

**BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001**

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**EXPERIMENTAL RATE AND SERVICE  
CHANGES TO IMPLEMENT NEGOTIATED  
SERVICE AGREEMENT WITH  
CAPITAL ONE SERVICES, INC.**

**DOCKET No. MC2002-2**

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**RESPONSE OF CAPITAL ONE SERVICES, INC.  
WITNESS DONALD JEAN TO FOLLOW-UP INTERROGATORIES OF  
OFFICE OF THE CONSUMER ADVOCATE  
(OCA/COS-T1-30(a), (b) and (f), and 32)**

Capital One Services, Inc hereby provides the responses of witness Donald Jean to the following follow-up interrogatories of Office of the Consumer Advocate: OCA/COS-T1-30 (a), (b) and (f) and 32, filed on November 26, 2002.

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

Respectfully submitted

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**OCA/COS-T1-30.** Please refer to your responses to OCA/COS-T1-25(a) and NAA/COS-T1-15, which state

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.

- (a) Under Capital One's current practices, where a First-Class solicitation mailpiece has been returned for a particular address," does the "mailing decision process" include the option that the address on such a returned mailpiece may be used in subsequent First-Class solicitation mail marketing campaigns? Please explain.
- (b) Under the Negotiated Service Agreement (NSA), where Capital One will receive an electronic notification that a First-Class solicitation mailpiece has been "returned" for a particular address, will the "mailing decision process" include the option that the address for such a "returned" mailpiece may be used in subsequent First-Class solicitation mail marketing campaigns? Please explain.
- (f) Will the "mailing decision process" differ as a result of the NSA? Explain fully.

**ANSWER**

- (a) Yes, under Capital One's current practices, the "mailing decision process" could result in a subsequent mailpiece being sent to an address that has had a prior return. The decision to mail to a certain name and address combination is based on several factors, of which the occurrence of a prior return is one.

(b) See response to (a).

(f) The “mailing decision process” will not differ as a result of the NSA. However, as a result of receiving faster, richer data, the end result of said process may differ.

**OCA/COS-T1-32.** Please refer to your response to OCA/COS-T1-24.

- (a) Currently, how often (i.e., daily, weekly, monthly, some other regular period, or periodically) does the third-party vendor transmit “mailpiece identification data” to Capital One?
  
- (b) Currently, how much time typically elapses between the receipt of the third-party vendor transmission of mailpiece identification data and the updating of Capital One’s address databases? Please explain.
  
- (c) Currently, does the third-party vendor also transmit the reason stated on the face of the returned mailpiece that caused the return?
  - (i) If this is correct, does Capital One make use of the transmitted information concerning the cause of the returned mailpiece? Please explain.
  
  - (ii) If this is not correct, what are Capital One’s reasons for not making use of such transmitted information?
  
- (d) Because Capital One will receive electronic notifications pursuant to Change Service Requested (CSR), Option 2, under the NSA, is it fair to conclude that a reduction in the third-party vendor keying of mailpieces that would otherwise be

returned is one of the cost reductions that will accrue to Capital One, and confirmed in response to OCA/COS-T1-3(b)? Please explain.

**ANSWER**

- (a) Capital One's third-party vendor transmits data to the company each business day.
- (b) Typically, 2 days elapse between receipt of third-party vendor transmission of data and updating of Capital One's records.
- (c) No, the third-party vendor does not transmit reason for the return of the mailpiece.
- (d) Although not material, the company does expect modest reduction in its return mail processing costs under the NSA.