

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

POSTAL RATE AND FEE CHANGES, 2006)

Docket No. R2006-1

REPLY BRIEF

OF

AMAZON.COM, INC.

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The initial briefs of the following parties make reference to issues raised by Amazon.com, Inc. (“Amazon.com”) involving Bound Printed Matter (“BPM”):

Association of American Publishers (“AAP”), pp. 1-4;

Association for Postal Commerce and Mailing and Fulfillment Service Association (“PostCom/MFSA”), pp. 39-40;

Mail Order Association of America (“MOAA”), pp. 28-33;

United Parcel Service (“UPS”), pp. 9-10; and

United States Postal Service (“USPS”), pp. 156-157, 340-341.

Additionally, only PostCom and MFSA supported their own witness Peter A.

Angelides’ (POSTCOM-T-5) proposal to radically restructure BPM. PostCom/MFSA Initial Brief, p. 38-40. The Postal Service supported its own BPM rate design. USPS Initial Brief, pp. 339-40.

I. THE LOGIC OF REDUCING THE COST COVERAGE FOR BPM REMAINS CLEAR AND COMPELLING, BUT NO OTHER CHANGES IN BPM RATE DESIGN ARE JUSTIFIED.

A. BPM Cost Coverage

Unsurprisingly, the Postal Service opposed reduction of the BPM cost coverage from that proposed by witness Donald J. O’Hara (125 percent) (USPS-T-31 (rev. Aug. 25, 2006), pp. 31-35) to that proposed by Amazon.com witness John Haldi (113-114 percent) (AMZ-T-1, p. 28) or that proposed by PostCom/MFSA witness Angelides (114 percent) (POSTCOM-T-5, p. 11). The Postal Service’s opposition offers no compelling reasons or even persuasive rationale for its proposed increase in coverage. First, the Postal Service implies that Dr. Haldi focused exclusively on a “single dimension,” criterion 8 (the “educational, cultural, scientific, and information value” of the mail (“ECSI”)), while Dr. O’Hara applied “all of the pricing criteria....” USPS Initial Brief, pp. 156-157. Then, the Postal Service contends that Dr. Haldi ignored the Postal Service’s “relative pricing and cost coverage proposals” for BPM (11.7 percent rate increase) and Parcel Post (13.2 percent rate increase), while these factors were taken into account by Dr. O’Hara. *Id.*, p. 157.

As to the first contention, it is demonstrably false that Dr. Haldi ignored all the other pricing criteria. His testimony dealt separately and explicitly with all noncost criteria relevant to BPM — criteria 1, 2, 4, and 8. *See* AMZ-T-1, p. 29, l. 3 - p. 33, l. 15. It is less clear that Dr. O’Hara previously had focused on the changed coverage relationships embraced by his testimony. When asked on oral cross-examination about the coverage for BPM being moved from below Parcel Post to above it, Dr. O’Hara said “I see your point that they were nearly equal back then and our proposals are not....” Tr. 17/5137, ll. 14-15. When asked to explain

what had changed so as to cause the proper BPM coverage to be increased from below to above Parcel Post coverage, Dr. O'Hara candidly responded: "I cannot tell you anything specifically. I didn't examine so much the changes in coverage, certainly not over the entire period.... I don't know what has happened in either class, parcel post or bound printed matter, that has led the coverage to be different.... It really is a simultaneous problem that we have to solve as to how the institutional costs should be distributed.... This was my solution...." Tr. 17/5140. 1. 16 - 5141, 1. 24. The only factor mentioned by Dr. O'Hara was the desire to mitigate Parcel Post rates. Tr. 17/5141, 11. 14-16. That desire, however, does not constitute a sufficient reason to give no consideration to criterion 8 (ECSI) for BPM.

As to the second contention, the Postal Service Initial Brief implicitly assumes that the only way to achieve the appropriate cost coverage of BPM would be to increase the coverage for Parcel Post substantially. This clearly is wrong, as the coverage of BPM could be set independent of the coverage set for Parcel Post.

The coverages resulting from Docket No. R2000-1 and those proposed in this case by the Postal Service and Amazon.com are shown in the following table.

Comparative Selected Package Services Coverages

	<u>Media Mail</u>	<u>BPM</u>	<u>Parcel Post</u>
<u>Docket No. R2000-1</u>			
PRC (Before Modification) ¹	102	114	115
Governors' Modification ²	102.4	113.1	115.5
Ranking	Lowest	Middle	Highest
<u>Docket No. R2006-1</u>			
Amazon.com witness Haldi ³	109 ⁴	113-114	115
Ranking	Lowest	Middle	Highest
Postal Service witness O'Hara ⁵	109	125	115
Ranking	Lowest	Highest	Middle

In essence, the Postal Service argues that coverage for BPM must be set 10 points above that for Parcel Post, simply because Dr. O'Hara did not want to raise Parcel Post rates any higher than those implied by a coverage of 115 percent. It is not clear, for example, why both BPM and Parcel Post could not be set at 115 percent. Coverage usually is not set in this arbitrary, relative way, but through an independent application of all relevant criteria in 39

¹ Docket No. R2000-1, *Op. & Rec. Dec.*, ¶¶ 5922, 5878, 5782.

² Docket No. R2000-1, *Governors' Decision*, Attachment Three (May 7, 2001).

³ AMZ-T-1, p. 28.

⁴ Dr. Haldi makes no recommendation for changes in coverages proposed by the Postal Service for Media Mail or Parcel Post. Thus, Postal Service-requested coverages are used in this chart.

⁵ USPS-T-31, pp. 31-35

U.S.C. § 3622(b). The Postal Service argues that such an independent application of ratemaking principles must take second place to the Postal Service's desired outcome, even if it cannot be justified by an application of the noncost criteria of 39 U.S.C. § 3622(b).

Although it is true that institutional costs not obtained from one product must be recovered elsewhere, BPM and Parcel Post are not the only two postal products, nor do they operate within the framework of a "zero-sum game" where an increase in one product necessarily means an offsetting decrease in the other. For example, if the proper coverage of BPM is 115 percent, and the desired coverage of Parcel Post were 125 percent, but because of rate shock or other reasons the Postal Service wants to propose a Parcel Post coverage of 115 percent, that should not automatically result in an increase in the BPM coverage from 115 percent to 125 percent. It is illogical for the Postal Service to oppose Dr. Haldi's proposal to set a proper coverage for **BPM coverage** solely because it does not want the coverage for **Parcel Post** to rise above a particular level.

The PostCom/MFSA Initial Brief agrees that "the Postal Service has not adequately justified the proposed increases in cost coverages in ... Bound Printed Matter."

PostCom/MFSA Initial Brief, p. 39. The AAP Initial Brief agrees that "[t]he 124.9 percent cost coverage the Postal Service proposed for BPM is excessive." AAP Initial Brief, p. 1.⁶

⁶ Even United Parcel Service, no friend of reasonable Postal Service package rates, comments on the inversion of BPM and Parcel Post coverages: "Curiously, [the Postal Service's] proposed coverage [for Parcel Post] is lower than that for Bound Printed Matter, which, unlike Parcel Post, receives some consideration under the educational/informational value factor." UPS Initial Brief, p. 9.

The Commission should reduce BPM coverage to the level agreed to by Amazon.com, PostCom, MFSA, and AAP. Moreover, the reduction in coverage should be applied pro rata to the per-piece and per-pound elements in the established Postal Service BPM rate design.

B. BPM Rate Design

PostCom/MFSA witness Angelides presented direct testimony recommending a specific BPM rate design which incorporated a reduction in coverage as well as a complete revision of BPM rate design. POSTCOM-T-5, p. 12. The PostCom/MFSA Initial Brief contains no argument whatsoever in support of witness Angelides' BPM rate proposal but, at the end of a section dealing with BPM coverage, asks the Commission to recommend "Dr. Angelides propose[d] rates." PostCom/MFSA Initial Brief, p. 39. However, witness Angelides' rate design proposal is without record explanation or justification, does not reflect cost incurrence, would represent a radical change in established BPM rate design principles, and should be rejected.

It would appear that witness Angelides' proposal is designed to skew all BPM rates so as to provide the lowest possible rates for those catalog mailers who destination-enter pieces weighing between one and two pounds, at the expense of all other users of BPM. Witness Angelides' **entire narrative description** of his proposed rate design is as follows:

I have adjusted the rates proposed in Witness Yeh's testimony for BPM. I have done this by altering the "Cost Coverage Markup Factor (including Contingency)" in witness Yeh's rate design model. This results in lowered Cost Markup percentages for both per-piece and per-pound for Single Piece, Non-Drop-Shipped Presort, and DBMC across all zones. This modification to witness Yeh's model **keeps her rate design largely intact, but at a reduced cost coverage.**

To calculate the new cost coverage, I used witness Yeh's model, modified as described above, to calculate revenue per piece. Because the prices are lower than in the USPS proposal, I used witness Thress's volume model at the new price to generate a new volume for BPM. Based on the new volume, I used witness Yeh's model to calculate revenue, cost, and cost coverage. [POSTCOM-T-5, p. 12, ll. 2-12 (emphasis added).]

Witness Angelides' statement that his proposal keeps Postal Service witness Nina Yeh's (USPS-T-38) "rate design largely intact..." on the surface would appear to indicate that he maintains witness Yeh's rate design, although with lower coverages. Closer examination of his proposal reveals, however, that this is not all he did. Far from keeping witness Yeh's "rate design largely intact," he changed not just the coverages but, as described below, he also changed the rate design substantially in ways not even revealed, much less justified, in his narrative.

Actually, without any stated rationale whatsoever, witness Angelides' proposed BPM rate design dramatically increases the rate for all pieces over 2 pounds, as well as pieces that are not destination entered, especially pieces for delivery to higher zones. For example, witness Angelides proposes that the BPM per-piece rate component increase by zone, but he proffers no reason whatsoever as to why the BPM piece rate should vary by zone. Since transportation costs are recovered in the BPM pound rate, it is difficult even to speculate as to why the BPM piece rate should increase by distance traveled. Further, without any cost justification, witness Angelides would shift substantial weight-related costs from lighter-weight pieces to heavier-weight pieces.

Two illustrations of how witness Angelides' rate design is skewed, so as to benefit his favored few mailers at the expense of the many, are as follows:

BPM Basic Presort – Proposed Percentage Changes (%)

	<u>USPS Proposed</u>		<u>Angelides Proposed</u>	
	<u>1 lb.</u>	<u>3 lb.</u>	<u>1 lb.</u>	<u>3 lb.</u>
Zones 1&2	16.7	19.2	18.6	18.8
Zone 3	16.6	19.0	20.1	19.7
Zone 4	16.8	19.3	23.6	22.5
Zone 5	16.4	18.1	26.5	23.6
Zone 6	16.6	18.4	30.2	26.0
Zone 7	14.9	14.7	30.9	23.5
Zone 8	14.1	13.1	35.6	24.7

BPM Basic Presort Destination Entered — Proposed Percentage Changes (%)

	<u>USPS Proposed</u>		<u>Angelides Proposed</u>	
	<u>1 lb.</u>	<u>3 lb.</u>	<u>1 lb.</u>	<u>3 lb.</u>
DDU	7.7	9.8	2.1	3.8
DSCF	7.8	11.8	7.6	10.0
Zones 1&2	16.3	16.4	16.1	14.7
Zone 3	16.7	17.3	19.5	17.6
Zone 4	16.3	16.5	16.7	14.3
Zone 5	16.2	16.2	26.1	20.9

For example, note that without any justification whatsoever, the Angelides proposal would give his favored BPM Presort Destination Entered pieces kid glove treatment — with DDU-entered 1 lb. pieces having an increase of only **2.1 percent**.

And, also without any justification whatsoever, the Angelides proposal would take BPM Basic Presort pieces and target them for harsh treatment — with 1 lb. pieces to Zone 8 having an increase of **35.6 percent**.

A proposal for radical change in an established rate structure cannot be made in 11 lines of narrative on the record (POSTCOM-T-5, p. 12, ll. 2-12), with its adoption being urged in passing in the PostCom/MFSA Initial Brief as if it were of no consequence. Such a proposal scarcely can be discerned, much less evaluated. It certainly should not be recommended. In

sum, witness Angelides' proposal is self-serving, it constitutes a radical restructuring of BPM rates without cost justification, and it would do great mischief for all users of BPM, except mailers sending light-weight catalogs entered at SCFs and DDUs, who would reap an unjustified windfall.

II. NO PERSUASIVE ARGUMENTS HAVE BEEN RAISED IN OPPOSITION TO DR. HALDI'S CLASSIFICATION PROPOSAL FOR BPM, WHICH SHOULD BE RECOMMENDED.

Predictably, the initial briefs of the Postal Service and MOAA⁷ oppose the proposal by Dr. Haldi to allow books published in an electronic format to be mailed as BPM. Their arguments, along with the response thereto, follow.

A. The Postal Service Devises a Phony Straw Man Issue Rather than Offering any Substantive Arguments Against Dr. Haldi's Proposal to Allow CDs and DVDs to Be Mailed as BPM.

The Postal Service Initial Brief states that Dr. Haldi:

proposes that the name of the subclass be changed to "BPM," no doubt to disguise the fact that CDs and DVDs are not "bound printed matter." [USPS Initial Brief, p. 340.]

To direct attention away from its lack of any substantive argument against the proposal by Dr. Haldi to allow books on CDs and DVDs to be mailed as BPM, the Postal Service creates a straw man. At no time has Dr. Haldi attempted to hide from the Commission the fact that CDs and DVDs are not actually "bound printed matter." Rather, Dr. Haldi explicitly recognized

⁷ It is entirely predictable that MOAA would oppose an effort to permit the entry of books on CDs and DVDs to be entered as BPM, as it was MOAA that "strongly opposed" the change to permit books to be entered as BPM, again based on the same fear that it would increase average costs. *See* Docket No. R90-1, *Op. & Rec. Dec.*, ¶ 6505.

this fact, plus other considerations discussed below, that motivated his suggested name change for the subclass.

With respect to whether the name “Bound Printed Matter” is an appropriate description for materials allowed in the subclass, it already has a broad exemption which enables contents of BPM parcels to include any enclosure that conforms to the stated weight and value restrictions, as the Amazon.com Initial Brief pointed out.⁸ *See* AMZ-T-1, pp. 14-16. Such enclosures conceivably could include any kind of toys, stuffed animals, kitchen utensils, small hand tools, etc., as well as a CD or DVD. Obviously, as regards enclosures now permitted in BPM, there is no requirement that any such enclosure be “bound” or “printed.” Even as it now stands, therefore, the subclass name, “Bound Printed Matter,” is not a completely accurate description of items that are allowed to be mailed at BPM rates.

B. CDs and DVDs Have a Higher Density and Lower Unit Cost than Books, Totally Contrary to Assertions by the Postal Service and MOAA.

The Postal Service Initial Brief restates and rests much of its argument on a canard propounded by Postal Service witness James M. Kiefer in his rebuttal testimony (USPS-RT-11), stating as follows:

Witness Kiefer also explained that Bound Printed Matter’s attractive cost characteristics rely crucially on its inherent physical characteristics as “bound, printed matter.” Witness Kiefer testified:

⁸ Inasmuch as this change in the mailing regulations was a result purely of the Postal Service’s own doing, and not the result of any reclassification proceeding before the Commission, it scarcely becomes the Postal Service to raise an issue concerning the accuracy or descriptiveness of the subclass name.

Bound printed matter is by its very nature dense. High-density parcels and flats have favorable cost characteristics that have led to the low rates that make BPM so attractive. To allow low-density non-printed matter parcels into BPM would erode and perhaps, eventually destroy BPM's low cost profile. [USPS Initial Brief, p. 341.]

Although MOAA sponsored both the direct and rebuttal testimonies of witness Roger C. Prescott (MOAA-T-1 and MOAA-RT-1, respectively), neither piece of MOAA testimony addressed Bound Printed Matter in any manner. Therefore, MOAA argues its case from the record created by Amazon.com and Postal Service witnesses. The MOAA Initial Brief asserts, and even elaborates on, the same Postal Service canard as follows:

Witness Haldi presents no estimate of the impact of bringing in relatively low-density CDs and DVDs into a subclass that consists largely of high-density books and catalogs. In cross-examination of witness Kiefer, an attempt was made to demonstrate that the density of CDs is close to that of the density of books and other materials in the subclass. The use of **hypothetical, anecdotal** examples in cross-examination attempting to show that in certain circumstance the density of CDs and DVDs might be the same as those of the materials now included in BPM is simply no substitute for an adequate analysis of the kind of material that would actually shift to the BPM subclass if the Haldi proposal were to be adopted. [MOAA Initial Brief, p. 31 (emphasis added).]

When a statement, however false, is repeated sufficiently often, it is human nature that people often begin to believe it. That should not happen here, where the Postal Service and MOAA re-hashing and relying on this assertion not only has it utterly wrong, but actually backwards. The Postal Service and MOAA have focused most of their argument on the issue of "density," yet have ignored the record evidence on this issue in this docket.

First, the example used in the cross-examination of witness Kiefer (USPS-RT-11) was indeed Dr. Haldi's response to an interrogatory, but it was an interrogatory posed by the Postal Service. Since it was the Postal Service's interrogatory, we leave it to the Postal Service to explain to MOAA the extent to which it was a "hypothetical, anecdotal" example, but even a cursory review of written discovery and oral cross-examination reveals that record evidence is often soundly and properly based on hypothetical examples. It should be noted that the record demonstrates that (1) the density of books and catalogs specified in that example was 12 pounds per cubic foot, and (2) the amount **exceeds** by 25 percent the **actual density of BPM**, which is 9.5 pounds per cubic foot, as reported in the 2005 PRC version of the Cost & Revenue Analysis report ("CRA").⁹ USPS-LR-L-93, p. 14. Clearly, therefore, an important part of the "adequate analysis" that the MOAA Initial Brief claims to be wanting, and seeks to have on the record, is already contained in the CRA. No special survey, no statistical analysis, and no "rocket science" are required. It should be obvious, therefore, that rather than base arguments on readily available facts, witness Kiefer, the Postal Service, and MOAA are the ones relying totally on "hypothetical, anecdotal" information that amounts to nothing more than unsupported hyperbole.

Second, witness Kiefer, in his cross-examination concerning Dr. Haldi's interrogatory response, appeared to be somewhat skeptical of the relative density of books (and catalogs) vis-à-vis the density of CDs and DVDs. Consequently, for the edification of witness Kiefer, the

⁹ The densities of Media Mail and Parcel Post, respectively, were reported to be 7.8 and 5.0 pounds per cubic foot according to the same CRA. Thus, BPM has almost twice the density of Parcel Post, but is only 22 percent more dense than all Media Mail.

Postal Service, and MOAA, Amazon.com takes this opportunity to focus attention on what was pointed out to witness Kiefer during cross-examination, and what should be obvious from even the most casual observation — namely, that books are far from homogeneous when viewed as mailable items.

To elaborate, some books have a hard-cover binding, and others are paperbacks. Some books are printed on heavy-weight paper, while others (usually paperbacks) are printed on light-weight paper. And, of course, the number of pages can differ considerably from one book to the next. Binding, paper weight, and the number of pages all affect the thickness of books. Moreover, the trim size of books can and does differ substantially (*i.e.*, books do not have a uniform size). In consequence of this non-uniformity of thickness and trim size, a company that ships a substantial number of books, such as Amazon.com, may elect to use standard size boxes that typically exceed by a significant amount the dimensions and cube of many books. Therefore, the “postal cube” of books in BPM parcels often exceeds by a significant amount the actual cube of the books being mailed. This helps explain why the cube of BPM, as reported in the CRA, is only 9.5 pounds per cubic foot.

Of course, as demonstrated in the transcript of the oral cross-examination of witness Kiefer by Amazon.com, it should come as no surprise as to why he had thought CDs were relatively less dense than books. Witness Kiefer admitted that he had focused exclusively on the contents of the packages, rather than the packages. Tr. 33/11189, l. 23 - 11190, l. 2, and 33/11190, ll. 19-21. But it is the packages that are mailed, not just the contents, and it is the density of the box, not the contents, that is significant. As a matter of physics, the packages are always larger than the book. Tr. 33/11190, ll. 22-23. Indeed, witness Kiefer believed that

he personally had received boxes with books in them that had low density, which he found troubling, but entirely permissible under Postal Service regulations. Tr. 33/11194, l. 16, and 33/11197, l. 6. The reason for witness Kiefer's error is obvious. In thinking about density, witness Kiefer simply had his eyes focused on the wrong target (*i.e.*, the book, and not the package), and therefore drew the wrong conclusion. Thus, it is not a conclusion that can be relied upon by the Commission.

Third, in contrast to books, the physical dimensions of CDs and DVDs are uniform, which enables companies that mail them in quantity, such as Amazon.com, to use customized packaging that fits neatly around the product.¹⁰ This explains why (1) a large number of individually packaged CDs and DVDs occupy a relatively small amount of cube in comparison to an equal number of parcels containing books (or large, heavy-weight catalogs), and (2) the density of CDs and DVDs in a bulk mailing exceeds — and can be several times — the density of a like number of books in a bulk mailing.

Fourth, as pointed out in the Amazon.com Initial Brief, smaller packages that fit more readily into a mailbox will have a lower delivery cost than larger parcels that, on average, are less likely to fit into a mailbox. Amazon.com Initial Brief, p. 26.

In summary, the Postal Service and MOAA have argued assiduously that high-density packages are synonymous with low mail processing costs, and are a major source of the low unit cost of BPM. Amazon.com does not take issue with this assertion, but once it is recognized that CDs and DVDs, **as packaged and shipped**, have higher density than books **as**

¹⁰ As Dr. Haldi explained in response to USPS/AMZ-T1-4, Amazon.com mails CDs and DVDs in a package known as a “levimatic.” Tr. 27/9381.

packaged and shipped, the Postal Service/MOAA position is defeated and those two parties are seen to be hoisted by their own petard.

C. MOAA, Despite the Major Benefit that Catalogs Receive from a Low Coverage on Account of ECSI Consideration, Would Halt any Further Evolution and Improvement of the BPM Subclass.

The MOAA Initial Brief states that “[BPM] is a subclass which was created to serve ... catalog mailers....” MOAA Initial Brief, p. 32. And MOAA explains further,

Catalog mailers have been disadvantaged by **an unwise expansion of the subclass based upon the specious arguments of book publishers**. That damage should not be compounded by accepting the even more specious arguments of Amazon.com as propounded by witness Haldi. [MOAA Initial Brief, p. 30 (emphasis added).]

As noted, MOAA elected not to sponsor any witness or expert testimony in this docket relating to BPM. Consequently, the “damage” (if any) which it alleges is not documented on the record. Although MOAA’s above-quoted statement presumably is directed against the testimony and proposal of Dr. Haldi, it would appear that MOAA’s fundamental argument is not with Dr. Haldi, but with the Commission’s prior decisions that enabled books to be mailed at BPM rates. To the extent that MOAA seeks redress, it is not clear whether MOAA would prefer to have the Commission reverse course and expel books from the existing BPM subclass or, alternatively, have its own catalog subclass, which would be entitled to no ECSI consideration and could be expected to pay a markup commensurate with that paid by advertising matter in Standard or ECR (*i.e.*, a markup ranging anywhere from 177 to 214 percent). Neither possibility is supported on the record of this docket.

D. Any CDs and DVDs that Migrate from Media Mail to BPM Can Be Expected to Have a Lower Unit Cost than Books, Totally Contrary to the Unsupported Fears of MOAA.

The MOAA Initial Brief, relying on rebuttal testimony by Postal Service witness Kiefer (USPS-RT-11), states that:

A glaring flaw in witness Haldi's presentation is that it ignores the fact that there would be no difference in the cost of a piece of mail now carried as Media Mail if it were to be entered as BPM. The processing and delivery of similarly presorted bulk Media Mail and BPM is identical and therefore the costs would be identical. [MOAA Initial Brief, p. 30.]

After 30 years of experience with workshare discounts, it is astounding that any party (especially one as experienced and sophisticated as MOAA) would assert that the availability of workshare discounts makes no difference in the way that mail is prepared and entered. To a substantial extent, these unsupported assertions by witness Kiefer, who is neither an operations nor a cost expert, were addressed in the Amazon.com Initial Brief and need not be repeated here. *See* Amazon.com Initial Brief, pp. 34-35. Suffice it to say that the only unit cost data of record show a wide difference in the unit cost of parcels in BPM and Media Mail, and do not support an inference that similar parcels in BPM and Media Mail have the same cost, nor do the data support a supposition that migrating pieces would exhibit the same preparation and entry profile and have the same unit cost. As indicated above, CDs and DVDs can be expected to have a lower unit cost than books because they not only have a higher density (which the Postal Service and MOAA claim to be a low-cost characteristic), but also a lower (on average) delivery cost.

CONCLUSION

For the reasons stated herein and explained more fully in Amazon.com's Initial Brief, the Commission should reduce the coverage on BPM, reject the BPM rate design proposal of PostCom/MFSA witness Angelides, and allow books published in an electronic format to be mailed as presorted BPM.

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