



September 13, 2007

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

RE: Docket No. MC2004-1

Dear Mr. Williams:

In accordance with the Commission's Opinion and Recommended Decision in Docket No. MC2004-1, and the data collection plan in Attachment C to the Stipulation and Agreement filed May 26, 2004, in this docket, the Postal Service reports that there was no volume using the Experimental Periodicals Co-Palletization Dropship Discounts for High Editorial Publications, Fiscal Year 2007, from October, 2006 through the end of the experiment in July, 2007. Our understanding is that increased fuel prices have reduced the attractiveness of the Docket No. MC2004-1 discounts, relative to the time of the litigation of that docket.

Sincerely,

David H. Rubin
Attorney