

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 AMERICAN BUSINESS MEDIA TO
TW et al./ABM-T3-1-7
(September 28, 2004)

American Business Media hereby provides the responses to Time Warner Inc., et al.'s Interrogatories TW et al./ABM-T3-1-7, filed September 15, 2004.

The interrogatories are stated verbatim and followed by the response.

Respectfully submitted,

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September 28, 2004

Response of ABM to TW et al./ABM-T3-1

TW et al./ABM-T3-1:

Please provide a list of all Crain Communications owned or operated publications and the projected rate impact (in dollars and as a percentage of current postage) upon each title if the proposed rates were implemented.

RESPONSE

Crain's titles are listed in response to Time Warner et al./ABM-T3-5. The impact of the rate proposal on those titles is shown on Exhibit LB-1, lines 76-87. Please note that the entry on line 77 is a composite of five co-palletized titles, and the entry on line 78 is a composite of nine co-palletized titles.

Response of ABM to TW et al./ABM-T3-2

TW et al./ABM-T3-2:

Have you conducted any analyses to determine if any changes in mailing behavior could be made to mitigate the impact of the proposed rates upon the Crain Communications publications? If the answer is yes, please provide copies of all such analyses and the data on which they were based (e.g., mail.dat files).

RESPONSE

Yes, at the request of counsel we ran some comparisons of the results of changing our sack minimums, although this was a purely hypothetical calculation, because we believe that increasing our sack minimums would produce unacceptable service deterioration.

An objection was filed on September 23, 2004 to the portion of this request seeking the results of this analysis and the data on which they were based.

Response of ABM to TW et al./ABM-T3-3

TW et al./ABM-T3-3:

Please provide a recent representative mail.dat file for each Crain Communications publication.

RESPONSE

Objection filed on September 23, 2004.

Response of ABM to TW et al./ABM-T3-4

TW et al./ABM-T3-4:

- a. Who performs the presort for Crain Communications publications?
- b. Does this provider utilize parameters that define minimum package size, minimum sack size, and minimum pallet size prior to actually performing the presort?

RESPONSE

- a. Crain Communications performs its own presort.
- b. Yes.

Response of ABM to TW et al./ABM-T3-5

TW et al./ABM-T3-5:

Please identify the printer and the printer's location for each Crain Communications publication.

RESPONSE

Advertising Age	Quad Graphics, Sussex, Wisconsin
Automotive News	Quad Graphics, Sussex, Wisconsin
BtoB	Quad Graphics, Sussex, Wisconsin
Business Insurance	Quad Graphics, Sussex, Wisconsin
TelevisionWeek	Quad Graphics, Sussex, Wisconsin
Crain's Cleveland Business	RR Donnelley, Pontiac, IL
Investment News	RR Donnelley, Pontiac, IL
Modern Physician	RR Donnelley, Pontiac, IL
Modern Healthcare	RR Donnelley, Pontiac, IL
Rubber and Plastic News	RR Donnelley, Pontiac, IL
Waste News	RR Donnelley, Pontiac, IL
Pensions and Investments	RR Donnelley, Pontiac, IL
Tire Business	RR Donnelley, Pontiac, IL
RCR Wireless News	RR Donnelley, Pontiac, IL
Crain's Chicago Business	RR Donnelley, Pontiac, IL
Plastic News	RR Donnelley, Pontiac, IL

Response of ABM to TW et al./ABM-T3-5

AutoWeek	RR Donnelley, Torrance, CA/Pontiac IL
Crain's Detroit Business	Quebecor World, Midland, MI
Ad Age's Creativity	Brown Printing, East Greenville, NY
Plastic News	Brown Printing, East Greenville, NY
Coin-Op	Banta, Long Prairie, MN
American Dry Cleaners	Banta, Long Prairie, MN
Laundry News	Banta, Greenfield, OH

Response of ABM to TW et al./ABM-T3-6

TW et al./ABM-T3-6:

On page 1, line 8, you state: “It appears to me, however, that the Time Warner restructuring proposal- especially with the rates suggested but not directly at issue here – is too much, too fast.” Please indicate, based on your experience in MTAC and POAC, how long the Postal Service and the mailing industry have been exploring cost-based rates.

RESPONSE

Based upon my total experience with and knowledge of postal rate matters, it seems to me that the Postal Service and the mailing industry have been exploring, and implementing, cost-based rates since the Postal Rate Commission was created and since the first rate case in 1971. As I understand it, the second-class rate was increased by about 100% in that case (on a phased basis), based on cost data. Since that time, additional cost-based elements, such as different presort levels, destination entry, bar codes and a pallet/sack differential, have been added to make the rates “more cost-based.”

If you are referring to what is known in the industry as the “O’Brien grid,” which suggested more fine-tuning as in the rates proposed in the complaint, I believe that has been around for a few years.

Response of ABM to TW et al./ABM-T3-7

TW et al./ABM-T3-7:

Please refer to page 8, line 14, of your testimony. Are there publishers who allow their printer and or fulfillment house to perform analysis on their distribution and make recommendations on “how best to ‘package’ a mailing”?

RESPONSE

Yes.