

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Rate and Service Changes to Implement)
Functionally Equivalent Negotiated Service)
Agreement with Discover Financial Services, Inc.)

Docket No. MC2004-4

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO DISCOVER FINANCIAL SERVICES
WITNESS KARIN GIFFNEY (OCA/DFS-T1-6-10)
July 23, 2004

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/DSF-T1-1-5, dated June 25, 2004, are hereby incorporated by reference.

Respectfully submitted,

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OCA/DFS-T1-6. Please refer to your testimony at page 13, line 10, through page 14, line 12.

- (a) Please confirm that under the NSA, for Discover's 13 million pieces (Year 1) of new First-Class marketing mail induced from Standard Mail, the receipt of electronic address correction notices for such new marketing mail that is undeliverable-as-addressed will reduce costs to Discover in comparison to Standard marketing mail. If you do not confirm, please explain and describe the types of costs to be incurred.
- (b) Please confirm that under the NSA, for Discover's 156 million pieces (Year 1) of existing First-Class marketing mail, the receipt of electronic address correction notices for such marketing mail that is undeliverable-as-addressed will reduce costs to Discover in comparison to the physical return of such mail. If you do not confirm, please explain and describe the types of costs to be incurred.
- (c) If your response to part (a) of this interrogatory is in the affirmative, please provide an estimate of the total cost savings to Discover or, in the alternative, identify and describe the types of costs to be reduced.
- (d) If your response to part (b) of this interrogatory is in the affirmative, please provide an estimate of the total cost savings to Discover or, in the alternative, identify and describe the types of costs to be reduced.

OCA/DFS-T1-7. Please refer to your testimony at page 13, line 10, through page 14, line 12. Assuming approval of the NSA, please explain in detail how Discover will use

the electronic address correction notices to increase the quality of addresses used in Discover's future marketing mail campaigns.

OCA/DFS-T1-8. Please refer to your testimony at page 13, line 10, through page 14, line 12, and Attachment F of the Postal Service's Request, Article II. B. 2.

- (a) Please define the phrase "its third party list processor."
- (b) Has Discover informed "its third party list processor" of the contents of Article II.B.2.? Please describe the manner in which Discover informed "its third party list processor," and the nature of any discussions with "its third party list processor."

OCA/DFS-T1-9. Please refer to your testimony at page 14, lines 6-9, which refers to "our list processor."

- (a) Please provide the number of list processor(s) currently used by Discover.
- (b) Does Discover currently use one or more list processors with respect to its First Class marketing mail?
- (c) Does Discover currently use one or more list processors with respect to its Standard marketing mail?
- (d) Please describe the types of services offered by the list processors referred to in part (b) of this interrogatory with respect to its First Class marketing mail. Do the list processors referred to in part (b) of this interrogatory provide mailing and production services? Please explain.

- (e) Please describe the types of services offered by the list processors referred to in part (c) of this interrogatory with respect to its Standard marketing mail. Do the list processors referred to in part (c) of this interrogatory provide mailing and production services? Please explain.
- (f) Of the types of services offered by list processors referred to in part (d) of this interrogatory, please identify the types of services utilized by Discover with respect to its First Class marketing mail.
- (g) Of the types of services offered by list processors referred to in part (e) of this interrogatory, please identify the types of services utilized by Discover with respect to its Standard marketing mail.
- (h) Does Discover have any arrangements with its current list processor(s) for the list processor(s) to (i) receive, and/or (ii) use any information obtained from undeliverable-as-addressed First Class marketing mail where such mail is physically returned, or as a result of the receipt of electronic correction notices for “returned” or forwarded mail? Please explain.

OCA/DFS-T1-10. Please refer to your testimony at page 14, lines 6-9.

- (a) Under the NSA, with respect to electronic address correction notices provided for Discover’s returned First-Class marketing mail, please confirm that Discover or its list processor will “suppress” (i.e., eliminate prospect names and/or addresses from a marketing mail campaign prior to mailing) addresses from mailing lists used in Discover’s future marketing mail campaigns. If you do not confirm, please explain.

- (b) Under the NSA, with respect to electronic address correction notices provided for Discover's forwarded First-Class marketing mail, please confirm that Discover or its list processor will correct (i.e., include new name and/or address information) addresses in mailing lists used in Discover's future marketing mail campaigns. If you do not confirm, please explain.