

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

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

EXPERIMENTAL RATE AND SERVICE CHANGES  
TO IMPLEMENT NEGOTIATED SERVICE AGREEMENT  
WITH CAPITAL ONE SERVICES, INC.

Docket No. MC2002-2

COMMENTS OF AMERICAN POSTAL WORKERS UNION, AFL-CIO  
CONCERNING  
NEED FOR HEARINGS  
(October 17, 2002)

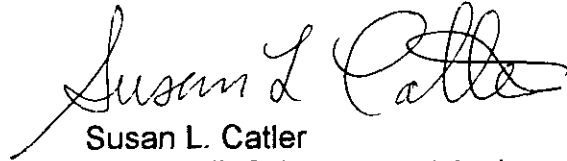
The American Postal Workers Union, AFL-CIO ("APWU") files these comments in response to Order 1346 of the Postal Rate Commission. In that Order, the Commission requested comments on whether there is a need in this case for evidentiary hearings and the scope of those hearings.

The APWU believes that hearings may be necessary in this case, as technical conferences and the responses to interrogatories may not provide *sufficient information on important issues*. Such an issue might be determining the test year mail volumes that would have been generated by Capital One if the proposed NSA were not in place. Other issues that may require hearings include the cost savings to the Postal Service of Capital One cleaning its address lists more than it currently does and not receiving the actual envelope on pieces that are undeliverable as addressed. In addition, it may be appropriate to have hearings on the cost structure of Capital One to determine if the incentives proposed by the NSA are more or less than is necessary to induce the behavioral changes sought by the Postal Service through the NSA.

Hearings may be required to determine the cost to the Postal Service of having separate rules that apply only to Capital One, including the training, data collection, *software development and hardware costs*, as might the advisability of offering some or all of the incentives in the proposed NSA to additional mailers. Also, information on the progress of PARS (Postal Automated Redirect System), a method of in place forwarding, and other ways of lowering the cost to the Postal Service of undeliverable as addressed mail may also need to be explored

through hearings to determine if the costing assumptions on which the proposed NSA are based are appropriate. Obviously, additional issues requiring hearing may arise as the case is litigated.

Respectfully submitted,

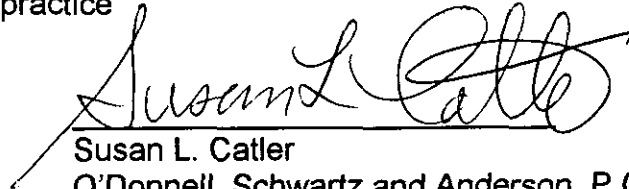


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#### CERTIFICATION

I hereby certify that I have this date served the foregoing document in accordance with the rules of practice



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