

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

COMPLAINT OF TIME WARNER INC. et al.
CONCERNING PERIODICALS RATES

Docket No. C2004-1

**FIRST SET OF DISCOVERY REQUESTS
FROM THE NATIONAL NEWSPAPER ASSOCIATION, INC.
TW-et al. WITNESS MITCHELL
NNA/TW et al. – T1 – 1-14
(June 10, 2004)**

Pursuant to Rules 25 through 28 of the Commission's Rules of Practice, The National Newspaper Association, Inc. submits the following interrogatories to Witness Mitchell (TW et al. – T1). If witness Mitchell is unable to provide a full response, please provide a response by another witness, employee or representative of Complainants.



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FIRST SET OF DISCOVERY REQUESTS
FROM THE NATIONAL NEWSPAPER ASSOCIATION, INC.
TO WITNESS MITCHELL
NNA/TW et al. – T1 – 1-14

NNA/TW et al. T-1-1 Have you provided consulting services to any newspapers or newspaper organizations? If so please list their titles, the dates and nature of your services and explain how they use the mail, particularly periodicals rate mail. You may omit speaking engagements if no individual services were offered pursuant to those engagements.

NNA/TW et al. T1-2 With respect to your statement on p. 1, second paragraph, would you agree that the Postal Reorganization Act requires more than just “efficient rates?” If not, please explain how you believe the requirements in Section 3622 should be interpreted.

NNA/TW et al. T1-3 Do you believe the intended purpose of the zoned editorial rates was to achieve “efficient rates?”

NNA/TW et al. T1-4 Do you believe any aspect of the intent of the zoned editorial rate was to recognize a higher degree of value to the recipient from editorial content in periodicals as opposed to the advertising content?

NNA/TW et al. T1-5 Would you agree that a rate structure with an unzoned editorial rate, if taken alone as a decision driver for publishers, would tend to encourage a higher degree of editorial content as opposed to advertising content in comparison to a zoned rate? If not, why not?

NNA/TW et al. T1-6 Please refer to your statement on p. 6 that your proposed rates leave considerable room for improvement in the future. What improvements do you have in mind? Do you believe the charges for any of the mail that you believe to be inefficient should be higher? If so, how much higher?

NNA/TW et al T1-7 Do you believe that the so-called ECSI values are recognized only in cost coverages? Please explain your response.

NNA/TW et al T1-8 Would a periodical unable to change its mailing makeup or drop shipping practices to take advantage of your proposed rates experience the low cost of periodicals rates that you believe Congress intended in your recitation of the legislative history on p. 8? If not, do you believe Congress intended only periodicals considered “efficient” to benefit from low rates? Please explain your answer.

NNA/TW et al T1-9 Please refer to the “small publications” identified by you on p. 6, lines 21-22. Do you have specific publications in mind? If so, please name them. If not, please explain whether this statement is meant to be hypothetical.

NNA/TW et al. T1-10 Please refer to your commentary on technological advancements and mailer adjustments on p. 11. Do you believe the Postal Service adjusted its operation to the mail, or the mailers to the Postal Service? Please explain your response.

NNA/TW et al. T1-11 If you responded to NNA's Interrogatory 10 that you believe the Postal Service adjusted its operation to the mail, do you believe it attempted to adjust to all of the mail in the periodicals mailstream or only that mail that it deemed "efficient?" Please explain your response, in particular with respect to adjustments for periodicals.

NNA/TW et al T1-12 Do you believe that newspapers were part of the mailstream when Congress created the preferences for periodicals mail that you refer to in section III of your testimony? If so, please explain how you think the technological advances you had in mind on p. 6 have benefited them.

NNA/TW et al T1-13 Do you believe that publishers that do not prepare mail on pallets are uniformly as indifferent to postal costs as your niece is to her landlord's water bill?

NNA/TW et al T1-14 On p. 16, you assert that in some cases some publishers have a choice between preparing one 24-piece bundle and 24 sacks with one piece each, and that appropriate price signals would cause the publishers to value the sack more highly. Assuming that statement means you believe that in some cases, publishers do not have a choice, do you believe that the publishers who do not have a choice should also be forced to "value the sack?" If your answer is yes, please explain how the price signal will influence mailer choice if there is no choice?