

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

Rate and Service Changes To Implement
Functionally Equivalent Negotiated Service
Agreement With HSBC North America Holdings Inc.

Docket No. MC2005-2

PRESIDING OFFICER'S INFORMATION REQUEST NO. 2

(Issued March 17, 2005)

The proponents are requested to provide the information described below to assist in developing a record for the consideration of their request. In order to facilitate inclusion of the requested material in the evidentiary record, either the Postal Service or HSBC North America Holdings Inc., as appropriate, is to have a witness attest to the accuracy of the answers and be prepared to explain to the extent necessary the basis for the answers. The answers are to be provided by March 28, 2005.

1. Refer to USPS-T-1 at 11 (revised March 11, 2005). Witness Dauer explains that one condition necessary to trigger an upward adjustment of the discount thresholds is that HSBC's Standard Mail volume for the year in question exceeds its forecast by at least 5 percent.
 - (a) Please refer to Attachment F to the Request at page 5, and confirm that the Standard Mail volume forecasts to which witness Dauer refers are 605 million for Year 1 and 596 million for Year 2. If so, identify the source of the forecasts, explain their development, and provide any independent analysis and/or calculations performed by the Postal Service to evaluate their reliability. If not,

provide the correct forecasts, identifying their source, explaining their development and including any independent analysis and/or calculations performed by the Postal Service to evaluate their reliability.

(b) Please confirm that the estimates identified in part (a) are before rates volumes, and that the after rates volumes would be 16 million lower for Year 1 and 20 million lower for Year 2.

(c) Please confirm that the estimates identified in part (a) are for letter-shaped Standard Mail only. If not, provide the forecast volumes separately for each shape.

(d) Refer to HSBC-T-1 at page 6, Table 1. Witness Harvey presents historical First-Class Mail volumes for 2002, 2003, and 2004. Please provide HSBC's historical Standard Mail volumes for the same years, separately for each shape.

George Omas
Presiding Officer