

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Rate and Service Changes to Implement)
Baseline Negotiated Service Agreement With) Docket No. MC2007-1
Bank of America Corporation)

**ANSWER OF BAC WITNESS JONES TO
OCA INTERROGATORY OCA/BAC-T1-2**

Bank of America Corporation ("BAC") submits the answer of BAC witness Richard D. Jones to OCA interrogatory OCA/BAC/T1-2, submitted by the OCA on February 22, 2007. The question is followed by Mr. Jones' answer.

Respectfully submitted,

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March 8, 2007

QUESTION OCA/BAC-T1-2: Please refer to your testimony at page 17, lines 1-6, "Return Rate for First-Class Mail."

- a. Please confirm that Bank of America (BAC) has agreed to waive physical return of at least 10 percent of its First-Class operational mail volume, thereby continuing to accept physical returns of up to 90 percent of its First-Class operational mail volume. If you do not confirm, please explain.
- b. Please explain why BAC has agreed to waive physical return of at least 10 percent of its First-Class operational mail volume.
- c. Please explain why BAC will continue to accept physical returns of up to 90 percent of its First-Class operational mail volume.
- d. Please explain why BAC will receive electronic return information for up to 90 percent of its First-Class operational mail volume, in addition to the physical return of such operational volume.

RESPONSE:

- a. Not confirmed. BAC has agreed to waive physical return of at least 10 percent of its Schedule A First-Class Mail. As defined in paragraph II.DD of the NSA contract, and explained in the testimony of USPS witness Ayub, Schedule A Mail "consists primarily of account statements, benefit statements, 'plastic' (card) mailing, and other personal correspondence with existing customers." USPS-T-1, at 18. Schedule A Mail thus is largely coextensive with operational mail, but not perfectly so. Accordingly, we answer parts (b) through (d) by reference to Schedule A First-Class Mail rather than First-Class operational mail.

- b. As noted in my response to part a, Schedule A Mail is largely coextensive with operational mail, but not perfectly so. Accordingly, we answer this part by reference to Schedule A First-Class Mail rather than First-Class operational mail. We have agreed to waive physical return of at least 10 percent of our Schedule A Mail because: (1) we have determined that at least this much of our Schedule A Mail does not need to be returned to ensure the privacy of BAC customers or for any other reason; (2) waiving the physical return of this mail will save the Postal Service money; and (3) the Postal Service has agreed to share the resulting cost savings with us. BAC will decide the particular pieces of mail on which we will waive returns and will mark the pieces appropriately.
- c. As noted in my response to part a, Schedule A Mail is largely coextensive with operational mail, but not perfectly so. Accordingly, we answer this part by reference to Schedule A First-Class Mail rather than First-Class operational mail. There are important privacy and business reasons for obtaining physical returns on a large portion of our Schedule A Mail. For example, we would not want the Postal Service to have to dispose of undelivered credit cards.
- d. As noted in my response to part a, Schedule A Mail is largely coextensive with operational mail, but not perfectly so. Accordingly, we answer this part by reference to Schedule A First-Class Mail rather than First-Class operational mail.

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Correcting our address lists with electronic return information is less costly and more accurate than using physical markings on actual mailpieces for the same purpose.