

BEFORE THE
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

NOTICE OF THE UNITED STATES POSTAL SERVICE
OF REVISION TO ATTACHMENT A TO THE REQUEST -- ERRATA
(March 11, 2005)

The Postal Service hereby gives notice of a revision to Attachment A of the Request, the proposed DMCS language in this proceeding. The revision is the addition of a new provision (section 613.36) regarding adjustment of the discount thresholds, based on the actual implementation date of the NSA. Both HSBC and the Postal Service are in agreement that such a provision would be a useful device to maintain the original intent of the parties as they negotiated the agreement. In another pleading filed separately today, a new paragraph is added to witness Dauer's testimony to explain the new adjustment mechanism.

The revised page of Attachment A is attached to this notice.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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March 11, 2005

CERTIFICATE OF SERVICE

I hereby certify that, in accordance with section 196(b) of the Rules of Practice and Procedure of the Postal Rate Commission, I have this day served the foregoing document upon all parties of record in the Docket No. MC2002-2 baseline proceeding.

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613.36 Implementation Date Threshold Adjustments

The discount threshold specified in section 613.31 for the first year of the agreement shall be increased by the difference between the thresholds specified for the first year and the second year, pro-rated on a monthly basis from January 1, 2005, to the first day of the month of the actual date of implementation, and then rounded to the nearest whole million pieces of mail. The discount threshold specified for the second year of the agreement shall be similarly increased, by applying the same proportional factor to the difference between the thresholds specified for the second and third year. The discount threshold specified for the third year shall be increased by the same absolute amount of volume added to the threshold for the second year. Similarly, for purposes of determining any applicable annual threshold adjustments as specified in section 613.33, the before-rates forecasts of HSBC's First-Class Mail for the first and second years of the agreement shall be increased by applying the same proportional factor to the differences between, respectively, the before-rates forecasts for the first and second years, and the before-rates forecasts for the second and third years.

613.4 Rates

The rates applicable to this Agreement are set forth in Rate Schedules 613A, 613B, 613C, and 613D.

613.5 Expiration

This provision (Section 613) expires 3 years from the implementation date set by the Board of Governors.

613.6 Precedence

To the extent any provision of section 613 is inconsistent with any other provision of the Domestic Mail Classification Schedule, the former shall control.

Revised: March 11, 2005