

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF DAVID B. POPKIN  
(DBP/USPS-103-104)  
(July 27, 2006)

The United States Postal Service hereby provides its institutional responses to interrogatories DBP/USPS-103-104, filed on June 14, 2006.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-103**

[a] For a recent one year period, please advise the number of Change of Address Orders that have been processed by each of the acceptable methods of filing such an order.

[b] Please indicate the total receipts for the \$1 fee that have been received for each of the methods listed in subpart a.

[c] Please indicate the arrangements that exist with the credit card company with respect to the \$1 charge being made to one of their cards, in other words, does the Postal Service receive the \$1 amount and then be required to pay an amount to the credit card company or does the Postal Service receive part of the \$1 charge less the credit card company fee? If the arrangements are different for different credit card issuers, please explain.

[d] How much of the total amount shown in the response to subpart b was retained or received by the Postal Service?

[e] Please advise any differences that exist with respect to the cost or amount received or retained by the Postal Service between the \$1 credit card charge for a Change of Address Order and a \$1 credit card charge made at a retail window such as the purchase of ten 10¢ postage stamps.

[f] Same as subpart e except with respect to a \$1 credit card charge at an APC machine.

**RESPONSE:**

- (a) In 2005, 43,932,377 Change of Address orders were processed by hardcopy, 4,419,673 orders were processed through the internet, and 225,355 were processed by the call center.
- (b) In 2005, money received through Change of Address orders processed through the internet totaled \$4,419,673. Money received through Change of Address orders processed through telephone totaled \$78,874.25.
- (c) With respect to Internet Change of Address, the Postal Service receives the dollar, and then pays an amount for credit card processing, and an amount to the bank(s) that act as the agent for the credit card companies. Any remaining amount is allocated to providing the internet Change of Address service. With respect to Telephone

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Change of Address, the Postal Service receives part of the dollar – the rest goes toward providing the Telephone Change of Address Service.

(d) With respect to Internet Change of Address, the Postal Service received the amount shown in subpart b, and then distributed the money as described in subpart c. With respect to Telephone Change of Address, the Postal Service received the money shown in subpart b, after the money had been distributed for the Telephone Change of Address mechanism.

(e)-(f) When dollar credit card charges made at the retail window or an APC machine to purchase ten 10 cent stamps, the Postal Service pays an amount for credit card processing, then pays an amount to the bank(s) that act as the agent for the credit card company, and then retains any amount remaining. When a dollar credit card charge is made in connection with an Internet Change of Address order, the Postal Service pays an amount for credit card processing, then pays an amount to the bank that acts as the agent for the credit card company, and then allocates the remaining amount to providing the internet Change of Address service. When a dollar credit card charge is made in connection with a Telephone Change of Address order, the Postal Service receives a portion of the dollar, while the rest of the dollar goes toward providing the Telephone Change of Address service.

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**DBP/USPS-104**

[a] Please confirm, or explain if you are unable to confirm, that the purpose of the \$1 credit card charge is to ensure that the request is a legitimate request.

[b] Please advise how this \$1 credit card charge provides a level of security to ensure that the Change of Address Order is a legitimate request.

[c] Please advise how the Postal Service ensures that Change of Address requests that are made without the credit card charge are legitimate requests.

**RESPONSE:**

(a) Confirmed.

(b) Internet Change of Address (ICOA) and Telephone Change of Address (TCOA) prevent fraudulent activity by having The Postal Service National Customer Support Center send a Move Validation Letter to the old address confirming the address has been changed, by sending a Confirmation Notification Letter or a Welcome Kit immediately after COA submission (which would allow the customer to verify the COA information on file with the United States Postal Service), and by verifying proof of identity using credit card information. The ICOA application also warns that it is a federal offense to make unauthorized changes of address, and provides an email confirmation, which requires a valid email address.

(c) The Postal Service sends a Move Validation letter. A Move Validation Letter confirms that a Change of Address (COA) request has been filed (For security, no new address information is provided.). The letter is sent to the old address when the COA request is received and helps guard against fraudulent COAs.