

**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 INTERROGATORIES
OF AMERICAN BUSINESS MEDIA
TO U.S. NEWS & WORLD REPORT, L.P.
ABM/USN -T1-1-16
(September 27, 2004)**

Pursuant to Rule 26 of the Rules of Practice, American Business Media hereby submits interrogatories and requests for production of documents to U.S. News & World Report, L.P. American Business Media asks that, in responding to these requests, U.S. News follow the guidelines set forth below. If any request is deemed burdensome or seeks information which the respondent reasonably believes is confidential, please contact the undersigned counsel for American Business Media to discuss possible limitations or alternative requests.

If Mr. Armstrong is unable to provide a complete response, please provide a response by another employee or representative of U.S. News.

If information requested is not available in the exact format or level of detail requested, please provide responsive material in such different format or level of detail as is available.

If a privilege or confidentiality is claimed with respect to any information that is responsive to these requests, please describe the precise nature of any privilege claimed and describe information being withheld, including sufficient

detail to enable a reasonable assessment of the claim of privilege or confidentiality.

If any information that would have been provided in response to these requests has been destroyed, please describe such data or documents and explain the circumstances under which they were destroyed.

Respectfully submitted,

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September 27, 2004

FIRST INTERROGATORIES AND
REQUEST FOR PRODUCTION OF DOCUMENTS
OF AMERICAN BUSINESS MEDIA
TO U.S. News & World Report, L.P. Witness Armstrong

ABM/USN -T1-1. With reference to your testimony at page 1, lines 22-24, please describe how you changed your mailing practices to take advantage of: (a) carrier route piece rates, (b) barcoding, (c) ADC entries, (d) palletization.

ABM/USN -T1-2.

(a) Who specifically performed the analysis that showed that U.S. News would enjoy a 10.4% discount under the proposed rates with no change in mail preparation.

(b) What was the before and after per copy postage?

ABM/USN -T1-3.

(a) What percentage of the copies in the main file and in supplemental mailings is now palletized?

(b) approximately how many sacks do you now use to mail your main file and your supplemental mailings?

(c) What sack minimum(s) do you set for your sacked mail?

ABM/USN -T1-4. Please explain in greater detail how you would presort addresses in ways that would reduce by half the number of pallets and sacks, as stated at page 2, lines 5-6, and state (separately) the number of pallets and sacks before the presort change and the number of pallets and sacks after the presort change.

ABM/USN -T1-5. If as you state at page 2, lines 10-12, it would be "more efficient for all concerned" if the Postal Service handled fewer containers, along with associated adjustments in bundle handling and piece sorting, why are new rate incentives necessary for "all concerned" to take the steps that would lead to such greater efficiency?

ABM/USN -T1-6. Is the 3% additional saving you say is available (at page 2, lines 2-3) net of the added costs to U.S. News of additional sorting, new shipping patterns and other changes? If not, what portion of this saving would be used to pay for these changes?

ABM/USN -T1-7.

(a) With reference to the 250,000 copies not now eligible for destination discounts, where are those copies now entered?

(b) How do current rates “discourage entering Periodicals at BMCs” ?

(c) How do current regulations “discourage entering Periodicals at BMCs” ?

(d) Why do current regulations “discourage entering Periodicals at BMCs” ?

ABM/USN -T1-8. You state that co-mailing at the proposed rates would be attractive. Is co-mailing at today’s rates attractive? If not, why not?

ABM/USN -T1-9. If U.S. News would save postage by co-mailing at today’s rates but chooses not to co-mail, please explain the considerations that led you not to co-mail.

ABM/USN -T1-10. You state at page 3, lines 6-10, that co-mailing your publication would mean that your “printers” would “need to make a significant investment in large capacity multi-mailing equipment.” With respect to this statement, please:

(a) identify your printers and the volume printed by each at each location,

(b) quantify the investment they would have to make,

(c) describe in detail your “current co-mailing strategy,” including the location at which such co-mailing takes place, the number of U.S. News pieces in each co-mailing pool, the percentage of each pool that consists of U.S. News pieces, and the number of other publications with which U.S. News is co-mailed in each pool.

ABM/USN -T1-11. Please describe and state the results of all studies you have done to support the statement at page 3, lines 16-18 that the proposed rates would make co-mailing of U.S. News attractive even in areas with a high level of carrier route sortation.

ABM/USN -T1-12. Would co-mailing of U.S. News be attractive if it resulted in delivery to readers one day later than would otherwise be the case?

ABM/USN -T1-13.

(a) With respect to the main file mailing, when does U.S. News close editorial, when is it printed, when does it leave the printing plant(s) and what is your expected in-home delivery day?

(b) Is it your understanding that the time frames between closing editorial, printing, leaving the printing plant and expected in-home delivery are different for U.S. News than they are for the other major news weeklies? Please explain anything but a “no” answer.

ABM/USN -T1-14. Please explain in detail all of the reasons why you believe that, because the proposed rates would benefit Time and Newsweek more than they would benefit U.S. News, your publication would be at a “competitive disadvantage.”

ABM/USN -T1-15. Would U.S. News be at an even greater competitive disadvantage if the proposed rates increased its total mailing costs by 10% rather than reducing them by that amount? Why?

ABM/USN -T1-16.

(a) When you state (at page 3, lines 23-25) that the proposed rates will “ultimately be good for the entire Periodicals class of mail,” are you saying that the proposed rates will ultimately be good for all Periodicals mailers?

(b) If so, please explain how the proposal will be good for any Periodicals mailers that, despite their efforts, will suffer 25% or higher rate increases as a result of the proposal.

(c) If not, please describe those mailers for whom the proposal would not be “good.”