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UNITED STATES OF AMERICA
Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes

)

Docket No. R2000-1

ANSWERS OF THE OFFICE OF THE CONSUMER ADVOCATE
TO INTERROGATORIES OF THE NEWSPAPER ASSOCIATION OF AMERICA
WITNESS: JAMES F. CALLOW (NAA/OCA-T6-1-3)
(June 30, 2000)

The Office of the Consumer Advocate hereby submits the answers of James F. Callow to interrogatories NAA/OCA-T6-1-3, dated June 16, 2000. Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,



TED P. GERARDEN

Director

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ANSWERS OF OCA WITNESS JAMES F. CALLOW
TO INTERROGATORIES NAA/OCA-T6-1-3

NAA/OCA-T6-1. Your testimony compares the institutional cost contributions of First Class Mail and Standard A Mail on the basis of cost coverage, markup indices, and cost coverage indices. Please confirm that the Commission has also relied on unit institutional cost contributions when evaluating institutional cost contributions, such as in [the] Commission's Opinion and Recommended Decision in Docket No. R97-1 at page 259, paragraph 4085-4086.

RESPONSE TO NAA/OCA-T6-1

Confirmed. Accordingly, "[t]he Commission has carefully reviewed whether . . . the relative markup and unit contribution for this [ECR] subclass . . . seem adequate to reflect fairly the noncost factors of the Act." PRC Op. R97-1, para. 4086.

ANSWERS OF OCA WITNESS JAMES F. CALLOW
TO INTERROGATORIES NAA/OCA-T6-1-3

NAA/OCA-T6-2. Did you [consider] comparing the institutional cost contributions of First Class Mail with the unit contributions of commercial third class/Standard A Mail? Please discuss.

RESPONSE TO NAA/OCA-T6-2

No. I relied on total revenues and total costs to calculate the attributable and institutional costs for the purpose of comparing the institutional cost contributions of First-Class Letter Mail and Standard (A) Regular. See OCA-LR-1-3, Part I, Table A, at 1-5.

ANSWERS OF OCA WITNESS JAMES F. CALLOW
TO INTERROGATORIES NAA/OCA-T6-1-3

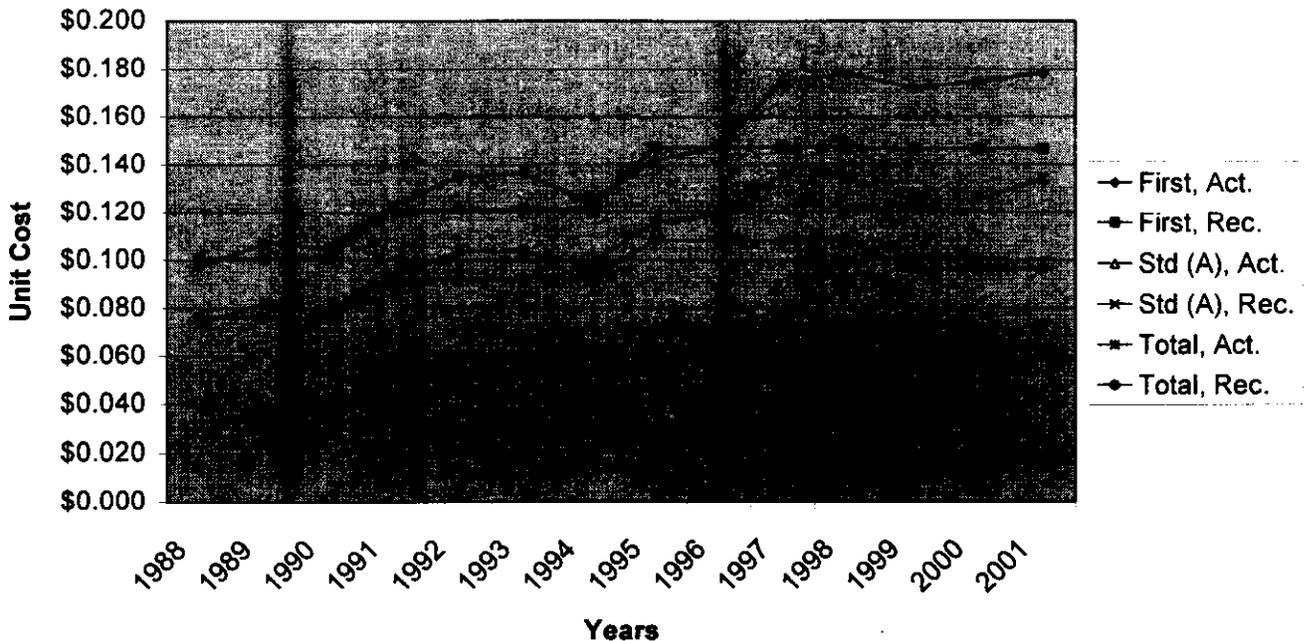
NAA/OCA-T6-3. Please provide a table comparing the actual unit contributions of First Class Mail and commercial third class/Standard A subclasses to the average unit contributions at recommended rates for the same period as covered by Figure 6 of your testimony.

RESPONSE TO NAA/OCA-T6-3

COMPARISON OF FIRST-CLASS LETTERS AND STANDARD (A) REGULAR ACTUAL AND RECOMMENDED
UNIT INSTITUTIONAL COST CONTRIBUTIONS

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
First, Act.	\$0.09762	\$0.10690	\$0.10519	\$0.12296	\$0.13526	\$0.13624	\$0.12502	\$0.14193	\$0.14747	\$0.17491	\$0.17790	\$0.17217	\$0.17449	\$0.17846
First, Rec.	\$0.10070	\$0.10070	\$0.10070	\$0.12123	\$0.12123	\$0.12123	\$0.12123	\$0.14738	\$0.14738	\$0.14738	\$0.14738	\$0.14670	\$0.14670	\$0.14670
Std (A), Act.	\$0.02886	\$0.03861	\$0.03642	\$0.04822	\$0.05017	\$0.05362	\$0.05799	\$0.07022	\$0.07329	\$0.07872	\$0.07284	\$0.06377	\$0.05976	\$0.06687
Std (A), Rec.	\$0.03817	\$0.03817	\$0.03817	\$0.05288	\$0.05288	\$0.05288	\$0.05288	\$0.05952	\$0.05952	\$0.05952	\$0.05952	\$0.06354	\$0.06354	\$0.06354
Total, Act.	\$0.07347	\$0.08205	\$0.07898	\$0.09361	\$0.10367	\$0.10347	\$0.09803	\$0.11574	\$0.11865	\$0.13587	\$0.13440	\$0.12553	\$0.12542	\$0.13420
Total, Rec.	\$0.07604	\$0.07604	\$0.07604	\$0.09240	\$0.09240	\$0.09240	\$0.09240	\$0.10800	\$0.10800	\$0.10800	\$0.10800	\$0.09664	\$0.09664	\$0.09664

**Comparison of First-Class Letters and Standard (A)
Regular Actual and Recommended Unit Institutional
Cost Contributions**



DECLARATION

I, James F. Callow, declare under penalty of perjury that the answers to interrogatories NAA/OCA-T6-1-3 of the Newspaper Association of America are true and correct, to the best of my knowledge, information and belief.

Executed 6-30-00

James F Callow

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.


EMMETT RAND COSTICH

Washington, DC 20268-0001
June 30, 2000