

**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

**SIXTH INTERROGATORY OF CAPITAL ONE SERVICES, INC.
TO NEWSPAPER ASSOCIATION OF AMERICA
WITNESS CHRISTOPHER D. KENT (NAA-T1-35-39)**

Capital One Services, Inc (COS) hereby requests Newspaper Association of America to respond fully and completely to the following interrogatories and requests for production of documents pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure.

Respectfully submitted

Timothy J. May
Patton Boggs LLP
2550 M Street, NW
Washington, D.C. 20037-1350
Tel: 202 457 6050
Fax: 202 457 6315
Counsel for Capital One Services, Inc.

Dated: January 27, 2003

COS/NAA-T1-35. Please refer to your response to COS/NAA-T1-25(c) where you state,

“Confirmed that Table 4.4 of USPS LR-J-69 shows that mailpieces returned for the following reasons:

Attempted, Not Known,
No such Number/No Such Street, and
Insufficient Address

comprise 42.57% of the total FCM returned to sender by delivery unit.”

Please confirm that, excluding the “Forwarding Order Expired” and the “Other” categories, the reasons “Attempted, Not Known,” “No Such Number/No Such Street,” and “Insufficient Address” comprise approximately 97 percent of the “total FCM returned by delivery unit.” If not confirmed, please provide the correct figure.

COS/NAA-T1-36. Please refer to your response to COS/NAA-T1-27 where you state, “Not confirmed. COS is continuously mailing solicitations to new persons with whom they have no relationship. Even for those lists used by COS for multiple mailings, there is a lag time between processing against NCOA and the mailings.”

- (a) Please explain fully why this explanation causes you not to confirm in your response to COS/NAA-T1-27.

- (b) Is there also “a lag time between processing against NCOA and the mailings” for other mailers or is Capital One the only mailer for which there is “a lag time between processing against NCOA and the mailings”? Please explain your response fully.

COS/NAA-T1-37. Please refer to your response to COS/NAA-T1-29 where you state, “Not confirmed. This hypothetical does not include enough data to make an accurate and reliable judgment. For example, the actual costs of forwarding COS mail would be needed to estimate the breakeven ratio.” Please assume that “the actual costs of forwarding COS mail” is \$0.306 per forwarded piece and that the actual costs of providing eACS forwarding notifications to COS is \$0.066 per notification. Under these assumptions, please confirm that the breakeven ratio is approximately 4.6. If not confirmed, please provide your best estimate of the breakeven ratio. If you need to make additional assumptions to estimate the breakeven ratio, please make the necessary assumptions and list them in your response.

COS/NAA-T1-38. Please refer to your response to COS/NAA-T1-28(a) where you discuss how many “notifications will be needed” to incorporate forwarding information into mailing lists. Please summarize all analyses that you have performed regarding the extent to which eACS forwarding notifications will reduce the number of repeat forwards sent by Capital One.

COS/NAA-T1-39. Please refer to your response to COS/NAA-T1-30(b) where you state, “The waived fees should be included because they are potential lost revenue.” Please assume that Capital One will, under no circumstances, pay for electronic “returns” or for eACS forwarding notifications in the Test Year. Under this assumption, please confirm that "waiving fees" as part of the NSA will not result in a reduction in the Postal Service’s actual Test Year revenues. If not confirmed, please explain fully.