

LEGAL POLICY & RATEMAKING LAW SECTION  
LAW DEPARTMENT



February 7, 2006

Hon. Steven W. Williams, Secretary  
Postal Rate Commission  
901 New York Avenue, NW  
Suite 200  
Washington, DC 20268-0001

**RE: Docket No. MC2004-3**

Dear Mr. Williams:

In accordance with the Commission's Opinion and Recommended Decision in Docket No. MC2004-3, Rate and Service Changes to Implement Functionally Equivalent Negotiated Service Agreement with Bank One Corporation, enclosed is the Postal Service's Data Collection Report for the time period April 1, 2005 to September 30, 2005. The report was due January 30, 2006, and we apologize for the delay.

Please note that I have enclosed with this letter a disk with data responsive to Data Collection Requirement No. 8 because the data are too voluminous to file electronically. The rest of the report has been filed electronically.

Sincerely,

Nan K. McKenzie  
Attorney

Enclosures

**MC2004-3 Data Collection Report**  
**JP Morgan Chase (Bank One) NSA**  
**April 2005 – September 2005**

**Data Collection Plan Requirements:**

1. Volume of First-Class Mail solicitations by rate category in eligible Bank One permit accounts.
2. Volume of First-Class Mail customer mail by rate category in eligible Bank One permit accounts.
3. Amount of discounts paid to Bank One for First-Class Mail by incremental volume block.
4. Volumes of First-Class Mail solicitations bearing the ACS endorsement that are physically returned to Bank One.
5. Number of electronic address correction notices provided to Bank One for forwarded solicitation mail pieces, including the number of notices processed by CFS units and separately for PARS (when fully operational).
6. Number of electronic address correction notices provided to Bank One for solicitation mail pieces that would otherwise be physically returned, including the number of notices processed by CFS units and separately for PARS (when fully operational).
7. Monthly estimate of the amount of time spent on compliance activity and a description of the activities performed.
8. For each First Class solicitation mailing list run against NCOA, Bank One will provide NCOA contractor reports that separately identify the number of address records checked and the number of corrections made.
9. For each Change of Address record that is used to forward a piece of Bank One solicitation mail through ACS under the Agreement, the Postal Service will provide the date the record was created, its move effective date, whether it was for a family or individual move, and each date that the record was used to forward a mail piece. No other information from the record would be provided.
10. As part of each data collection plan report, the Postal Service will provide an evaluation of the impact of the agreement on contribution. It will also provide an assessment of trends of Bank One's First-Class Mail volume as compared to overall First-Class Mail volume.
11. Volume of Standard Mail solicitations by rate category in eligible Bank One permit accounts.
12. A comparison of the estimated mailer-specific costs, volumes, and revenues with the actual mailer-specific costs, volumes, and revenues.

**MC2004-3 Data Collection Report  
 JP Morgan Chase (Bank One) NSA  
 April 2005 – September 2005**

**1. Data Collection Requirement Number 1**

*Volume of First-Class Mail solicitations by rate category in eligible Bank One permit accounts.*

Nonautomated Presorted Letters		
	First Ounce	17,736
	Additional Ounces	-
	Nonmachineable Pieces	-
		-
	Total Nonautomated Presorted Letters	17,736
Automation Presort Letters		
	Mixed AADC Letters	1,944,126
	AADC Letters	1,498,424
	3-Digit Letters	12,689,026
	5-Digit Letters	7,313,971
	Additional Ounces	-
	Total Automation Presorted Letters	23,495,547

Volumes are captured on a monthly basis, but these figures may change after final reconciliation with Permit and CBCIS data after the one-year anniversary of the NSA.

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JP Morgan Chase (Bank One) NSA  
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**2. Data Collection Requirement Number 2**

*Volume of Total First-Class Mail customer mail by rate category in eligible Bank One permit accounts.*

Nonautomated Presorted Letters		
	First Ounce	6,425,641
		-
Total Nonautomated Presorted Letters Revenue		
Automation Presort Letters		
	Mixed AADC Letters	5,017,110
	AADC Letters	16,164,157
	3-Digit Letters	126,956,003
	5-Digit Letters	68,279,802
	Total Automation Presort Letters	216,417,072
Automation Carrier Route Letters		
	First Ounce	9,141,645
	Total Volume	231,984,358

Volumes are captured on a monthly basis, but these figures may change after final reconciliation with Permit and CBCIS data after the one-year anniversary of the NSA.

**MC2004-3 Data Collection Report  
JP Morgan Chase (Bank One) NSA  
April 2005 – September 2005**

**3. Data Collection Plan Requirement Number 3**

*Amount of discounts paid to Bank One for First-Class Mail by incremental volume block.*

The thresholds and discounts for the NSA are calculated and reconciled on a yearly basis. At this time no incentives have been paid to CHASE.

**MC2004-3 Data Collection Report  
JP Morgan Chase (Bank One) NSA  
April 2005 – September 2005**

**4. Data Collection Plan Requirement Number 4**

*Volumes of First-Class Mail solicitations bearing the ACS endorsement that are physically returned to Bank One.*

Period	Physical Returns
Apr 2005	
May 2005	13,055
Jun 2005	23,531
Jul 2005	53,338
Aug 2005	87,924
Sep 2005	96,711

These numbers are only preliminary, and will not be reconciled until the end of the first year of the agreement.

**MC2004-3 Data Collection Report  
JP Morgan Chase (Bank One) NSA  
April 2005 – September 2005**

**5. Data Collection Requirement Number 5**

*Number of electronic address correction notices provided to Bank One for forwarded solicitation mail pieces, including the number of notices processed by CFS units and separately for PARS (when fully operational).*

Period	Forwarding Notices
Apr 2005	35
May 2005	18,585
Jun 2005	31,045
Jul 2005	41,876
Aug 2005	132,247
Sep 2005	167,397

These numbers are only preliminary, and will not be reconciled until the end the first year of the agreement. PARS was not fully operational during this period.

**MC2004-3 Data Collection Report  
JP Morgan Chase (Bank One) NSA  
April 2005 – September 2005**

**6. Data Collection Requirement Number 6**

*Number of electronic address correction notices provided to Bank One for solicitation mail pieces that would otherwise be physically returned, including the number of notices processed by CFS units and separately for PARS (when fully operational).*

Period	ACS Notices
Apr 2005	84
May 2005	25,851
Jun 2005	216,754
Jul 2005	489,254
Aug 2005	425,498
Sep 2005	417,047

These numbers are only preliminary, and will not be reconciled until the end the first year of the agreement. PARS was not fully operational during this period.

**MC2004-3 Data Collection Report  
JP Morgan Chase (Bank One) NSA  
April 2005 – September 2005**

**7. Data Collection Requirement Number 7**

*Monthly estimate of the amount of time spent on compliance activity and a description of the activities performed.*

<i>Department</i>	<i>Activity and Description</i>	<i>Work-hours</i>	<i>Time-Frame</i>
<i>Pricing Strategy</i>	<u>Volume Reconciliation:</u> process of reconciling USPS permit volume counts with Bank One internal volume counts	8	<i>Per month</i>
<i>Pricing Strategy</i>	<u>NSA Data Collection Plan:</u> Fulfilling and ensuring compliance with the Data Collection Plan	20	<i>Per Year</i>
<i>Address Management</i>	<u>ACS Support:</u> Providing ACS counts and support for ACS related issues during the NSA period	4	<i>Per month</i>
<i>Finance</i>	<u>RPW Reporting:</u> Monitoring the NSA process and ensuring proper allocating procedures discounts within RPW reporting (one-time event)	1*	<i>Per month</i>
<i>Finance</i>	<u>Accounting Procedures:</u> Development of accounting controls and procedures for refund process	2*	<i>Per month</i>
<i>Legal</i>	<u>Legal Advice:</u> Advice on compliance and preparation of data collection plan	9	<i>Per Year</i>
<i>Pricing, Finance</i>	<u>NSA and rate-cases:</u> Ensuring that NSA volumes and affects are accurately reported and accounted for in rate-case filings	30*	<i>Per Year</i>

\*These work-hours represent the total time spent on all implemented NSAs.

**MC2004-3 Data Collection Report  
JP Morgan Chase (Bank One) NSA  
April 2005 – September 2005**

**8. Data Collection Requirement Number 8**

*For each First Class solicitation mailing list run against NCOA, Bank One will provide NCOA contractor reports that separately identify the number of address records checked and the number of corrections made.*

A computer disk with data was provided to the Commission, as noted in the cover letter to this report.

**MC2004-3 Data Collection Report  
JP Morgan Chase (Bank One) NSA  
April 2005 – September 2005**

**9. Data Collection Requirement Number 9**

*For each Change of Address record that is used to forward a piece of Bank One solicitation mail through ACS under the Agreement, the Postal Service will provide the date the record was created, its move effective date, whether it was for a family or individual move, and each date that the record was used to forward a mail piece. No other information from the record would be provided.*

As noted in the Postal Service's first annual data collection report for Docket No. MC2002-2, the *Capital One* NSA:

“A literal application of this provision would require presenting discrete information from each of over 22 million forwarding events. In light of the technical effort required to retrieve this information, and the cost of providing it, the Postal Service has concluded that the most effective and efficient way to comply would be to summarize the data, as follows:”

Data Collection Report            MC2002-2 (September 03 – September 04), page 13.

The Postal Service will provide this breakdown in its report at the conclusion of a full-year of the Bank One NSA because the data processing costs and time for developing this information are significant.

**MC2004-3 Data Collection Report  
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April 2005 – September 2005**

**10. Data Collection Requirement Number 10:**

*As part of each data collection plan report, the Postal Service will provide an evaluation of the impact of the agreement on contribution. It will also provide an assessment of trends of Bank One's First-Class Mail volume as compared to overall First-Class Mail volume.*

Because the volume data are incomplete, we will provide this information and analysis at the end of the first full year of the agreement.

**MC2004-3 Data Collection Report  
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April 2005 – September 2005**

**11. Data Collection Requirement Number 11**

*Volume of Standard Mail solicitations by rate category in eligible Bank One permit accounts.*

<b>Mail Category</b>	<b>Volume</b>
Mixed AADC Auto	52,333
AADC Auto	233,501
3-Digit Auto	119,776,541
5-Digit Auto	170,767,183
Basic Nonauto	128,434,325
3/5 Digit Nonauto	26,796,609
Total Volume	446,060,492
<b>ECR Mail Category</b>	
	<b>Volume</b>
Basic Nonauto Letters	22,389,385
Basic Auto Letters	-
Saturation Letters	-
Total Volume	22,389,385

Volumes are captured on a monthly basis, but these figures may change after final reconciliation with Permit and CBCIS data after the one-year anniversary of the NSA.

**MC2004-3 Data Collection Report  
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April 2005 – September 2005**

**12. Data Collection Requirement Number 12**

*A comparison of the estimated mailer-specific costs, volumes, and revenues with the actual mailer-specific costs, volumes, and revenues.*

Because the volume data are incomplete, we will provide this information and analysis at the end of the first full year of the agreement.