

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

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2011

Docket No. N2012-1

**INSTITUTIONAL RESPONSES OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON,
REDIRECTED FROM WITNESS WHITEMAN
DFC/USPS-T12-10-12**

The United States Postal Service hereby provides institutional responses to the above-listed Carlson interrogatories, dated March 2, 2012, and redirected from witness Whiteman. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Kevin A. Calamoneri
Managing Counsel, Corporate & Postal
Business Law

Daniel J. Foucheaux, Jr.
Chief Counsel, Pricing & Product Support

Anthony F. Alverno, Jr.
Chief Counsel, Global Business & Service.
Development

Kenneth N. Hollies
Attorney

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3083; Fax -3084
March 16, 2012

INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CARLSON INTERROGATORY, REDIRECTED FROM WITNESS WHITEMAN

DFC/USPS-T12-10. Please refer to your response to DFC/USPS-T12-1(b). Please respond to DFC/USPS-T12-1(b) without speculating about any aspect of the question, including the question's motivation, underlying intent, or breadth, and while following the instructions preceding interrogatories DFC/USPS-T12-1–9, including, but not limited to, the definition of "all documents."

RESPONSE:

See the responses to DFC/USPS-T12-1(b) and 9. See *also*, library references USPS-LRL-N2012-1/NP14 and 70; response to DFC/USPS-T12-11 (redirected to the Postal Service).

INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CARLSON INTERROGATORY, REDIRECTED FROM WITNESS WHITEMAN

DFC/USPS-T12-11. Please refer to your testimony at page 4, lines 1–5 and your response to DFC/USPS-T12-2. Please identify and provide all information known to you in 2011 or 2012, including findings of market research of any type, that does not or may not support your statement that changes to service standards “would have a limited impact” on the “mailing behavior” and “use of the internet as an alternative to mail” of “most consumers and small commercial organizations.”

RESPONSE:

Page 4, lines 1-5 of witness Whiteman’s testimony state:

The most substantial finding concerning the changes to service standards from focus groups and IDIs was that most consumers and small commercial organizations said that changes to the First-Class Mail™ and Periodicals™ service standards would have a limited impact on their mailing behavior and their use of the internet as an alternative to mail. Most said they would easily adapt, ...

Interrogatory DFC/USPS-T12-2 states:

DFC/USPS-T12-2. Please refer to your testimony at page 4, lines 1–5. Please identify and provide all information available to you, including findings of market research of any type, that do not or may not support your statement that changes to service standards “would have a limited impact” on the “mailing behavior” and “use of the internet as an alternative to mail” of “most consumers and small commercial organizations.”

Witness Whiteman’s response to interrogatory DFC/USPS-T12-2 states:

This question springs from a section of my testimony where I observe, based on the market research, that the proposed service standards changes would have a limited impact upon the mailing behavior of most consumers and small commercial organizations. However, the question’s breadth exceeds my capacity to respond since “all information available to [me]” could extend to all information in existence or on the web, and the further focus upon information “that may or may not” support the referenced statement does nothing meaningful to narrow the question. Without reference in the question to specific information or documents, I am unable to formulate a conclusion regarding the hypothetical this question presents.

See *also*, the response to DFC/USPS-T12-9.

Interrogatory DFC/USPS-T12-11 introduces three distinctions between wording in the initial question and the one posed here, which are slight. First, attention is also directed

INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CARLSON INTERROGATORY, REDIRECTED FROM WITNESS WHITEMAN

to “your response to DFC/USPS-T12-2” in addition to the lines of testimony reproduced above; second, the original reference to “all information available to you” is narrowed to “all information known to you”, while third, a date limitation is added: “in 2011 or 2012.” Witness Whiteman is unable to identify information responsive to the interrogatory, despite the additional limitations.

This response was redirected to the Postal Service to enable placement of the response in context. Witness Whiteman’s expert opinion testimony is based upon qualitative and quantitative market research that, together with the testimony of witness Elmore-Yalch, thoroughly document the market research in accordance with the Commission’s Rules and precedent. No market research is known to exist that supports any contrary opinion. However, parties are free to produce their own market research, and its value would thereafter be determined based on the strengths and weaknesses shown in its underlying documentation, together with expert opinion and argument that parties may supply. Participants are also able to provide expert opinion based on the market research sponsored by witnesses Elmore-Yalch and Whiteman.

The Postal Service did conduct other market research which examined a much broader range of challenges faced by Postal Service. See, e.g., the response to DFC/USPS-T12-9. That incomplete research, however, neither supports directly nor conflicts with the market research reported by witnesses Elmore-Yalch and Whiteman.

INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CARLSON INTERROGATORY, REDIRECTED FROM WITNESS WHITEMAN

DFC/USPS-T12-12. Please refer to your response to DFC/USPS-T12-5. Please identify and provide all information known to you in 2011 or 2012, including findings of market research of any type, that does not or may not support your statement that “the impact on volume, revenue and contribution from the changes in the service standards will be a reduction of 2.9 billion pieces or 1.7 percent of total volume, producing a loss in revenue of \$1.3 billion or two percent, and a loss in contribution of \$499 million or two percent, using FY2010 volume, revenue, and contribution data.” Please include information and analyses that do not support your testimony or the conclusions in your testimony. If you need to refer to particular information or documents, please identify the information or documents and refer to them.

RESPONSE:

See the response to DFC/USPS-T12-11.