

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

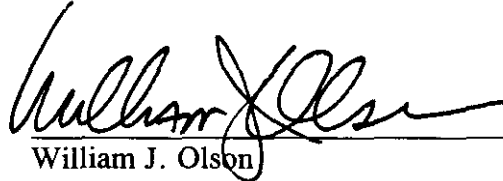
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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R2001-1

POSTAL RATE AND FEE CHANGES, 2001)

AMAZON.COM, INC.
FIRST INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS LINDA A. KINGSLEY (AMZ/USPS-T39-1-9)
(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,

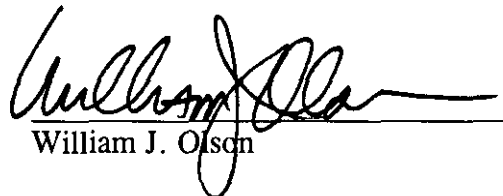


William J. Olson
John S. Miles
WILLIAM J. OLSON, P.C.
8180 Greensboro Drive, Suite 1070
McLean, Virginia 22102-3860
(703) 356-5070

Counsel for Amazon.com, Inc.

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.



December 10, 2001

AMZ/USPS-T39-1.

In your response to OCA/USPS-T36-15, you state that “the Delivery Confirmation mailpiece is processed to carrier route no differently than it would have been without Delivery Confirmation.” In your response to OCA/USPS-T36-16, you state that “[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.”

- a. For Delivery Confirmation mailpieces, are these statements true for each of the following mailpieces: (i) Priority Mail letters, (ii) Priority Mail flats, (iii) Priority Mail parcels, (iv) Standard Mail parcels (subject to Residual Shape Surcharge), (v) Package Services flats, and (vi) Package Services parcels? If the statements above are not true for any of the indicated mailpieces, please explain fully why not.
- b. Under your proposal to extend Delivery Confirmation service, would these statements be true for First-Class Mail Parcels?
- c. Please explain if the processing and delivery of **unidentified** Priority Mail flats with Delivery Confirmation varies from the handling of **identified** Priority Mail flats with Delivery Confirmation, and if so, how.
- d. Has the Postal Service considered the use of more distinctive Package Services labels to facilitate the identification of flats with Delivery Confirmation by carriers? Regardless of your answer, do you believe this could materially help to reduce any problem of non-scanning upon delivery?

AMZ/USPS-T39-2.

In your response to OCA/USPS-T36-16, you state that “a Delivery Confirmation mailpiece is not carried as a separate bundle unless it is a parcel.”

- a. Does your response mean that, on foot and park and loop routes:
 - (i) Parcels with Delivery Confirmation are carried as a separate bundle?
 - (ii) If a Saturation mail third bundle is being handled on a given day, and parcels with Delivery Confirmation are present in the mail stream, the parcels would not be delivered, as they would constitute an impermissible “fourth” bundle?
- b. If either of your answers to (i) and (ii) above is negative, please explain why, and explain what you mean when you say that Delivery Confirmation parcels may be carried as a separate “bundle.”

AMZ/USPS-T39-3.

In your response to OCA/USPS-T36-16, you state that “parcels/Priority Mail are not sorted to DPS by equipment, no flags are necessary for the carrier.”

- a. Are Priority Mail flats cased manually with other flats? If not, how are Priority Mail flats handled at the Destination Delivery Unit (“DDU”)?
- b. Is this also true for nonidentified Priority Mail flats requesting Delivery Confirmation service?
- c. Are Priority Mail flats carried onto the street in a bundle with other flats, or along with parcels?

- d. What “flags” are currently necessary or provided for Package Services flats with Delivery Confirmation service?

AMZ/USPS-T39-4.

In your response to AMZ/USPS-T36-4(f), you state that “[i]t is my understanding that scanning concerns have been raised by various customers. However, there has been no tracking of problems by shape.”

- a. Please describe the concerns that have been raised by various customers.
- b. Are those concerns only related to pieces which have not been scanned?
- c. With respect to the concerns raised by various customers, has the Postal Service done any systematic compilation of those “complaints”? If so, please provide the complaint and any relevant report as a library reference. If not, what causes these concerns to rise above the level of anecdotal complaints?
- d. For each quarter of Base Year 2000, please provide data on the number of pieces not scanned for each subclass eligible for Delivery Confirmation.

AMZ/USPS-T39-5.

In your response to AMZ/USPS-T36-6(b), you state that:

The original intent of Delivery Confirmation was to provide delivery status for expedited and package products. To ensure we provide the service, the definition is being refined to exclude those volumes that are inconsistent with the original intent.

- a. Please explain how Package Services flats do not constitute “package products.”

- b. How do you define “package products”?
- c. Was the Postal Service’s original intent not to allow Package Services flats to use Delivery Confirmation service? If so, how did it happen that Package Services flats were allowed to use it?
- d. Will refinement of the definition “to exclude those volumes that are inconsistent with the original intent” result in the elimination of Delivery Confirmation for all Standard Mail? Please explain why or why not.

AMZ/USPS-T39-6.

In your response to AMZ/USPS-T36-6(b), you state that:

It is my understanding that requiring special label taggants would discourage many of our existing customers from using our products, and would make us less competitive. The current requirements are less expensive and more flexible for our customers.

- a. Please explain all types of special label taggants to which you are referring.
- b. Why would the Postal Service even consider requiring such taggants to be placed on parcels, if the problem of non-identification is with Package Services flats?
- b. If requiring Package Services flat mailers to use special label taggants would discourage some mailers from using Delivery Confirmation service, is it the Postal Service position that it would rather prohibit completely Package Services flat mailers from using Delivery Confirmation? Please explain your answer.

- c. Please explain why prohibiting Package Services flat mailers from using Delivery Confirmation altogether will not “make us [even] less competitive.”

AMZ/USPS-T39-7.

In your response to AMZ/USPS-T36-6(b), you state that:

the Postal Service is looking in the longer term to Delivery Point Sequence (DPS) flats similar to letters. DC is inconsistent with DPS. If, like letters, the flats are sorted to DPS, then the carrier will not look at the mail until he/she is out on the street. Additional time on the street would be needed to check through each flat to ensure DC scanning occurred.

- a. When is the Postal Service expecting to accomplish the sortation of all flats to DPS? If the time frame is not before the likely Test Year of the next omnibus rate case, why seek to impose the proposed ban on Package Services flats using Delivery Confirmation in the current docket?
- b. Even when flats are DPS'd, will not some flats continue to be cased manually?

AMZ/USPS-T39-8.

In your response to AMZ/USPS-T36-7, you state that:

It would be very inefficient for the Postal Service to allow mailers to prepare and label flat-sized pieces as parcels, and then to attempt to process flat-sized pieces in the less efficient parcel mailstream. The flats would very likely be damaged from being sorted on a BMC parcel sorter with much larger parcels. Also, it would be very difficult to ensure that flat-sized pieces labeled as parcels would remain in the parcel mailstream....

- a. Witness Mayo, in her response to AMZ/USPS-T36-2(a), observes 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 for use of Delivery Confirmation. Do you agree with witness Mayo?
- b. Witness Mayo, in her response to AMZ/USPS-T36-1(d), suggests that a Package Services mailpiece could qualify for Delivery Confirmation, even with a thickness of less than 3/4 inch, if it were packaged in a box.
 - (i) Do you agree with witness Mayo?
 - (ii) Would placing the contents of a mailpiece in a box rather than a padded envelope dramatically increase the contents’ protection from the likely damage you mention? Please explain your answer.

AMZ/USPS-T39-9.

Please refer to your response to AMZ/USPS-T36-8.

- a. Are you stating in part b of your response that small parcels and rolls (“SPRs”) are never cased in vertical flats cases? If not, then please explain your observation that “only a minority of the routes use horizontal flats cases.”
- b. Since SPRs are currently cased with flats, and are also qualified to receive Delivery Confirmation, how does the preparation of SPRs for delivery differ from how flats are prepared for delivery so as to explain why the former qualifies for Delivery Confirmation, but not the latter.

- c. (i) What is the basis for your assertion in part c of your response that “Priority Mail flats ... are generally stiff and cannot fit into the vertical flats case”?
- (ii) What prevents a “stiff” but thin flat (*e.g.*, in a minimum weight envelope) from fitting into a vertical flat case?
- (iii) Are you suggesting that Priority Mail flats not be offered Delivery Confirmation Service?