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

Postal Rate and Fee Changes, 2005 **Docket No. R2005-1**

INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF PITNEY BOWES INC. TO UNITED STATES POSTAL SERVICE WITNESS MARC A. SMITH (PBI/USPS-T13-1-2)

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 United States Postal Service Witness Marc A. Smith.

Respectfully submitted,

_____/s/_____

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Postal Rate Commission
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PBI/USPS-T13-1. Please refer to page 6 of USPS-LR-K-110 that presents the PRC-version of CRA mail processing costs for First-Class Mail automation letters and confirm the following unit mail processing costs for selected cost pools. If you do not confirm, please explain and provide the correct unit mail processing costs.

First-Class Mail Automation Letters Selected CRA Mail Processing Costs Source: USPS-LR-K-110	
COST POOL	TOTAL (cents)
MODS 13 1TRAYSRT	0.137
MODS 17 1DISPATCH	0.069
MODS 17 1OPBULK	0.029
MODS 17 1OPPREF	0.145
MODS 17 1OPTRANS	0.030
MODS 17 1PLATFRM	0.308
MODS 17 1PRESORT	0.004
MODS 17 1SCAN	0.032
MODS 18 1EEQMT	0.009
MODS 18 1MISC	0.035
MODS 18 ISUPPORT	0.014
MODS 99 1SUPP_F1	0.000
NON MODS ALLIED	0.243
NON MODS MISC	0.085

(a) Please confirm that these CRA mail processing costs are the unit attributable mail processing costs for First-Class Mail automation letters for each selected cost pool. If you do not confirm, please explain.

(b) Please confirm that, generally, other classes and subclasses of mail have attributable mail processing costs for these selected cost pools. If you do not confirm, please explain.

(c) Please confirm that, generally, there are institutional costs for these selected cost pools. If you do not confirm, please explain.

(d) Please provide the volume variability for each selected cost pool and indicate whether or not it is derived using an econometric analysis.

(e) Please describe, for each selected cost pool, the key used to distribute the volume variable costs to classes and subclasses.