## POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001 DEC 10

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POSTAL RATE AND FEE CHANGES, 2001

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

# AMAZON.COM, INC. SECOND INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE WITNESS SUSAN W. MAYO (AMZ/USPS-T36-10-16) (December 10, 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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#### <u>CERTIFICATE OF SERVICE</u>

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. Ql

December 10, 2001

#### AMZ/USPS-T36-10.

In your response to AMZ/USPS-T36-2(a), you confirm that "a single compact disk ("CD") in a 6½ inches by 7 inches padded mailing envelope, which has a thickness of 0.70 inch with one CD enclosed" mailed as **Package Services** would not qualify to use Delivery Confirmation, yet in your response to AMZ/USPS-T36-1(d), you suggest that a Package Services mailpiece could qualify for Delivery Confirmation, even with a thickness of less than 3/4 inch, if it was packaged in a box.

- a. Why would the thin box qualify for Delivery Confirmation, while the equally thin envelope with rigid contents not qualify?
- b. Please state all instances when pieces less than 3/4 inches thick are defined as parcels, and when they are defined as flats.
- c. To what extent can mailers and the Commission rely on your characterization of the prospective definition of a parcel?
- d. Please state all reasons why your prospective definition of a parcel should not be set out expressly in the Domestic Mail Classification Schedule ("DMCS.")

#### AMZ/USPS-T36-11

In your response to AMZ/USPS-T36-2(a), you observe that "a single compact disk ("CD") in a 6½ inches by 7 inches padded mailing envelope, which has a thickness of 0.70 inch with one CD enclosed" mailed as **Standard Mail** would qualify to use Delivery Confirmation.

a. Would such a mailpiece be subjected to the Residual Shape Surcharge?

- Is it not true that currently the only Standard Mail which may use Delivery
   Confirmation service is that which is subject to the Residual Shape Surcharge?
- c. If part b above is not true, would all such Standard Mail flats qualify to use Delivery Confirmation, or would they have to be prepared in some special manner (different for the usual requirements for Standard flats)?

#### AMZ/USPS-T36-12.

- a. Among the principal competitors of the Postal Service offering package services (e.g., United Parcel Service, FedEx, Airborne), please identify those which do not provide "trackability," including delivery confirmation.
- b. Do any of these competitors of the Postal Service charge extra for delivery confirmation? Please explain any affirmative answer.
- c. Do any of these competitors of the Postal Service provide a less complete track and trace service as part of their delivery confirmation service? Please explain any affirmative answer.
- d. Does the Postal Service provide track and trace as part of its Delivery
   Confirmation service? Please explain any affirmative answer.
- e. Do any competitors of the Postal Service not provide signature confirmation as part of their base delivery confirmation service?
- f. Does the Postal Service provide signature confirmation as part of its base Delivery Confirmation service?

- g. Do any competitors of the Postal Service limit access to delivery confirmation based upon the shape of the package? Please explain any affirmative answer.
- h. Would the Postal Service's proposed change to the DMCS prohibiting Package Services flats from receiving Delivery Confirmation service make that service less desirable to customers than the service provided by competitors for customers who want Delivery Confirmation service? Please explain any negative answer.

#### AMZ/USPS-T36-13.

In your response to AMZ/USPS-T36-4(c) and (d), you state that "[t]he basic thrust of this classification proposal is to promote consistent Delivery Confirmation service."

- a. What type of consistency are you referring to consistency of scan,
   consistency of receipt, or something else? Please explain in full.
- b. Have specific problems in consistency led the Postal Service to include your proposed changes to the DMCS in this docket? If so, please state specifically what these problems in consistency are. If not, why is the proposal being made?
- c. Please explain why the Postal Service cannot solve whatever consistency problem you identify without terminating Delivery Confirmation service to customers who mail flats within the Package Services mail class. In particular, please explain why the Postal Service can provide Delivery Confirmation for Standard flats, but not for flats within Package Services? That is, what handling

procedure is used for Standard flats that cannot be used for flats within Package Services?

#### **AMZ/USPS-T36-14.**

Please refer to your response to AMZ/USPS-T36-9. You were asked to 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." You responded in part f that, "[s]ince this is an operational matter, no market research was deemed necessary."

- a. Is it the position of the Postal Service that whenever operational matters are involved, mailer desires are irrelevant? Or are you saying that operational matters are of no concern to mailers? If neither, please explain in full the reasons why no market research was deemed necessary.
- b. Are you stating that the Postal Service does not care whether it loses customers who require Delivery Confirmation service when they send Package Services flats? Please explain your answer.
- c. Does the Postal Service anticipate that it will lose any Package Services flat volume due to this proposed change to the DMCS? If so, please provide the estimates. If not, why not?
- d. Does this classification change represent an effort by the Postal Service to force customers to use Priority Mail for Package Services flats? If so, do you believe that it will work?

- e. Does the Postal Service perceive some benefit from forcing Package Services mailers to repackage their items currently sent as flats into mailpieces over 3/4 inches thick?
- f. Will policy changes that cause mailers of Package Services flats to repackage their pieces as parcels affect mail processing and delivery costs? Please explain your answer.
- g. Was this proposal the subject of any formal or informal discussions with Package Services mailers, in the Mailers' Technical Advisory Committee ("MTAC"), privately or otherwise? If so, please explain what feedback was received. If not, did the Postal Service assume that Package Services mailers would neither care nor notice? Please explain in full.
- h. If your answer to part g is to the effect that no discussions with mailers were conducted, please describe all customer concerns that were known and considered internally before advancing your proposal to discontinue Delivery Confirmation for Package Services flats, and explain the Postal Service's reaction to each concern vis-a-vis advancing that proposal.

#### AMZ/USPS-T36-15.

Since providing Package Services with Delivery Confirmation service adds "a high value of service" (USPS-T-36, p. 38, l. 12) would the proposed discontinuance of Delivery Confirmation service for flats within the Package Services mail class reduce the value of service of Package Services? Please explain any negative answer.

### AMZ/USPS-T36-16

Would you agree that your proposal to deny Delivery Confirmation to flats within Package Services is (i) not customer friendly, and (ii) a bad idea. Please explain fully any negative answer.