

**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**

**AMERICAN POSTAL WORKERS UNION, AFL-CIO  
INTERROGATORIES TO UNITED STATES POSTAL SERVICE  
WITNESS ANITA J. BIZZOTTO  
(APWU/USPS-T1-1-8)  
(October 31, 2002)**

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, the American Postal Workers Union, AFL-CIO ("APWU") hereby submits interrogatories and requests for production of documents to Witness Anita J. Bizzotto.

Respectfully submitted,

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Counsel for American Postal Workers Union, AFL-CIO

**CERTIFICATION**

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

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Susan L. Catler  
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1300 L Street NW Suite 1200  
Washington, DC 20005-4126

October 31, 2002

APWU/USPS-T1-1. Under the proposed Negotiated Service Agreement between Capital One and the USPS, what is your understanding of the actions that will be taken by Capital One to update their databases within two days of the receipt of electronic ACS information? Will these actions include mailing lists of Capital One and the lettershops it employs? Will it include both First Class and Standard mailing lists or only First Class Mailing lists? Does this mean that Capital One will endeavor to notify the owners of the mailing lists that Capital One has purchased or rented of incorrect information? What does the Postal Service expect Capital One to do with newly purchased or rented mailing lists in order to meet these requirements?

APWU/USPS-T1-2. If the proposed Negotiated Service Agreement between Capital One and the USPS does not begin at the beginning of a USPS fiscal year, when will the reconciliation and adjustments referred to in paragraph III, J-5 first take place? If the reconciliation and adjustments take place during PFY2003 Q4, how will the reconciliation and adjustments be calculated? If the reconciliation and adjustments are calculated during PFY2003 Q4, how will volumes mailed before the beginning of the agreement be treated, and specifically how will the reconciliation and adjustments count volumes mailed before the beginning of the agreement toward the thresholds and the volumes used for the discounts?

APWU/USPS-T1-3. Under the proposed Negotiated Service Agreement between Capital One and the USPS,

- (a) What is your understanding of key condition I., F. "Capital One's mail relates to its products and services, including but not limited to sales and other promotions run in conjunction with Capital One's strategic partners or as a part of strategic alliances with other entities."
- (b) How will this condition be monitored in order to prevent a violation of condition III, K " Capital One may not use the threshold permit to mail on behalf of any other company or entity."
- (c) Please identify Capital One's strategic partners and all strategic alliances Capital One has with other entities that could result in mailings covered by the Agreement.
- (d) Please identify Capital One's products and services that could result in mailings covered by the Agreement.

APWU/USPS-T1-4. Please confirm that the Postal Service does not intend for the mail volume of any entities merged with or acquired by Capital One during the course of this agreement be eligible for Capital One's block discounts. Thresholds for those discounts will be adjusted upward to exclude such mail from qualifying for those discounts during any period of this agreement. If this is not the intention of the Postal Service please explain, in detail, the exceptions.

APWU/USPS-T1-5. When did the Postal Service begin serious discussions with Capital One on the details of this proposed Negotiated Service Agreement? When did Capital One know the approximate date of the filing of the NSA? When did Capital One know which time periods might be considered to be baseline volume measures for its mail for this proposed Negotiated Service Agreement?

APWU/USPS-T1-6. Why are block discounts considered to be a necessary part of this proposed Negotiated Service Agreement since the changes proposed to undelivered mail handling seem to benefit both the Postal Service and Capital One?

APWU/USPS-T1-7. Of what benefit is it to the Postal Service to include an incentive for Capital One to reduce its mail volume in the first year of the agreement in order to qualify for additional discounts on even lower volumes the next year?

APWU/USPS-T1-8. On page 5 of your testimony you state, "I recognize that the Postal Service cannot and -- due to the unique position that we hold in American society -- should not differentiate unreasonably and inequitably among our customers." By allowing Capital One to essentially trade a normal part of First Class mail delivery service for a special service that everyone else pays for, do you anticipate making such trades available to your other customers? Will all customers be allowed to do that? If not, what will determine whether a particular customer will be allowed to make such trades?