

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

EXPERIMENTAL RATE AND SERVICE CHANGES  
TO IMPLEMENT NEGOTIATED SERVICE AGREEMENT  
WITH CAPITAL ONE SERVICES, INC.

Docket No. MC2002-2

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PLUNKETT  
TO INTERROGATORY OF THE NEWSPAPER ASSOCIATION OF AMERICA  
REDIRECTED FROM WITNESS BIZZOTTO  
(NAA/USPS-T1-3)

The United States Postal Service hereby provides the response of witness Plunkett to the following interrogatory of the Newspaper Association of America: NAA/USPS-T1-3, filed on October 17, 2002, and redirected from witness Bizzotto.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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Scott L. Reiter

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2999 Fax -5402  
October 29, 2002

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PLUNKETT  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE  
REDIRECTED FROM WITNESS BIZZOTTO

**NAA/USPS-T1-3:** At any point during the negotiations with Capital One, did Capital One state that, in the event no deal were negotiated, that it would either:

- a. stop using the mail for solicitation;
- b. reduce its use of First-class Mail for solicitations below previously projected levels;
- c. reduce its use of Standard mail for solicitations below previously projected levels;
- d. shift solicitations from First-class Mail to Standard Mail.

Please explain your answers.

**RESPONSE:**

Your question implies that the agreement may have been premised on a threat by Capital One to reduce its value as a customer to the Postal Service. This was not the case. Both Capital One and the Postal Service are aware of alternatives to, and options for, use of the mail for solicitation purposes. During the course of negotiations, Capital One's options were a subject for discussion, and our agreement with Capital One is designed – in part – to ensure that Capital One continues to use First-Class Mail for customer acquisition and communications. Capital One made no predictions regarding its future use of various mail or nonmail services.

## 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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Scott L. Reiter

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October 29, 2002