

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF AMAZON.COM, INC.
REDIRECTED FROM WITNESS YEH
(AMZ/USPS-T38-25(c) & (d))**

The United States Postal Service hereby provides its response to the following interrogatory of Amazon.com, Inc., filed on July 13, 2006, and redirected from witness Yeh: AMZ/USPS-T38-25(c) & (d).

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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AMZ/USPS-T38-25.

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

- 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.

RESPONSE:

c.-d. The chart below shows the unit costs for Bound Printed Matter from the CRA for several years before and after the increase in the maximum weight. It is not possible to isolate the impact of the change in maximum weight on the unit costs of Bound Printed Matter from other factors that affect unit costs. Also, it is worth noting that observed changes in unit costs between FY 2004 and FY 2005 reflect not only actual changes in costs, but also the impact of changes resulting from IOCS Redesign, as well. Thus, discerning the part of the cost change resulting from actual changes as opposed to methodological changes would be difficult for those years.

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Bound Printed Matter

Year	Unit Cost
1989	\$0.466
1990	\$0.492
1991	\$0.537
1992	\$0.561
1993	\$0.676
1994	\$0.539
1995	\$0.537
1996	\$0.533
1997	\$0.721
1998	\$0.773
1999	\$0.886
2000	\$0.837
2001	\$0.910
2002	\$0.917
2003	\$0.809
2004	\$0.804
2005	\$0.876