

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes

Docket No. R2006-1

PRESIDING OFFICER'S INFORMATION REQUEST NO. 23

(Issued October 26, 2006)

The United States Postal Service is requested to provide the information described below to assist in developing a record for the consideration of the Postal Service's request for a recommended decision on proposed rates, fees and classifications. To facilitate inclusion of the required material in the evidentiary record, the Postal Service is to have a witness attest to the accuracy of the answers and be prepared to explain to the extent necessary the basis for the answers. The answers are to be provided by November 9, 2006.

1. Please refer to USPS-LR-L-126, file 'Rev 7-13-2006 LR 126 Outside County Revised,' worksheet 'Discounts.' Refer also to the attached spreadsheet. Please confirm that the calculations in cells J15 and J16, respectively of the attached spreadsheet represent an acceptable method for calculating the cost savings associated with 3-digit and 5-digit automation letters. If not confirmed, please explain fully and point out any errors in the attached spreadsheet.

George Omas
Presiding Officer

Automation Letter Discount Calculations from Rev 7-13-2006 LR 126 Outside County Revised									
Worksheet Discounts									
			Unit Mail						
	Source	Proc. Cost			Unit Cost				
	for Col. 1	+ Unit Del.							
	Sheet	Cost	Source	Source	Differentials	Source	Discounts	Discounts	
	Discount	(Cents)	for Col. 2	(Cents)	(Cents)	for Col. 3	(Cents)	(Dollars)	For use in Sheet Discount
		(1)		(2)			(3)	(4)=(3)/100	
1	Basic Nonautomation Flat	E30	38.832						
2	Basic Nonautomation Letter	E40	21.613	Col.1, L.1 - L.2	17.219		N/A	N/A	
3	Basic Automation Letter	E44	9.233	Col.1, L.2 - L.3	12.38	Col.2, L.2 + L.3	29.599	\$0.296	$F44 = (E30 - E40) - (E44 - E40) / 100$
4	3-Digit Automation Letter	E45	7.922	Col.1, L.3 - L.4	1.311	Col.3, L.2 + Col.2, L.4	30.910	\$0.309	$F45 = F44 + (E44 - E45) / 100$
5	5-Digit Automation Letter	E46	6.817	Col.1, L.4 - L.5	1.105	Col.3, L.23+ Col.2, L.5	32.015	\$0.320	$F46 = F45 + (E45 - E46) / 100$

Postal Rate Commission
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