

**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 CAPITAL ONE SERVICES INC. WITNESS STUART ELLIOTT
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 1, QUESTION 1**

Capital One Services Inc. (Capital One) hereby provides the response of witness Stuart Elliott to the Presiding Officer's Information Request No. 1, question 1, issued on October 23, 2002.

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

Respectfully submitted

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1. In Exhibit 2 of his testimony (COS-T-2), witness Elliott presents monthly Capital One volumes of customer mail and First-class and Standard mail solicitations for Fiscal Years 2000, 2001 and 2002. For the months of August and September 2002, the Standard mail solicitations volumes are missing. Additionally, on pages 3 and 4 of his testimony, witness Elliot points out that the increase in First-class Mail solicitations during an eight-month period (October 2001 to May 2002) in FY 2002 was a "temporary deviation" from Capital One's historical volume levels "due to the unique, anomalous post-9/11 environment". This leaves the Commission with useful historical volume information for only two fiscal years (2000 and 2001). To assist the Commission and interested parties in evaluating Capital One's volume trends, please provide annual volumes of customer mail and First-class and Standard mail solicitations for Fiscal Years 1996 through 1999, and the Standard mail volumes for August and September 2002.

Response of Capital One witness Stuart Elliot to Presiding Officer's Information Request No. 1, Question 1

1. The estimated Capital One mail volumes for government fiscal year 1999 are as follows:

First-Class Marketing Mail – 744, 670,000

Standard Class Marketing – 216,932,000

Customer Mail (First-Class Mail) – 250,376,000 (the Company reports that reliable customer mail data for 10/98 – 12/98 does not exist so an average of 20 million per month has been used to derive this number).

Data prior to 1999 are not readily available. The Company reports that it would be very difficult, time-consuming, and burdensome to attempt to reconstruct those volume numbers. Moreover, any such estimates that were derived would be considerably less accurate than the ones that are provided for 1999.

The Standard Class marketing volumes for August and September of 2002 are as follows:

August	–	38,793,713
September	–	51,073,143