

DOCKET SECTION

USPS-ST-46

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

**RECEIVED
NOV 12 4 51 PM '97
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY**

Postal Rate and Fee Changes, 1997

Docket No. R97-1

**DIRECT TESTIMONY
OF
MARC A. SMITH
ON BEHALF OF
UNITED STATES POSTAL SERVICE**

1 **DIRECT TESTIMONY**
2 **OF**
3 **MARC A. SMITH**
4

5 **AUTOBIOGRAPHICAL SKETCH**

6 My name is Marc A. Smith. Please see my testimony, USPS-ST-45, filed
7 October 17th for my autobiographical sketch.
8

9 **PURPOSE OF TESTIMONY**

10 I am sponsoring the following library reference as my testimony in this
11 proceeding:

12 **LR-H-111 Dropship Savings in Periodicals and Standard (A)**
13

14 I hereby incorporate this document into my testimony by reference. The purpose
15 associated with this library reference is as described below. Additional
16 information can be obtained from the specific library reference and the sources
17 cited below.
18

19 **LR-H-111 Dropship Savings in Periodicals and Standard (A)**
20

21 This library reference updates the destination entry cost avoidance
22 estimates for both Periodicals and Standard Mail (A). For Periodicals, this is an
23 update of the non-transportation cost avoidance for both Regular and Nonprofit
24 last presented in Dockets Nos. MC95-1 by witness Byrne, USPS-T-11, and
25 MC96-2 by witness Seckar, USPS-T-2, respectively. For Standard Mail (A), this
26 library reference updates the transportation and non-transportation cost

1 avoidances for both Regular and Nonprofit last presented in Docket Nos. MC95-
2 1 by witness Acheson, USPS-T-9, and MC96-2 in library reference USPS LR-
3 PRR-7.

4 This testimony is identical to that of witnesses Acheson and Bryne in
5 Docket No. MC95-1, and witness Seckar in Docket No. MC96-2, except for the
6 changes discussed at pages 8-15 of LR-H-111, which are mostly associated with
7 new input data and due to the changes in the development of volume variable
8 mail processing costs as proposed by witnesses Degen, USPS-T-12, and
9 Bradley, USPS-T-14. We considered making improvements to the methodology
10 of Acheson, Bryne and Seckar by modifying the model depicted at Appendix A,
11 Table 2 to include ADCs and ASFs and updating the productivities associated
12 with container handling. However, these efforts were stopped due to lack of
13 time.

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