



May 27, 2008

Mr. David Hummelberg, Managing Vice President
Capital One Services, Inc.
15000 Capital One Drive
Richmond, VA 23238-1119

Dear Mr. Hummelberg:

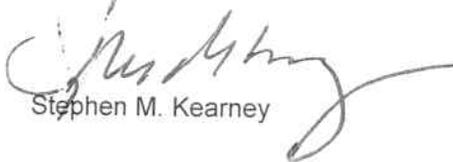
I am writing in response to your letter dated May 15, 2008, to clarify my conversation with Ben Lamm regarding a possible Negotiated Service Agreement (NSA) between Capital One and the U.S. Postal Service. It appears from your letter that there is a misunderstanding about the Postal Service's position.

The Postal Service is willing to negotiate a new NSA with Capital One, one which is functionally equivalent to the Bank of America NSA, and I did not intend to indicate otherwise. It is important to note however, that a new Capital One NSA would not be *identical* to the Bank of America NSA. Certain terms and conditions would necessarily have to be changed, as the situation regarding the factors in the Bank of America agreement is different today.

The Postal Regulatory Commission's rules noted that functionally equivalent NSAs were not identical to baseline NSAs. Functionally equivalent NSAs are modeled after an existing baseline NSA, and specific terms and conditions are negotiated independently.

We are prepared to begin negotiations regarding a new Capital One NSA, one which is functionally equivalent to the Bank of America NSA, at any time. I would be happy to set up a meeting to begin discussions at your earliest convenience.

Sincerely,



Stephen M. Kearney