

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

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**Postal Rate and Fee Changes, 2006**

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**Docket No. R2006-1**

**INTERROGATORIES AND REQUESTS FOR PRODUCTION  
OF DOCUMENTS OF PITNEY BOWES INC. TO OFFICE OF THE CONSUMER  
ADVOCATE WITNESS PAMELA A. THOMPSON  
(PB/OCA-T4-1-2)**

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, Pitney Bowes Inc. ("Pitney Bowes") directs the following interrogatories and requests for production of documents to Office of the Consumer Advocate Witness Pamela A. Thompson.

Respectfully submitted,

\_\_\_\_\_/s/\_\_\_\_\_  
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Counsel to PITNEY BOWES INC.

DATED: September 15, 2006

**PB/OCA-T-4-1.** Please refer to page 6 of the OCA Trial Brief which states:

Witness Thompson opposes the “de-linking” contained in the Postal Service’s proposal and employs the bulk metered mail (BMM) benchmark in setting presort rates. She agrees with the oft-expressed views of the Commission that discounts should be based on the costs avoided by the worksharing activities of mailers, not incidental cost differences that are wholly unrelated to worksharing. Discount levels set by the Commission send correct price signals, while those resulting from the uncritical application of all CRA cost differences will simply produce unwarranted cost shifts to single-piece mail. Rate discounts set in such an uneconomic manner create an inequitable rate schedule.

- a. Please confirm that you agree that discounts should be based on costs avoided by the worksharing activities of mailers. If you cannot confirm, please explain why.
- b. Please confirm that you believe that rates should be set so that discounts pass through 100 percent of the avoided costs. If you cannot confirm, please explain the circumstances under which you believe rates may be set such that discounts exceed or are smaller than costs avoided.
- c. Please confirm that your proposed rates for AADC letter automation mail, 3-digit letter automation mail, and 5-digit letter automation mail pass through 100 percent of your estimated cost avoidances.

**PB/OCA-T-4-2.** Please refer to OCA-LR-L-5, WP-FCM-10, columns O and P, rows 15 to 18.

- a. Please confirm that the costs and cost avoidances for Automation Mail that you use in your testimony appear in these cells.
- b. Please explain the derivation of the costs in column O, rows 15 to 18, and provide a fully sourced Excel spreadsheet showing the derivation of these numbers.