

LEGAL POLICY & RATEMAKING LAW SECTION
LAW DEPARTMENT



February 8, 2007

Hon. Steven W. Williams, Secretary
Postal Rate Commission
901 New York Avenue, NW
Suite 200
Washington, DC 20268-0001

RE: Docket No. MC2004-4

Dear Mr. Williams:

In accordance with the Commission's Opinion and Recommended Decision in Docket No. MC2004-4, Rate and Service Changes to Implement Functionally Equivalent Negotiated Service Agreement with Discover Financial Services, Inc., enclosed is the Postal Service's Data Collection Report for the time period January 1, 2006, to December 31, 2006. Also attached are the Excel spreadsheets showing the analysis.

Sincerely,

A handwritten signature in cursive script that reads "Brian Reimer".

Brian M. Reimer
Attorney

Enclosures

**MC 2004-4 Data Collection Report
Discover Financial Services
January 2006 – December 2006**

Data Collection Plan Requirements:

1. Volume of First-Class Mail solicitations by rate category in eligible DFS permit accounts.
2. Volume of First-Class Mail customer mail by rate category in eligible DFS permit accounts.
3. Amount of discounts paid to DFS for First-Class Mail by incremental volume block.
4. Volumes of First-Class Mail solicitations bearing the ACS endorsement that are physically returned to DFS.
5. Number of electronic address correction notices provided to DFS for forwarded solicitation mailpieces, including the number of notices processed by CFS units and separately for PARS (when fully operational).
6. Number of electronic address correction notices provided to DFS for solicitation mailpieces that would otherwise be physically returned, including the number of notices processed by CFS units and separately for PARS (when fully operational).
7. Monthly estimate of the amount of time spent on compliance activity and a description of the activities performed.
8. For each First Class solicitation mailing list run against NCOA, DFS will provide NCOA contractor reports that separately identify the number of address records checked and the number of corrections made.
9. For each Change of Address record that is used to forward a piece of DFS solicitation mail through ACS under the Agreement, the Postal Service will provide the date the record was created, its move effective date, whether it was for a family or individual move, and each date that the record was used to forward a mail piece. No other information from the record would be provided.
10. As part of each data collection plan report, the Postal Service will provide an evaluation of the impact on contribution. It will also provide an assessment of trends of DFS's First-Class Mail volume as compared to overall First-Class Mail volume.
11. Volume of Standard Mail solicitations by rate category in eligible DFS permit accounts.
12. A comparison of the estimated mailer-specific costs, volumes, and revenues with the actual mailer-specific costs, volumes, and revenues.

**MC 2004-4 Data Collection Report
Discover Financial Services
January 2006 – December 2006**

1. Volume of First-Class Mail solicitations by rate category in eligible DFS permit accounts.

Nonautomated Presorted Letters	
First Ounce	33,797,883
Additional Ounces	0
Nonmachineable Pieces	0
Heavy Piece Deduction	33,797,883
TOTAL Nonautomated Presorted Letters	
Automation Presort Letters	
LETTERS	
Mixed AADC letters	2,050,115
AADC Letters	4,291,621
3-Digit Letters	92,497,392
5-Digit Letters	52,497,392
Additional Ounces	0
Heavy Piece Deduction	0
TOTAL Automation Presort Letters	151,336,277
Automation Carrier Route Letters	
First Ounce	7,339,040
Additional Ounces	0
Heavy Piece Deduction	0
TOTAL Automation Carrier Route Letters	7,339,040
 TOTAL DFS FIRST-CLASS MAIL SOLICITATIONS	 192,473,200

Source: PostalOne!

**MC 2004-4 Data Collection Report
Discover Financial Services
January 2006 – December 2006**

2. Volume of First-Class customer mail by rate category in eligible DFS permit accounts.

Nonautomated Presorted Letters	
First Ounce	9,342,847
Additional Ounces	0
Nonmachineable Pieces	0
Heavy Piece Deduction	0
TOTAL Nonautomated Presorted Letters	9,342,847
Automation Presort Letters	
LETTERS	
Mixed AADC letters	1,559,143
AADC Letters	5,797,846
3-Digit Letters	231,686,762
5-Digit Letters	54,865,748
Additional Ounces	0
Heavy Piece Deduction	0
TOTAL Automation Presort Letters	293,909,500
Automation Carrier Route Letters	
First Ounce	0
Additional Ounces	0
Heavy Piece Deduction	0
TOTAL Automation Carrier Route Letters	0
TOTAL DFS FIRST-CLASS CUSTOMER MAIL	300,252,347

Source: PostalOne!

**MC 2004-4 Data Collection Report
Discover Financial Services
January 2006 – December 2006**

3. Amount of discounts paid to DFS for First-Class Mail by incremental volume block.

The thresholds and discounts for the NSA are calculated and reconciled on a yearly basis. The schedule shows the declining block discounts available to DFS for a full year. The thresholds increased by 1% due to the growth in gross domestic active accounts as reported in their quarterly SEC filings.

Starting block	Ending block	Incentive	Incentives Paid
-	409,050,000	\$0.000	\$0
409,050,000	439,050,000	\$0.025	\$750,000
439,050,000	469,050,000	\$0.030	\$900,000
469,050,000	494,050,000	\$0.035	\$875,000
494,050,000	519,050,000	\$0.040	\$67,014
519,050,000	+	\$0.040	\$0
		TOTAL	\$2,592,014

**MC 2004-4 Data Collection Report
Discover Financial Services
January 2006 – December 2006**

Data Collection Plan Requirement Number 4

Volumes of First-Class Mail solicitations bearing the ACS endorsement that are physically returned to DFS.

Period	Physical Returns
January -06	170,850
February-06	222,655
March-06	236,975
April-06	258,189
May-06	234,288
June-06	163,099
July-06	158,267
August-06	181,208
September-06	186,292
October-06	227,197
November-06	181,080
December-06	155,695

**MC 2004-4 Data Collection Report
Discover Financial Services
January 2006 – December 2006**

Data Collection Requirement Number 5

Number of electronic address correction notices provided to DFS for forwarded solicitation mail pieces, including the number of notices processed by CFS units and separately for PARS (when fully operational).

Time Period	Number of ACS Forwarding Notices
Jan 2006	358,554
Feb 2006	312,585
Mar 2006	405,190
Apr 2006	342,630
May 2006	328,683
Jun 2006	234,469
Jul 2006	318,929
Aug 2006	404,983
Sep 2006	368,492
Oct 2006	381,774
Nov 2006	136,800
Dec 2006	258,726

PARS coverage was not fully operational during the second year of the agreement.

**MC 2004-4 Data Collection Report
Discover Financial Services
January 2006 – December 2006**

Data Collection Requirement Number 6

Number of electronic address correction notices provided to DFS for solicitation mail pieces that would otherwise be physically returned, including the number of notices processed by CFS units and separately for PARS (when fully operational).

Time Period	Number of ACS UAA Notices
Jan-2006	832,211
Feb-2006	804,662
Mar-2006	682,932
Apr-2006	722,029
May-2006	588,706
Jun-2006	580,919
Jul-2006	493,745
Aug20-06	593,611
Sep-2006	801,872
Oct-2006	733,316
Nov-2006	643,694
Dec-2006	641,987

PARS coverage was not fully operational during the second year of the agreement.

**MC 2004-4 Data Collection Report
Discover Financial Services
January 2006 – December 2006**

7. Monthly estimate of the amount of time spent on compliance activity and a description of the activities performed.

Department	Activity and Description	Work-hours	Time-Frame
Pricing Strategy	<u>Volume Reconciliation</u> : Reconciling USPS permit volume counts with internal volume counts	2	Per Month
Pricing Strategy	<u>NSA Data Collection Plan</u> : Ensuring compliance with the Data Collection Plan	80	Per Year
Address Management	<u>ACS Support</u> : Providing ACS counts and support for ACS related issues	4	Per Month
Finance	<u>RPW Reporting</u> : Ensuring that discounts are allocated properly in RPW reporting (one-time event)	1*	Per Year
Finance	<u>Accounting Procedures</u> : Developing accounting controls and procedures for the refund process	2*	Per Quarter
Legal	<u>Legal Advice</u> : Advising on compliance and preparation of the data collection plan	18*	Per Year
Pricing, Finance	<u>NSA and rate-cases</u> : Ensuring that NSA volumes and affects are accurately reported and accounted for in rate-case filings	215*	Per Year

* These work-hours represent the total time spent on all implemented NSAs.

**MC 2004-4 Data Collection Report
Discover Financial Services
January 2006 – December 2006**

Data Collection Requirement Number 8

For each First Class solicitation mailing list run against NCOA, DFS will provide NCOA contractor reports that separately identify the number of address records checked and the number of corrections made.

Customer has provided data in electronic format. Please see zip.file.

**MC 2004-4 Data Collection Report
Discover Financial Services
January 2006 – December 2006**

Data Collection Requirement Number 9

For each Change of Address record that is used to forward a piece of DFS solicitation mail through ACS under the Agreement, the Postal Service will provide the date the record was created, its move effective date, whether it was for a family or individual move, and each date that the record was used to forward a mail piece. No other information from the record would be provided.

As noted in the MC2002-2 Data First Year data collection plan:

“A literal application of this provision would require presenting discrete information from each of over 22 million forwarding events. In light of the technical effort required to retrieve this information, and the cost of providing it, the Postal Service has concluded that the most effective and efficient way to comply would be to summarize the data, as follows:” (page 13 Data Collection Report MC 2002-2 September 03 – September 04)

For the period January 2006 to December 2006, the summary results are:

- a. Total Number of unique Change of Address Records used to forward DFS Mail : 8,119,684.
- b. Family vs. Individual Moves: Of the 8,119,684 COA records used, 4,277,949 or (52.69 percent) were designated “Family” moves and 3,801,544 or (46.82 percent) were designated “Individual” moves. The remaining forwards were designated “Business” moves.

The chart below illustrates that a significant majority of forwarding notices for a given COA record are provided only once. Moreover, only a tiny percentage of records are used more than three times to forward mail.

Number of ACS Notices	Number of Records	Percent of Total Records
1	5,880,390	72.4214%
2	1,285,128	15.8273%
3	702,554	8.6525%
4	163,713	2.0162%
>5	87,898	1.0825%
Totals	8,119,684	100.00%

**MC 2004-4 Data Collection Report
Discover Financial Services
January 2006 – December 2006**

10. As part of each data collection plan report, the Postal Service will provide an evaluation of the impact on contribution. It will also provide an assessment of trends of DFS's First-Class Mail volume as compared to overall First-Class Mail volume.

Total USPS First-Class Mail Volume Less Single Piece Letters January 2005 – December 2005	48,881,125,543
Total USPS First-Class Mail Volume Less Single Piece Letters January 2006 – December 2006	49,984,589,689
Increase / (Decrease)	1,103,464,146
Percentage Increase / (Decrease)	2.26%

DFS First-Class Mail Volume Less Single Piece Letters January 2005 – December 2005	497,287,318
DFS First-Class Mail Volume Less Single Piece Letters January 2006 – December 2006	494,523,844
Increase / (Decrease)	(2,763,474)
Percentage Increase / (Decrease)	(0.6%)

In the time period January 2005 – December 2005, the DFS First-Class Mail volume accounted for 1.02% of the total USPS First-Class Mail Volume less single piece letters.

In the time period January 2006 – December 2006, the DFS First-Class Mail volume accounted for 1.67% of the total USPS First-Class Mail Volume less single piece letters.

Source: USPS Revenue, Pieces, and Weight (RPW) Report

**MC 2004-4 Data Collection Report
Discover Financial Services
January 2006 – December 2006**

11. Volume of Standard Mail solicitations by rate category in eligible DFS permit accounts.

Standard Mail Letters

Regular

Mail Category	Volume
Mixed AADC Auto	5,094,325
AADC Auto	10,760,931
3-Digit Auto	276,016,113
5-Digit Auto	342,852,996
Basic Nonauto	2,562,631
3/5 Digit Nonauto	6,333,001
Total Volume	<u>643,619,998</u>

Standard Mail ECR

Letters

Mail Category	Volume
Basic Nonauto Letters	14,263,808
Basic Auto Letters	31,717,785
Saturation Letters	124,947
Total Volume	<u>46,106,540</u>

Flat-size Mail Category	
Nonauto Basic	55,266
Nonauto 3/5 Digit	124,067
Auto Basic	11,716
Auto 3/5 Digit	2,504,347
Total Volume	<u>2,695,396</u>

Non-letter size

Standard Mail ECR

Basic Non-letter	3,878
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GRAND TOTAL **692,425,812**

**MC 2004-4 Data Collection Report
Discover Financial Services
January 2006 – December 2006**

12. A comparison of the estimated mailer-specific costs, volumes, and revenues with the actual mailer-specific costs, volumes, and revenues.

See Appendix.

DISCOVER FINANCIAL SERVICES YEAR 2		
	MC2004-Filing	Actuals
(1) Total Actual Volume	465,000,000	495,725,547
(2) Threshold	405,000,000	409,050,000
(3) Volume Above Threshold	60,000,000	86,675,547
(4) Projected Volume	446,000,000	446,000,000
(5) Leakage Volume	41,000,000	36,950,000
(6) Incremental Pieces	19,000,000	49,725,547
(7) Standard Mail Volume SPLY		471,598,926
(8) Standard Mail Volume Actual CY 06		692,425,812
(9) Conversion Percentage	100%	100%
MC2004-4 Year 2		
	MC2004-4 Year 2	Actual
(10) Statement Mail	290,000,000	303,252,347
(11) Marketing Mail	156,000,000	192,473,200
	446,000,000	495,725,547
MC2004-Filing		
	MC2004-Filing	Actuals
New FCM Mail Contribution		
(12) Increased Volume	19,000,000	49,725,547
(13) DFS FCM Revenue per Piece	\$0.292	\$0.324
(14) DFS FCM Cost per Piece	\$0.141	\$0.125
(15) DFS FCM Contribution per Piece	\$0.151	\$0.199
(16) DFS Standard Mail Contribution per Piece	\$0.085	\$0.098
(17) DFS Contribution	\$1,260,644	\$5,041,668
(18) Discount on Incremental Volume	\$570,000	\$1,633,514
(19) New FCM Mail Contribution (net discounts)	\$690,644	\$3,408,154
Discount Leakage		
(20) Leakage Volume	41,000,000	36,950,000
(21) Total Discount Leakage	\$1,080,000	\$958,500
Return Cost Savings		
(22) Manual Return Cost	\$0.573	\$0.312
(23) Electronic Return Cost	\$0.357	\$0.116
(24) Return Cost Savings	\$0.216	\$0.196
(25) # of ACS Returns	15,378,000	8,119,684
(26) ACS Savings	\$3,326,569	\$1,591,002
Forwarded DFS Savings		
(27) Cost of Providing ACS notices for forwards	\$0.061	\$0.086
(28) Number of ACS notices provided	0	3,851,815
(29) Total Forwarding Costs	\$0.00	\$329,330.18
(30) Total USPS Value	\$2,937,213	\$3,711,326
(31) Total Incentives Earned	\$1,650,000	\$2,592,014

1	USPS Permit System
2	MC2004-4 Rate Filing, Actual reflects subsequent application of threshold adjustment clause
3	(1) - (2)
4	MC2004-4 Rate Filing
5	If projected volume (4) greater than threshold, (5) = (4) - (2). If threshold is greater than projected volume, (5) = 0.
6	(1) - (4)
7	USPS Permit System
8	USPS Permit System
9	MC2004-4 Rate Filing
10	For MC2004-4 DFS-1; for Actuals USPS Permit System
11	For MC2004-4 DFS-1; for Actuals USPS Permit System
12	Incremental Pieces = (6)
13	For MC2004-4 USPST-1 Appendix A; for Actuals, Appendix A of this filing page 2, USPS Permit System
14	For MC2004-4 USPST-1 Appendix A; for Actuals Appendix A of this filing, page 3
15	For MC2004-4 USPST-1 Appendix A; for Actuals (13) - (14)
16	For MC2004-4 USPST-1 Appendix A; for Actuals Appendix A of this filing, page 8
17	For MC2004-4 USPST-1 Appendix A; for Actuals, (12) * ((15)-(16))
18	Total Discounts Earned (31) - Discount Leakage (21)
19	(17) - (18)
20	(5)
21	Leakage assumed from Before Rates forecast in MC2004-4 USPS-T-1 Appendix A, Disc&Exp; Actual reflects subsequent application of the threshold adjustment clause
22	For MC2004-4 USPST-1 Appendix A; For actuals, USPS-LR-L-117 adjusted from TY 08 to FY 06 using Cost Level Changes in USPS-LR-L-168
23	For MC2004-4 USPST-1 Appendix A; For actuals, USPS-LR-L-117 adjusted from TY 08 to FY 06 using Cost Level Changes in USPS-LR-L-168
24	(22) - (23)
25	DFS and USPS reports
26	(24) * (25)
27	MC2002-2 Data Collection Report. For actuals, USPS-LR-L-117 UAA PARS08 Model-BaseCFS PRC.XLS,CFS-Non Let CIOS
28	USPS Memphis Records
29	(28) * (27)
30	(19) + (26) - (21) - (29)
31	(18) + (21); As stated in the DFS_EOY Report

USPS Discover NSA January 06- December 06

Appendix A: page 2

Marketing Revenue per piece

DFS First-Class Mail
By Rate Category
FY 2006 Presorted Letter Volumes at Current Rates

	(1) FY 2006 <u>Volume</u>	(2) Current <u>Rates</u>	(3) = (1) * (2) <u>Revenue</u>
Nonautomated Presorted Letters			
First Ounce	33,797,883	\$ 0.382	\$ 12,916,442
Additional Ounces		-	-
Nonmachinable Pieces (a)		\$ -	-
Heavy Piece Deduction		\$ -	-
Total Nonautomated Presorted Letters	33,797,883		\$ 12,916,442
Revenue Adjustment Factor (1)			1.000000
Total Nonautomated Presorted Letters Revenue			\$ 12,916,442
Automation Presort Letters and Flats			
Letters			
Mixed AADC Letters (b)	2,050,115	\$ 0.338	\$ 692,648
AADC Letters (b)	4,291,621	\$ 0.334	\$ 1,431,944
3-Digit Letters	92,497,392	\$ 0.319	\$ 29,482,181
5-Digit Letters	52,497,149	\$ 0.299	\$ 15,679,797
Additional Ounces	-	\$ -	-
Heavy Piece Deduction	0	\$ -	-
Flats			
Mixed ADC Flats (b)	0	\$ -	-
ADC Flats (b)	0	\$ -	-
3-Digit Flats (c)	0	\$ -	-
5-Digit Flats (c)	0	\$ -	-
Additional Ounces		\$ -	-
Heavy Piece Deduction		\$ -	-
Nonmachinable Pieces (a)		\$ -	-
Total Automation Presort Letters and Flats	151,336,277		\$ 47,286,571
Revenue Adjustment Factor			1.000000
Total Automation Presort Letters and Flats Revenue			\$ 47,286,571
Automation Carrier Route Letters			
First Ounce	7,339,040	\$ 0.288	\$ 2,115,111
Additional Ounces		\$ -	-
Heavy Piece Deduction		\$ -	-
Automation Carrier Route Letters	7,339,040		\$ 2,115,111
Revenue Adjustment Factor			1.000000
Automation Carrier Route Letters Revenue			\$ 2,115,111
Total DFS First-Class Presort Letters	192,473,200		\$ 62,318,124
Revenue per Piece			\$ 0.3238

USPS Discover NSA January 06- December 06

Appendix A: page 4

Statement Revenue per Piece

DFS First-Class Statement Mail
By Rate Category
FY 2006 Presorted Letter Volumes

	(1) FY 2006 Volume	(2) Current Rates	(3) = (1) * (2) Revenue
Nonautomated Presorted Letters			
First Ounce	9,342,847	\$ 0.380	\$ 3,551,151
Additional Ounces	0	\$ -	\$ -
Nonmachinable Pieces (a)	0	\$ -	\$ -
Heavy Piece Deduction	0	\$ -	\$ -
Total Nonautomated Presorted Letters	9,342,847	\$ -	\$ 3,551,151
Revenue Adjustment Factor			1.000000
Total Nonautomated Presorted Letters Revenue			\$ 3,551,151
Automation Presort Letters and Flats			
Letters			
Mixed AADC Letters (b)	1,559,143	\$ 0.335	\$ 521,685
AADC Letters (b)	5,797,846	\$ 0.330	\$ 1,910,727
3-Digit Letters	231,686,762	\$ 0.316	\$ 73,228,772
5-Digit Letters	54,865,748	\$ 0.296	\$ 16,234,446
Additional Ounces	0	\$ -	\$ -
Heavy Piece Deduction	\$ -	\$ -	\$ -
Flats			
Mixed ADC Flats (b)	-	\$ -	\$ -
ADC Flats (b)	\$ -	\$ -	\$ -
3-Digit Flats (c)	\$ -	\$ -	\$ -
5-Digit Flats (c)	\$ -	\$ -	\$ -
Additional Ounces	\$ -	\$ -	\$ -
Heavy Piece Deduction	\$ -	\$ -	\$ -
Nonmachinable Pieces (a)	\$ -	\$ -	\$ -
Total Automation Presort Letters and Flats	293,909,500	\$ -	\$ 91,895,629
Revenue Adjustment Factor			1.000000
Total Automation Presort Letters and Flats Revenue			\$ 91,895,629
Automation Carrier Route Letters			
First Ounce	\$ -	0.288	\$ -
Additional Ounces	\$ -	\$ -	\$ -
Heavy Piece Deduction	\$ -	\$ -	\$ -
Automation Carrier Route Letters	-	\$ -	\$ -
Revenue Adjustment Factor			1.000000
Automation Carrier Route Letters Revenue			\$ -
Total First-Class Presort Letters	303,252,347	\$ -	\$ 95,446,779
Revenue per Piece			\$ 0.3147

USPS Discover NSA January 06- December 06**Appendix A: page 6***Return Analysis*

Period	First-Class Mail Marketing Volume	Physical Returns	Electronic Returns	% of Electronic Returns	Return Rate
Jan 2006	17,030,285	170,850	832,211	82.97%	5.89%
Feb 2006	18,185,252	222,655	804,662	78.33%	5.65%
Mar 2006	18,322,414	236,975	682,932	74.24%	5.02%
Apr 2006	23,754,867	258,189	722,029	73.66%	4.13%
May 2006	15,172,893	234,288	588,706	71.53%	5.42%
Jun 2006	13,687,414	163,099	580,919	78.08%	5.44%
Jul 2006	10,978,571	158,267	493,745	75.73%	5.94%
Aug 2006	21,409,911	181,208	593,611	76.61%	3.62%
Sep 2006	12,737,458	186,292	801,872	81.15%	7.76%
Oct 2006	17,715,207	227,197	733,316	76.35%	5.42%
Nov 2006	11,505,216	181,080	643,694	78.04%	7.17%
Dec 2006	14,865,989	155,695	641,987	80.48%	5.37%
Totals	195,365,477	2,375,795	8,119,684	77.36%	5.37%

USPS Discover NSA January 06- December 06

Appendix A: page 7

ACS notices breakdown

PERIOD	FORWARDING	RETURNS	TOTAL	% FORWARDING	% RETURN
Jan 2006	358,554	832,211	1,190,765	30.11%	69.89%
Feb 2006	312,585	804,662	1,117,247	27.98%	72.02%
Mar 2006	405,190	682,932	1,088,122	37.24%	62.76%
Apr 2006	342,630	722,029	1,064,659	32.18%	67.82%
May 2006	328,683	588,706	917,389	35.83%	64.17%
Jun 2006	234,469	580,919	815,388	28.76%	71.24%
Jul 2006	318,929	493,745	812,674	39.24%	60.76%
Aug 2006	404,983	593,611	998,594	40.56%	59.44%
Sep 2006	368,492	801,872	1,170,364	31.49%	68.51%
Oct 2006	381,774	733,316	1,115,090	34.24%	65.76%
Nov 2006	136,800	643,694	780,494	17.53%	82.47%
Dec 2006	258,726	641,987	900,713	28.72%	71.28%
TOTALS	3,851,815	8,119,684	11,971,499	32.17%	67.83%

USPS Discover NSA January 06- December 06

Appendix A, page 8

Standard Mail unit contribution

	(1) Volume %	(2) Volume	(3) Rates	(4) Revenue	(5) Unit Cost	(6) Contribution
Standard Mail Regular Revenue per piece						
Letter-size Mail Category						
Mixed AADC Auto	0.86%	7,060,881	\$0.221	\$1,563,623	0.0972	
AADC Auto	1.87%	15,264,406	\$0.211	\$3,220,413	0.0874	
3-Digit Auto	39.51%	322,885,796	\$0.190	\$61,436,351	0.0840	
5-Digit Auto	46.80%	382,390,795	\$0.174	\$66,392,998	0.0728	
Basic Nonauto	0.87%	7,141,389	\$0.265	\$1,894,968	0.1129	
3/5 Digit Nonauto	0.37%	2,993,040	\$0.239	\$716,493	0.1072	
Total		737,736,307		\$135,224,847		
Letter-size Standard Mail ECR						
Mail Category						
Basic Nonauto Letters	1.75%	14,312,563	\$0.179	\$2,558,781	0.0894	
Basic Auto Letters	4.25%	34,692,392	\$0.155	\$5,364,968	0.0960	
Saturation Letters	0.02%	125,374	\$0.147	\$18,430	0.0690	
Total		49,130,329		\$7,942,179		
Flat-size Mail Category						
Nonauto Basic	0.02%	162,361	0.2900	\$47,086	0.3345	
Nonauto 3/5 Digit	0.04%	293,839	0.2387	\$70,146	0.2570	
Auto Basic	0.02%	143,513	0.2525	\$36,239	0.3302	
Auto 3/5 Digit	2.92%	23,839,709	0.1908	\$4,548,818	0.2462	
Total		24,439,422		\$4,702,289		
Non-letter size Standard Mail ECR						
Mail Category						
Basic Non-letter	0.71%	5,816,205	0.1596	\$928,081	0.0454	
Total		5,816,205		\$928,081		
Weighted Average per piece			\$0.182		\$0.084	\$0.098
	100%	817,122,263		\$148,797,396		

- (1) Percentage of Rate Category volume to Total Standard Mail volume
- (2) Permit System
- (3) (4)/(2)
- (4) Permit System
- (5) Weighted average cost per piece using R2006 unit cost
- (6) Average Revenue per piece minus weighted average cost per piece.