

DOCKET SECTION

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

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Postal Rate and Fee Changes, 1997

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Docket No. R97-1

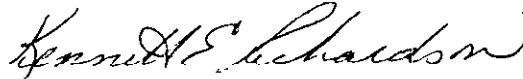
ERRATA TO ANSWER OF THE OFFICE OF THE CONSUMER ADVOCATE
TO INTERROGATORY OF UNITED STATES POSTAL SERVICE
WITNESS: J. EDWARD SMITH, JR. (USPS/OCA-T600-10)
(FEBRUARY 26, 1998)

The Office of the Consumer Advocate hereby submits an errata to the answer dated February 6, 1998, of J. Edward Smith, Jr. to interrogatory USPS/OCA-T600-10, dated January 23, 1996.

The last sentence of the answer to USPS/OCA-T600-10 should be deleted. The respondent erroneously refers to his reply to NOI No. 4 when in fact the reply to NOI No. 4 was filed by OCA on the same date.

A revised answer deleting the last sentence of the initial answer is attached.

Respectfully submitted,



KENNETH E. RICHARDSON
Attorney
Office of the Consumer Advocate

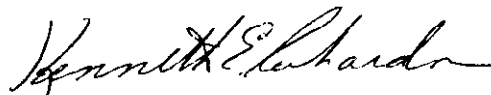
ANSWERS OF OCA WITNESS J. EDWARD SMITH, JR.
TO INTERROGATORIES USPS/OCA-T600-12-18

USPS/OCA-T600-10. Please refer to your testimony at page 27. You state that since you have not computed regressions, your conclusions are "not precise." Given that you have had access to the required data, why did you choose not to compute the regressions that would have made your conclusions "precise"? Please explain fully.

A. A visual inspection of the data is adequate to substantiate my conclusions. The computation of regressions would require the treatment of issues of multicollinearity (an issue with which witness Bradley has expressed concern), the treatment of scrubbed data (another witness has found very different results using Dr. Bradley's methodology but unscrubbed data), the specification of appropriate variables, and technical economic issues such as the treatment of the longer run. Rather than have the analysis focus on a debate over the specific and appropriate techniques for generating a regression equation, I have chose to avoid those issues and to focus on the underlying data.

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 black ink, appearing to read "Kenneth E. Richardson". The signature is written in a cursive style with a large initial 'K'.

KENNETH E. RICHARDSON
Attorney

Washington, D.C. 20268-0001
February 26, 1998