

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

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Annual Compliance Report, 2013

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Docket No. ACR2013

**SUPPLEMENTAL COMMENTS OF PITNEY BOWES INC.**  
(March 4, 2014)

Pitney Bowes Inc. (Pitney Bowes) submits these supplemental comments on the Annual Compliance Report for Fiscal Year 2013, in response to the Public Representative's Notice of Errata to Public Representative Reply Comments, filed February 24, 2014 (Notice of Errata).

In its reply comments the Public Representative correctly observed that the Postal Service did not use the Commission-approved methodology for estimating cost avoidances within First-Class Automation Letters and Cards. *See* Reply Comments of Public Representative (Feb. 14, 2013) at 8-9. The Public Representative's reply comments included a table showing the avoided costs, avoided cost formulas and passthroughs using the Commission-approved methodology and the method used by the Postal Service in this proceeding. *See id.*, at 9, Table 1.

On February 24, 2014, the Public Representative filed a Notice of Errata to correct certain errors in Table 1 and the accompanying discussion of passthroughs for First-Class Mail Automation Letters and Cards.

Pitney Bowes appreciates the Public Representative's efforts to perfect the record in this proceeding. Based on our review of the Public Representative's Revised Table 1, it appears that the "Avoided Cost" figures presented in the Revised Table 1 are correct, but in some cases the "Passthrough" and "Avoided Cost Formula" numbers do not produce those figures as they should, perhaps as the result of a transcription error. The table below provides appropriate

corrections to the Public Representative's Revised Table 1. Changes from the Public Representative's revised table are highlighted and in bold type.

Table 1 (Corrected)			
PRC v USPS AADC Passthroughs			
Workshred AADC First Class Letters			
USPS Method	Avoided Cost	Passthrough	Avoided Cost Formula
Weighted Average AADC & 3-Digit Letters	0.022	95.5%	<b>=(13.570-11.352)/100</b>
Automation 5-digit Letters	0.029	82.8%	<b>=(11.352-8.500)/100</b>
PRC Method			
AADC Letters	0.020	105.0%	=(13.570-11.558)/100
Automation 5-digit Letters	0.029	82.8%	<b>=(11.352-8.500)/100</b>
Workshred AADC First Class Cards			
USPS Method	Avoided Cost	Passthrough	Avoided Cost Formula
Weighted Average AADC & 3-Digit Cards	0.013	92.3%	=(8.653-7.391)/100
Automation 5-digit Cards	0.015	80.0%	=(7.391-5.909)/100
PRC Method			
AADC Cards	0.011	<b>109.1%</b>	<b>=(8.653-7.555)/100</b>
Automation 5-digit Cards	0.015	80.0%	=(7.391-5.909)/100

Pitney Bowes appreciates the Commission's consideration of these comments.

Respectfully submitted:

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 James Pierce Myers  
 Attorney at Law  
 320 South West Street, Suite 110  
 Alexandria, Virginia 22314  
 Telephone: (703) 627-5112  
 E-Mail: jpm@piercemyers.com

Michael F. Scanlon  
 K&L GATES LLP  
 1601 K Street, NW  
 Washington, DC 20006  
 Telephone: (202) 661-3764  
 E-Mail: michael.scanlon@klgates.com

Counsel to PITNEY BOWES INC.