

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

OBJECTIONS OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN
(DBP/USPS-267, 283, 285, 436-439, 441, and 443-446)
(September 21, 2006)

The United States Postal Service hereby objects to the above-listed interrogatories of David Popkin. DBP/USPS-267 was filed on July 12, 2006, DBP/USPS-283 and 285 were filed on July 14, 2006, DBP/USPS-436-438 were filed on August 2, 2006, and DBP/USPS-439, 441, as well as 443-446 were filed on August 3, 2006.

DBP/USPS-267 Please furnish a copy of the Office of the Inspector General's Report IS-OR- 06-005 that relates to National Change of Address - Emergency Preparedness and Report IS-MA- 06-003 that relates to Security Vulnerability Assessment and Audit of Automated Postal Center Systems. If it is filed as a Library Reference, please furnish me with a hard copy.

The Postal Service objects to the provision of the report "Security Vulnerability Assessment and Audit of Automated Postal Center Systems", Report Number IS-AR-06-003. According to the Office of the Inspector General, public disclosure of this report could compromise the security of the APC system. The Postal Service agrees that the sensitive nature of the subject matter makes it inappropriate for public disclosure. The Presiding Officer has denied Mr. Popkin's motion to compel a response to an interrogatory on the subject of APC security (DBP/USPS- 265) based on the absence of any showing that the response "could influence the Commission's consideration of rate

and classification proposals in this case.” Presiding Officer’s Ruling No. R2006-1/55, at 6 (August 24, 2006). The substance of the IG report is unrelated to the rate and classification proposals currently under review.

DBP/USPS-283 [a] Please update the listing provided in response to subpart e of Interrogatory DBP/USPS-226 in Docket R2005-1 showing the percentage of facilities broken out by Area that have retail service windows open on Saturday. [b] Please provide a similar listing broken out by Area to show the facilities that have post office box lobbies open on Saturday.

The Postal Service objects to this interrogatory. It seeks operational information at a level of detail that is irrelevant and immaterial to postal ratemaking. While such information at the national aggregate level may be relevant to the value of some postal services, within the meaning of Section 3622(b)(2), disaggregation of such data below the national level provides no information pertinent to the Commission’s review of postal service pricing on a system-wide basis. Even if, as Mr. Popkin asserts, the Postal Service may have provided disaggregated data in Docket No. R2005-1, the provision of irrelevant information in that case does not constitute a waiver of the Postal Service’s right to object to the provision of such irrelevant information in the instant docket. Additionally, the list provided in Docket No. R2005-1 is currently out-of-date; as noted in the Response Of The United States Postal Service To Motions To Compel Of David B. Popkin (DBP/USPS-151), filed on September 15, 2006, the Postal Service is updating its information regarding the percentage of retail service windows open on Saturday countrywide, and estimates that this updating process will not be finished until sometime next year.

DBP/USPS-285 [a] Please confirm, or explain if you are unable to confirm, that many facilities now have Automated Postal Centers [APC] installed. [b] Please provide a listing broken out by Area showing the number of facilities that have an APC installed.

- [c] Please discuss the reasons behind the implementation of this service.
- [d] Please discuss the success or lack of success of this program.
- [e] Please discuss any plans to expand or reduce the number of APCs in service.

The Postal Service objects to subpart (b) of this interrogatory. It seeks operational information at a level of detail that is irrelevant and immaterial to the setting of rates and fees on a nationwide scale.

The next six interrogatories concern change of address orders:

DBP/USPS-436 Please refer to your response to Interrogatory DBP/USPS-103 subpart c.

- [a] Please advise the amount of the receipts that was paid in 2005 to the for credit card processing?
- [b] Please advise the amount of the receipts that was paid in 2005 to the bank[s] that act as the agent for the credit card companies?
- [c] Please advise the amount of the receipts that was paid in 2005 that was allocated to the Internet Change of Address service.
- [d] If your response to subpart c above is not equal to the total receipts provided in your response to subpart b of the original Interrogatory DBP/USPS-103 less the amounts shown in subparts a and b above, please quantify and explain the difference.

DBP/USPS-437 Please refer to your response to Interrogatory DBP/USPS-103 subpart c.

- [a] Please define what is meant by the term "providing the Telephone Change of Address Service".
- [b] Please advise the organization that provides the Telephone Change of Address Service.
- [c] Please advise the relationship of this organization to the United States Postal Service.
- [d] Please advise the amount that was paid to the organization noted in response to subpart b.
- [e] Does this organization provide any other services to the United States Postal Service?
- [f] If so, please identify the services and the amount paid by the Postal Service for each of the identified services.

DBP/USPS-438 Please refer to your response to Interrogatory DBP/USPS-103 subparts e and f.

- [a] Is the amount paid for the credit card processing the same regardless of whether there is a \$1 charge for a retail window sale, an APC sale, an Internet Change of Address request, or a telephone Change of Address request?

[b] Is the amount paid for the bank[s] that act as the agent for the credit card company the same regardless of whether there is a \$1 charge for a retail window sale, an APC sale, an Internet Change of Address request, or a telephone Change of Address request?

[c] Is the amount retained by the Postal Service the same regardless of whether there is a \$1 charge for a retail window sale, an APC sale, an Internet Change of Address request, or a telephone Change of Address request?

[d] Please explain and quantify any negative responses,

DBP/USPS-439 Please refer to your response to Interrogatory DBP/USPS-104 subparts b and c.

[a] Please describe any differences between the Move Validation Letter that is sent for a Change of Address Order that was submitted on the Internet, by telephone, and in writing.

[b] Please provide sample copies of each of these letters.

DBP/USPS-441 Please refer to your response to Interrogatory DBP/USPS-104 subparts b and c.

[a] Is there a mandatory waiting time before a Change of Address Order can become effective to allow for the Move Validation Letter to be issued and received?

[b] If so, what is the waiting period?

[c] If not, what will happen to the mail that is forwarded in response to a fraudulently submitted order?

[d] How long after a Change of Address [COA] Order is submitted is the Move Validation Letter placed into the mail? If necessary provide separate answers for different methods of submission of the COA Order.

DBP/USPS-443 Please refer to your response to Interrogatory DBP/USPS-104 subpart b.

[a] How long after a Change of Address [COA] Order is submitted is the e-mail verification sent? If necessary provide separate answers for different methods of submission of the COA Order.

[b] Please provide a copy of a sample e-mail message.

[c] Is the e-mail system monitored to allow for receipt of an undeliverable e-mail message?

[d] If so, what action is taken when an e-mail message is returned as undeliverable?

[e] What happens to any mail that is forwarded before the returned message is received?

[f] Please discuss the maximum time that can exist between the time that the verification e-mail is sent and the time that the undeliverable message notification is received.

[g] Please confirm, or explain if you are unable to confirm, that the only verification accomplished by the e-mail verification process is whether or not the

e-mail address is a valid address and not that it belongs to any particular individual.

These interrogatories are part of a series of questions Mr. Popkin has asked about the one-dollar charge associated with Change of Address Orders submitted over the internet or the telephone. The Postal Service has explained its position concerning the institution of a \$1 credit card charge in response to DBP/USPS-19:

The \$1 charge for Change of Address requests that are made on the Internet are not listed in the rate and fee schedules or the DMCS. When completing a change of address online or over the telephone, customers are asked to provide a credit card number. To enhance security and prevent fraudulent changes of address, this credit card number is checked against the credit card company's database to provide identity validation. The credit card companies do not perform this validation for free. They require a minimum charge on the credit card, imposed by the credit card company on the card holder. The dollar charge is a result of this thirdparty requirement, rather than a charge to be included in the rate and fee schedules or the DMCS.

The Postal Service has answered numerous questions about the \$1 charge associated with internet and telephone Change of Address requests, including why this charge was not included in the rate and fee schedules or the DMCS (DBP/USPS-19); how to obtain a refund of the fee if the request cannot be honored (DBP/USPS-36); the number of Change of Address Orders processed in 2005 by hardcopy, over the internet, and over the telephone (DBP/USPS-103); the total receipts received in 2005 for each of these methods (DBP/USPS-103); the way the processes generally operate (DBP/USPS-103); the way the \$1 charge enhances security and the prevention of fraudulent changes of address (DBP/USPS-104); the information exchanged between the Postal Service and the credit card companies during the Change of Address process (DBP/USPS-141); the fact that identity validation is a special security process associated with Change of

Address orders, and does not take place every time a customer uses a credit/debit card (DBP/USPS-371); and why identity validation is necessary for Change of Address Orders submitted over the telephone or internet, but not for those submitted in hardcopy (DBP/USPS-442).

The Postal Service objects to DBP/USPS-436-439, 441 and 443 because they seek operational information at a level of detail that is immaterial to the issues in this proceeding. The Postal Service has not proposed a rate or classification for Change of Address orders. The Commission indicated, in PRC Op. R2005-1, fn. 72, that it expected a more thorough discussion of the issues surrounding Change of Address orders before deciding whether to recommend changes to the DMCS. That discussion has been provided. The minutiae sought by Mr. Popkin would add no information to the record that would be relevant to whether a classification should be established and, if so, what rate or fee would be appropriate to recommend.

The next three questions concern the 4-state barcode:

DBP/USPS-444 Please refer to your response to Interrogatory DBP/USPS-272. Your response indicated that the 4-state barcodes can be affixed by mailers/customers.

[a] Are 4-state barcodes affixed by the Postal Service?

[b] If so, please discuss the conditions and methods by which the barcodes are applied/affixed.

DBP/USPS-445 Please refer to your response to Interrogatory DBP/USPS-274 subpart a. Please confirm, or explain and reanswer the original Interrogatory if you are unable to confirm, that regardless of whether the 4-state barcode is decoded either left to right or right to left [taking into account that the "up-down orientation" will switch directions] the same result will be received.

DBP/USPS-446 Please refer to your response to Interrogatory DBP/USPS-274 subparts b, c, and d.

Since I received the response to subpart e of Interrogatory DBP/USPS-114 which provided information on how to manually decode a 4-state barcode, I have

checked approximately 15 to 20 4-state barcodes that have been affixed to my incoming mail and have found that every one of the barcodes had only 57 bars. Please explain this condition and if appropriate, please reanswer the original Interrogatory.

These interrogatories seek a level of detail that is irrelevant to the establishment of postal rates and fees on a nationwide basis. Therefore, the Postal Service objects to these interrogatories on the grounds of relevance.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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