

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 IMPLEMENTATION DATE AND ATTACHMENT B TO THE
GOVERNOR'S DECISION -- ERRATA
(November 2, 2005)

On June 15, 2005, the Postal Service filed with the Commission a notice and copy of the June 14 Decision of the Governors in this docket, approving the HSBC NSA. Included was Board Resolution No. 05-7, which set November 1, 2005, as the date for implementation of the new rate schedules and DMCS language. On November 1, 2005, the Board adopted Resolution No. 05-8, which changed the implementation date from November 1, 2005 to January 1, 2006. A copy of that resolution is attached to this notice. Also attached is a revised last page of Attachment B to the Governors' Decision. The only revision on this page is to the date identified in the Expiration provision (section 613.5), which is necessary to bring the provision into accord with the Commission's recommendation to insert an expiration date three years after the implementation date set by the Board. See page 5 of Attachment Two to the Opinion and

Recommended Decision Approving Negotiated Service Agreement, Docket No.
MC2005-2 (May 20, 2005).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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November 2, 2005
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**RESOLUTION OF THE BOARD OF GOVERNORS
OF THE
UNITED STATES POSTAL SERVICE
Resolution No. 05-8**

Adjustment to Effective Date of Rate and Service Changes To Implement
Negotiated Service Agreement with HSBC North America Holding Inc.

RESOLVED:

In Resolution No. 05-7, dated June 14, 2005, pursuant to section 3625(f) of Title 39, United States Code, the Board of Governors originally determined that the rate and service changes to implement the Negotiated Service Agreement with HSBC North America Holding Inc., that were ordered to be placed into effect by the Decision of the Governors adopted on June 14, 2005, would become effective on November 1, 2005. After recent consultation with HSBC regarding difficulties it was experiencing in completing preparations by that date, the Board is adjusting the implementation schedule. The rate and service changes shall now become effective as follows: All changes will take effect at 12:01 a.m. on January 1, 2006.

In accordance with the implementation date adjustment provision contained within the portion of the DMCS governing this agreement, the new Year 1 thresholds will be set at the old Year 2 thresholds, the new Year 2 thresholds will be set at the old Year 3 thresholds, and each new Year 3 threshold will be set at the sum of the old Year 3 threshold, plus the absolute difference between the old Year 2 and Year 3 thresholds.

The foregoing Resolution was adopted by the Board of Governors on November 1, 2005.


William T. Johnstone, Secretary

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**

The provisions of section 613 expire on January 1, 2009.

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.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

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