

**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.)**

**AMENDED FOLLOW-UP INTERROGATORIES OF
AMERICAN POSTAL WORKERS UNION, AFL-CIO
TO USPS WITNESS JESSICA A. DAUER**

(April 15, 2005)

The American Postal Workers Union, AFL-CIO (APWU) hereby files re-numbered Interrogatories directed to USPS witness Jessica A. Dauer to clarify responses to interrogatory responses provided on April 11, 2005. These Interrogatories, numbered APWU/USPS-T1-5 and APWU/USPS-T1-6, were previously filed on April 14, 2005 as APWU/USPS-T1-4 and APWU/USPS-T1-5.

Respectfully submitted,

/s/

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APWU/USPS-T1-5 Could you please clarify the responses provided to APWU/USPS-T1-1 and APWU/USPS-T1-2? In response to APWU/USPS-T1-2, you responded to section b with the following statement, "If the actual trend [rate of inflation] were to run lower, then the unit costs would be less, thus increasing the contribution per piece and total contribution of the agreement." In response to section c you provided the following response "If the actual trend were to run higher, then the unit costs would be more, thus decreasing the contribution per piece and the total contribution of the agreement."

- a) If a 3% inflation rate is entered on line (4) on the assumptions page of your worksheet "USPS T1 Appendix A revised 3-22-05" the total amount generated on the USPS value worksheet on line (7) declines by 2.2%. Can you please provide clarification as to why this happens given your response to USPS-T1-2 (b)?
- b) If a 5% inflation rate is entered on line (4) on the assumptions page of your worksheet "USPS T1 Appendix A revised 3-22-05" the total amount generated on the USPS value worksheet on line (7) increases by 2.2%. Can you please provide clarification as to why this happens given your response to USPS-T1-2 (c)?
- c) If the average ACS capture rate in your model were lowered from 85% to the 76% average that has been experienced under the Capital One Agreement [as reported in response to APWU-USPS-T1-1] please confirm that would lower the total USPS value of this NSA by more than 10%.

APWU/USPS-T1-6 In response to APWU/USPS-T1-4 (c) you indicate that cost studies regarding PARS operations may be available in FY2006. At the USPS Board of Governor's meeting on April 12th, the expected ROI for the PARS system (phases 1 and 2) was reported. Could you please provide clarification as to the data used to generate such ROI percentages if no cost information on PARS is available?

CERTIFICATION

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

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April 15, 2005