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202-268-2155  
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**USPS FILES BANKONE AND  
DISCOVER PROPOSALS**

WASHINGTON, D.C. – The Postal Service has filed two experimental mail classification cases today with the Postal Rate Commission proposing Negotiated Service Agreements (NSA) with BankOne and Discover Financial Services.

“Bringing these two negotiated service agreements forward shows that we are committed to providing more pricing innovation to the marketplace,” said the Postal Service’s Chief Marketing Officer Anita J. Bizzotto. “The proposed NSAs with BankOne and Discover Financial Services follow the successful model already in place as a result of negotiating a similar agreement with Capital One.”

A Negotiated Service Agreement is a contractual agreement between the U.S. Postal Service and an individual company that provides customized pricing incentives or other arrangements justified by a resulting shift in the company's mail operations. NSAs are intended to meet the needs of specific customers for whom mail is an integral part of their business strategy.

NSAs can specify the preparation, presentation, acceptance, processing, transportation and delivery of mailings under particular rate, classification and service conditions and restrictions that go beyond those required of other mailers.

Under the terms of the separate agreements, BankOne and Discover Financial Services will receive pricing incentives on any First-Class Mail that it generates above typical annual mail volume. The proposed NSAs as filed are functionally equivalent to the Capital One NSA.

BankOne and Discover Financial Services also agreed to convert to the Address Change Service (ACS), a system that electronically updates forwarding orders and information on the undeliverability of mailpieces.

In addition to the expected new First-Class Mail volume and net revenue, the Postal Service will avoid the costs of collecting, packaging, and delivering return pieces to BankOne and Discover.

These are the first NSAs filed under new Postal Rate Commission rules designed to facilitate the development of this pricing initiative.