

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

POSTAL RATE AND FEE CHANGES

Docket No. R2006-1

REVISED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 23 [ERRATA]  
(November 3, 2006)

The United States Postal Service hereby provides the revised response of witness Tang to Presiding Officer's Information Request (POIR) No. 23, issued October 26, 2006. The only change is to include the attachment to the question, which was inadvertently omitted from the original response.

The question is repeated verbatim, and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

\_\_\_\_\_  
David H. Rubin

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1134  
(202) 268-2986; Fax -6187

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TANG  
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 23, QUESTION 1

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.

**RESPONSE:**

Confirmed.

Attachment to POIR 23, Question 1

Automation Letter Discount Calculations from Rev 7-13-2006 LR 126 Outside County Revised									
Worksheet Discounts									
			Unit Mail						
	Source	Proc. Cost							
	for Col. 1	+ Unit Del.		Unit Cost					
	Sheet	Cost	Source	Differentials	Source	Discounts	Discounts		
	Discount	(Cents)	for Col. 2	(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	$F46 = F45 + (E45 - E46) / 100$