

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

**Rate and Service Changes to Implement)
Functionally Equivalent Negotiated Service) Docket No. MC2005-2
Agreement with HSBC North America)
Holdings Inc.)**

**INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO
TO USPS WITNESS JESSICA A. DAUER
(APWU/USPS-T1-1-4)**

(March 30, 2005)

Pursuant to Sections 25 and 26 of the Rules of Practice, The American Postal Workers Union, AFL-CIO (APWU) directs the following interrogatories to USPS witness Jessica A. Dauer. If the witness is unable to respond to any interrogatory, APWU requests that a response be provided by an appropriate person capable of providing an answer.

Respectfully submitted,
/s/
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APWU/USPS-T1-1 The address change service success rate assumed in your cost estimates is 85%. How does that compare with the Postal Service's actual experience with the Capital One NSA so far?

APWU/USPS-T1-2 A general inflation factor of 4% is used in your calculations.

- a) How does that inflation factor compare with the Postal Service's recent experience?
- b) If actual trend inflation were to run lower than what is assumed in your model, what would be the impact on the Postal Service's savings?
- c) If actual trend inflation were to run higher than what is assumed in your model, what would be the impact on the Postal Service's savings?

APWU/USPS-T1-3 What assumptions are implicit in the revenue and cost calculations for Standard mail about drop shipping?

- a) Does the profile used for Standard mail reflect HSBC's current behavior with respect to drop shipping its Standard mail?
- b) If it does not, would taking that in to account have any impact on your cost and revenue analysis? If so please explain.

APWU/USPS-T1-4 In your response to OCA/USPS-T1-3 you discuss the current deployment plans for PARS.

- a) What is the year-by-year deployment schedule for PARS between now and the expected full deployment in October 2007?
- b) What percentage of UAA mail is expected to be handled by PARS in each year between now and the end of 2007?
- c) When does the Postal Service expect to get preliminary cost information from its Phase 1 PARS plants?

CERTIFICATION

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

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March 30, 2005