

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

Postal Rate Commission  
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EXPERIMENTAL RATE AND SERVICE CHANGES  
TO IMPLEMENT NEGOTIATED SERVICE AGREEMENT  
WITH CAPITAL ONE SERVICES, INC.

Docket No. MC2002-2

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS CRUM TO PRESIDING OFFICER'S INFORMATION  
REQUEST No. 3, QUESTION 2  
(ERRATUM)

The United States Postal Service hereby provides a witness Crum's revised response to Presiding Officer's Information Request (POIR) No. 3, question 2. The original response referred to witness Wilson's estimate that National Change of Address processing caught 25 percent of addresses needing correction. That estimate was revised by the filing of witness Wilson's declaration on February 5, 2003. This revised POIR response accordingly references the updated information provided in the declaration instead of the outdated figure. The question is stated verbatim, followed by its response

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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February 25, 2003

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TO  
PRESIDING OFFICER'S INFORMATION REQUEST No. 3, QUESTION 2

**POIR-3, Question 2:** In the response to POIR 2, question 7, witness Crum calculates that the estimated 12,794,880 Capital One solicitations that would have been forwarded in the test year would go to 2,293,782 delivery points. This calculation assumes that, in the absence of the NSA, a piece requiring forwarding would be sent to each of these delivery points 5.6 times in the test year. Please explain how the effects of Capital One's practice of processing its solicitation mail addresses through the National Change of Address (NCOA) database every 60 days is reflected in the assumption that a piece requiring forwarding would be sent to the same address 5.6 times without the address being corrected.

**RESPONSE:**

Running NCOA at least every 60 days decreases the forwarding rate of Capital One solicitations and is the key reason for witness Wilson's estimate that Capital One has an average to below average forwarding rate. See his response to APWU-T2-8, Tr. 3/552. Running NCOA does not, however, eliminate all repeat forwards, as reflected in Witness Wilson's updated response to questions raised during oral cross-examination. See Errata of United States Postal Service Regarding NCOA Address Correction Response Provided During Oral Cross-Examination of Witness Wilson (Erratum to Transcript 3/639-42)(February 5, 2003)." Thus, when NCOA fails to identify an address in Capital One's database as one with a forwarding order, it will not correct the database. For such addresses, the ACS notices will enable Capital One to update its database and save the Postal Service the cost of forwarding the piece from the old to the new address.

I also note that the impact of NCOA has already been considered and included in the range analysis presented in response to POIR 2, question 7, Tr. 2/318-22. To conduct the analysis, I used witness Wilson's estimate that Capital One's forwarding rate is no more than the average for First-Class Mail. Since his

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estimate is based upon Capital One's NCOA practices, the impact of NCOA implicitly became a part of the range analysis. Finally, just to clarify, the response to POIR 2, Q7 did not present the 12,794,880 figure referenced above as an estimate of forwarded Capital One solicitations. It was described as the "theoretical maximum number of pieces forwarded through CFS units" based on the available assumptions.

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

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