

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

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

Docket No. C2004-1

RESPONSES OF TIME WARNER INC. ET AL.
WITNESS JOHN STEELE GORDON TO NNA/TW ET AL.-T3-1-13
(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 responses of witness Gordon (TW et al.-T-3) to National Newspaper Association interrogatories NNA/TW et al.-T3-1-13, filed June 14, 2004.

Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

s/ _____
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Responses of Witness Gordon NNA/TW et al.-T3-1

NNA/TW et al T3-1 Do you consider the weekly edition of the New York Tribune, established in the 1840s, to have been a nationally circulated newspaper?

RESPONSE

No I do not so believe. Being a weekly, it was much closer to a magazine than a modern newspaper. And, because it was printed in New York, it was often several days or even weeks before it reached subscribers in the more remote parts of the country.

Responses of Witness Gordon NNA/TW et al.-T3-2

NNA/TW et al T3-2 Do you believe Congress established uniform postal rates for magazines in whole or in part to establish a common culture across the American frontier?

RESPONSE

A common culture was certainly a major part of the goal to “bind the nation together.”

Responses of Witness Gordon NNA/TW et al.-T3-3

NNA/TW et al T3-3 Are you familiar with the Congressional history surrounding the establishment of the free in-county postal rate in the 1840s?

RESPONSE

I am not familiar with this history.

Responses of Witness Gordon NNA/TW et al.-T3-4

NNA/TW et al T3-4 Do you believe that many of the weekly newspapers still published in America today were established during the period discussed in your testimony on pages 4-5?

RESPONSE

Yes, I so believe.

Responses of Witness Gordon NNA/TW et al.-T3-5

NNA/TW et al T3-5 Please refer to your statement on p. 4 lines 17-20 that no newspapers circulated nationally at the beginning of the 20th century. Please explain why you would not consider the Wall Street Journal, the Christian Science Monitor and Capper's Weekly to be nationally-circulated newspapers.

RESPONSE

The *Wall Street Journal* did not circulate much beyond Wall Street, let alone New York City, until after World War II. I am not sufficiently familiar with the history of the other two periodicals mentioned to comment, beyond saying that to me a "newspaper," is something that is published daily (except perhaps for Sundays) and carries the very latest news.

Responses of Witness Gordon NNA/TW et al.-T3-6

NNA/TW et al T3-6 Do you believe each new medium developed in America has displaced the media that preceded it? For example, did radio make magazines less important to the public? Please explain your response.

RESPONSE

I do not so believe. Each new medium caused the previous media to evolve in new ways not to go extinct.

Responses of Witness Gordon NNA/TW et al.-T3-7

NNA/TW et al T3-7 In the progression of the media developments that you describe in your testimony, what technological development would you expect to see that would fulfill the role of providing news of hometowns to distant subscribers, should postal rates force newspapers to cease to fulfill that role themselves?

RESPONSE

Since internet distribution is far cheaper than postal distribution, I do not see how postal rates could force newspapers to cease to fulfill that role. The Internet already has to a considerable extent supplanted the mails as a conduit of hometown news to distant places and will, doubtless, do so increasingly in the future.

Responses of Witness Gordon NNA/TW et al.-T3-8

NNA/TW et al T3-8 Do you believe the Internet will have 100 percent penetration into American households within the next

- a. 3 years?
- b. 5 years?
- c. 10 years?
- d. longer, and if so, how long?

RESPONSE

a, b, c, d. Such a prediction would be beyond my expertise. However, I am not aware that any communications medium, including the mail, has ever achieved 100 percent penetration into American households.

Responses of Witness Gordon NNA/TW et al.-T3-9

NNA/TW et al T3-9 Do you believe the Internet will displace all magazines within any time frame described in NNA/TW et al T3-8?

RESPONSE

No, I do not so believe.

Responses of Witness Gordon NNA/TW et al.-T3-10

NNA/TW et al T3-10 Do you believe the Internet will displace all newspapers within any time frame described in NNA/TW et al T3-8?

RESPONSE

No, I do not so believe.

Responses of Witness Gordon NNA/TW et al.-T3-11

NNA/TW et al T3-11 Have you conducted any studies or research or written any articles or books about the economic viability of Internet publications that do not depend upon print media in any way for sharing of fixed costs, sharing of content or sharing or marketing expenses? If so, please provide copies.

RESPONSE

No I have not.

Responses of Witness Gordon NNA/TW et al.-T3-12

NNA/TW et al T3-12 Do you believe the Postal Service has no role in “binding the nation together” with information published in newspapers or magazines

- a. Today?
- b. Next year?
- c. In any time frame described in NNA/TW et al T3-8
- d. Following implementation of any rates adopted as a result of this case?

RESPONSE

I believe the United States to be one of the most socially and culturally cohesive countries in the world and that, therefore, efforts by the Post Office to foster such cohesiveness are, at this point in our history, largely superfluous and economically unjustifiable.

Responses of Witness Gordon NNA/TW et al.-T3-13

NNA/TW et al T3-13 If you believe the role of the Postal Service in “binding the nation together” is being diminished or displaced, would you recommend that the Postal Service no longer recognize the value of educational, cultural or scientific information in its rates or policies? Please explain your response.

RESPONSE

See my response to ABM/TW et al.-T3-1.