

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

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POSTAL RATE AND FEE CHANGES, 2001

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Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS KINGSLEY TO INTERROGATORIES OF AMAZON.COM, INC.  
(AMZ/USPS-T39-1-9)

The United States Postal Service hereby provides the responses of witness Kingsley to the following interrogatories of Amazon.com, Inc.: AMZ/USPS-T39-1-9, filed on December 10, 2001.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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December 26, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY  
TO INTERROGATORIES OF AMAZON.COM, INC.

**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?

**Response:**

- (a) Yes, with the exception of (v) Package Services flats, for which the carrier most likely would keep the flat with Delivery Confirmation separate from the rest of the sequenced flat volume in order to ensure a scan at delivery.
- (b) Yes.
- (c) No, the processing and delivery do not vary.
- (d) I am not aware of any such consideration, but I do not know if someone, somewhere within the Postal Service has considered the use of a more distinctive Delivery Confirmation label for Package Services flats. I do believe a more distinctive label

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on flats and the appropriate technology that could identify and isolate these pieces  
could reduce problems of non-scanning upon delivery.

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**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.”

**Response:**

- a. (i) No.
  - (ii) No.
- b. Carriers handle parcels separately from letters and flats since parcels are not commingled with letters or flats. This is not a separate bundle but is a separate source for volume at a relatively limited number of applicable delivery points.

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**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?

**Response:**

- a. No. See response to AMZ/USPS-T36-8c on how Priority Mail flats are handled at the DDU.
- b. Yes.
- c. Priority Mail flats are carried to the street along with parcels. See my response to AMZ/USPS-T36-8c.
- d. It is my understanding that if Delivery Confirmation on a Package Services flat is identified during carrier sortation, then the carrier will most likely place the flat with the parcels as a reminder for scanning. Obviously, this is less efficient than if the flat continued to be handled as a flat all the way through to delivery.

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**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.

**Response:**

- a. Low scan rates.
- b. Yes.
- c. Not to my knowledge. These complaints are consistent with the Postal Service’s lack of intent to provide Delivery Confirmation for flats other than Priority Mail.
- d. It is my understanding that this information is not available.

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**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.

**Response:**

- a. The first sentence of my response (preceding the sentences you wrote) refers to parcels and Priority Mail, which reflects my understanding of “package products”. I consider a Bound Printed Matter catalog a flat and not a package or parcel.
- b. My definition of “package products” is “parcels” based on the original intent provided to me by the Expedited Package Services group.
- c. Yes. I believe the lack of a limitation to parcels within Package Services was a possible oversight.
- d. No. Standard Mail parcels that pay the residual shape surcharge are parcels and offering Delivery Confirmation for Standard Mail parcels is consistent with the original intent.

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**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. (*sic*) 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.”

**Response:**

- a. I am referring to fluorescent and brightly colored labels. However, I am not knowledgeable about all of the existing technological label or equipment options.
- b. Different Delivery Confirmation label requirements based on shape might not be practical for postal customers and employees. Technology is currently not available on the FSMs to segregate Delivery Confirmation pieces to ensure service. Package Services flats are also prepared in a printer’s production environment that does not appear to me to be conducive with requiring special labels with taggants. Separate labels with taggants would require another label stock and possible applicator during production, while currently the inkjet printer can print directly on the piece.
- b. Yes, as explained in my responses to AMZ/USPS-T36-4, 6, and 8, Delivery Confirmation on non-Priority Mail flats is inconsistent with existing technology and carrier processes.



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- c. I am not an economist nor an expert on policy or pricing. However, I believe that if we are not providing the service today for Package Services flats with any process to provide consistent scanning, we are also less competitive. The training provided to employees concerned scanning and recognition of Delivery Confirmation for parcels and Priority Mail, not flats. And since Delivery Confirmation on flats is inconsistent with current technology and the intended focus of the Delivery Confirmation product, then the appropriate correction should be made.

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**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?

**Response:**

- a. See page 20, lines 2 and 3, of my testimony. The intent of Delivery Confirmation, as well as the training, carrier street impacts, and technology, has not been directed towards flats and to ensure service. The current availability of Delivery Confirmation for Package Services flats needs to be fixed regardless of when and if the Postal Service starts to DPS flats.
- b. Just as some letters continue to be cased manually, I would expect some flats to continue to be cased manually even in a flats DPS environment.

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**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.

**Response:**

- a. Yes. This piece will be sorted and handled as a Standard Mail parcel, not a flat.
- b. (i) Yes.
  - (ii) Not necessarily. The inefficiency of processing flats as parcels is the primary point, not just the potential damage.

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**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?

**Response:**

- a. Yes. The fact that only a minority of routes use horizontal flat cases is not just an observation but information provided by delivery operations.
- b. Your premise is incorrect. SPRs are *not* currently cased with flats. See response to AMZ/USPS-T36-8b.
- c. (i) See the Priority Mail Flat Rate Envelope provided by the Postal Service.  
  
(ii) It is too tall for the vertical flats case in most cases and does not easily bend.  
  
See response to AMZ/USPS-T36-8c.  
  
(iii) Absolutely not.

## 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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December 26, 2001