

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

**Experimental Periodicals
Co-Palletization Dropship
Discounts For High Editorial
Publications**

) **Docket No. MC2004-1**

**SECOND INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF AMERICAN BUSINESS MEDIA
TO UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
ABM/USPS-T1-32-58
(April 13, 2004)**

Pursuant to Rules 25 through 28 of the Rules of Practice, American Business Media hereby submits its second interrogatories and requests for production of documents. American Business Media asks that, In responding to these requests, the Postal Service follow the guidelines set forth in American Business Media's first discovery requests submitted March 24, 2004.

Respectfully submitted,

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REQUEST FOR PRODUCTION OF DOCUMENTS
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TO UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
ABM/USPS-T1-31-58

ABM/USPS-T1-32. American Business Media's interrogatory ABM/USPS-T1-1 asked when the Postal Service first considered filing a co-pallet discount for high-edit publications, and your answer quotes testimony from R2001-1 setting forth some costing and pricing principles and referring to your response to question ABM/USPS-T1-2 but not directly addressing the question. Please state when the idea of actually filing an experimental rate departing from the historic, flat editorial rate first took shape.

ABM/USPS-T1-33. Please refer to the table provided in response to ABM/USPS-T1-3 and to that response. (a) Please confirm that the 54 million copies referred to in the response and appearing on fifth row from the bottom of that table included publications issued more frequently than monthly. (b) Please confirm that if the condition "published monthly or less frequently" were added to the final sentence of that response, the "54 million copies" referred to in that sentence would be changed to "37 million pieces." If you cannot confirm either statement, please explain.

ABM/USPS-T1-34. (a) In your response to ABM/USPS-T1-3, are you assuming that none of the 54 million copies there identified have sufficient density to palletize under today's rules, whether or not they are currently mailed on pallets? (b) If you are, please provide the basis for that assumption. (c) If you are not, please estimate the number of copies included in that 54 million that can now palletize (whether or not they do) and would therefore be ineligible for the co-pallet discount. (d) If you are not, please estimate the number of copies included in the 37 million shown on the last line of your table that can now palletize (whether or not they do) and would therefore be ineligible for the co-pallet discount

ABM/USPS-T1-35. Why have you separately identified publications issued monthly and less frequently in the table included in your response to ABM/USPS-T1-3?

ABM/USPS-T1-36. Please provide your understanding of the ability of publications issued weekly to participate in a co-palletization program.

ABM/USPS-T1-37. Please provide your understanding of the ability of publications issued daily (including those issued 5, 6 or 7 days per week) to participate in a co-palletization program.

ABM/USPS-T1-38. Please provide an estimate of the percentage of eligible copies that are now participating in the ongoing copalletization experiment.

ABM/USPS-T1-39. In response to ABM/USPS-T1-4, you provided some material from Cadmus and referred to informal discussions with other printers. (a) when did you receive the Cadmus material? (b) How many of the estimated 20 million participating pieces are you assuming will be provided by Cadmus? (3) Why do the Cadmus data include only “non-weekly” publications?

ABM/USPS-T1-40. Please refer to the spreadsheet provided in response to ABM/USPS-T1-4. (a) Please confirm that, looking at the 345 publications weighing 8 ounces or more, the 26 publications with mailed circulation in excess of 10,000 account for 403,766 of the 1,177,924 pieces. (b) Please confirm that the average mailed circulation for the remaining 319 publications is 1265. (c) Please explain whether your 20 million piece estimate includes publications with circulation of around 1265 copies and state whether you believe that a publisher would include a publication of this size in a copalletization program if the postage savings, before considering any increased costs, were around \$63. If you cannot confirm parts (a) or (b), please provide your calculation of the average circulation if the largest 26 publications on the chart are excluded.

ABM/USPS-T1-41. Question ABM/USPS-T1-4 asked for all documents related to your estimate of 20,000,000 participating copies, yet you have provided only a spreadsheet from Cadmus that appears to show something in the neighborhood of 1,000,000 qualifying pieces per month (without considering any pieces that might be ineligible based upon a present ability to palletize). (a) Is it your statement that, except for this spreadsheet, there are no documents, as broadly defined in the instructions, that show how you moved from the Cadmus spreadsheet (if in fact you had it when you prepared the estimate) to 20,000,000 pieces per year? Please note in formulating your response that destroyed documents were to have been identified. (b) If there are additional responsive documents, please provide them. (c) If there are no additional responsive documents, please provide a detailed narrative explanation of how you arrived at the 20 million copy estimate.

ABM/USPS-T1-42. Please confirm that a mailer’s willingness to participate in an experimental rate program will depend not only upon the expected postage cost savings but also on the expected increases in other costs, such as shipping, printer charges, paperwork, list maintenance etc.?

ABM/USPS-T1-43. In studying the desirability of contemplated worksharing discounts, has the Postal service ever made an attempt to learn the costs to the mailer of participating? If your answer is in the affirmative, please provide examples.

ABM/USPS-T1-44. In response to ABM/USPS-T1-5, you state that Cadmus “led us to believe that their costs of co-palletizing and dropshipping would be offset by the proposed discounts. . .” and the existing discounts. (a) Please provide any documents prepared by the Postal Service or provided to the Postal Service that relate to this statement. (b) Were you led to believe that the costs would be less than the discounts, so that the mailer would see a net reduction, or only that there would be an offset?

ABM/USPS-T1-45. You state in response to ABM/USPS-T1-5 that the transportation costs alone for participating in a copalletization program amount to \$5 to \$6 per 100 pounds. (a) Please confirm that for a publication that weighs 9 ounces, this amounts to a cost ranging from 2.6 to 3.4 cents per piece. (b) Please provide all evidence of which you are aware that the non-transportation charges by printers to mailers for participation in a co-palletization program are such that a mailer will at least break even if it pays 2.6 cents to 3.4 cents per piece for transportation costs associated with a co-palletization program.

ABM/USPS-T1-46. With reference to your response to ABM/USPS-T1-6(b), please confirm that, since the Postal Service does not know how many pieces that qualify for the co-palletization discount were co-palletized before that discount was offered, it does not know how many pieces are co-palletized as a result of the discount.

ABM/USPS-T1-47. With reference to your response to ABM/USPS-T1-6(c), please explain the significant reduction in average weight per pallet.

ABM/USPS-T1-48. With reference to the updated chart produced in response to ABM/USPS-T1-6(a), please explain in greater detail each of the column headings, so that, for example, it is clear why the total pieces shown for pre-copalletization sacks and pallets for each month is so much greater than the total pieces for after copalletization sacks and pallets for the same month.

ABM/USPS-T1-49. In response to ABM/USPS-T1-10, you state that you are not aware of “many” publications that would satisfy the ad percentage and weight requirements proposed but whose circulation exceeds 75,000. (a) Is it your statement that those with circulation in excess of 75,000 were excluded only because there aren’t “many” that you know of? (b) If there are other reasons, what are they?

ABM/USPS-T1-50. Please refer to your response to ABM/USPS-T1-12. Please explain why a printer would have been co-palletizing qualifying pieces but would have chosen not to participate in the experiment.

ABM/USPS-T1-51. Please refer to your response to ABM/USPS-T1-14. If you cannot forecast the number of printers that will participate in the experiment, how can you forecast the number of pieces that will participate?

ABM/USPS-T1-52. Please refer to your response to ABM/USPS-T1-17. Please confirm that when you refer to mailers preparing their mail in an efficient fashion, you mean mailers preparing their mail in a manner that allows the Postal Service to handle it most efficiently, not to the efficiency of the mailers' operations. If this is not what you mean, please explain what you do mean with reference to both the mailers' operations and the Postal Service's operations.

ABM/USPS-T1-53. (a) Is it always more "efficient" for the Postal Service, as you have used that term, for the mailer to move mail from sacks to pallets?

ABM/USPS-T1-54. Please refer to your response to ABM/USPS-T1-18. You state that the mail in the example "has an inefficient component to its preparation." Has the mailer done anything inefficiently that impedes the goal of having the mail delivered on Monday?

ABM/USPS-T1-55. Please refer to your response to ABM/USPS-T1-19. The question asked for all documents related to and the detailed results of Postal Service efforts to determine which printers might participate in this experiment. The response adds no documents to the Cadmus spreadsheet provided in response to an earlier request and provides no details of discussions with other printers. No objection was raised to this question. Please provide all responsive documents and the details of your discussions with these other printers. If the Postal Service is now going to raise a confidentiality objection, at this time please give the details of your discussions—including discussions related to administrative burdens and costs—without linking those discussions to specific printers.

ABM/USPS-T1-56. Please refer to your response to ABM/USPS-T1-19. There, in a response dated March 24, 2004, you state: "I cannot forecast the number of printers/consolidators that will participate during the two-year life of the experiment." Five days earlier, you responded to OCA/USPST1-4, which asked how many printers are likely to take advantage of the proposal, and your response stated: "I am aware of three of four printers that have titles that would qualify for the proposed discounts, and I expect that at least two, and probably all of them, will participate." Please reconcile these seemingly inconsistent responses.

ABM/USPS-T1-57. Please refer to your response to ABM/USPS-T1-23. In the final sentence, you refer to "one mailer." (a) Was that mailer a publisher or a printer? (b) Was this the only mailer from whom you received this kind of message?

ABM/USPS-T1-58. Please refer to your response to ABM/USPS-T1-31. (a) Please compare the estimated 2/100th of a cent saving to non-participating pieces to the average per-piece postage cost for those pieces. (b) What would

the per-piece saving for non-participating pieces be if every qualifying piece of every publication published monthly or less frequently took part on the experiment? (Please show your calculation.)

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of April, 2004, a copy of the foregoing document was served in accordance with Section 12 of the Commission's Rules of Practice.

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