

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

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

Docket No. C2004-1

RESPONSE OF TIME WARNER INC. ET AL.
TO MH/RDA-1
(June 28, 2004)

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.) hereby provide the response of The Reader's Digest Association, Inc. (RDA) to McGraw-Hill interrogatory MH/RDA-1, filed June 14, 2004.

The interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

s/ _____
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Response of The Reader's Digest Association, Inc. to MH/RD-1

MH/RD-1: Referring to your response to Presiding Officer's Information Request No. 1, Question 2:

(a) Please explain fully what you mean by "[i]mprov[ing] system capabilities at the fulfillment house to reduce the number of mailstreams;"

(b) Please explain fully what you mean by "expand[ing] mail-line functionality to reduce postal sacks while simultaneously expanding advertising options," and explain

the nature and extent of the capital investments that you contemplate pursuing with printers in order to achieve those ends;

(c) Please explain fully what you mean by "[m]odify[ing] multiple periodical closing schedules ... in order to optimize distribution objectives;"

(d) Please explain fully what you mean by "[a]nalyz[ing] paper basis weight purchasing options to favorably impact dropship incentives."

RESPONSE

(a) Improving system capabilities refers to the investigation, evaluation, and implementation of software enhancements to merge mail streams.

(b) Expanding mail-line functionality refers to the investigation, evaluation, and implementation of upgrading: adding a controller, imaging heads, hoppers, and conveyors to the mail-line. Capital investments are dependent on the degree of projected cost-based benefits versus equipment costs and depreciation.

(c) Modifying multiple periodical closing schedules refers to the adjustment and alignment of multiple periodicals' milestones and due dates (i.e. ad/edit close dates, name selection, newsstand on-sale dates, etc.) such that co-mailing and co-palletization opportunities are optimized.

(d) Analyzing paper basis weight purchasing options refers to evaluating the impact of increasing or decreasing the current basis weight, depending on

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the projected cost-based benefits, freight charges, and
subscriber/customer impact.