BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268–0001

POSTAL RATE AND FEE CHANGES, 2001	Docket No. R2001–1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS JENNIFER L. EGGLESTON TO INTERROGATORIES
AND REQUEST FOR PRODUCTION OF DOCUMENTS OF
AMAZON.COM (AMZ/USPS–T25–1-10)

The United States Postal Service hereby files the response of witness Jennifer L.

Eggleston to the following interrogatories and request for production of documents of

Amazon.Com: AMZ/USPS–T25–1-10, filed on November 8, 2001.

The interrogatories and requests are stated verbatim, and are followed by the

responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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November 21, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE
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AMZ/USPS-T25-1.

Please provide a copy of your testimony with line numbering.

RESPONSE:

Please see my revised testimony, filed on November 13, 2001.

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AMZ/USPS-T25-2.

Please refer to page 29 of your testimony. The first two paragraphs on page 29 each contain a reference to "LR-I-64," but make no reference to Docket No. R2000-1. Did you mean Library Reference USPS-LR-I-64 in Docket No. R2000-1, or do you intend these references to be to Library Reference USPS-LR-J-64 in the pending docket? Please explain.

RESPONSE:

The library reference cited in these two paragraphs of page 29 of my testimony should

have been cited as LR-J-64. Revised testimony was filed on November 13, 2001.

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AMZ/USPS-T25-3.

Please confirm that the Parcel Post Unit Cost-Per-Cubic-Foot Estimates shown in your Table IV-3 at page 20 of your testimony are for transportation costs only. If you do not confirm, please indicate all other costs that are included in the unit cost figures shown in your Table IV-3 and provide a breakdown that shows transportation costs separately.

RESPONSE:

Confirmed.

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AMZ/USPS-T25-4.

    a. Please confirm that according to USPS-LR-J-2, "USPS Cost and Revenue Analysis, FY 2000," the density of Bound Printed Matter ("BPM") is 14.2 pounds per cubic foot. If you do not confirm, please provide the correct Cost and Revenue Analysis ("CRA") density.

    b. Does the Postal Service have any other estimate of the density of BPM? If so, please provide each such estimate, the source of such estimate, and explain any differences between the estimated densities for BPM.

RESPONSE:

(a). Confirmed that USPS-LR-J-2 shows 14.2 pounds per cubic foot as the average

density of Bound Printed Matter.

(b). It is my understanding that the Postal Service is preparing a new density study.

However, this study is still preliminary and incomplete. I am not aware of any other

estimates of Bound Printed Matter density.

AMZ/USPS-T25-5.

Please refer to Table VII-I, "Bound Printed Matter Unit Transportation Costs," at page 28 of your testimony, and your response to preceding interrogatory, AMZ/USPS-T25-4. On the assumption that the density of BPM is 14.2 cubic feet per pound, please confirm the following:

a. The Non-Dropship cost to Zone 1/2, $0.109 per pound, which you have computed, is equivalent to $1.5478 per cubic foot. If you do not confirm, please provide the correct figure.

b. The Non-Dropship cost to Zone 3, $0.128 per pound, which you have computed, is equivalent to $1.8176 per cubic foot. If you do not confirm, please provide the correct figure.

c. The Non-Dropship cost to Zone 4, $0.150 per pound, which you have computed, is equivalent to $2.1300 per cubic foot. If you do not confirm, please provide the correct figure.

d. The Non-Dropship cost to Zone 5, $0.187 per pound, which you have computed, is equivalent to $2.6554 per cubic foot. If you do not confirm, please provide the correct figure.

e. The Non-Dropship cost to Zone 6, $0.225 per pound, which you have computed, is equivalent to $3.1950 per cubic foot. If you do not confirm, please provide the correct figure.

f. The Non-Dropship cost to Zone 7, $0.268 per pound, which you have computed, is equivalent to $3.8056 per cubic foot. If you do not confirm, please provide the correct figure.

g. The Non-Dropship cost to Zone 8, $0.352 per pound, which you have computed, is equivalent to $4.9984 per cubic foot. If you do not confirm, please provide the correct figure.

h. The Destination Bulk Mail Center ("DBMC") cost to Zone I/2, $0.042 per pound, which you have computed, is equivalent to $0.5964 per cubic foot. If you do not confirm, please provide the correct figure.

i. The DBMC cost to Zone 3, $0.080 per pound, which you have computed, is equivalent to $1.1360 per cubic foot. If you do not confirm, please provide the correct figure.

j. The DBMC cost to Zone 4, $0.109 per pound, which you have computed, is equivalent to $1.5478 per cubic foot. If you do not confirm, please provide the correct figure.

k. The DBMC cost to Zone 5, $0.218 per pound, which you have computed, is equivalent to $3.0956 per cubic foot. If you do not confirm, please provide the correct figure.

l. The Destination Sectional Center Facility ("DSCF") cost of $0.029 per pound, which you have computed, is equivalent to $0.4118 per cubic foot. If you do not confirm, please provide the correct figure.

m. The Destination Delivery Unit ("DDU") cost of $0.005 per pound, which you have computed, is equivalent to $0.0710 per cubic foot. If you do not confirm, please provide the correct figure.

RESPONSE:

(a-m). Not confirmed. I will confirm that the multiplication of the numbers is correct.

However, I cannot confirm that the products of these equations are equivalent to the

cost per cubic foot for each of the Bound Printed Matter rate categories. It is my

understanding that the density factors reported in USPS LR-J-2 take into consideration

the amount of space taken up in a container, and therefore include air. Therefore, they

are not necessarily the same as the average density as measured by the actual

dimensions of BPM mail.

Even if I assume that the average density of all Bound Printed Matter is 14.2 pounds per

cubic foot, I do not know if this average density varies among BPM rate categories and

zones. Furthermore, since I do not know the appropriate density factors to use, I cannot

provide the corrected BPM cost per cubic foot estimates.

AMZ/USPS-T25-6.

Please refer to your responses to AMZ/USPS-T25-3 and 5(a), and Table IV-3, at page 20 of your testimony.

      a. Please confirm that your computed transportation cost for Inter-BMC Parcel Post to Zone 1/2, $3.891 per cubic foot, is approximately 2.5 times your computed transportation cost for BPM to Zone 1/2, $0.109 per pound or $1.5478 per cubic foot (at 14.2 pounds/cubic foot). If you do not confirm, please provide the correct result.

      b. Please explain why the Postal Service's cost of transporting a cubic foot of Parcel Post to Zone I/2 is 2.5 times the cost of transporting a cubic foot of BPM to the same zone.

RESPONSE:

(a). Not confirmed. While I can confirm that the number 3.891 is approximately 2.5 times higher than the number 1.5478, I cannot confirm that the cost per cubic foot for inter-BMC Parcel Post zone 1/2 is approximately 2.5 times the cost per cubic foot of non-dropship BPM zone 1/2. I cannot confirm this result, because I do not know the cost per cubic foot of non-dropship BPM zone 1/2. Furthermore, I cannot estimate the cost per cubic foot of non-dropship BPM zone 1/2, because I do not know the density of non-dropship BPM zone 1/2.

It is not accurate to compare the Parcel Post cost per cubic foot estimates provided in my testimony with the BPM costs per cubic foot estimates provided in this interrogatory. The reason this comparison is not accurate is that the estimates rely on two different types of "cubic feet". The cubic feet used in the Parcel Post transportation model are the actual cubic feet, as calculated by the dimensions of the parcels. The cubic feet used in your BPM calculation are the cubic feet reported in USPS LR-J-2. It is my

understanding that these estimates take into consideration the amount of space taken

up in a container, and therefore include air. Also, the Parcel Post cube is estimated

using a separate regression analysis for Inter-BMC, Intra-BMC and Parcel Select. The

BPM cube used in your equation is an average cube for all BPM. For these reasons,

you are not making an accurate comparison.

(b). N/A. Since I did not confirm subpart (a), I cannot answer this question.

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AMZ/USPS-T25-7.

Please refer to your responses to AMZ/USPS-T25-3 and 5(g), and Table IV-3, at page 20 of your testimony.

      a. Please confirm that your computed transportation cost for Parcel Post to Zone 8, $11.74 per cubic foot, is about 2.3 times your computed transportation cost for BPM, $0.352 per pound or $4.9984 per cubic foot (at 14.2 pounds/cubic foot). If you do not confirm, please provide the correct result.

      b. Please explain why the Postal Service's cost of transporting a cubic foot of Parcel Post to Zone 8 is approximately 2.3 times the cost of transporting a cubic foot of BPM to the same zone.

RESPONSE:

(a). Not confirmed. While I can confirm that the number 11.74 is approximately 2.3

times higher than the number 4.9984, I cannot confirm that the cost per cubic foot for

inter-BMC Parcel Post zone 8 is approximately 2.3 times the cost per cubic foot of non-

dropship BPM zone 8. I cannot confirm this result because I do not know cost per cubic

foot of non-dropship BPM zone 8. Furthermore, I cannot estimate the cost per cubic

foot of non-dropship BPM zone 8, because I do not know the density of non-dropship

BPM zone 8.

Please see response to AMZ/USPS-T-25-6(a) for a discussion of why your cost per

cubic foot comparison is not accurate.

(b). N/A. Since I did not confirm subpart (a), I cannot answer this question.

AMZ/USPS-T25-8.

Please refer to your responses to AMZ/USPS-T25-3 and 5(i), and Table IV-3, at page 20 of your testimony.

    a. Please confirm that your computed transportation cost for DSCF-entered Parcel Post, $0.807 per cubic foot, is approximately 2.0 times your computed transportation cost for DDU-entered BPM, $0.029 per pound or $0.4118 per cubic foot (at 14.2 pounds/cubic foot). If you do not confirm, please provide the correct result.

    b. Please explain why the Postal Service's cost of transporting a cubic foot of DSCF-entered Parcel Post is 2.0 times the cost of transporting a cubic foot of DSCF-entered BPM.

RESPONSE:

(a). Not confirmed.   While I can confirm that the number 0.807 is approximately 2.0 times higher than the number 0.4118, I cannot confirm that the cost per cubic foot for DSCF-entered Parcel Post is approximately 2.0 times the cost per cubic foot of DSCF-entered BPM. I cannot confirm this result because I do not know the cost per cubic foot of DSCF-entered BPM. Furthermore, I cannot estimate the cost per cubic foot of DSCF-entered BPM, because I do not know the density of DSCF-entered BPM.

Please see response to AMZ/USPS-T25-6(a) for a discussion of why your cost per cubic foot comparison is not accurate.

(b). N/A. Since I did not confirm subpart (a), I cannot answer this question.

AMZ/USPS-T25-9.

Please refer to your responses to AMZ/USPS-T25-3 and 5(m), and Table IV-3, at page 20 of your testimony.

      a. Please confirm that your computed transportation cost for DDU-entered Parcel Post, $0.139 per cubic foot, is approximately 2.0 times your computed transportation cost for [DDU-entered] BPM, $0.005 per pound or $0.0710 per cubic foot (at 14.2 pounds/cubic foot). If you do not confirm, please provide the correct result.

      b. Please explain why the Postal Service's cost of transporting a cubic foot of DDU-entered Parcel Post is 2.0 times the cost of transporting a cubic foot of DDU-entered BPM.

RESPONSE:

(a). Not confirmed. While I can confirm that the number 0.139 is approximately 2.0 times higher than the number 0.0710, I cannot confirm that the cost per cubic foot for DDU-entered Parcel Post is approximately 2.0 times the cost per cubic foot of DDU-entered BPM. I cannot confirm this result because I do not know the cost per cubic foot of DDU-entered BPM. Furthermore, I cannot estimate the cost per cubic foot of DDU-entered BPM, because I do not know the density of DDU-entered BPM.

Please see response to AMZ/USPS-T25-6(a) for a discussion of why your cost per cubic foot comparison is not accurate.

(b). N/A. Since I did not confirm subpart (a), I cannot answer this question.

AMZ/USPS-T25-10.

    a. Did you compute separate unit transportation costs for Media Mail and/or Library Mail, on either a per cubic foot basis or a per pound basis, to support the rate design in witness Kiefer's testimony, USPS-T-33, Attachment E, page 3?

    b. If your answer is to preceding part a is affirmative, please provide those results, or indicate where they can be found.

RESPONSE:

(a). No, I did not provide any unit transportation costs for Media Mail and/or Library

Mail.

(b). Not applicable.

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.

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November 21, 2001