

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

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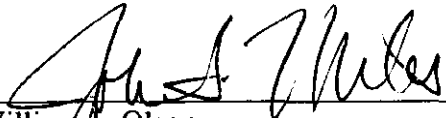
POSTAL RATE AND FEE CHANGES, 2001 )

POSTAL RATE COMMISSION  
OFFICE Docket No. R2001-1

AMAZON.COM, INC.  
FIRST FOLLOW-UP INTERROGATORIES AND REQUESTS FOR  
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE  
WITNESS SUSAN W. MAYO (AMZ/USPS-T36-17-21)  
(December 12, 2001)

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

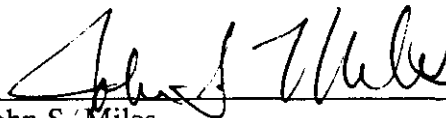
Respectfully submitted,

  
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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.

  
\_\_\_\_\_  
John S. Miles

December 12, 2001

**AMZ/USPS-T36-17.**

Please refer to your response to AMZ/USPS-T36-4, part b, where you state “[a]s discussed in my testimony, USPS-T-36, page 38, lines 11-12, this classification proposal also takes into account the high value of service provided by Delivery Confirmation, both now and if this proposed classification change is implemented.” Also, please refer to your testimony at page 36 (l. 20) to page 37 (l. 2), where you state “[w]hile these early volume increases are promising, and the value of service is relatively high, the Postal Service believes it is *appropriate to foster the continued growth and acceptance of this service to all users, both business and individuals, alike.*” We understand that this section of your testimony addresses cost and cost coverage issues, nonetheless:

- a. Please explain generally how the proposed change, which eliminates a service currently available to Package Services mailers, will “**foster the continued growth and acceptance of this service to all users, both business and individuals, alike**” (emphasis added).
- b. Please assume that some of your current customers switch **all** of their package business, including but not limited to flat-shaped pieces, to private sector competitors because the Postal Service terminates Delivery Confirmation for flat-shaped pieces using Package Services while your competitors offer track-and-trace, and explain how in such circumstances you expect termination of the availability of this service would “foster ... continued growth.”

**AMZ/USPS-T36-18.**

Please refer to AMZ/USPS-T36-9(e), which asked “[w]hat is the estimated impact on Test Year After rates and volumes,” and your response that “[n]o market research was conducted.” Also, please refer to (i) your testimony at page 36 (ll. 20-21), where you state “while these early volume increases are promising, and the value of service is relatively high,” (ii) your testimony at page 33 (l. 19) to page 34 (l. 1), where you state “Delivery Confirmation was introduced mid-year in 1999. No meaningful volume comparison can be made from 1999 to 2000, as 1999 was the first year of the service,” and (iii) USPS-LR-J-92, page 25, which details a volume increase from 19,967,000 pieces in 1999 to 123,497,000 pieces in 2000.

- a. For Base Year 2000, did you consider or estimate how much of this total volume consisted of flat-shaped pieces in Package Services using Delivery Confirmation that would be disqualified under your proposed classification change? If not, why not? Regardless of whether you considered this datum, please provide your best estimate of Base Year 2000 volume that would have been barred under your proposed classification change.
- b. For Test Year 2003, did you consider or estimate how many flat-shaped pieces in Package Services that would be disqualified from using Delivery Confirmation service under your proposed classification change? If not, why not? Regardless of whether you considered this datum, please provide your best estimate of Test Year 2003 volume that would be barred under your proposed classification change.
- c. Did you or any other witness estimate the effect of your proposed classification

change on volume and revenues in TY 2003? If so, please indicate who, and where that estimate can be found.

- d. If your answer to the preceding part c is negative, is it your opinion or position that classification changes arising from operational concerns are unlikely to have any effect on volumes and revenues, or that volumes and revenues do not need to be taken into account when making classification changes? Whatever your answer, please explain your position.
- e. Please relate the effect that the proposed change will have on the results predicted in your testimony that “these early volume **increases** are promising, and the value of service is **relatively high**” (emphasis added). In particular, (i) how many Delivery Confirmation transactions will be lost due to the proposed classification change, and (ii) what impact will the proposed change have on the value of service for Delivery Confirmation service?

**AMZ/USPS-T36-19.**

Please refer to your response to AMZ/USPS-T36-2(c), where you state that “[m]y proposed change is not intended to increase the size of packages in the Package Services mail class.” This response was in reference to our question which described one possible and predictable reaction of mailers who use Package Services to “get around” the negative effect of the proposed change.

- a. With reference to AMZ/USPS-T36-2(b), do you acknowledge the possibility that Package Services mailers who desire to continue to receive Delivery

Confirmation service could adjust their packaging in ways that would allow them to continue to receive this service (*e.g.*, by exceeding one or more of the dimensions for flat-shaped pieces)?

- b. If your answer to preceding part a above is affirmative, please assume that some mailers do in fact change their packaging and explain what the proposed change would accomplish under such circumstances and how would it benefit the Postal Service.

**AMZ/USPS-T36-20.**

Please refer to your response to AMZ/USPS-T36-4(c) and (d), where you partially address the issue of “operational concern” raised in part c of our question, but fail to address our question in part d, which was:

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.”

Please respond to this question.

**AMZ/USPS-T36-21.**

Please refer to your response to AMZ/USPS-T36-4(g), where you state that “[t]he Postal Service does not have specific data on complaints about Delivery Confirmation used with Package Services flats.” In response to part f of that question, redirected to witness

Kingsley (USPS-T-39), she states “It is my understanding that scanning concerns have been raised by various customers. However there has been no tracking of problems by shape.”

Please identify all sources of these concerns and identify and explain all information, anecdotal or otherwise, which you or witness Kingsley reviewed and/or relied on.