

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

RECEIVED  
Jun 16 1 55 PM '00  
POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes )

Docket No. R2000-1

OFFICE OF THE CONSUMER ADVOCATE  
REVISIONS TO THE TESTIMONY OF OCA  
WITNESS: JAMES F. CALLOW OCA-T-6 (ERRATA)  
(June 16, 2000)

---

The Office of the Consumer Advocate hereby gives notice of the filing of the following revisions to the testimony of James F. Callow (OCA-T-6, Part I), filed on May 22, 2000. The changes to the testimony are set forth below. The revised page is attached.

Respectfully submitted,



TED P. GERARDEN  
Director  
Office of the Consumer Advocate

EMMETT RAND COSTICH  
Attorney

1333 H Street, N.W.  
Washington, D.C. 20268-0001  
(202) 789-6830; Fax (202) 789-6819

OCA-T-6, Part I

<u>Page</u>	<u>Line</u>	<u>Correction</u>
24	9	Change "1.452" to "1.352"
24	Note 13	Delete "reducing the current presort discounts,"
24	Note 15	Change "4-12-00" to "4-21-00"
24	Note 15	Delete the second sentence

1 III. TO MITIGATE THE INCREASING INSTITUTIONAL COST BURDEN ON FIRST-  
2 CLASS LETTER MAIL, THE COMMISSION SHOULD MAINTAIN THE SINGLE-  
3 PIECE FIRST-CLASS RATE AT 33 CENTS

4 The Commission should mitigate the increasing institutional cost burden on First-  
5 Class Letter Mail by maintaining the single-piece First-Class rate at 33 cents.  
6 Maintaining the current single-piece First-Class rate will reduce the institutional cost  
7 burden on First-Class Letter Mail,<sup>13</sup> and directly benefit consumers, as revenues  
8 contributed by single-piece letters will decline by approximately \$607 million.<sup>14</sup> Even  
9 with a 33 cent First-Class rate, the mark-up index will be approximately 1.352.<sup>15</sup>

10 A Commission decision to maintain the current single-piece First-Class rate will  
11 moderate the very high institutional cost burden that results from the Postal Service's  
12 proposed increase. Moreover, such a decision is supported by declining Postal Service  
13 costs for First-Class Letter Mail, and standards of fairness and equity.

14 A. The Proposed Increase in Rates for First-Class Letters Preserves the  
15 Already High Institutional Cost Burden on First-Class Letter Mail

16 The Postal Service's proposed increase in rates for First-Class Letter Mail largely  
17 preserves the status quo with respect to the institutional cost burden being borne by

---

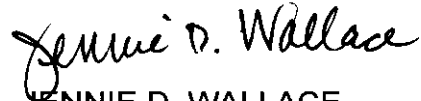
<sup>13</sup> There are, of course, other options for reducing the institutional cost burden on First-Class Letter Mail. These include reducing the extra ounce rate, or increasing the "passthroughs" for presort mail. However, these options would be less beneficial for consumers.

<sup>14</sup> For single-piece letters,  $((\$22,746,522 - \$22,169,105) + (\$167,072 - \$137,713))$ , or single-piece  $((\text{TYAR revenues} - \text{TYBR revenues}) + (\text{TYAR Fees} - \text{TYBR Fees}))$ . USPS-LR-I-169 (revised 4/17/00), at 2. The reduction in revenues for the entire First-Class Letter Mail subclass is approximately \$1.076 billion  $((\$35,976,352 - \$34,933,727) + (\$189,592 - \$156,588))$ , or subclass  $((\text{TYAR revenues} - \text{TYBR revenues}) + (\text{TYAR Fees} - \text{TYBR Fees}))$ . *Id.*

<sup>15</sup> Attachment USPS-32A (revised 4-21-00), adjusted for OCA costs.

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.

  
JENNIE D. WALLACE

Washington, D.C. 20268-0001  
June 16, 2000