

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

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COMPLAINT OF TIME WARNER INC. ET AL.  
CONCERNING PERIODICALS RATES

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Docket No. C2004-1

ANSWER OF TIME WARNER INC. ET AL.  
TO MOTION OF AMERICAN BUSINESS MEDIA  
TO COMPEL RESPONSE TO INTERROGATORY  
ABM/TW ET AL.-T1-91 TO WITNESS ROBERT MITCHELL  
(June 15, 2004)

Pursuant to section 26(d) of the rules of practice, Time Warner Inc., Condé Nast Publications, a Division of Advance Magazine Publishers Inc., Newsweek, Inc., The Reader's Digest Association, Inc., and TV Guide Magazine Group, Inc. (collectively, "Time Warner Inc. et al." or "complainants") hereby answer the Motion of American Business Media (ABM) to Compel Response to Interrogatory ABM/TW et al.-T1-91 to Witness Robert Mitchell, filed June 8, 2004.<sup>1</sup>

ABM's explanation of the purported relevance of its interrogatory to Mitchell appears to be based on allegations of factual matters that it says it intends or hopes to present in its direct case, upon which it will argue that the Commission's treatment of "Alaska air costs" should be extended to the Periodicals subclass. ABM, of course, has the prerogative to present evidence and argue for new or novel theories concerning the attribution or assignment of costs. But nothing that ABM states that

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<sup>1</sup> The interrogatory states the following question:

"ABM/TW et al.-T1-91 (a) Do you agree with the manner in which the Commission treats the Alaska air costs? (b) If so, why? (c) If not, why not?"

it may present is relevant to the issues presented by complainants to the Commission in this docket.

The Complaint, and the evidence submitted in support of it, are based on a straightforward application of existing Commission costing methodologies to the Periodicals subclass, based on a new analysis of Periodicals cost data and the introduction of new cost drivers that have a causal connection to the manner in which subclass costs are incurred and how they vary with volume. "Alaska air costs" are not mentioned in the Complaint or in any of the evidence that supports it.

ABM must support changes to existing Commission methodologies applicable to the Periodicals subclass through its own witnesses. The notions suggested in its Motion to Compel are not relevant to the evidence presented in Mitchell's testimony, or in that of complainants' other witnesses.

ABM's Motion to Compel should be denied.

Respectfully submitted,

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