Yalch, USPS-T-11, contains the frequency of responses to the two questions asked in the surveys that asked for the likelihood that the volume of mail they send or the way in which they would send their mail would change as a result of proposed changes to First-Class

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Mail service standards (Figures 34 to 39 beginning on page 45). Note that these frequencies represent combined responses to the two questions asked in the survey as described on page 45.

(c-d) Please refer to USPS-T-11. Those questions were not asked.