

**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
OFFICE OF THE CONSUMER ADVOCATE
(OCA/COS-T1-24-26(a), 27-28)
(Filed November 15, 2002)**

Capital One Services, Inc hereby provides the responses of witness Donald Jean to the following interrogatories of Office of the Consumer Advocate: OCA/COS-T1-24-26(a), 27-28, 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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(OCA/COS-T1-24-26(a), 27-28)

OCA/COS-T1-24. Please refer to your response to OCA/COS-T1-2. Please explain how First-Class solicitation mailpieces that are physically returned are handled and processed by Capital One.

ANSWER

Mailpieces are returned to a third-party vendor, who keys and transmits mailpiece identification data to the company and destroys the mailpiece.

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OCA/COS-T1-25. Please refer to your responses to OCA/COS-T1-20(a).

- (a) Please confirm that with respect to First-Class solicitation mailpieces that are physically returned, the term “updating” includes the activity “address suppression,” as described in your response to OCA/COS-T1-12(d). If you do not confirm, please explain.
- (b) Please confirm that with respect to First-Class solicitation mailpieces that are physically returned, the term “updating” includes correcting addresses in solicitation databases. If you do not confirm, please explain.
- (c) With respect to First-Class solicitation mailpieces that are physically returned, please describe and explain any other activities or uses encompassed by the term “updating”, as used in your response.

ANSWER

- (a) Not confirmed. Information that a mailpiece has been returned for a particular address is added to the company’s records. This information is then used as part of the mailing decision process for future campaigns.
- (b) Not confirmed. The company does not receive corrected addresses.
- (c) None.

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OCA/COS-T1-26. Please refer to the response of USPS witness Plunkett to APWU/USPS-T1-1, redirected from witness Bizzotto, which states, in part: My understanding is that Capital One places the updated information into a database that it maintains for its returns. Any address that Capital One uses for its First-Class Mail solicitations is then run against the return database.

- (a) Please confirm that witness Plunkett's understanding is correct. If you do not confirm, please explain.

ANSWER

Confirmed.

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OCA/COS-T1-27. Please refer to your response to OCA/COS-T1-18(a) and (b), where you state, by reference to OCA/COS-T1-9(c), that “Capital One has no way to estimate” the percentage of Capital One’s First-Class solicitation and customer account mail that is forwarded. Also, please refer to the response of Postal Service witness Crum to APWU/USPS-T3-4(d), which states “I am assuming that Capital One’s First-Class Mail is forwarded at or below the average rate.” Do you have any information that would support witness Crum’s assumption? Please explain.

ANSWER

The company has no information that would support or undermine witness Crum’s assumption.

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OCA/COS-T1-28. Please refer to your response to OCA/COS-T1-21.

- (a) What was the date of acquisition of the software to automatically update address databases?
- (b) What does this software do to “automatically update” address databases?
- (c) Please refer to your testimony at page 6, lines 12-13. With respect to physical returns, is Capital One currently using this software to improve its address database?
- (d) Under the terms of the NSA, will the software acquired by Capital One produce anything different from what it produces now in terms of improving its address database? Please describe such differences, if any.

ANSWER

- (a) The company did not acquire software to update its address databases. The address update process has been developed internally over the past several years.
- (b) Data from the company’s third party processor is electronically received and automatically combined with existing company data.
- (c) Yes, the company currently uses this information to improve address quality of future mailings.
- (d) The company does not plan to acquire software to support the NSA. Under the terms of the NSA, the company’s process will not change, although the results may change based on improved timeliness and data quality received via electronic ACS.