

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
TO INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS--6-8)

The United States Postal Service hereby provides its responses to the following interrogatories of Office of the Consumer Advocate: OCA/USPS--6-8, filed on October 31, 2002.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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November 12, 2002

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY OF THE
OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-6. During its negotiations with Capital One concerning the Negotiated Service Agreement (NSA), did the Postal Service consider proposing, or did it propose, block rates that provided the largest discount for the first volume increment and subsequently smaller discounts for each succeeding volume increment? If so, why was such a block rate structure rejected?

RESPONSE:

The discount structure discussed in this interrogatory was not considered during negotiations with Capital One.

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY OF THE
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OCA/USPS-7. During its negotiations with Capital One concerning the Negotiated Service Agreement (NSA), did the Postal Service consider proposing, or did it propose, block rates that provided the same discount for the first volume increment and each succeeding volume increment? If so, why was such a block rate structure rejected?

RESPONSE:

The discount structure discussed in this interrogatory was not considered during negotiations with Capital One.

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OCA/USPS-8. Please refer to Attachment G of the Request, the Negotiated Service Agreement at Article II, paragraph C, where it states “Capital One agrees to update its databases within 2 business days and use the information in all future marketing campaigns.”

- (a) Please confirm that the “2 business days” is determined from the day Capital One downloads electronic Address Change Service (ACS) information from the National Customer Support Center (NCSC). If you do not confirm, please explain.
- (b) Please confirm that Capital One has no affirmative obligation imposed upon it (by either the NSA or the proposed DMCS language) to download the electronic ACS information from the NCSC. If you do not confirm, please explain.
- (c) Please explain why there is no affirmative obligation on Capital One (in either the NSA or the proposed DMCS language) to require it to download the electronic ACS information from the NCSC.
- (d) Please explain why the databases to be updated within 2 business days by Capital One are not specified in the NSA.

RESPONSE:

- a-b. Not confirmed to the extent that this question implies that Capital One determines the time at which the transmission of information will take place. Address changes are sent automatically, and no intervention on the part of Capital One is necessary to complete the exchange.
- c. See the response to (a-b). Under the Agreement, Capital One must use the information in “all future marketing campaigns” and therefore must upload the NCSC data into its database(s) promptly.
- d. There was no need to identify the specific databases used internally by Capital One. The Agreement requires Capital One to use the updated address information in “*all* future marketing campaigns.” Attempting to name specific databases could have a limiting effect if the list of databases turned out not to be comprehensive, if databases were renamed in the future, or if new databases were created.

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.

Kenneth N. Hollies

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