

**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 AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF AMERICAN BUSINESS MEDIA
TO TIME WARNER INC., ET AL. WITNESS SCHICK
ABM/TW et al.-T4-1-47
(May 28, 2004)**

Pursuant to Rules 25 through 28 of the Rules of Practice, American Business Media hereby submits interrogatories and requests for production of documents to Time Warner, Conde Nast, Newsweek, Readers Digest and TV Guide ("complainants"). American Business Media asks that, in responding to these requests, the complainants follow the guidelines set forth in American Business Media's first set of interrogatories to Witness Mitchell.

Respectfully submitted,

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TO TIME WARNER INC., ET AL. WITNESS SCHICK
ABM/TW et al-T4-1-47

ABM/TW et al.-T4-1. Please state when you first agreed to support the proposal contained in the complaint that initiated this proceeding.

ABM/TW et al.-T4-2. (a) When you agreed to support the proposal in the complaint that initiated this proceeding, had you seen the rates proposed by witness Mitchell? (b) If not, did those rates cause you to reconsider?

ABM/TW et al.-T4-3. Do you believe that the rates proposed by Witness Mitchell, if implemented with less than two years' notice, would seriously harm a significant segment of the Periodicals industry?

ABM/TW et al.-T4-4. At page 2, line 21, through page 3, line 2, you state that if postage rate minimization is the only goal, you will maximize presort, automate and barcode as much as possible and maximize dropshipping. Why have you not included palletization in this list?

ABM/TW et al.-T4-5. When QuadGraphics creates sacks, as described at page 3, lines 8-11, do you do so inefficiently?

ABM/TW et al.-T4-6. You testify at page 3, lines 11-18, that "in many cases" mail in 5-digit sacks will be delivered more quickly than mail on an ADC pallet. Is it also true that, in many cases, mail in 5-digit sacks will be delivered more quickly than mail in 3-digit sacks?

ABM/TW et al.-T4-7. When the Postal Service receives an ADC pallet with 5-digit bundles, how does it process those bundles? Include in your answer (at least) (a) at what type of facility the pallet is opened, (b) how the bundles are sorted mechanically, (c) to what level(s) they are sorted, (d) into what type(s) of containers the bundles are placed after sorting and for shipment, (e) how they are shipped to the next facility, and (f) the type of facility to which they are shipped.

ABM/TW et al.-T4-8. Does QuadGraphics print any weekly Periodicals on Friday night/Saturday that the publisher seeks to have delivered to the reader on Monday? If so, how and when are those publications typically containerized, transported and entered into the mail when the destination is the west coast?

ABM/TW et al.-T4-9. Do you agree that the Postal Service's processing and transportation system is, over time, becoming increasingly geared toward handling pallets and away from handling sacks?

ABM/TW et al.-T4-10. Have you ever worked on developing a container that has a capacity lower than that of a pallet but that would be less costly for the Postal Service to handle than a sack? If so, please provide the details of that work, including its results.

ABM/TW et al.-T4-11. (a) Please explain the details of the change in presort parameters for IN STYLE discussed at page 3, lines 21-23. (b) Were there any increased costs to QuadGraphics from making this change? (c) Were there any decreased costs to QuadGraphics from making this change? (d) how many bundles and pieces were in sacks before the change? (e) How many bundles and pieces were in sacks after the change?

ABM/TW et al.-T4-12. With respect to the IN STYLE situation, (a) why do you compare the costs of *origin* entered sacks with the costs of *destination* entered pallets? (b) Are you in fact drop shipping the pallets? (c) If so, why? (c) Did you in fact origin enter the sacks? (d) If so, why didn't you drop ship the sacks? (e) What is the weight and the editorial percentage of IN STYLE?

ABM/TW et al.-T4-13. (a) Why are there any sacks for IN STYLE? (b) If the rates proposed in this case were adopted, would there be any copies of IN STYLE in sacks? (c) If so, why?

ABM/TW et al.-T4-14. In your comailing operation, do the participants in the individual pools vary from month to month (or week to week)?

ABM/TW et al.-T4-15. You testify at page 7, lines 1-2, that you have 120 publications in your comailing pools. (a) How many of the 120 comail their main file? (b) How many Periodicals printed by QuadGraphics would save postage costs if they participated in comail pools with their main files, but do not participate?

ABM/TW et al.-T4-16. What reason do publications give for choosing not to participate in comailing pools?

ABM/TW et al.-T4-17. What does "[w]e are comailing on a weekly basis" (page 7, lines 4-5) mean?

ABM/TW et al.-T4-18. How many comail pools does QuadGraphics run per month?

ABM/TW et al.-T4-19. (a) How many QuadGraphics comail pools per month include at least one participant that is comailing at least 250,000 pieces? (b) How many comail pools per month include at least one participant that is comailing at least 100,000 pieces?

ABM/TW et al.-T4-20. Is it correct that, in the comail pool portrayed in your Exhibit A, there are two titles contributing more than 500,000 pieces to the pool, two more titles contributing between 200,000 and 500,000 pieces, four titles contributing between 100,000 and 200,000 pieces, four titles contributing between 50,000 and 100,000 pieces and one title with fewer than 50,000 pieces?

ABM/TW et al.-T4-21. Please provide the names of the Periodicals identified as Titles 7-13. If, after inquiry, any of the publishers (that are not also complainants) refuse to allow you to release those names, then provide the name of the publisher.

ABM/TW et al.-T4-22. Your Exhibit A pool contains 2.7 million copies. (a) How many pieces are in your average pool? (b) How many pieces are in each of your largest five pools? (c) How many pieces are in each of your smallest five pools?

ABM/TW et al.-T4-23. You state at page 9, lines 21-22, that "a balance must be maintained for ECSI value of periodicals." A balance between what and what?

ABM/TW et al.-T4-24. (a) Do you believe that cable television has substantially diminished the value of print media for the distribution of material with educational, cultural, scientific and informational value? (b) If so, should the ECSI value of Periodicals continue to be recognized in postal rates?

ABM/TW et al.-T4-25. (a) Do you believe that the internet has substantially diminished the value of print media for the distribution of material with educational, cultural, scientific and informational value? (b) If so, should the ECSI value of Periodicals continue to be recognized in postal rates?

ABM/TW et al.-T4-26. Do you believe that people in business are more likely to rely upon information they receive in specialized business periodicals or on information they find in an internet news group?

ABM/TW et al.-T4-27. Do you believe that medical practioners are more likely to rely upon information they receive in specialized medical periodicals or on information they find in an internet news group?

ABM/TW et al.-T4-28. Do you agree or disagree with the following statement, and why: setting postal rates for periodicals in a manner that recognizes their educational, cultural, scientific and informational value is no longer necessary, given the changes in communications, printing, information sharing and transportation in the past 100 years.

ABM/TW et al.-T4-29. Your testimony, for example at page 11, lines 1-2, states that, with the proper incentives, the mailing industry will react. Does QuadGraphics' comailing and copalletizing operations indicate that the present rate structure offers adequate incentives for printers to provide those services?

ABM/TW et al.-T4-30. Approximately how many periodical printers are there in the United States?

ABM/TW et al.-T4-31. Approximately how many periodical printers in the United States offer comailing services?

ABM/TW et al.-T4-32. Approximately how many periodicals (that are entered into the mail) are printed at printers that do not offer comailing services?

ABM/TW et al.-T4-33. Approximately how many periodical printers in the United States offer copalletizing services?

ABM/TW et al.-T4-34. Approximately how many periodicals are printed at printers that do not offer copalletizing services?

ABM/TW et al.-T4-35. (a) If a QuadGraphics customer signed a three-year printing contract and six months later asked to be let out of the contract, because the customer found another printer that could print and mail its products less expensively, is it QuadGraphics' policy to let that customer out of that contract without penalty? (b) What is the policy of other printers in this situation, insofar as you are aware?

ABM/TW et al.-T4-36. You testify at page 11, lines 3-15, that, with greater incentives for more highly workshared periodicals, more printers and other mailers will invest in the technology, software and other processes necessary to take advantage of those incentives. Would you characterize those investments as major?

ABM/TW et al.-T4-37. Please state your understanding of the Postal Service's investigation of delivery point sequencing flats.

ABM/TW et al.-T4-38. Is there a reasonable chance that, if the Postal Service does in fact move forward with delivery point sequencing of flats, and does so at the plant or SCF level, the value to the Postal Service of the carrier route and 5-digit presort will be significantly reduced or eliminated?

ABM/TW et al.-T4-39. Would it be irrational for a printer that has not made the investment necessary to comail on a large scale to defer making that investment until the Postal Service has decided what it intends to do with delivery point sequencing of flats?

ABM/TW et al.-T4-40. You state at page 11, lines 16-19, that there are "situations" in which a printer or publisher may not be able to change its mail preparation or design as a reaction to the type of rate structure you support in this case. Separately for printers and publishers, please list and explain all such situations of which you are aware.

ABM/TW et al.-T4-41. At page 12 lines 1-5, you analogize to presort bureaus and Parcel Direct. Please explain the operations of presort bureaus and Parcel Direct.

ABM/TW et al.-T4-42. Does the Postal Service sort bundles of periodicals onto pallets?

ABM/TW et al.-T4-43. At page 12, lines 9-10, you state that QuadGraphics must reduce the time of production in its comailing operation to "improve the speed to market." Please explain how a comail pool is formed and implemented, including the maximum, minimum and average times in a typical QuadGraphics pool between when a periodical is ready for printing and when it is ready for dropshipping (or mailing).

ABM/TW et al.-T4-44. (a) Are participants in comailing pools required to guarantee that they will be ready for printing at any particular time? (b) If so, how big a window are they given? (c) If there is a window, is the window different for different participants or different pools? (d) If time commitments are required, what happens if a particular periodical fails to meet its commitment?

ABM/TW et al.-T4-45. Why is it beneficial to move volume from postal transportation to private transportation?

ABM/TW et al.-T4-46. To whose "costs" do you refer on line 12 of page 13?

ABM/TW et al.-T4-47. Please provide a list of those printers that are willing to co-palletize or pool ship periodicals of other printers with those they print themselves.

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of May, 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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