

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

POSTAL RATE AND FEE CHANGES, 2006)

Docket No. R2006-1

AMAZON.COM, INC.
THIRD INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS NINA YEH (AMZ/USPS-T38-23-27)
(July 13, 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,

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AMZ/USPS-T38-23.

Please refer to USPS-LR-L-41, file R2006_USPS-LR-L-41_Media and Library Spreadsheets.xls, tab FY 2005 Billing Determinants, WP-MM-2. The volume data shown there for both Media Mail and Library Mail are broken down by (i) first pound, (ii) second through seventh pound, and (iii) eighth pound and over.

- a. Do you have base year volume and weight data for Media Mail and Library Mail broken down by finer weight increments, such as one pound increments?
- b. If so, please provide such data.

AMZ/USPS-T38-24.

Please refer to USPS-LR-L-41, file R2006_USPS-LR-L-41_BPM Spreadsheets.xls, tab 'FY 2005 SP Billing Det.', "FY 2005 Billing Determinants – Single Piece Bound Printed Matter," WP-BPM-4, and tab 'FY 2005 Presort Billing Det.', "FY 2005 Billing Determinants – Presort Bound Printed Matter," WP-BPM-3.

- a. For the 405,929,811 Basic Presort pieces of BPM shown by zone under tab WP-BPM-3, please provide a breakdown by weight and zone similar to the data for the 27,880,869 pieces of single piece BPM shown under tab WP-BPM-4. If the data for Basic Presort cannot be broken down by both weight and zone, please provide a breakdown of aggregate volume by weight, using the same increments as those shown in the single piece tabulation.
- b. For the 149,962,520 Carrier Route pieces of BPM shown by zone under tab WP-BPM-3, please provide a breakdown by weight and zone similar to the data

for the 27,880,869 pieces of single piece BPM shown under tab WP-BPM-4. If the data for Carrier Route cannot be broken down by both weight and zone, please provide a breakdown of aggregate volume by weight, using the same increments as those shown in the single piece tabulation.

AMZ/USPS-T38-25.

Please refer to your testimony at page 4, lines 6-7.

- a. Please explain what the purpose was of allowing the weight of BPM mail pieces to increase to 15 pounds.
- b. Please discuss the extent to which that purpose has been achieved.
- c. To what extent has increasing the weight limit to 15 pounds resulted in an increase in the average unit cost of BPM?
- d. Would you characterize such increase in unit cost as has occurred a disproportionate increase in unit cost? Please explain.

AMZ/USPS-T38-26.

- a. Please confirm that your work paper WP-BPM-8 (“Calculation of TYBR Pieces and Pounds”) in file R2006_USPS-LR-L-41_BPM Spreadsheets.xls of USPS-LR-L-41 shows that parcels/IPPs account for (i) 61 percent of Basic Presort BPM, (ii) 35 percent of Carrier Route BPM, and (iii) 54 percent of Basic and Carrier Route BPM combined. If you do not confirm, please provide the correct percentages.

- b. Over the past 10 years, has the share of parcels in Basic and Carrier Route BPM increased? If so, by approximately how much?

AMZ/USPS-T38-27.

Please refer to your testimony at page 4, lines 18-21, where you state that:

the rates for BPM and for Media Mail (formerly Special Rate Fourth-Class Mail and then Special Standard Mail) evolved in such a way that, in some instances, BPM rates became cheaper than the corresponding rates for Media Mail (which was a preferred subclass).

- a. Please confirm that, at your proposed **Single-Piece (zoned) rates for BPM** and (unzoned) rates for Media Mail, for parcels that weigh more than 1 pound, the BPM rates to zone 5 are always less than the Media Mail rates for the corresponding weight. If you do not confirm, please indicate those zones, in zones 1-5, where the Media Mail rate is lower than the BPM rate for the corresponding weight.
- b. Please confirm that, at your proposed **Basic Presort (zoned) rates for BPM** and your (unzoned) rates for Media Mail for parcels that weigh more than 1 pound, the BPM rate to zone 6 is always less than the Media Mail rates for the corresponding weight. If you do not confirm, please indicate those zones, in zones 1-5, where the Media Mail rate is lower than the BPM rate for the corresponding weight.

- c. Please confirm that, at your proposed rates for **Basic Presort Destination Entry BPM**, the rate for parcels (and flats) is always less than the Media Mail rate for the corresponding weight. If you do not confirm, please list all exceptions.
- d. Please confirm that, at your proposed (zoned) rates for **Carrier Route Presort BPM** and your (unzoned) rates for Media Mail, the BPM rate for parcels to zone 7 is always less than the Media Mail rate for the corresponding weight. If you do not confirm, please indicate those zones, in zones 1-7, where the Media Mail rate for parcels is lower than the corresponding BPM rate.
- e. Please confirm that your proposed **Destination Entry rates for carrier route presorted BPM** parcels (and flats) are always less than the Media Mail rate for the corresponding weight. Please explain any non-confirmation.
- f. For those items that can be mailed as BPM or Media Mail (*e.g.*, books), would you agree that BPM generally offers lower rates to mailers who presort and enter their mail at destination facilities?
- g. Would you agree that the rate structure for BPM, which (i) is zoned, (ii) has both presort and destination entry rates, (iii) has automation (barcode) discounts for mail that can take advantage of automated processing, and (iv) has a flat/parcel shape differential, is more economically efficient than the rate structure for Media Mail, which by law is unzoned and has no destination entry rates? Please explain any disagreement.