

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

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**Annual Compliance Report, 2011**

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**Docket No. ACR2011**

**PITNEY BOWES INC. MOTION  
FOR ISSUANCE OF INFORMATION REQUEST**

Pursuant to section 21(a) of the Commission's Rules of Practice and Procedure, 39 C.F.R. § 3001.21(a), Pitney Bowes Inc. (Pitney Bowes) hereby moves the Commission to issue a Commission Information Request (CIR), seeking information necessary to fully understand the data on "costs, revenues, rates, and quality of service" filed in the Postal Service's Annual Compliance Report (ACR). Specifically, Pitney Bowes respectfully requests that the Commission issue a CIR directing the Postal Service to provide answers to the Commission and the public to the following questions:

1. Please refer to the "Automation Incoming Secondaries" percentages in cells E15-E18 of tab "MISC" of USPS-FY11-10, USPS-FY11-10\_FCM\_LTRS.xls and in cells E15-E18 of tab "MISC" of USPS-FY10-10, USPS-FY-10\_FCM\_PRST\_LETTERS\_MPFinal.xlsx.
  - a. Please confirm that the source of the Automation Incoming Secondaries percentages is F.A.S.T. data. If confirmed, please provide a description of the F.A.S.T. system. If not confirmed, please identify and provide a description of the source of these percentages.

- b. Please describe the methodology used to develop (i) the FY 2011 Automation Incoming Secondaries percentages in USPS-FY11-10; and (ii) the FY 2010 Automation Incoming Secondaries percentages in USPS-FY10-10. Please note any differences between the FY 2010 and FY 2011 methodologies in this description, including differences in assumptions used to develop the percentages.
  
- c. Please provide in a sourced electronic spreadsheet all data and underlying calculations used to estimate the FY 2010 and FY 2011 Automation Incoming Secondaries percentages.
  
- d. Please confirm that the sum of the 3-Pass DPS (CSBCS) (cell E17) and 2-Pass DPS (DBCS) (cell E18) Automation Incoming Secondaries percentages (i.e., the combined DPS percentage) decreased from FY 2010 to FY 2011. If not confirmed, please provide all calculations and explain fully.
  
- e. Please state whether the Postal Service believes that the actual percentage of First-Class Mail Presort Letters sorted on automation to DPS decreased from FY 2010 to FY 2011. Please fully explain your response.
  
- f. Please provide your best estimate of (i) the number of CSBCS that were in operation in FY 2011; (ii) the number of 5-Digit ZIP Codes for which letters were sorted to DPS on a CSBCS in FY 2011; and (iii) the percentage of First-Class Mail Presort Letters destinating in 5-Digit ZIP Codes that were sorted to DPS on a CSBCS in FY 2011.

Please explain your response and provide all calculations in a sourced electronic spreadsheet format.

2. Please refer to USPS-FY11-11, USPS-FY11-11 FCM Prsrt Flats Alternate\_\_79118.xls, cell G14 in worksheet “CRA PRESORT FLATS” and cell K73 in all of the “Cost” worksheets, e.g., “5D AUTO COST.”
  - a. Please confirm that the FY 2011 CRA unit cost for the FSS pool for First-Class Mail Presort Flats was 0.354 cents. If not confirmed, please provide the correct figure and all underlying calculations.
  - b. Please confirm that the modeled FSS costs per piece in all of the “Cost” worksheets except “NONAUTO COST” were above 0.77 cents. If not confirmed, please explain fully.
  - c. Please explain why the modeled FSS costs were more than double the CRA costs in the FSS cost pool.
  - d. Please explain why the FSS cost in the “NONAUTO COST” worksheet is lower than the FSS cost in each and every presort level-specific “NONAUTO COST” worksheet.

3. Please refer to USPS-FY11-11, USPS-FY11-11 FCM Prsrt Flats Alternate\_\_79118.xls.
  - a. Please confirm that the delivery cost for a flat that is sorted to DPS on FSS is less than the carrier cost for a flat that is sorted to carrier route on an AFSM 100. If not confirmed, please explain fully.
  - b. Please confirm that the First-Class Model flats cost avoidance model referenced above does not model the impact of FSS on delivery costs and thus the cost avoidance estimates the model generates do not include any differences in delivery costs by presort level that may result from differing FSS processing percentages. If not confirmed, please explain fully.
  
4. Please refer to USPS-FY10-10, USPS-FY-10 FCM PRST LETTERS MPFinal.xlsx, "CRA-BULK METERED LETTERS," Cell C76, and USPS-FY11-10, USPS-FY11-10 FCM LTRS.xls, "CRA-BULK METERED LETTERS," Cell C79.
  - a. Please confirm that the CRA Mail Processing cost of First-Class Mail Single-Piece Metered Letters (which is used as a proxy for Bulk Metered Mail mail processing costs) declined between FY 2010 and FY 2011, from 13.611 cents per piece in 2010 to 12.265 cents per piece in 2011. If not confirmed, please explain fully.
  - b. Please explain any operational reasons for this reduction in costs.

5. Please refer to USPS-FY10-10, USPS-FY-10 FCM PRST LETTERS MPFinal.xlsx, "CRA-BULK METERED LETTERS," Cell C74, and USPS-FY11-10, USPS-FY11-10 FCM LTRS.xls, "CRA-BULK METERED LETTERS," Cell C75.
  - a. Please confirm that the sum of the Non Mods pools declined from 2.503 cents per piece to 2.214 cents per piece. If not confirmed, please explain fully.
  - b. Please explain any operational reasons for this reduction in costs.

Respectfully submitted:

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/s/

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