

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

FOLLOW-UP INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE TO
PITNEY BOWES INC. WITNESS BUC
(USPS/PB-T2-26-27)

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure, the United States Postal Service directs the above-referenced follow-up interrogatories to Pitney Bowes, Inc. witness Lawrence Buc (USPS-T-2).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**FOLLOW-UP INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE TO
PITNEY BOWES INC. WITNESS BUC**

USPS/PB-T2-26.

Please refer to your response to USPS/PB-T2-2a where you state that “While machinability has a quantifiable impact on delivery costs, so, too, do other characteristics of the mail piece including, but not limited to, shape, weight, and address quality.”

- a. Please confirm that, with the exception of shape, none of the characteristics that you listed are explicitly identified and quantifiable in the models that previously were used to provide the DPS percentages that underlay the delivery cost differences by presort. If you do not confirm, please provide the reference to the part of the model where such impacts may be identified.
- b. Please confirm that differences in none of the characteristics that you listed in your response are known to be explicitly linked to the different levels of presort. If you do not confirm, please demonstrate the quantifiable impact of each of those characteristics on the costs of different levels of presort.

USPS/PB-T2-27.

Please refer to your response to USPS/PB-T2-4a where you state that the mail flow models “do not reflect that a letter may occasionally be sorted in flat pools or even in parcel pools” and your response to USPS/PB-T2-4b where you state that switching a cost pool from fixed to proportional does not affect the mail flow models.

- a. Please confirm that the costs associated with handlings in those “anomalous” or “unexpected” operations are included in the “fixed” costs which are added to the weighted proportional cost results from the mail flow models in order to tie to the full CRA mail processing cost. If not confirmed, please explain where those anomalous costs are found in the calculations of unit costs.
- b. Please explain how to determine the presort category of letters found in flat or parcel mail processing operations.
- c. Please explain how to determine what portion of the costs in the anomalous or unexpected cost pools should be distributed to each level of presort.