

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

Postal Rate Commission
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Postal Rate and Fee Changes, 2006

Docket No. R2006-1

**NEWSPAPER ASSOCIATION OF AMERICA
INTERROGATORIES TO
MAIL ORDER ASSOCIATION OF AMERICA
WITNESS ROGER C. PRESCOTT
(NAA/MOAA-T1-1-5)
October 3, 2006**

The Newspaper Association of America hereby submits the attached interrogatories to Mail Order Association of America witness Roger C. Prescott (MOAA-T-1) and respectfully requests a timely and full response under oath.

Respectfully submitted,

NEWSPAPER ASSOCIATION OF AMERICA

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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the instant document on all participants requesting such service in this proceeding in accordance with section 12 of the Rules of Practice.

October 3, 2006

William B. Baker
William B. Baker

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WITNESS ROGER C. PRESCOTT
(NAA/MOAA-T1-1-5)**

NAA/MOAA-T1-1: Please refer to page 4, line 7, of your testimony. Is it your testimony that the objective that the Postal Service should seek when proposing rates is “to preserve (or increase) mail volumes”?

NAA/MOAA-T1-2: Please refer to page 12, lines 9 to 12 of your testimony. Is it your testimony that “contribution per piece” has no relevance to postal ratemaking? If you believe that “contribution per piece” has relevance to postal ratemaking, please describe what you believe that relevance is.

NAA/MOAA-T1-3: Please refer to page 13, line 10, of your testimony where you state: “Historically, the PRC has not relied on unit contribution per piece to validate rates.” Please confirm that in its Opinion and Recommended Decision in Docket No. R97-1, the Commission stated (at paragraph 4084):

In past cases, the Commission has commented that allocating institutional costs on the basis of markup alone could fail to give adequate recognition to the benefit that subclasses with low attributable cost derive from the existence of a national integrated postal system. The Commission has reviewed the unit contribution of such subclasses and adjusted markups, where appropriate, to assure that the factors of the Act are fairly and equitably reflected.

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(NAA/MOAA-T1-1-5)**

NAA/MOAA-T1-4: Please refer to page 14, lines 7 through 10 of your testimony. In this passage, are you making an implicit assumption that the average unit contribution of all mail to institutional costs to attributable costs has remained constant since 1997? If so, please explain the basis for that assumption. If not, please explain what implicit assumptions, if any, you have made regarding the average unit contribution of all mail since 1997.

NAA/MOAA-T1-5: Please refer to pages 19-20 of your testimony. Do you believe that Standard ECR mail volumes were affected by any changes in the general condition of the U.S. economy during the period from 1998 to 2006? If so, please state your understanding of the effect of economic conditions on ECR mail volumes. If not, why not?