

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPLAINT OF CAPITAL ONE SERVICES, INC.

Docket No. C2008-3

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF CAPITAL ONE SERVICES, INC.  
(COS/USPS-27, 30-37, 39-41, AND 44)  
(March 20, 2009)**

The United States Postal Service hereby provides its responses to the following interrogatories of Capital One Services, Inc., filed on March 6, 2009: COS/USPS-27, 30-37, 39-41, and 44. Responses to COS/USPS-28-29, 38, and 42-43 are forthcoming.

Each interrogatory is stated verbatim, and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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March 20, 2009

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF CAPITAL ONE SERVICES, INC.

**COS/USPS-27.** With respect to the Postal Service's Response to COS/USPS-1 (August 22, 2008):

- (a) In addition to those benefits listed in the Response, please identify any and all other benefits that "arise directly and solely from BAC being the 'first adopter' of the key terms of the NSA" and indicate whether any of the additional benefits have been quantified.
- (b) Please identify which operational commitment in Section III of the Bank of America NSA gives rise to each of the seven benefits listed in the Response and any additional benefits listed in the answer to paragraph (a) above (e.g., Section III.A gives rise to "vendor adoption of full service IMB").
- (c) Please describe in detail the benefits to the Postal Service that arise from Bank of America's early adoption of the following, including a definition of each process:
  - a. By/For information (information provided on a postage statement about mail sender and service provider)
  - b. Electronic acceptance of commingled mail
    - Compliance of software vendors
    - Vendor acceptance of software changes
  - c. Testing of mail.dat files for seamless acceptance
- (d) How many vendors has Bank of America influenced to adopt full service IMB? Please describe the steps that Bank of America has taken to influence these vendors.
- (e) How many vendors has Bank of America influenced to comply with "electronic acceptance of commingled mail"? Please describe the steps that Bank of America has taken to influence these vendors.
- (f) How many vendors has Bank of America influenced to accept software changes with respect to "electronic acceptance of commingled mail"? Please describe the steps that Bank of America has taken to influence these vendors.
- (g) Please describe how the Postal Service monitors or collects data on the rate of vendor "adoption", "compliance", and "acceptance" with respect to the Bank of America NSA, as those terms are used to in the Response.

**RESPONSE:**

(a) No other benefits have been quantified.

(b) Vendor adoption of full service IMB: Sections III.A. and E.

By/For information: Sections III.A. and E.

Maximizing seamless acceptance pilot size: Sections III.A. and E.

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Electronic acceptance of commingled mail—Compliance of software vendors:

Section III.E.

Electronic acceptance of commingled mail—Vendor acceptance of software changes: Section III.E.

Testing of mail.dat files for seamless acceptance: Section III.E.

- (c) a. By/For information: The inclusion of complete, accurate by/for information on Bank of America's mail pieces allows the Postal Service to track and account for this mail.
  - b. Electronic acceptance of commingled mail: Having software vendors develop and test new packages in a controlled environment speeds development and testing for both vendors and the Postal Service.
  - c. Testing of mail.dat files for seamless acceptance: Testing file construction, transmission, and acceptance in a controlled environment speeds development and testing both for vendors and for the Postal Service.
- (d)-(f) Bank of America is entering qualifying mail prepared by six vendors as part of the NSA. The Postal Service does not know, nor has it tried to identify, what Bank of America has done to ensure that the mail prepared and entered by these vendors satisfy the requirements of the NSA.
- (g) The Postal Service neither monitors nor collects data on vendors as part of the NSA.

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**COS/USPS-30.** Please refer to your response to PR/USPS-16, which states:

“To the extent that another mailer used the same vendors as Bank of America for preparation and entry of the mail or for software, that mailer could free-ride on Bank of America’s work because those vendors will have in place the capabilities to meet the requirements of the contract, without the mailer having to invest any time, effort, or money. In a similar fashion, that mailer could take advantage of the knowledge gained, process improvements made, and adjustments made by the Postal Service as a result of experience gained in implementing new technologies included in the Bank of America NSA.”

- (a) Please specify each of the “new technologies included in the Bank of America NSA” referred to in your response and provide the date of implementation for each.
- (b) Please provide the total number and identify by name and function the Bank of America vendors that because of “Bank of America’s work [under the NSA] ... will have in place the capabilities to meet the requirements of the contract.”
- (c) Please provide the number and identify by name and function those vendors in your response to subpart (b) that to your knowledge provide the same services to Capital One.

**RESPONSE:**

- (a) The Postal Service has no insight into what technologies certain vendors may have implemented, and the implementation date for those technologies. The passage from PR/USPS-16 simply referred to the Postal Service’s general understanding that any given mailer could benefit from utilizing vendors that already had in place the capabilities to meet the requirements of the NSA.
- (b) Objection filed.
- (c) Objection filed.

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF CAPITAL ONE SERVICES, INC.

**COS/USPS-31.** With respect to mail sent under Section III.D.1.a of the Bank of America NSA:

- (a) What portion of the 10% minimum of Schedule A First-Class Mail pieces has been sent under this provision as of September 30, 2008?
- (b) How has the Postal Service disposed of the UAA mail pieces which have not been physically returned under Section III.D.1.a?

**RESPONSE:**

- (a) The Postal Service has no count of these pieces.
- (b) To the extent that any such pieces have existed, they will have been disposed of in a manner consistent with Postal Service procedures for waste mail.

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**COS/USPS-32.** With respect to mail sent under Section III.G of the Bank of America NSA, how many mail pieces that are “machinable, automation compatible, and properly marked with a OneCode Four-State Barcode [IMB]” have been sent by Bank of America to date in each of the following categories: Courtesy Reply Mail, Business Reply Mail, and Qualified Business Reply Mail?

**RESPONSE:**

The Postal Service is unaware of any such pieces.

RESPONSE OF UNITED STATES POSTAL SERVICE  
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**COS/USPS-33.** With respect to Bank of America mail sent under Section III.A of the Bank of America NSA, for each of the three categories of mail (Schedule A First-Class Mail, Schedule B First-Class Mail, and letter-rated Standard Mail), please provide the following:

- (a) Number of mail pieces in each category mailed using the IMB, as of (i) April 1, 2008; (ii) June 30, 2008; (iii) September 30, 2008; and (iv) December 31, 2008.
- (b) Percentage of total BAC mail in each category that the numbers in paragraph (a) above represent.
- (c) What percentage of Bank of America's total First-Class Mail was entered under a Qualifying Permit Number, as defined in the Bank of America NSA, as of (i) June 30, 2008; (ii) September 30, 2008; and (iv) [sic] December 31, 2008?
- (d) What percentage of Bank of America's total Standard Mail was entered under a Qualifying Permit Number, as defined in the Bank of America NSA, as of (i) June 30, 2008; (ii) September 30, 2008; and (iv) [sic] December 31, 2008?
- (e) What portions of Bank of America's total permits were designated as Qualifying Permit Numbers, as defined in the Bank of America NSA, and how many entry locations are represented by those permits, as of (i) June 30, 2008; (ii) September 30, 2008; and (iv) [sic] December 31, 2008?

**RESPONSE:**

(a) (i) Unknown

(ii)-(iii) See the response to Commission Information Request No. 5, Question 7 in Docket No. ACR2008.

(iv) Schedule A First-Class Mail: 108,725,508. Schedule B First-Class Mail 11,025,837. Standard Mail: 210,173,126.

(b) Note that total BAC First-Class Mail cannot be broken down by NSA Schedule.

(i) Unknown.

(ii) First-Class Mail: 7 percent. Standard Mail: 73 percent.

(iii) First-Class Mail: 73 percent. Standard Mail: 83 percent.

(iv) First-Class Mail: 85 percent. Standard Mail: 84 percent.

(c) (i) 7 percent.

(ii) 73 percent.

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF CAPITAL ONE SERVICES, INC.

(iv) 85 percent.

(d) (i) 73 percent.

(ii) 83 percent.

(iv) 84 percent.

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**COS/USPS-34.** With respect to Bank of America mail sent under Section III.B of the Bank of America NSA, for each of the three categories of mail (Schedule A First-Class Mail, Schedule B First-Class Mail, and letter-rated Standard Mail), please provide the following:

- (f) [sic] Number of mail pieces in each category mailed using OneCode ACS, as of (i) April 1, 2008; (ii) June 30, 2008; (iii) September 30, 2008; and (iv) December 31, 2008.
- (g) [sic] Percentage of total BAC mail in each category that the numbers in paragraph (a) [sic] above represent.

**RESPONSE:**

(f) (i) Unknown

(ii)-(iii) See the response to Commission Information Request No. 5, Question 7 in Docket No. ACR2008.

(iv) Schedule A First-Class Mail: 108,725,508. Schedule B First-Class Mail 11,025,837. Standard Mail: 210,173,126.

(g) This response assumes that the question refers to the question enumerated as "(f)" directly above. Note that total BAC First-Class Mail cannot be broken down by NSA Schedule.

(i) Unknown.

(ii) First-Class Mail: 7 percent. Standard Mail: 73 percent.

(iii) First-Class Mail: 73 percent. Standard Mail: 83 percent.

(iv) First-Class Mail: 85 percent. Standard Mail: 84 percent.

RESPONSE OF UNITED STATES POSTAL SERVICE  
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**COS/USPS-35.** Please indicate whether any discounts or payments of any kind have been paid to Bank of America under Section of the NSA and the date(s) of such payment(s).

**RESPONSE:**

See the response to Commission Information Request No. 5, Question 7 in Docket No.

ACR2008.

RESPONSE OF UNITED STATES POSTAL SERVICE  
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**COS/USPS-36.** The Postal Service's Response to COS/USPS-1 (August 22, 2008) states:

"Since Bank of America has already undertaken many of the major tasks to move the industry forward, the same effort would not be needed from other industry players."

Please provide (a) the complete list of the "major tasks to move the industry forward" referred to in your Response, (b) a description of each task, and (c) the extent that Bank of America has "already undertaken" each task (including percentage completion of the task as of September 30, 2008 and December 31, 2008).

**RESPONSE:**

As a rule, the Postal Service is not privy to the details of the relationships between its customers and their vendors, and therefore, is not in a position to provide a "list" or "description" of the work Bank of America has done to make sure its vendors are compliant with the terms of the NSA.

RESPONSE OF UNITED STATES POSTAL SERVICE  
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**COS/USPS-37.** With respect to the Interrogatories initially directed to Michael Plunkett (USPS-T-1), filed on October 21, 2008, please redirect the following interrogatories to the appropriate institutional witness for initial or supplemental responses:

COS/USPS-13 (no response provided)

COS/USPS-22(b), (c), (e), (f)

COS/USPS-23(b), (c), (d)

COS/USPS-24(c)

**RESPONSE:**

COS/USPS-13 asks:

With respect to your positions as Manager of Pricing Strategy and Acting Vice President of Pricing, please provide the following information for each position:

- a. Dates that you held each position
  - b. Job description and responsibilities of each position
  - c. Name and title of the person you reported to in each position
  - d. Names and titles of direct reports to you in each position
  - e. Names of Postal Service committees or working groups that you participated in regularly as a member or adviser.
- 
- a. Mr. Plunkett was the Manager of Pricing Strategy from January 2002 through June 2008, and was the Acting Vice President of Pricing and Classification from January 2007 through November 2007.
  - b. See attached job description and responsibilities.
  - c. As Manager of Pricing Strategy, Mr. Plunkett reported to Stephen Kearney, Vice President of Pricing and Classification, and as Acting Vice President of Pricing and Classification, he reported to Anita Bizotto, Executive Vice President and Chief Marketing Officer.
  - d. As Manager of Pricing Strategy:  

Mohammed Adra, Economist

Debra Alexander, Marketing Specialist

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Ali Ayub, Pricing Economist

Jim Crawford, Marketing Specialist

Gina Crocenzi, Marketing Specialist

Charles Crum, Economist

Greg Dawson, Pricing Economist

Joan Hearn, Marketing Specialist

Lorraine Hope, Economist

Jessica Lowrance, Pricing Economist

Broderick Parr, Economist

Lisa Swanson, Secretary

Michelle Yorgey, Marketing Specialist

As Acting Vice President, Pricing and Classification:

Sharon Daniel, Manager, Mailing Standards

Meosha Hudgens, Secretary

Joe Moeller, Manager, Pricing

Maura Robinson, Manager, Pricing Systems and Analysis

Jessica Lowrance, Acting Manager, Pricing Strategy

John Nagla, Manager, Pricing Implementation

With respect to COS/USPS-22-24, the Postal Service has no other information to supplement these interrogatory responses, except that it has determined the following

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF CAPITAL ONE SERVICES, INC.

individuals contributed to the preparation of the "PMG Memo": Maura Robinson,  
Michael Plunkett, Jessica Lowrance, and Frank Heselton.

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**MGR PRICING STRATEGY PCES-01**

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**FUNCTIONAL PURPOSE**

Directs the development of pricing strategies for the Postal Service under a range of possible regulatory regimes. Provides supporting analysis and data on the impact of new pricing strategies and processes, and estimates of the resources needed to achieve them. Manages the development, negotiation, implementation, and evaluation of domestic and international mail agreements with very large postal customers. Makes recommendations on specific actions that enable changes in pricing of USPS services and products. Performs rigorous continuous benchmarking of pricing practices of market leaders in competitive and related industries.

**DUTIES AND RESPONSIBILITIES**

1. Directs and presents the evaluation and analysis of innovative pricing alternatives.
2. Directs detailed and rigorous analysis of the customer, business, and financial impacts of changes in the pricing approach.
3. Directs cross-functional evaluation of all internal and external resources and capabilities that will be necessary to successfully implement alternative pricing strategies and procedures.
4. Oversees the creation, negotiation, implementation, and administration of all customized pricing agreements, ensuring that they address the strategic and financial interests of the Postal Service while providing tailored services and products required by very large customers and ensuring that all affected segments of postal operations understand and follow through on the agreements.
5. Manages the effectiveness of the customized pricing process against assigned revenue and profitability goals, ensures that all commercial pricing contracts and agreements adhere to all legal requirements and USPS policies, programs and procedures, and recommends changes in policy as warranted.
6. Provides ongoing domestic and global evaluation of pricing alternatives for postal legislative reform initiatives.
7. Manages the marketing pricing interface with the cross-functional USPS transformation effort.
8. Monitors pricing best practices and latest innovations in all relevant industries and markets for senior management.
9. Manages a medium size staff of professional and administrative employees.
10. Manages the formulation and development of contract program time, budget factors, and statements of work. Manages the review and evaluation of contractor proposals and work products.

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(Continued on next page)

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**MGR PRICING STRATEGY PCES-01**

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**SUPERVISION**

Vice President, Pricing and Classification

**SELECTION METHOD**

See Employee and Labor Relations Manual (ELM), Section 380, Postal Career Executive Service(PCES). Also see the following Management Instructions: EL 350-79- 5; and, EL-380-82-10.

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(End of Document)

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**VP PRICING & CLASSIFICATION PCES-02**

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**FUNCTIONAL PURPOSE**

Directs the development, implementation, evaluation, and short and long-range improvement of national policies and procedures for pricing and product design, including customer requirements, market research and analysis, pricing, mail preparation and requirements, and rate case preparation and implementation.

**DUTIES AND RESPONSIBILITIES**

1. Directs ongoing efforts to review, evaluate, and improve the operational effectiveness of all pricing and product design initiatives, including the implementation of processes that emphasize quality awareness.
2. Directs the establishment of goals and priorities, and defines the scope and direction of all pricing and product design activities.
3. Directs the ongoing liaison with business mailers, key industry and mailer associations, and the Postal Rate Commission to ensure cooperative and productive relationships.
4. Directs efforts to investigate and ensure the development and implementation of new, innovative, and alternative approaches for meeting both current and future commercial and residential customer needs.
5. Directs programs to ensure that all pricing and product design activities are administered at the lowest possible cost, consistent with efficient business practices, quality service, and customer needs.
6. Provides the focal point for policy interpretation and guidance regarding all pricing and product design initiatives having national impact.
7. Ensures effective communication and teamwork between both headquarters and field functions on all pricing issues and problems.
8. Directs development of Postal Service policy regarding pricing mechanisms outside the existing framework.

**SUPERVISION**

Senior Vice President, Chief Marketing Officer

**SELECTION METHOD**

See Employee and Labor Relations Manual (ELM), Section 380, Postal Career Executive Service(PCES). Also see the following Management Instructions: EL 350-79- 5; and, EL-380-82-10.

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(End of Document)

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF CAPITAL ONE SERVICES, INC.

**COS/USPS-39.** With respect to the Intelligent Mail Barcode, please (a) indicate the date that the Intelligent Mail Barcode will be required for all mailers, (b) describe the full service and basic IMB service offerings, (c) provide the rates for the two offerings; and (d) detail what changes large mailers will have to make to comply with the IMB requirements.

**RESPONSE:**

(a) No such date has been determined.

(b)-(d) See Docket No. R2009-2.

RESPONSE OF UNITED STATES POSTAL SERVICE  
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**COS/USPS-40.** Please provide any studies or analyses, formal or informal, including market studies, focus group reports, or technical papers, upon which the Postal Service has relied, that relate to (a) the benefits and risks to the mailing industry or the pros and cons of adopting and requiring implementation of IMB technology and (b) obstacles to the implementation of IMB technology.

**RESPONSE:**

Objection filed.

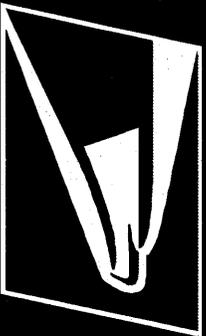
RESPONSE OF UNITED STATES POSTAL SERVICE  
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**COS/USPS-41**

- (a) Please provide any pre-April 1, 2008 estimate in the Postal Service records of the cost to Bank of America of implementing the Bank of America NSA and indicate whether that estimate was relied upon in any Postal Service analyses, memoranda, or presentations. If so, please provide those documents.
- (b) Please provide any pre-April 1, 2008 estimate of the cost to the Postal Service of implementing the Bank of America NSA and indicate whether that estimate was relied upon in any Postal Service analyses, memoranda, or presentations. If so, please provide those documents.
- (c) Please provide the actual costs (quarterly for 2008-2009) to the Postal Service of implementing the Bank of America NSA. Please include a breakdown of the names and titles of all USPS employees or contractors who have worked on the NSA implementation, and, for each person, the functions and number of work hours expended on the implementation of the NSA.

**RESPONSE:**

- (a) The Postal Service is unaware of any such estimate of the implementation costs to Bank of America, or of any documents containing such an estimate.
- (b) The Postal Service has provided (see attached) a presentation that contains an estimate of costs to the Postal Service for Accenture support activities for NSA implementation. The Postal Service is unaware of any other estimates, but will supplement this response if any other materials are located.
- (c) Partial objection filed with respect to the names, titles, functions, and work hours of USPS employees or contractors. For information regarding the actual costs of implementation, please see the Postal Service's response to Commission Information Request No. 5, Question 7 in Docket No. ACR2008. The Postal Service will supplement this response as more data becomes available.



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# **NSA Customer Compliance Reporting**

*Implementation Strategy and Timeline  
Summary Presentation*

June 8, 2007



## NSA Customer Compliance Reporting Background

The Postal Service has entered into the litigation stage for a Negotiated Service Agreement (NSA) with the Bank of America Corporation (BAC) with performance based incentives to achieve lower combined costs for both parties.

- The discounts provided to BAC will be based on specific improvements made to their mailings above existing benchmarks
- The discounts will be offered on a quarterly basis based on their actual mail volumes and address quality
- The discounts are an incentive for BAC to make improvements that will reduce the cost for processing First Class and Standard Mail



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## NSA Customer Compliance Reporting BAC Discounts

The Postal Service has agreed to pay rate discounts to BAC for improved address quality and mail processing included in the following key areas:

- Incremental acceptance improvements for their letter rated First Class Mail when it goes above 96.8 percent
- Reducing return rates for letter rated First Class UAA Mail pieces
- Reducing forwarding rates for letter rated First Class Mail below 1.7 percent
- Incremental acceptance improvements for their Standard Mail when it goes above 96.9 percent
- Reducing return rates for Standard UAA Mail pieces



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# NSA Customer Compliance Reporting Summary of Deliverables

The following steps have been taken to define the NSA Compliance Reporting solution that will allow the Pricing Group to begin tracking compliance for BAC.

## What do you need?

- Analyzed Existing Documentation
- Confirmed USPS Stakeholders
- Met with Business Stakeholders
- Detailed and Documented Business Needs
- Identified Key Reports

## Is it Available and Where is it and you getting?

- Met with Internal Subject Matter Experts
- Met with IT Program Owners
- Prioritized Reports
- Documented Data Sources and Options

## How should it be implemented?

- Assessed Storage and Volume Needs
- Provided Data Transformation and Storage Options
- Documented Strategy and Timeline for Implementation
- Outlined Process for Future NSA Customers

**Compliance Reporting Needs**

Delivered on 5/4/2007

**Data Availability Analysis**

Delivered on 5/25/2007

**Implementation Strategy and Timeline**

Delivered on 6/8/2007



## NSA Customer Compliance Reporting Needs Assessment - Report Summary

The first deliverable identified five core reports that would be needed to track NSA Customer Compliance.

- **Acceptance Rate Report** - Tracks the percentage of manually handled, unreadable mail pieces out of the total number of mail pieces manifested.
- **First-Class Undeliverable as Addressed (UAA) Report** – Tracks the percentage of returned and forwarded First-Class mail pieces for Qualified Permits.
- **Standard Undeliverable as Addressed (UAA) Report** - Tracks the percentage of undeliverable Standard Mail for Qualified Permits.
- **Total Discount Report** - Tracks the discount applied to each piece of Qualified Mail by class and schedule under the Negotiated Service Agreement.
- **Permit Revenue and Volume Report** - Tracks all revenue generated by BAC permits.



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## NSA Customer Compliance Reporting Implementation Strategy

The recommended implementation strategy for providing the NSA compliance reports is summarized below.

- Add the BAC customer into the Seamless Acceptance Pilot program and set up the reports to be viewed as prototypes in this non-production environment until the long term environment is built.
- Begin the design and development process to provide the five compliance reports identified by the Pricing group in a stable production ODS environment
- Complete the testing and deployment of the five compliance reports in the ODS production environment that can be viewed by multiple users through web-based MicroStrategy reporting capabilities.

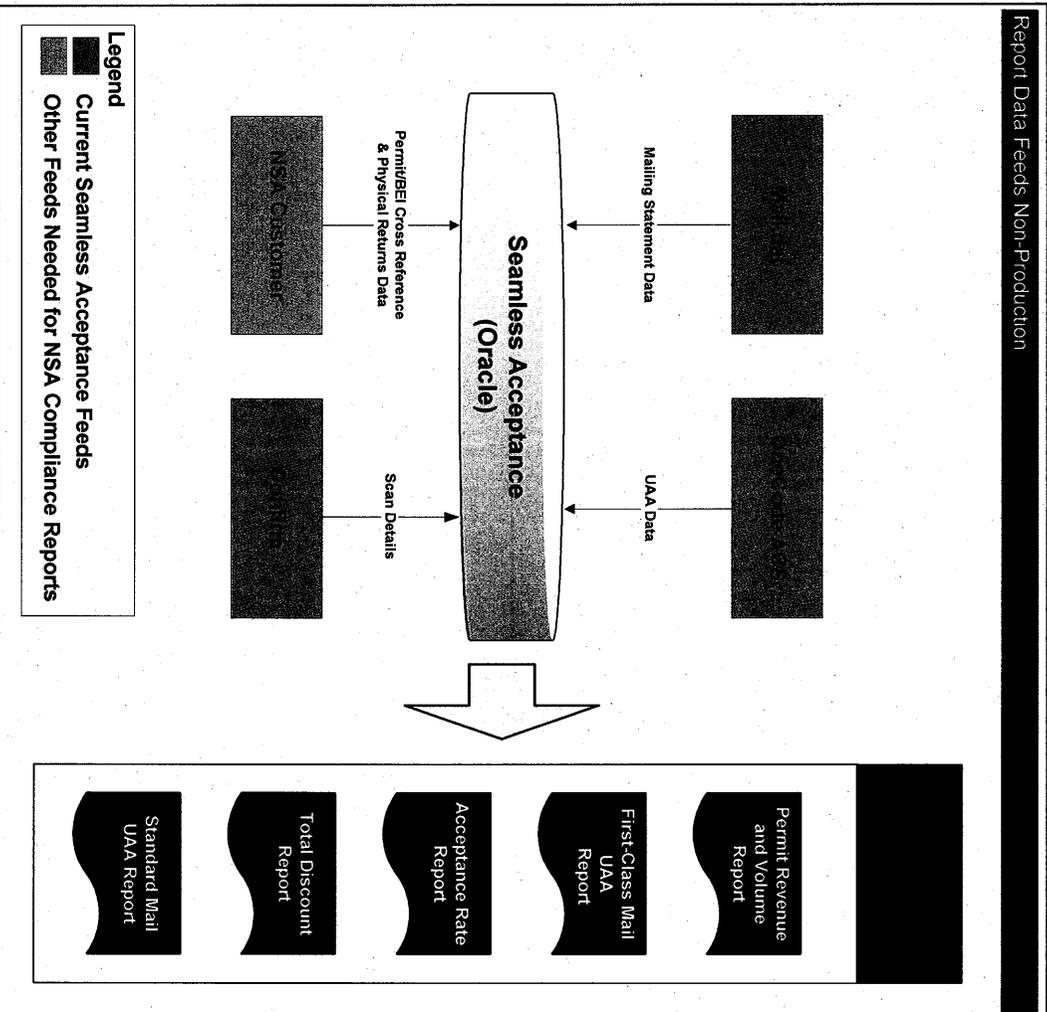
*This plan allows for short term reporting access while building the foundational capabilities necessary to support the future pricing vision.*



# NSA Customer Compliance Reporting Non-Production Environment (Seamless Acceptance Pilot)

The recommended short term strategy is to leverage the existing Seamless Acceptance pilot reporting environment to view the reports as soon as possible.

Report Data Feeds Non-Production

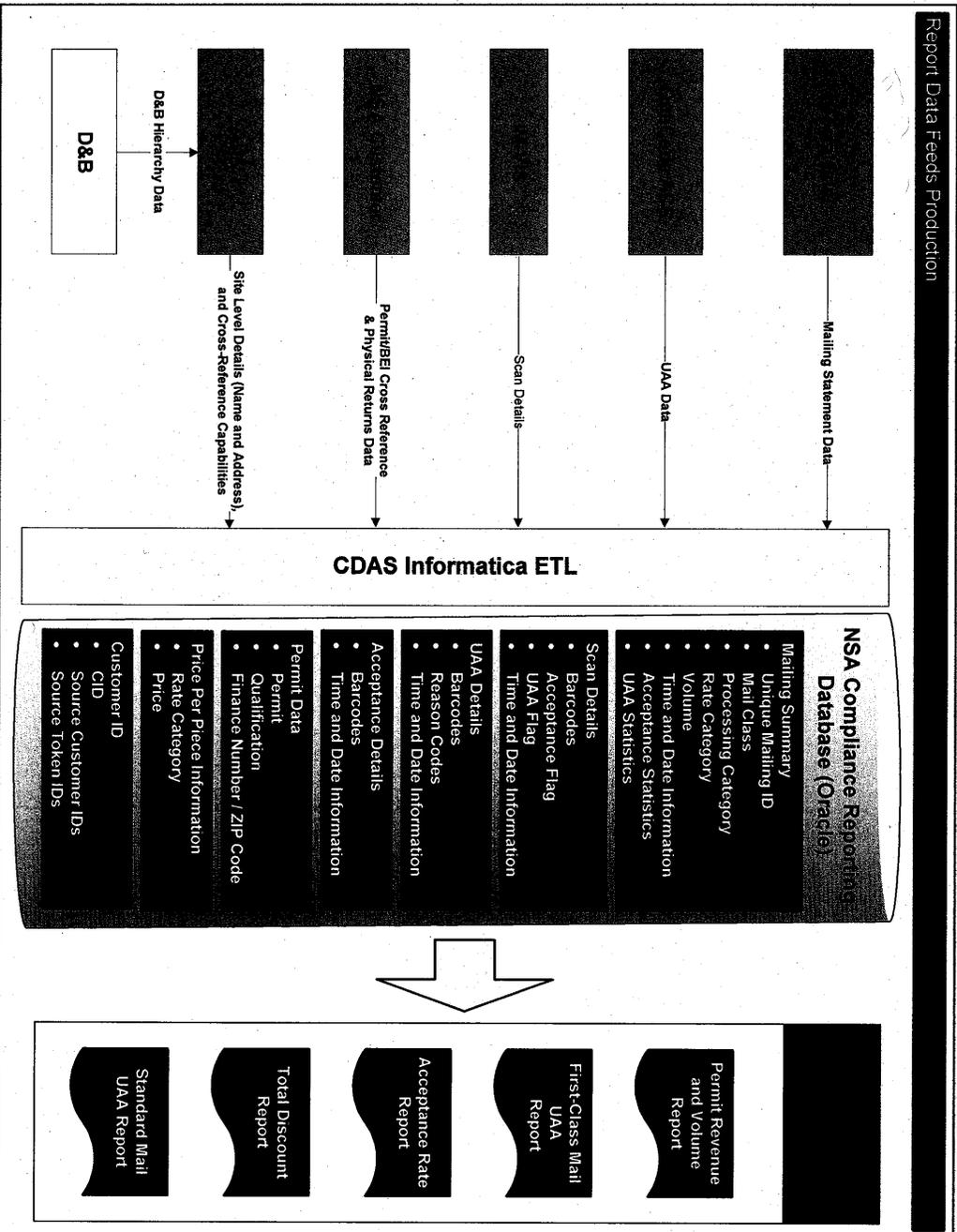


- **Seamless Acceptance**
- Currently being piloted with three USPS customers.
- Compares pre-shipment information with operational data to verify accurate payment is received.
- Data feeds are processed and loaded into an Oracle Database.
- Reports are provided through Microsoft Access.
- Provides the ability to identify any issues or changes prior to production implementation.



# NSA Customer Compliance Reporting Production Environment

The recommended long term strategy is to provide an ongoing automated process for reviewing customer compliance for BAC and future NSAs.



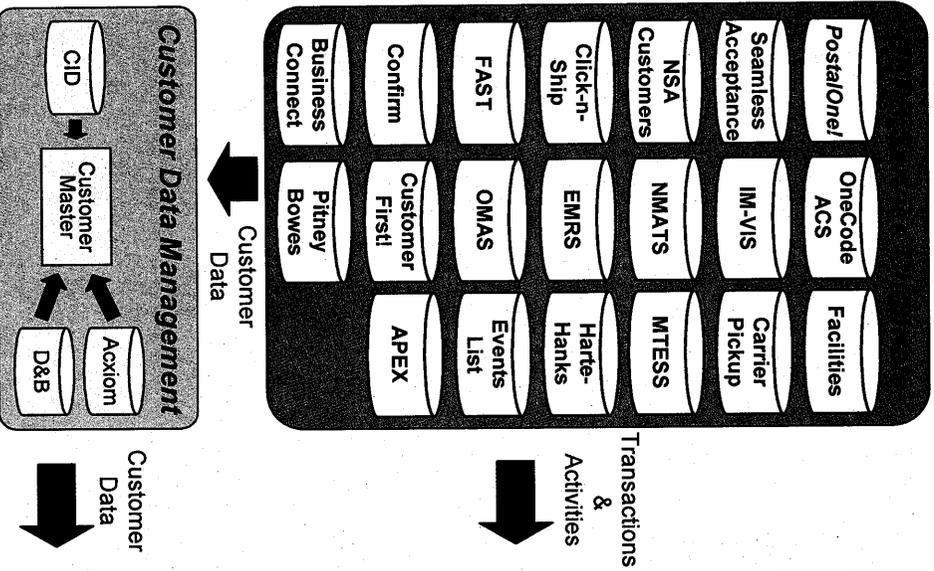
- Production Environment**
- Provides automated data feeds from required USPS systems and customers.
  - Captures and compiles data organized to easily enable NSA Compliance Reports.
  - Provides web-based MicroStrategy reporting capabilities.
  - Creates scalable architecture for future reporting needs.



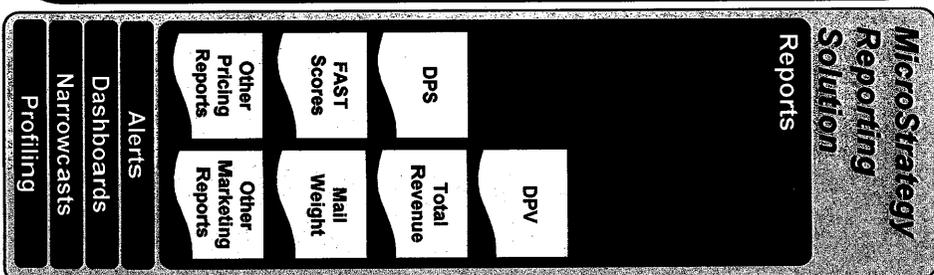
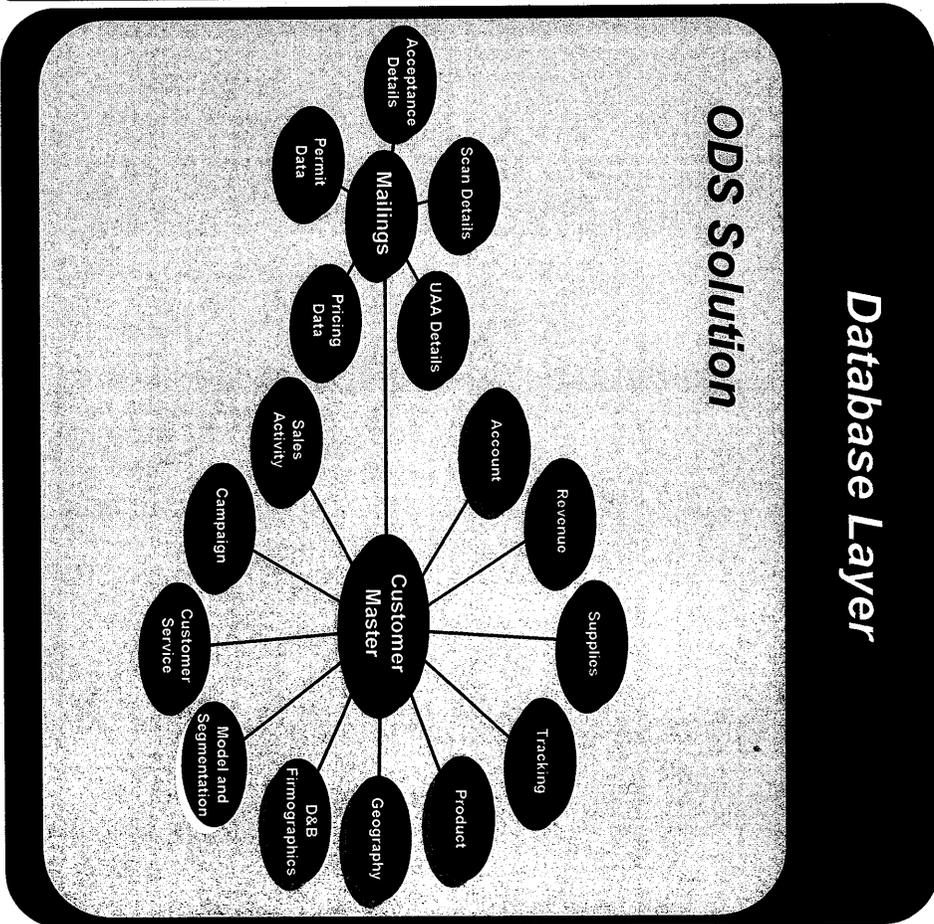
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**NSA Customer Compliance Reporting  
Future Customer Insight Solution**

This environment will provide the be a scalable solution for the Pricing Group and business stakeholders within Marketing, providing the infrastructure for them to view customers across multiple channels.



**CDAS Informatica ETL**

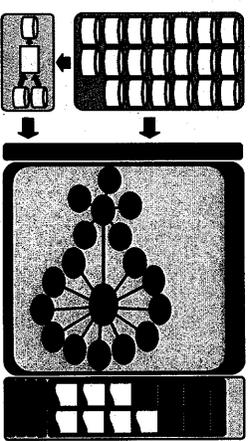




## NSA Customer Compliance Reporting Future Customer Insight Solution

The solution will provide 360 degree customer insight and analysis while providing the following benefits for multiple business stakeholders:

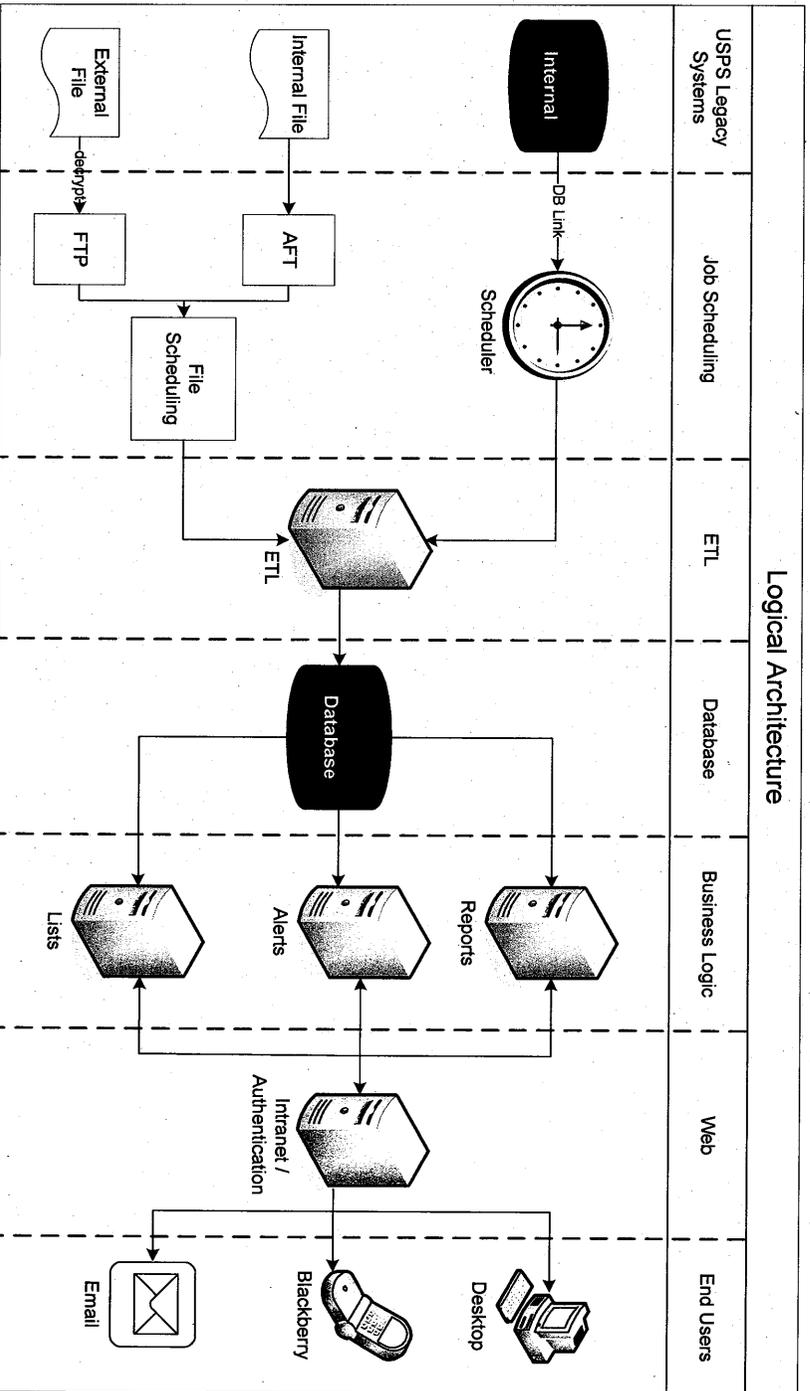
- Flexible COTS based ETL architecture
- Logical data structure modeled around key subject areas
- Scalable architecture with the capability to include additional Pricing and Marketing Reports
- Single access point for all customer centric insight needs





# NSA Customer Compliance Reporting Logical Architecture

The NSA Compliance Reporting system will leverage the Logical Architecture defined as part of the ODS Assessment which provides a layered, expandable architecture.



### Key Capabilities

- Data foundation to enable:
- Reporting and analysis
  - Alerts and narrowcasts
  - Segmentation
  - Up sell/Cross Sell
  - Predictive Modeling
  - Real Time Access
  - Campaign Management
  - Lead Generation
  - Marketing Resource Management
  - Real Time Offer Generation



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## NSA Customer Compliance Reporting Data Storage Options

Due to the large amount of customer scan data required, a variety of options have been identified to reduce storage needs, while still allowing the USPS to resolve disputes at the piece detail level.

Option #	Year 3 Database Storage (GB)	Description
1	348.58	<ul style="list-style-type: none"><li>• Stores Non-Exception scan data for 195 days</li><li>• Stores Exception scan data for 195 days</li><li>• Allows for piece detail dispute resolution for up to 195 days</li><li>• Allows for mailing level dispute resolution for up to 6 years</li></ul>
2	108.76	<ul style="list-style-type: none"><li>• Stores Non-Exception scan data for 45 days</li><li>• Stores Exception scan data for 195 days</li><li>• Allows for piece detail dispute resolution for up to 195 days</li><li>• Allows for mailing level dispute resolution for up to 6 years</li></ul>
3	86.80	<ul style="list-style-type: none"><li>• Stores Non-Exception scan data for 45 days</li><li>• Stores Exception scan data for 45 days</li><li>• Allows for mailing level dispute resolution for up to 6 years</li></ul>
4	19.70	<ul style="list-style-type: none"><li>• Does not store Non-Exception scan data</li><li>• Stores Exception scan data for 195 days</li><li>• Receives all Exception data from Seamless Acceptance</li><li>• Allows for piece detail dispute resolution for up to 195 days</li><li>• Allows for mailing level dispute resolution for up to 6 years</li></ul>

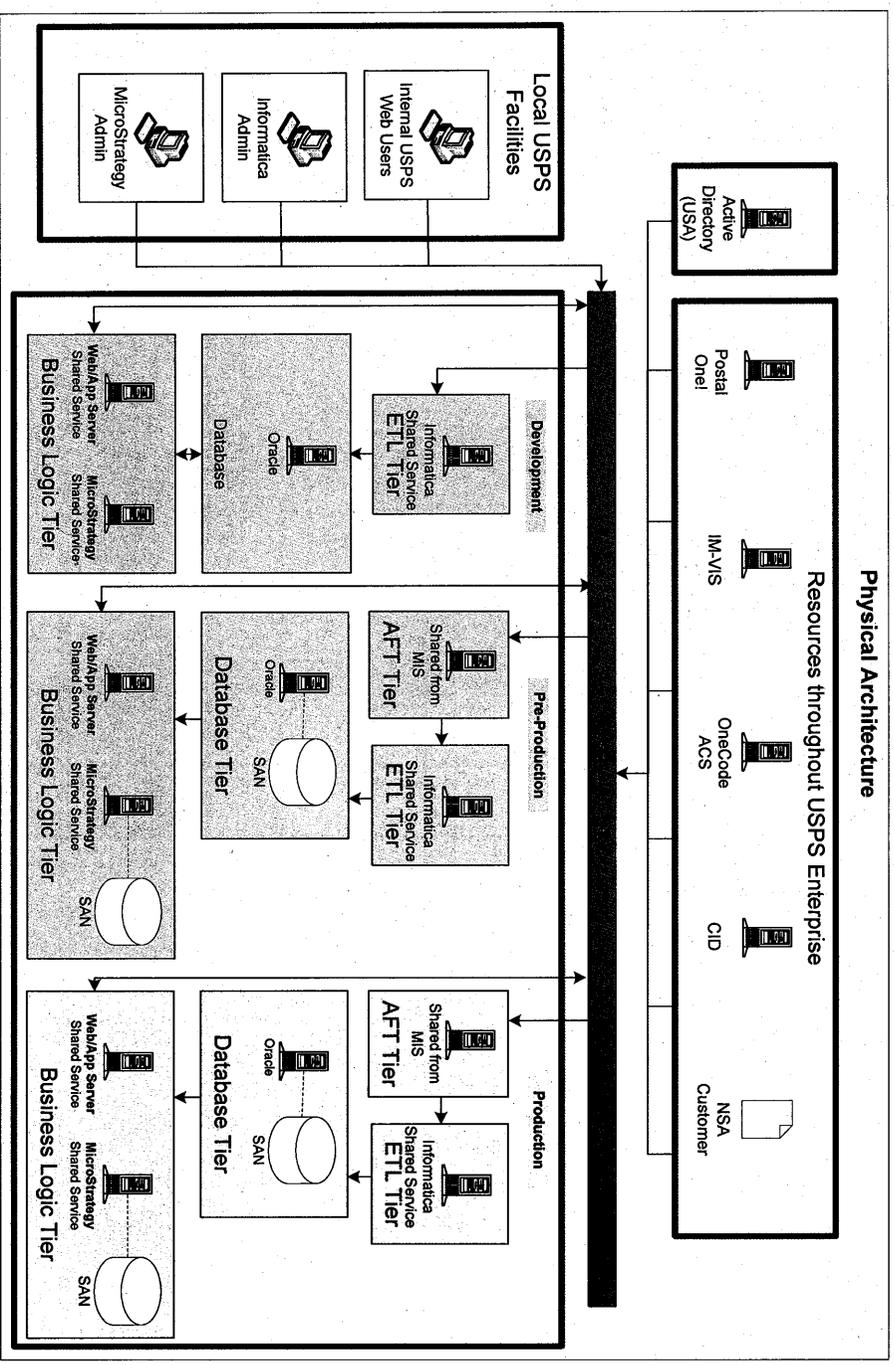
**Note:** Exceptions are defined as any mail piece that did not receive a scan within 45 days of when the USPS receives the associated Mail.dat file or any mail piece that is identified as Undeliverable as Addressed by OneCode ACS or the customer.



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# NSA Customer Compliance Reporting ODS Physical Architecture

The NSA Reporting system will leverage USPS shared service capabilities and existing procured hardware identified during the ODS Assessment effort.



### Key Capabilities

- Horizontally scalable platform (each tier is scalable)
- Active directory for authentication
- Shared ETL services
- Shared reporting services
- Ability to add other applications and tiers as business needs change



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## NSA Customer Compliance Reporting Implementation – Data Extracts

In order to compile data in the production environment, two options are being considered using the CDAS (Informatica) solution.

### **Option 1 – Database Links**

- One-way conduit that connects two databases
- Faster end-to-end data processing
- Can pull new information without significant dependencies on the originating system
- Potentially more complicated to setup technically

### **Option 2 – Flat Data Files**

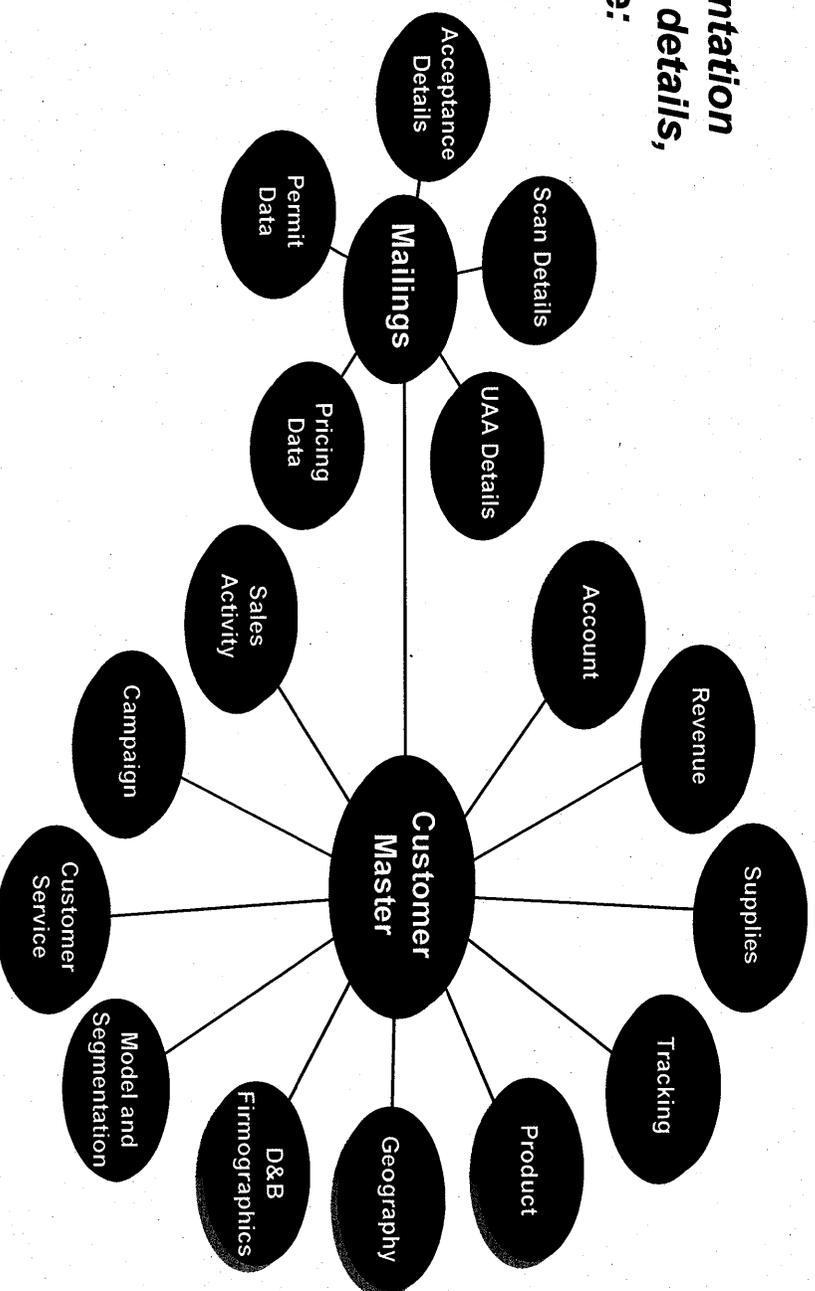
- Source systems write data to flat text files which are sent via AFT
- Widely used data transfer method for existing systems
- Simple to setup technically, but requires more effort from system owners
- Any changes to the data requested can lead to schedule conflicts

*Database Links will provide greater control and flexibility that will save time and effort as more and more system data is added for future reports.*

The data model will be configured to hold detailed customer business processes, transactions, and activities in a customer-centric model.

*Although initial implementation will focus on the mailing details, future reports may utilize:*

- Customer Master Name and Address
- Revenue Data
- Sales Activities
- Supply Orders
- Service Request
- Campaigns (Events)



*A flexible star schema data model drives reusability and scalability as subject matter and processes are added to the reporting environment.*



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# NSA Customer Compliance Reporting Reporting Capabilities

In order to view the customer centric data, a MicroStrategy reporting front end will be utilized to display reports and dashboards.

## MicroStrategy provides:

- Rich detailed reports that provide drilldown capability.
- Dashboards that provide a consolidated view of performance.
- Alerts which could be used to signal when a customer's mailings are significantly below baselines.
- High growth flexibility allowing for future NSA customers to be added without scalability concerns.

The screenshot displays the USPS National Network Dashboard. At the top, there are navigation options like 'Shared Reports', 'My Reports', 'Create Report', 'My Subscriptions', 'History List', and 'Preferences'. Below this is a breadcrumb trail: 'USPS > Select Report > Network Operational Dashboard > National Current Indicator'. The main content area is titled 'USPS National Network Dashboard' and shows a table of performance metrics for the period 06/30/07. The table includes columns for 'Overall', 'Prior Week', '3 Mo. Avg.', '2 Mo. Trend', and '6 Mo. Avg.'. The metrics listed are: Overall (69.4%), Acceptance (69.4%), Origin Processing (63.3%), Transportation (79.5%), Destination (DD) Processing (64.4%), Destination SCF (61.3%), and Receipt at Delivery Office. A legend indicates that a solid square represents '95% - 100%' and a solid circle represents 'Below 95%'. Below the table, there is a section for 'HQ Transportation Area Banking' with a table listing various regions and their values. To the right of this table is a map of the United States titled 'Area Heat Map - HQ Transportation', which shows different regions highlighted in various shades of gray. At the bottom of the dashboard, there is a link that says 'Change the Report Criteria'.

Metric	Overall	Prior Week	3 Mo. Avg.	2 Mo. Trend	6 Mo. Avg.
Overall	69.4%	63.5%	59.1%	↑	57.4%
Acceptance	69.4%	63.3%	58.7%	↑	56.8%
Origin Processing	63.3%	75.9%	79.3%	↑	72.2%
Transportation	79.5%	64.4%	61.3%	↑	60.1%
Destination (DD) Processing	64.4%	-	-	-	-
Destination SCF	61.3%	-	-	-	-
Receipt at Delivery Office	-	-	-	-	-

Region	Value
PACIFIC	96.5%
GREAT LAKES	92.6%
CAPITAL METRO	83.4%
WESTERN	82.3%
SOUTHEAST	82.1%
NORTHEAST	65.6%
EASTERN	53.0%
NEW YORK METRO	42.7%





**NSA Customer Compliance Reporting  
Estimated Development Costs**

**Accenture Support Activities**

**Program Management**

- Create and Maintain Project Plan
- Manage Project Issues and Risks

**Reporting through Seamless Acceptance**

- Analyze logic being used for existing customer
- Set up feeds for obtaining customer data from Bank of America
- Build out additional required logic to provide metrics needed to track compliance
- Develop the 5 prototype reports in the pilot environment

**\$134,000**

**Production System Development**

- Document the source system assessments
- Complete the Microstrategy web report designs
- Complete the Informatica ETL extract and transformation designs
- Define and implement the physical data model
- Complete the test plan and system test scripts

**\$468,000**

**Estimated FY07 Total: \$617,000**

**Production System Testing and Deployment**

- Complete the system test execution
- Complete the Integration and CAT testing processes
- Deploy the five compliance reports in an automated production environment

**Estimated Remaining: \$196,000**

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF CAPITAL ONE SERVICES, INC.

**COS/USPS-44.** Please provide the name and title of the Postal Service employee who is the custodian of the records and documents requested in Document Request COS/USPS-DR-22, and the location(s) where those records are kept.

**RESPONSE:**

The underlying document request COS/USPS-DR-22 is subject to a pending objection filed by the Postal Service, which has not been ruled on. As stated in the Postal Service's objection, COS/USPS-DR-22 seeks documents that are commercially sensitive, privileged, and protected from disclosure under 39 U.S.C. 410(c)(4). As this objection is still pending, and the Postal Service maintains that it is not required to produce these documents, the Postal Service has not identified the specific custodian(s) for all requested documents. However, these documents are generally maintained in the office of the Board of Governors, or in other offices at USPS Headquarters.