

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

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes, 2000 )

Docket No. R2000-1

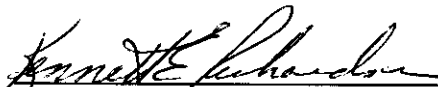
ANSWERS OF THE OFFICE OF THE CONSUMER ADVOCATE  
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE  
WITNESS: J. EDWARD SMITH (USPS/OCA-T4-17-19)  
(June 14, 2000)

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The Office of the Consumer Advocate hereby submits the answers of J. Edward Smith to interrogatories of United States Postal Service, dated May 31, 2000. Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

OFFICE OF THE CONSUMER ADVOCATE



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ANSWERS OF OCA WITNESS J. EDWARD SMITH  
TO INTERROGATORIES USPS/OCA-T4-17-19

OCA/USPS-T4-17. Please refer to your testimony at page 23, lines 16-17, where you state "The differences between Dr. Bradley's data set and the data set used in the current study are actually quite minor."

(a) Does this statement (i.e., the "data set used in the current study") refer only to the portion of Dr. Bozzo's data set obtained from MODS and provided in USPS-LR-I-107.

(b) If your answer to part (a) is negative, in whole or in part, please specify your understanding of which variables in the data set provided in USPS-LR-I-107 were not present in Dr. Bradley's data set.

RESPONSE TO USPS/OCA-T4-17. (a) Yes. However, please note that I believe that QICAP as currently presented is theoretically flawed. In addition, QICAP as now presented is not at the activity level; this is also a major deficiency. I also believe that additional variables should have been considered.

(b) Not applicable.

ANSWERS OF OCA WITNESS J. EDWARD SMITH  
TO INTERROGATORIES USPS/OCA-T4-17-19

OCA/USPS-T4-18. Please refer to your testimony at page 23, lines 17-19. You state that “[q]uarterly data are used in the current study in lieu of four week accounting period data in order to smooth out inaccuracies.”

- (a) Is Dr. Bozzo's response to MPA/USPS-T15-7 (Tr. 15/6273-6274) the basis for the quoted statement? If not, please specify the basis for your statement.
- (b) Does your quoted statement completely represent Dr. Bozzo's stated reasons for choosing the quarterly observation frequency? Please explain any affirmative answer.
- (c) Other things equal, is a method that “smooth[s] out inaccuracies” preferable to one that does not? Please explain any negative answer.

RESPONSE TO USPS/OCA-T4-18. (a) Yes.

(b) As indicated by Dr. Bozzo, in addition to mitigating data errors, quarterly data permits the use of other quarterly data sources. Also, the use of quarterly data permits longer-term labor adjustment processes to be specified with fewer variables. This is only a brief summary of the interrogatory.

(c) It would be preferable to use accurate data. In smoothing out inaccuracies, one would need to analyze how the inaccuracies are smoothed.

ANSWERS OF OCA WITNESS J. EDWARD SMITH  
TO INTERROGATORIES USPS/OCA-T4-17-19

OCA/USPS-T4-19. Please refer to your testimony at page 23, line 19, where you state "the rejection criteria are relaxed." What, specifically, are the "rejection criteria" to which the statement refers? As part of your answer, please provide citations to any portions of Dr. Bozzo's testimony upon which the statement is based.

RESPONSE TO USPS/OCA-T4-19. Please see page 21, lines 15 through 22 and Section VI.E of Dr. Bozzo's testimony. Dr. Bozzo eliminated less data.

DECLARATION

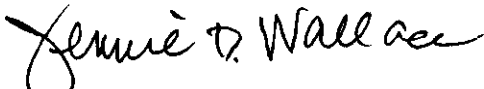
I, J. Edward Smith, declare under penalty of perjury that the answers to interrogatories USPS/OCA-T4-17-19 of the United States Postal Service are true and correct, to the best of my knowledge, information and belief.

Executed June 14, 2000

J. Edward Smith

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 14, 2000