

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  
LILLIAN WATERBURY (USPS-T-10) TO INTERROGATORIES OF  
PITNEY-BOWES, INC. (PB/USPS-T10-1-2)  
(July 5, 2006)

The United States Postal Service hereby provides the responses of witness Lillian Waterbury (USPS-T-10) to the following interrogatories of Pitney-Bowes, Inc., filed on June 20, 2006:

PB/USPS-T10-1-2

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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RESPONSE OF USPS WITNESS WATERBURY (USPS-T-10) TO  
INTERROGATORY OF PITNEY-BOWES, INC.

**PB/USPS-T10-1.** Please confirm that the Cost Segment 14 attributable cost in TY 2008 for First-Class Mail Presorted Letters is \$428.828 million. If you cannot confirm, please explain why, and provide documents or citations sufficient to verify your response.

**RESPONSE:**

Not confirmed. Cost Segment 14 volume variable cost for TY2008 (after rates) for First-Class Mail Presort Letters is \$428.826 million.

RESPONSE OF USPS WITNESS WATERBURY (USPS-T-10) TO  
INTERROGATORY OF PITNEY-BOWES, INC.

**PB/USPS-T10-2.** Please confirm that, all else being equal, volume variable costs are reduced when volume declines. If you cannot confirm, please explain why, and provide documents or citations sufficient to verify your response.

**RESPONSE:**

If “all else being equal” means that no other roll forward effects apply, except for a decline in mail volume and there are no changes in mail mix distribution, then, yes, volume variable costs are reduced.

## **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.

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July 5, 2006  
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