

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

**ANSWERS OF NEWSPAPER ASSOCIATION OF AMERICA
WITNESS CHRISTOPHER D. KENT TO INTERROGATORY OF
CAPITAL ONE SERVICES, INC. (COS/NAA-T1-34)
February 3, 2003**

The Newspaper Association of America hereby provides submits the answer of
Christopher D. Kent to the interrogatory of Capital One Services, Inc., filed January 23,
2003.

Respectfully submitted,

NEWSPAPER ASSOCIATION OF AMERICA

By:

William B. Baker
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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the instant document on all
participants requesting such service in this proceeding in accordance with section 12 of
the Rules of Practice and the Presiding Officer's Rulings.

February 3, 2003

William B. Baker

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CAPITAL ONE SERVICES, INC.**

COS/NAA-T1-34. Please refer to your response to COS/NAA-T1-21 and further to lines 5-14 on Tr. 3/639 where witness Wilson states, "I can share with you some historical data about NCOA match rates over the 15 or 16 years of its life cycle. It typically corrects a 4 percent match rate...When that is contrasted with what the Bureau of the Census reports as the typical move rate of American public at 17 percent, I think it indicates that NCOA is capable on average of correcting 4 percent of what would be a 17 percent population, or roughly 25 percent of the potential change of address." Finally, please refer to third page of USPS witness Crum's response to POIR No. 3, Question 1 where he states, "Capital One processes its lists through the National Change of Address database (NCOA) every 30 days for customer mail and 60 days for solicitation mail. This occurs far more frequently than most mailers who process lists every 180 days, the minimum specified by postal regulation."

- (a) Please confirm that the above quoted citation from Tr. 3/639 is the source of your statement that "75% will not be caught by NCOA." If not confirmed, please provide the appropriate citation.
- (b) If Capital One sends a First-Class solicitation to an address that was not "caught by NCOA", will that piece be forwarded, returned, or could it be either? Please explain your response fully.
- (c) Please confirm that the 17 percent move rate cited by witness Wilson is an annual rate. If not confirmed, please explain your response fully.
- (d) Please confirm that if the annual move rate is 17 percent, the move rate over a 180 day period is approximately 8.5 percent. If not confirmed, please explain fully.
- (e) Please confirm that processing lists against NCOA every 180 days is the minimum specified by postal regulation. If not confirmed, please explain fully.

Please confirm that at least one mailer, Capital One, processes its lists against NCOA more frequently than every 180 days. If not confirmed, please explain fully.

ANSWER:

- a) Confirmed.

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- b) Either. In fact, given the parameters of your question, it could go to the intended recipient because correct addresses are not “caught” by NCOA. Nowhere in my testimony do I state that every piece of COS solicitation mail is either returned or forwarded.
- c) This is my assumption.
- d) Not confirmed: $180/365 * 0.17 = 0.0838$ or 8.4%.
- e) I am not an expert in postal regulations and thus cannot confirm.

Confirmed that Witness Crum’s response to POIR No. 3, Question 1 is, “Capital One processes its lists through the National Change of Address database (NCOA) every 30 days for customer mail and 60 days for solicitation mail.”