

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

POSTAL RATE AND FEE CHANGES, 2006 )

Docket No. R2006-1

AMAZON.COM, INC.  
SECOND INTERROGATORIES AND REQUESTS FOR  
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE  
WITNESS NINA YEH (AMZ/USPS-T38-17-22)  
(July 11, 2006)

Pursuant to sections 25 and 26 of the Postal Rate Commission rules of practice, Amazon.com, Inc. hereby submits interrogatories and document production requests. If necessary, please redirect any interrogatory and/or request to a more appropriate Postal Service witness.

Respectfully submitted,

---

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

Counsel for Amazon.com, Inc.

**AMZ/USPS-T38-17.**

Please provide any available data showing (i) the percentage of Bound Printed Matter (“BPM”) that consisted of non-catalogs (*e.g.*, books) and (ii) the percentage of BPM that consisted of catalogs in Base Year 2005.

**AMZ/USPS-T38-18.**

Please provide FY 2005 data for BPM that show the relationship between (i) weight (by pound increments, up to 15 lbs.), and (ii) cube, or density. If FY 2005 data are not available, then please provide data for the most recent year available.

**AMZ/USPS-T38-19.**

Please refer to Docket No. R2001-1, USPS-T-33, page 43, lines 15-26, where witness Kiefer describes adjustments to his preliminary rate elements for Media Mail and Library Mail. At lines 19-22, he states that:

In the past, both the Postal Service and the Commission have mitigated these large first pound rate increases by shifting some of the increase from the first pound to the second through seventh pounds and, to a lesser extent, to heavier rate cells.

- a. Did you review witness Kiefer’s testimony prior to finalizing your testimony in this case?
- b. Did you consider following what witness Kiefer described as the Postal Service and Commission practice of mitigating large first pound increases for Media Mail and Library Mail?

- c. Please explain why you did not mitigate the large first pound increases in line with prior Postal Service and Commission practice.

**AMZ/USPS-T38-20.**

In Docket No. R2005-1, witness Bradley, USPS-T-14, modeled separately the delivery cost for “large” and “small” parcels. In developing your proposed rates for BPM and Media Mail, please explain what consideration you gave to the different delivery costs for small and large parcels, as recommended by witness Bradley in Docket No. R2005-1 and implemented in this docket by witness Kelley (USPS-T-30).

**AMZ/USPS-T38-21.**

Please refer to your testimony at page 11, lines 4 -7, where you state that “[t]he lower cost savings passthrough[s] for DSCF and DDU help mitigate unacceptable rate increases for non-dropshipped mail....”

- a. Had you used 100 percent passthroughs for DSCF and DDU, what would have been the percentage increase for non-dropshipped mail?
- b. Please explain what criteria you used to conclude that the percentage increase for non-dropshipped mail was unacceptable if passthroughs for DSCF and DDU entry were set at 100 percent.
- c. Under the circumstances of this docket, what do you consider to be the maximum acceptable rate increase for rate cells within BPM, including but not limited to non-dropshipped BPM?

- d. Under the circumstances of this docket, what do you consider to be the maximum acceptable rate increase for rate cells within (i) Media Mail, and (ii) Library Mail?
- e. If your maximum acceptable rate increase for BPM differs from your maximum acceptable rate increase for Media Mail, please explain why similar figures for acceptability do not apply to each subclass.

**AMZ/USPS-T38-22.**

Your testimony at page 4 discusses how BPM evolved to include books. Your testimony at page 12 (ll. 5-6) states that books also can be entered as Media Mail. At page 6, footnote 2, you explain the Postal Service's intention that BPM will effectively cease to exist as a retail offering. And at page 7 (ll. 7-9), you note that in FY 2005 the Nonpresort volume of BPM was less than 5 percent of total volume, which implies that BPM has effectively become a low-cost bulk subclass (as it was intended to be when originally established). When items like (i) sound and video recordings, and (ii) computer readable media such as computer programs weigh less than 15 pounds and could be part of a bulk mailing, what is the rationale for excluding such items from BPM? Please explain fully, on the assumption that a 1.5 to 3 pound box containing either a video recording or computer readable media is indistinguishable in size or shape from a 1.5 to 3 pound box containing a book.