

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

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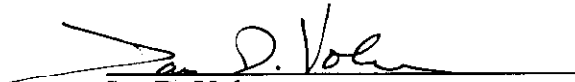
POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

**INTERROGATORIES OF
PITNEY BOWES INC.
TO USPS WITNESS FRONK
(PB/USPS-T33-1-6)**

Pursuant to Sections 25 and 26 of the rules of practice, Pitney Bowes Inc. submits the attached interrogatory to USPS witness Fronk PB/USPS-T33-1-4. If the designated witness is unable to respond to any interrogatory, we request a response by some other qualified witness.

Respectfully submitted,



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March 15, 2000

PB/USPS-T33-1. For purposes of this set of interrogatories, the term "Metering Technology" means a machine or system that evidences the pre-payment of postage by imprinting the postage value on the mailpiece, and encompasses both traditional, stand alone meters and devices or systems authorized by the Postal Service under its Information Based Indicia Program ("IBI"). At page 18 of your testimony, you state that the Postal Service and Commission are in agreement that worksharing discounts "should be limited to activities exhibiting identifiable savings" to the Postal Service. Please confirm that:

(a) Costs incurred by the Postal Service in the manufacture and distribution of postage stamps and other accountable paper are not caused by users of Metering Technology.

(b) Users of Metering Technology that is reset without taking the meter or device to a Post Office (remote or computerized meter resetting) do not cause the Postal Service to incur any of the Window Service Costs associated with the sale of stamps and other accountable paper.

(c) A small (and declining) percentage of Metering Technology in operation today is taken to a postal facility to be reset.

(d) None of the "identifiable savings" that the Postal Service realizes today in the cost of manufacturing and distribution of postage stamps and in Window Service Costs resulting from Metering Technology is explicitly recognized in the rate design that you have proposed for the First-Class single piece category.

(e) If you do not confirm any of subparts (a) through (d), please explain your response in detail and provide any supporting workpapers, studies or other documents.

PB/USPS-T33-2. Please provide copies of any workpapers, studies or other documents prepared by or on behalf of the Postal Service examining the extent to which Metering Technology results in avoided costs to the Postal Service in connection with the manufacture, distribution and sale of postage stamps.

PB/USPS-T33-3. Do you agree that Metering Technology enables users of First-Class Mail to acquire postage, especially postage of varying amounts (such as \$0.22 for an extra ounce of First-Class mail, or \$3.20 for Priority Mail), more easily than would be the case if they relied on and used only stamps? If your answer is other than an unqualified affirmation, please explain your response in detail and provide any supporting workpapers, studies or other documents.

PB/USPS-T33-4. Do you agree that providing users of the First-Class single piece category with incentives to use Metering Technology in lieu of stamps may increase mail volume because such technology makes it easier to acquire postage? If your answer is other than an unqualified affirmation, please explain your response in detail and provide any supporting workpapers, studies or other documents.

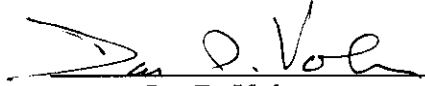
PB/USPS-T33-5. Assume for purposes of this interrogatory that the Postal Service realizes identifiable cost savings in the manufacture, distribution and sale of stamps resulting from the use of Metering Technology. Would such savings be unrelated to mail processing savings associated with single piece first-class mail that would exist when mail is automation compatible? If your answer is other than an unqualified affirmation, please provide a detailed response and any supporting workpapers, studies or other documents.

PB/USPS-T33-6. Is it correct that:

- (a) Your response to E-Stamp interrogatory T33-1 (in which you concluded that "the consideration of an IBI discount" is "premature") was based solely upon asserted difficulties in measuring the cost savings to the Postal Service in the mail processing function of an IBI mailpiece?
- (b) Your response to E-Stamp interrogatory T33-1 did not address the question of whether it is possible to measure costs avoided in the manufacture, distribution and sale of stamps and other accountable paper as the result of the use of Metering Technology?
- (c) If your answers to subparts (a) or (b) of this interrogatory are other than an unqualified affirmation, please explain your answer in detail and provide any supporting workpapers, studies or other documents.

CERTIFICATION

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding having requested service of discovery documents in accordance with Section 12 of the rules of practice.


Ian D. Volner

Dated: March/5, 2000