

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

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OFFICE OF THE SECRETARY

Postal Rate and Fee Changes, 2000 )

Docket No. R2000-1

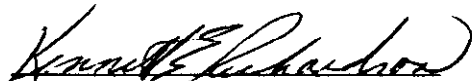
ANSWERS OF THE OFFICE OF THE CONSUMER ADVOCATE  
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE  
WITNESS: J. EDWARD SMITH (USPS/OCA-T4-32-35)  
(June 28, 2000)

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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 June 14, 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-T4-32-35

USPS/OCA-T4-32. Please refer to your response to USPS/OCA-T4-5(b). Your response does not appear to indicate whether you performed the specified quantitative analysis, as requested in the interrogatory. Please confirm that you did not “perform any quantitative analysis of Dr. Bozzo’s data, models, or results to determine whether any relevant discontinuities actually exist and/or to quantify their effects.” If you do not confirm, please explain.

RESPONSE TO USPS/OCA-T4-32. Confirmed.

ANSWERS OF OCA WITNESS J. EDWARD SMITH  
TO INTERROGATORIES USPS/OCA-T4-32-35

USPS/OCA-T4-33. Please refer to your response to OCA/USPS-T4-11(a). Your response does not appear to indicate your agreement or disagreement with the quoted statement in the interrogatory, as requested. However, in the response you state, ". . .conceivably, there could be a growth in delivery points without a change in volume." Does this statement imply that you disagree, at least in part, with the statement: "growth in delivery points must be considered part of the growth in volume"? If not, please explain fully.

RESPONSE TO USPS/OCA-T4-33. I neither agree nor disagree with the statement that growth in delivery points must be considered part of the growth in volume. It depends upon the assumptions. Please also see the revision (erratum) to page 5 of my testimony filed today which removes from my definition of volume variability the condition that delivery points and other non-volume factors are held constant.

ANSWERS OF OCA WITNESS J. EDWARD SMITH  
TO INTERROGATORIES USPS/OCA-T4-32-35

USPS/OCA-T4-34. Please refer to your response to OCA/USPS-T4-11(b).

a. Please provide a mathematical formula to clarify your statement that “only the estimator associated with the TPF variable is used in computing the variability.” Please relate any mathematical notation you use to that of the estimating equations reported by Dr. Bozzo at pages 117-118 of USPS-T-15.

b. In the last sentence of your response, you appear to modify the statement quoted from page 5, lines 4-6, of OCA-T-4. Please explain whether this is a correct interpretation. If it is, why does the original statement quoted from page 5, lines 4-6, of OCA-T-4 require modification? If not, please provide the correct interpretation of the last sentence of your response to USPS/OCA-T4- 11(b).

RESPONSE TO USPS/OCA-T4-34. (a) On further review, it is apparent that Dr. Bozzo has used more than the estimator associated with the TPF variable in computing variability. The appropriate annotation is found in footnote 36 at 76 in Dr. Bozzo's testimony. I believe it was Dr. Bradley who used only the estimator associated with the TPF variable in computing variability. In any event, the underlying premise of OCA/USPS-T4-11(b) is moot inasmuch as I have today revised page 5 of my testimony.

(b) Yes. See the revision (erratum) to page 5 of my testimony filed today. This revision is necessary to remove a statement in my direct testimony that conditioned the definition of volume variability upon holding delivery points and other non-volume variables constant. The revision of the definition has no impact upon the conclusions reached in my testimony.

ANSWERS OF OCA WITNESS J. EDWARD SMITH  
TO INTERROGATORIES USPS/OCA-T4-32-35

USPS/OCA-T4-35. Please refer to your response to USPS/OCA-T4-14(b). Please provide a detailed citation to support your statement that Dr. Bozzo "indicated" that "data from two activities are commingled."

RESPONSE TO USPS/OCA-T4-35. Please see UPS/USPS-T15-13, stating that intermittent reporting of manual parcel piece handlings may reflect periods in which manual and SPBS parcels were commingled; presumably the data would also be commingled.

DECLARATION


I, J. Edward Smith, declare under penalty of perjury that the answers to interrogatories USPS/OCA-T4-32-35 of the United States Postal Service are true and correct, to the best of my knowledge, information and belief.

Executed June 28, 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.

A handwritten signature in cursive script, reading "Kenneth E. Richardson".

KENNETH E. RICHARDSON

Washington, D.C. 20268-0001  
June 28, 2000