

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

COMPLAINT OF CAPITAL ONE
SERVICES, INC.

Docket No. C2008-3

**INTERROGATORIES OF CAPITAL ONE SERVICES, INC.
TO THE UNITED STATES POSTAL SERVICE (COS/USPS-27-44)**

(March 6, 2009)

Pursuant to Rules 25 through 27 of the Rules of Practice of the Postal Regulatory Commission, Capital One Services, Inc. ("Capital One") submits the following interrogatories to the United States Postal Service. Instructions and Definitions applicable to these interrogatories are contained in the Interrogatories of Capital One Services, Inc. to the United States Postal Service (COS/USPS-1-11), filed August 8, 2008, and are hereby incorporated by reference.

Respectfully submitted,

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INTERROGATORY COS/USPS-27

With respect to the Postal Service's Response to **COS/USPS-1** (August 22, 2008):

- (a) In addition to those benefits listed in the Response, please identify any and all other benefits that "arise directly and solely from BAC being the 'first adopter' of the key terms of the NSA" and indicate whether any of the additional benefits have been quantified.
- (b) Please identify which operational commitment in Section III of the Bank of America NSA gives rise to each of the seven benefits listed in the Response and any additional benefits listed in the answer to paragraph (a) above (e.g., Section III.A gives rise to "vendor adoption of full service IMB").
- (c) Please describe in detail the benefits to the Postal Service that arise from Bank of America's early adoption of the following, including a definition of each process:
 - a. By/For information (information provided on a postage statement about mail sender and service provider)
 - b. Electronic acceptance of commingled mail
 - Compliance of software vendors
 - Vendor acceptance of software changes
 - c. Testing of mail.dat files for seamless acceptance
- (d) How many vendors has Bank of America influenced to adopt full service IMB? Please describe the steps that Bank of America has taken to influence these vendors.
- (e) How many vendors has Bank of America influenced to comply with "electronic acceptance of commingled mail"? Please describe the steps that Bank of America has taken to influence these vendors.
- (f) How many vendors has Bank of America influenced to accept software changes with respect to "electronic acceptance of commingled mail"? Please describe the steps that Bank of America has taken to influence these vendors.

- (g) Please describe how the Postal Service monitors or collects data on the rate of vendor “adoption”, “compliance”, and “acceptance” with respect to the Bank of America NSA, as those terms are used to in the Response.

INTERROGATORY COS/USPS-28

With respect to the Postal Service's Response to **APWU/USPS-1** (September 9, 2008), which states:

"The types of mailers best suited for this type of NSA are those that can motivate key industry players, such as software providers to large mailers, to transition into beneficial process improvements brought about by key features of the NSA, such as IMB and Seamless Acceptance."

- (a) Please identify any studies, analyses, or surveys, formal or informal, that the Postal Service has conducted or relied upon to determine the characteristics of and/or to identify specific mailers that are "best suited for this type of NSA . . . that can motivate key industry players."
- (b) Please identify any studies, analyses, or surveys, formal or informal, that the Postal Service has conducted or relied upon that relate to either "key industry players" or "software providers to large mailers" and/or their ability to "transition into beneficial process improvements" such as IMB and Seamless Acceptance.
- (c) How many "software providers to large mailers" had the capability to integrate IMB (i) on April 1, 2008; (ii) as of September 30, 2008; and (iii) as of December 31, 2008?
- (d) How many "software providers to large mailers" had the capability to integrate seamless acceptance (i) on April 1, 2008; (ii) as of September 30, 2008; and as of December 31, 2008?
- (e) How many software providers has the Postal Service worked with directly on a regular basis (e.g., weekly) under the Bank of America NSA to transition to IMB and Seamless Acceptance?
- (f) How many software providers that are not vendors of Bank of America has the Postal Service worked directly with on a regular basis (e.g., weekly) to transition to IMB and Seamless Acceptance?
- (g) What processes or arrangements has the Postal Service made to ensure that the software developed by Bank of America's vendors under the BAC NSA is made available to the mailing industry in general?
- (h) With respect to your response to paragraph (g) above:
 - (i) Please indicate how many vendors were involved in these arrangements.
 - (ii) When were these arrangements first made?

- (iii) Did the Postal Service have or will it have any input with respect to the prices that vendors would charge to other mailers for use of the software and/or for services that relate to IMB or Seamless Acceptance developed under the Bank of America NSA?
- (iv) Did the Postal Service have or will it have any input with respect to when the vendors would make available the software and/or services that relate to IMB or Seamless Acceptance developed under the Bank of America NSA?

INTERROGATORY COS/USPS-29

For each of the following services:

1. Intelligent Mail Barcode (basic and full service)
2. Onecode ACS
3. CONFIRM
4. FAST and eDropship (for Standard Mail)
5. FAST and eDropship (for First-Class Mail)
6. Seamless Acceptance
7. Waiver of Physical return (for First-Class Mail and Standard Mail)
8. CAPS (Centralized Automated Payment System)

Please indicate (a) the date that the service was first used by any mailer*; (b) the date that Bank of America first availed itself of that service, or if it has not, why not; and (c) whether that service is in the beta or pilot test stage.

*If the date is prior to 2006, you do not need to provide the exact date but please indicate "prior to 2006" in your response.

INTERROGATORY COS/USPS-30

Please refer to your response to PR/USPS-16, which states:

“To the extent that another mailer used the same vendors as Bank of America for preparation and entry of the mail or for software, that mailer could free-ride on Bank of America’s work because those vendors will have in place the capabilities to meet the requirements of the contract, without the mailer having to invest any time, effort, or money. In a similar fashion, that mailer could take advantage of the knowledge gained, process improvements made, and adjustments made by the Postal Service as a result of experience gained in implementing new technologies included in the Bank of America NSA.”

- (a) Please specify each of the “new technologies included in the Bank of America NSA” referred to in your response and provide the date of implementation for each.
- (b) Please provide the total number and identify by name and function the Bank of America vendors that because of “Bank of America’s work [under the NSA] . . . will have in place the capabilities to meet the requirements of the contract.”
- (c) Please provide the number and identify by name and function those vendors in your response to subpart (b) that to your knowledge provide the same services to Capital One.

INTERROGATORY COS/USPS-31

With respect to mail sent under Section III.D.1.a of the Bank of America NSA:

- (a) What portion of the 10% minimum of Schedule A First-Class Mail pieces has been sent under this provision as of September 30, 2008?
- (b) How has the Postal Service disposed of the UAA mail pieces which have not been physically returned under Section III.D.1.a?

INTERROGATORY COS/USPS-32

With respect to mail sent under Section III.G of the Bank of America NSA, how many mail pieces that are “machinable, automation compatible, and properly marked with a OneCode Four-State Barcode [IMB]” have been sent by Bank of America to date in each of the following categories: Courtesy Reply Mail, Business Reply Mail, and Qualified Business Reply Mail?

INTERROGATORY COS/USPS-33

With respect to Bank of America mail sent under Section III.A of the Bank of America NSA, for each of the three categories of mail (Schedule A First-Class Mail, Schedule B First-Class Mail, and letter-rated Standard Mail), please provide the following:

- (a) Number of mail pieces in each category mailed using the IMB, as of (i) April 1, 2008; (ii) June 30, 2008; (iii) September 30, 2008; and (iv) December 31, 2008.
- (b) Percentage of total BAC mail in each category that the numbers in paragraph (a) above represent.
- (c) What percentage of Bank of America's total First-Class Mail was entered under a Qualifying Permit Number, as defined in the Bank of America NSA, as of (i) June 30, 2008; (ii) September 30, 2008; and (iv) December 31, 2008?
- (d) What percentage of Bank of America's total Standard Mail was entered under a Qualifying Permit Number, as defined in the Bank of America NSA, as of (i) June 30, 2008; (ii) September 30, 2008; and (iv) December 31, 2008?
- (e) What portions of Bank of America's total permits were designated as Qualifying Permit Numbers, as defined in the Bank of America NSA, and how many entry locations are represented by those permits, as of (i) June 30, 2008; (ii) September 30, 2008; and (iv) December 31, 2008?

INTERROGATORY COS/USPS-34

With respect to Bank of America mail sent under Section III.B of the Bank of America NSA, for each of the three categories of mail (Schedule A First-Class Mail, Schedule B First-Class Mail, and letter-rated Standard Mail), please provide the following:

- (f) Number of mail pieces in each category mailed using OneCode ACS, as of (i) April 1, 2008; (ii) June 30, 2008; (iii) September 30, 2008; and (iv) December 31, 2008.
- (g) Percentage of total BAC mail in each category that the numbers in paragraph (a) above represent.

INTERROGATORY COS/USPS-35

Please indicate whether any discounts or payments of any kind have been paid to Bank of America under Section of the NSA and the date(s) of such payment(s).

INTERROGATORY COS/USPS-36

The Postal Service's Response to **COS/USPS-1** (August 22, 2008) states:

"Since Bank of America has already undertaken many of the major tasks to move the industry forward, the same effort would not be needed from other industry players."

Please provide (a) the complete list of the "major tasks to move the industry forward" referred to in your Response, (b) a description of each task, and (c) the extent that Bank of America has "already undertaken" each task (including percentage completion of the task as of September 30, 2008 and December 31, 2008).

INTERROGATORY COS/USPS-37

With respect to the Interrogatories initially directed to Michael Plunkett (USPS-T-1), filed on October 21, 2008, please redirect the following interrogatories to the appropriate institutional witness for initial or supplemental responses:

COS/USPS-13 (no response provided)

COS/USPS-22(b), (c), (e), (f)

COS/USPS-23(b), (c), (d)

COS/USPS-24(c)

INTERROGATORY COS/USPS-38

Since 2006, how many large mailers (other than Bank of America) has the Postal Service worked with on a regular (i.e., weekly basis) to implement IMB and test Seamless Acceptance?

INTERROGATORY COS/USPS-39

With respect to the Intelligent Mail Barcode, please (a) indicate the date that the Intelligent Mail Barcode will be required for all mailers, (b) describe the full service and basic IMB service offerings, (c) provide the rates for the two offerings; and (d) detail what changes large mailers will have to make to comply with the IMB requirements.

INTERROGATORY COS/USPS-40

Please provide any studies or analyses, formal or informal, including market studies, focus group reports, or technical papers, upon which the Postal Service has relied, that relate to (a) the benefits and risks to the mailing industry or the pros and cons of adopting and requiring implementation of IMB technology and (b) obstacles to the implementation of IMB technology.

INTERROGATORY COS/USPS-41

- (a) Please provide any pre-April 1, 2008 estimate in the Postal Service records of the cost to Bank of America of implementing the Bank of America NSA and indicate whether that estimate was relied upon in any Postal Service analyses, memoranda, or presentations. If so, please provide those documents.
- (b) Please provide any pre-April 1, 2008 estimate of the cost to the Postal Service of implementing the Bank of America NSA and indicate whether that estimate was relied upon in any Postal Service analyses, memoranda, or presentations. If so, please provide those documents.
- (c) Please provide the actual costs (quarterly for 2008-2009) to the Postal Service of implementing the Bank of America NSA. Please include a breakdown of the names and titles of all USPS employees or contractors who have worked on the NSA implementation, and, for each person, the functions and number of work hours expended on the implementation of the NSA.

INTERROGATORY COS/USPS-42

With respect to the meeting on November 20, 2007, referred to in the Transcript of the Lowrance Deposition at page 385, please indicate the:

- (a) Names and title of each attendee
- (b) Time, duration, and location of the meeting
- (c) Subject matter and agenda for the meeting
- (d) Time, date, and attendees of any follow-up meeting

INTERROGATORY COS/USPS-43

With respect to the question posed at lines 21-22 of page 386 of the sealed portion of the Transcript of the Lowrance Deposition, please direct the question to the appropriate USPS employee (at lines 1-2 of page 387) and provide a complete response.

INTERROGATORY COS/USPS-44

Please provide the name and title of the Postal Service employee who is the custodian of the records and documents requested in Document Request COS/USPS-DR-22, and the location(s) where those records are kept.