

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

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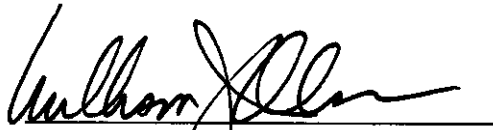
POSTAL RATE AND FEE CHANGES, 2001)

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R2001-1

AMAZON.COM, INC.
FIRST INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS SUSAN W. MAYO (AMZ/USPS-T36-1-9)
(November 21, 2001)

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, Amazon.com, Inc. hereby submits interrogatories and requests for production of documents. If necessary, please redirect any interrogatories and/or requests to a more appropriate Postal Service witness.

Respectfully submitted,



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CERTIFICATE OF SERVICE

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


William J. Olson

November 21, 2001

AMZ/USPS-T36-1.

In your testimony at page 38 (ll. 10-11), you state “[t]he third proposed classification change is to limit Delivery Confirmation to parcels only within the Package Services mail class.”

- a. Please confirm that the following proposed change to Section 948.21 of the Domestic Mail Classification Schedule (“DMCS”) reflects your proposed classification change to limit Delivery Confirmation to parcels only within the Package Services mail class:

Delivery Confirmation is available for ... Package Services mail that is parcel-shaped, as specified by the Postal Service.... [Change underlined.] (Request of the United States Postal Service for a Recommended Decision, Docket No. R2001-1, Attachment A, Page 97.)

- b. Please confirm that “parcels” are now defined to be pieces more than 15 inches long, 12 inches high, or 3/4 inch thick, as specified in the Domestic Mail Manual (“DMM”), section C050.3.1. If you do not confirm, please provide the correct standards.
- c. When was the definition in the DMM of “parcel” last changed?
- d. If you intend the Postal Service to retain flexibility to define a parcel otherwise, what definition would you want to use?

AMZ/USPS-T36-2.

Using the Postal Service's current definition of a parcel:

- a. Please confirm that the proposed classification change to limit Delivery Confirmation to parcels within the Package Services mail class would prohibit items — such as, say, a single compact disk (“CD”) in a 6 ½ inches by 7 inches padded mailing envelope, which has a thickness of 0.70 inch with one CD enclosed — mailed in the Package Services mail class from using the Delivery Confirmation electronic option. If you do not confirm, please explain.
- b. Please confirm that if the mailing envelope discussed in part a contained inserts which increased the thickness to exceed 0.75 inch, the piece could be mailed in the Package Services mail class with Delivery Confirmation electronic option. If you do not confirm, please explain.
- c. Is the proposed change intended to increase the size of packages in the manner described above? If so, please explain what this accomplishes, and how it benefits the Postal Service.

AMZ/USPS-T36-3.

Please identify the page and line references in all testimony and library references submitted in this docket which discuss or provide support for your proposal to limit Delivery Confirmation to parcels only within the Package Services mail class other than your testimony, USPS-T-36, at page 2 (ll. 13-16), page 32 (ll. 6-7), page 37 (ll. 12-14), page 38 (ll. 10-15), and page 39 (ll. 1-12).

AMZ/USPS-T36-4.

Please refer to your testimony at page 38 (ll. 14-15), where you state “[t]his proposed change [to limit Delivery Confirmation to parcels only within the Package Services mail class] reflects the operational concerns discussed by witness Kingsley. USPS-T-39, at 8-9, 36.”

- a. Please identify clearly and discuss the specific “operational concerns” to which you are referring on pages 8, 9 and 36 of witness Kingsley’s testimony.
- b. Does the proposed change reflect any other operational or nonoperational concerns? If so, please identify and discuss such concerns.
- c. Please explain why “operational concerns” are of such magnitude or importance as to require elimination of a service that customers desire and use.
- d. Please explain how elimination of an existing service (for “non-parcels”) that customers desire and use will:
 - (i) Make the Postal Service more competitive with other companies that provide delivery service; and
 - (ii) Make the Postal Service more “customer-focused” and “customer-responsive.”
- e. Please confirm that witness Kingsley discusses letter processing at pages 8-9 of her testimony. Please explain the relationship between (i) letter processing and (ii) depriving Package Services flats of access to Delivery Confirmation.
- f. Have problems arisen in the utilization of Delivery Confirmation with Package Services flats? Please explain any affirmative answer.

- g. Have mailers criticized the performance of Delivery Confirmation when used with Package Services flats? Please explain any affirmative answer.
- h. How would the Postal Service's Delivery Confirmation special service be harmed if your proposed change is not recommended by the Commission?

AMZ/USPS-T36-5.

Please refer to your testimony at page 38 (ll. 12-14) where you state that this proposed change "is a fair and equitable proposal, because it ensures that the service will be provided for all parcel customers."

- a. Please explain how depriving Package Services flats of access to Delivery Confirmation "ensures that the service will be provided for all parcel customers."
- b. In your comment above, are you speaking of all Package Services parcel customers?
 - (i) If so, please confirm that all Package Services parcel customers already have access to Delivery Confirmation. If you do not confirm, please explain.
 - (ii) If not, please explain the relationship between eliminating access to Delivery Confirmation for Package Services flats, and extending access to Delivery Confirmation to parcels in other classes of mail.

- c. Are there other reasons why you view eliminating Package Services flats' access to Delivery Confirmation as more fair and equitable than continuing the service? If so, please provide these reasons in detail.

AMZ/USPS-T36-6.

According to witness Kingsley, “[o]nce the carrier is on the street, a Delivery Confirmation mailpiece is handled like any other piece except that the barcode on the Delivery Confirmation label is scanned upon delivery.” Response to OCA-USPS-T36-16.

- a. Are you aware of any information that would contradict witness Kingsley’s statement? Please explain any affirmative answer.
- b. If this statement is correct, then please explain why it is necessary or desirable to eliminate access to Delivery Confirmation to Package Services flats.

AMZ/USPS-T36-7.

The Postal Service currently permits Standard mailers to prepare certain parcels to be handled as flats. DMM C820.3.3 defines an “automation-compatible flat-size mailpiece eligible for FSM [1000] processing” as including mailpieces defined as parcels under DMM C050. Would it be possible to permit Package Services mailers to prepare or present their flats so they will be handled as parcels, and retain eligibility to obtain Delivery Confirmation? Please explain your answer.

AMZ/USPS-T36-8.

Witness Kingsley states in her testimony:

Vertical flats cases are used for most routes while horizontal flats cases, with larger separations for multiple delivery points, are generally used on business routes and routes with a large proportion of centralized delivery. In the case of horizontal holdouts, many of the small parcels and rolls (SPRs) would be cased and collated in with the flats. The identification of Delivery Confirmation and Signature Confirmation items is ensured because parcels and Priority Mail, regardless of shape, are held out and handled separately by clerks and carriers, unlike letters and flats. This is fully consistent with witness Mayo's (USPS-T-36) proposal to limit Delivery Confirmation and Signature Confirmation to parcels and Priority Mail. [USPS-T-39, page 28, ll. 7-15.]

- a. Do you agree that this description of mail processing is fully consistent with your proposal? If not, please explain.
- b. If Package Services SPRs are cased and collated in with the flats, are they still eligible to obtain Delivery Confirmation?
 - (i) If so, why shouldn't the flats they are cased and collated with also be eligible for this service?
 - (ii) If not, how does your proposal plainly disqualify Package Services SPRs from access to Delivery Confirmation?
- c. Please explain in detail how the handling of Priority Mail flats varies from the handling of Package Services flats so as to justify your proposal.
- d. Is Priority Mail which pays the proper postage, but is not otherwise marked as Priority Mail, eligible to receive Delivery Confirmation?

- (i) If so, please explain what in the handling of such a Priority Mail flat explains why it should be eligible for Delivery Confirmation, while a Package Services flat would not be eligible.
 - (ii) If not, how does or will the Postal Service prevent such Priority Mail pieces from being mailed with Delivery Confirmation?
- e. Please explain why your proposal is not unduly discriminatory against Package Services flats.

AMZ/USPS-T36-9

Please describe all market research conducted by the Postal Service to determine the attitude of and effect on mailers by the discontinuance of Delivery Confirmation service for flats within the Package Services mail class.

- a. During what period was such research undertaken?
- b. Was the research conducted under contract, or by in-house personnel?
- c. How many affected users were interviewed?
- d. Please provide as a library reference copies of the research design and all survey forms used.
- e. What is the estimated impact on Test Year After Rates revenues and volumes?
- f. If no market research was conducted, please explain fully why it was not considered necessary.