

**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 DONALD JEAN TO INTERROGATORIES OF
NEWSPAPER ASSOCIATION OF AMERICA
(NAA/COS-T1-13-18, 20-24)
(Filed on November 15, 2002)**

Capital One Services, Inc hereby provides the responses of witness Donald Jean to the following interrogatories of Newspaper Association of America: NAA/COS-T1-13-18, 20-24, filed on November 15, 2002.

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

Respectfully submitted

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Dated: November 25, 2002

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(NAA/COS-T1-13-18, 20-24)

NAA/COS-T1-13: Please refer to your response to APWU/COS-T1-17. At what Capital One production site or sites is solicitation mail produced? Are those sites MPTQM certified, or do you expect them to be during the effective period of the NSA?

ANSWER

Solicitation mail is not produced at Capital One's sites. As outlined in the NSA, the company's Richmond site is MPTQM certified, and expects its Seattle site to be MPTQM certified no later than December 2003.

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NAA/COS-T1-14: Please refer to Section II.G of the NSA, which provides that Capital One “agrees that it cannot use the CSR endorsement as a means to comply with the published Postal Service Move Update requirements for automation compatible mail. Capital One will continue to comply with Move Update through either NCOA match or FastForward.” What does Capital One view as the purpose of this provision?

ANSWER

Capital One has no view regarding this provision; it is a part of the NSA at the request of USPS.

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NAA/COS-T1-15: Please refer to your response to OCA/COS-T1-20. Today, after Capital One has received a returned piece of First-Class solicitation mail and has updated the company database accordingly, does that prevent Capital One from sending another solicitation to the same address?

ANSWER

Information that a mailpiece has been returned for a particular address is added to the company's records. This information is then used, in conjunction with other information known about that address, to make mailing decisions in future campaigns.

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NAA/COS-T1-16: Please again refer to the response to OCA/COS-T1-20. Today, when Capital One has received a returned piece of First-Class solicitation mail and updated the company database accordingly, does that prevent Capital One from sending another solicitation to the same address if it uses a list provided by an outside vendor? Please explain.

ANSWER

See response to T1-15.

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NAA/COS-T1-17: Please again refer to the response to OCA/COS-T1-20. Today, when Capital One has received a returned piece of First-Class solicitation mail and updated the company database accordingly, does that prevent Capital One from sending another solicitation to the same address if the mailing is prepared by an outside lettershop? Please explain.

ANSWER

See response to T1-15.

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NAA/COS-T1-18: When Capital One obtains (via purchase, rental, or exchange) mailing lists from third-party vendors that it uses for its First-Class Mail solicitations :

- a. under what circumstances does it compare those lists with any internal lists that have already received address correction to clean the address; and
- b. please describe any changes to these operations that will occur if the NSA is approved and implemented.

ANSWER

- (a) Capital One lists, whether acquired from external sources or produced internally, are cleansed via established address hygiene processes (e.g. NCOA) and compared to internal return mail databases prior to mailing.
- (b) None.

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NAA/COS-T1-20: If the NSA is approved and implemented as proposed in this proceeding, please explain what steps Capital One will take to ensure that the electronic address correction information in fact is used to avoid sending a further solicitation to the same address.

ANSWER

Capital One will use electronic ACS information to update its records. This information will then be used, in conjunction with other information known about that address, to make mailing decisions in future campaigns. Capital One and the USPS will jointly develop an audit process to ensure the company's records are updated appropriately with electronic ACS information.

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NAA/COS-T1-21: Mail can be returned to sender marked undeliverable for a number of reasons (see DMM F010.4, Exhibit 4.1). During 2001, did Capital One ever sample any of its First-Class undeliverable solicitation mail that is returned to Capital One (including third-party vendors or letter shops employed by Capitol One) to ascertain the principle reason(s) why it was undeliverable? If so, please summarize the results. If such results cannot be summarized, please give your best impression as to the major reasons for Capital One's First-Class solicitation mail being returned instead of being forwarded.

ANSWER

No.

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NAA/COS-T1-22: Assuming that the NSA were approved and implemented as submitted:

- a. After mailing lists obtained (via purchase, rental, or exchange) from outside vendors are used for First-Class Mail solicitation, and Capital One subsequently obtains electronic information via ACS on pieces that were UAA, what feedback, if any, does Capital One plan to give to its list providers following implementation of the agreement with the Postal Service?
- b. Does Capital One plan to use electronic ACS returns to correct lists obtained (via purchase, rental, or exchange) from third-party providers?
- c. If the response to part b is affirmative, will Capital One return the corrected lists to the appropriate third-party providers? If not, does Capital One at least plan to inform its list vendors as to how “clean” or “dirty” their lists are?
- d. If the response to part b is negative, please explain how the failure to correct lists accords with the agreement, as described in USPS-T-2, page 3, lines 8-9, “to update [Capital One’s] lists with new address information within two days of receipt.”

ANSWER

- a. None.
- b. No.
- c. Not applicable.
- d. Capital One will update its lists with new address information within two days of receipt. It will not update other companies’ databases.

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NAA/COS-T1-23: Please refer to your response to APWU/COS-T1-13, which states that “the company is not responsible for third party mailing lists.” Please explain what you mean by “not responsible.” Does this mean that the company disclaims all responsibility for:

- a. Checking third-party lists against DMA’s “Do Not Mail” list prior to use?
- b. Electronically cleaning third-party lists prior to using them for a First-Class solicitation mailing?
- c. Using First-Class Mail that has been physically returned to clean third party lists prior to re-using them?

ANSWER

a,b.,c. No. It means that Capital One is not responsible for updating other companies’ databases.

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NAA/COS-T1-24: Please refer to Exhibit 2 to the testimony of witness Elliott, as revised.

Would the sum of Capital One's First-Class Mail solicitations from October 2000 through September 2001 serve as a reasonable proxy for Capital One's First-Class Mail solicitation volume for postal fiscal year 2001? If not, please explain what further adjustments would be appropriate or provide, if available, the actual volume of First-Class Mail solicitations.

ANSWER

Yes.