

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KELLEY
(USPS-T-30) TO INTERROGATORY OF AMAZON.COM (AMZ/USPS-T30-1)
(July 24, 2006)

The United States Postal Service hereby provides the response of witness Kelley to the following interrogatory of Amazon.com, filed on July 10, 2006: AMZ/USPS-T30-1.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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July 24, 2006

Response of Postal Service Witness Kelley to Interrogatories Posed by
Amazon.com, Inc

AMZ/USPS-T30-1.

Please refer to Docket No. R2005-1, USPS-T-14, pages 41-43, where witness Bradley develops separate volume variabilities for large parcels and accountables.

- a. Please define the term "large parcel" as it is used in the delivery model, explain what distinguishes large parcels from other (small) parcels, and explain whether large parcels are determined by weight, cube, some other dimension(s), or some combination thereof.
- b. What is the unit delivery cost for a large parcel in BY 2005 and TY 2008? If various categories of large parcels (e.g., Bound Printed Matter ("BPM"), Media Mail, Parcel Post, Parcel Select, Priority Mail) have different delivery costs, please provide the unit cost of a large parcel in each category.
- c. What is the unit delivery cost of a small parcel in BY 2005 and TY 2008? If various categories of small parcels (e.g., BPM, Media Mail, Parcel Post, Parcel Select, Priority Mail) have different delivery costs, please provide the unit cost of a small parcel in each category.
- d. In BY 2005, what percent of BPM consists of large parcels, as defined by and used in witness Bradley's econometric estimate of the parcel/accountable delivery equation?
- e. In BY 2005, what percent of Media Mail and Library Mail consists of large parcels, as defined by and used in witness Bradley's econometric estimate of the parcel/accountable delivery equation?

Response

- a. Large parcels are distinguished from small parcels based on their dimensions.

The specific criterion for distinguishing large parcels from small parcels is located in USPS-LR-K-23 (Docket No. 2005-1) SPL6.03.pdf on page two.

- b. The base year volume variable regular delivery time cost per large parcel delivered on city letter routes is 26.81 cents. The corresponding test year unit cost is unavailable.
- c. The base year volume variable regular delivery time cost per small parcel delivered on city letter routes is 13.17 cents. The corresponding test year unit cost is unavailable.

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d. The table below provides the requested information.

Bound Printed Matter	BY05 CCCS Volume (000)	BY05 CCCS Ratio to Total
Small Parcels	59,790	41.3%
Large Parcels	84,835	58.7%
Total Parcels	144,625	100%

e. The table below provides the requested information.

Media Mail	BY05 CCCS Volume (000)	BY05 CCCS Ratio to Total
Small Parcels	36,161	47.7%
Large Parcels	39,655	52.3%
Total Parcels	75,816	100%

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

Eric P. Koetting

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