

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Postal Rate and Fee Changes, 2006

)

Docket No. R2006-1

NOTICE OF OFFICE OF THE CONSUMER ADVOCATE
CONCERNING ERRATA TO THE TESTIMONY OF
OCA WITNESS: J. EDWARD SMITH OCA-T-2
(October 27, 2006)

The Office of the Consumer Advocate hereby gives notice of the filing of the following revisions to the direct testimony of J. Edward Smith (OCA-T-2), filed on September 6, 2006.

On page 7, Table 1, line 3, "Transactions" is changed to "Sites."

As indicated by the response of witness Smith to USPS/OCA-T2-2(b) filed on October 17, 2006, the column titled "Total Time Observed Hours" in Table 3 on page 13 of witness Smith's testimony should be corrected.

Revisions dated 10-27-06 of pages 7 and 13 are attached hereto.

Respectfully submitted,

SHELLEY S. DREIFUSS
Director
Office of the Consumer Advocate

KENNETH E. RICHARDSON
Attorney

901 New York Avenue, NW Suite 200
Washington, D.C. 20268-0001
(202) 789-6830; Fax (202) 789-6891
e-mail: richardsonke@prc.gov

POS-ONE sites are small, but only 33 percent of the sites in the sample are small, with 67 percent being large. Again, no adequate basis for this anomaly is offered by witness Nieto.

1

2

Table 1: Site Summary¹

	Small POS-ONE Sites	Large POS-ONE Sites	Total POS-ONE Sites
Number of Sites	7542	7544	15086
Percent of Total	49.99	50.01	
Revenue per Site*	245,670	1,348,940	797,013
Total Sales	1,852,843,140	10,176,403,360	12,023,738,118
Percent of Total	15.41	84.64	
Number of Sites Sampled	9	18	27
Percent of Sampled Sites	33.33	66.67	
Total Observations	1841	6074	7915
Percent of Sample	23.26	76.74	

3

* The number 797,013 is total average revenue per site. It is not additive in the row.

4

5 Table 2 demonstrates how a database not representative of the population could

6 impact variability. If inaccurate proportions of single and multiple transactions are

7 collected, the impact on variability can be significant. For instance, in his testimony,

8 witness Bradley finds a variability of 41 percent for Bulk Stamps. An "item" in the study

9 is defined as a unique product or service processed in a transaction, with a quantity

10 defined as the amount of each item processed in a transaction.² Witness Bradley has

11 defined three types of transactions:

12

¹ Data obtained from OCA/USPS-T24-1 (Tr. 5/698) and OCA/USPS-T24-9 (Tr. 5/711).

² USPS-T-17, lines 15-18 at 12.

Table 3, Corrected: Walk-time

1

Location ID	Date	Total Time	Walk	Transaction	Walk/Transaction
		Observed ¹ (Hours)			
128644	Day 1	13.41	88	27450	0.32%
	Day 2	10.55	2	23820	0.01%
98456	Day 1	7.32	111	6379	1.74%
	Day 2	6.87	43	8132	0.53%
	Day 3	3.54	0	3681	0.00%
116806	Day 1	10.15	563	23814	2.36%
	Day 2	11.88	902	31000	2.91%
69759	Day 1	11.73	512	11751	4.36%
	Day 2	11.08	432	15023	2.88%
27500	Day 1	10.96	45	15202	0.30%
	Day 2 ³	4.64	21	8736	0.24%
30442	Day 1	12.31	529	24966	2.12%
	Day 2 ³	7.62	245	15948	1.54%
30283	Day 1	15.34	176	25659	0.69%
	Day 2	14.41	210	24501	0.86%
118483	Day 1	14.80	196	41089	0.48%
	Day 2	12.76	271	27622	0.98%
4881	Day 1	12.04	599	32745	1.83%
	Day 2 ³	8.53	340	18307	1.86%
40832	Day 1	15.02	307	29800	1.03%
	Day 2	13.33	240	27435	0.87%
21799	Day 1	14.09	0	26988	0.00%
	Day 2	13.68	0	25208	0.00%
127869	Day 1	14.54	603	28166	2.14%
	Day 2	8.17	323	16060	2.01%
126721	Day 1	11.19	266	26900	0.99%
	Day 2	10.02	208	21405	0.97%
36211	Day 1	12.34	209	17833	1.17%
	Day 2	10.49	127	13240	0.96%
4079	Day 1	12.79	691	33844	2.04%
	Day 2	12.10	1274	36273	3.51%
20171	Day 1	12.72	11	32853	0.03%
	Day 2	14.00	2	36142	0.01%
69225	Day 1	14.42	63	37026	0.17%
	Day 2	13.29	26	37529	0.07%
70364	Day 1	13.59	230	8965	2.57%
	Day 2	15.31	85	7829	1.09%
85098	Day 1	7.36	115	8972	1.28%
	Day 2	4.72	0	4954	0.00%
119685	Day 1	14.32	187	28177	0.66%
	Day 2 ³	6.48	158	13671	1.16%
107799	Day 1	5.52	0	3921	0.00%
	Day 2	3.89	0	3610	0.00%
2303	Day 1	5.44	36	11602	0.31%
	Day 2	9.98	57	14000	0.41%
120905	Day 1	14.04	409	26254	1.56%
	Day 2	12.48	337	30168	1.12%
39717	Day 1	11.87	243	25231	0.96%
	Day 2	13.41	473	27700	1.71%
119973	Day 1	11.93	262	29726	0.88%
	Day 2	9.45	74	20886	0.35%
123775	Day 1	11.72	355	24960	1.42%
	Day 2	11.27	385	21763	1.77%
84745	Day 1	12.64	11	15356	0.07%
	Day 2	10.99	5	8983	0.06%

¹ Total does not including data collector break time.

² The Unspecified category is time recorded by the Palm Pilot but not specifically assigned to an activity. This occurs when data collectors did not record specific codes for non-transactional activities, which could include walk times and wait times too small to be recorded separately, clerks being away from the window without indication as to whether they were taking a break or not, and time needed for the data collector to switch to another register.

³ Saturday, office closed earlier than weekday.