

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

**Complaint of Time
Warner Inc. et al.
Concerning Periodicals Rates**

) **Docket No. C2004-1**

**SECOND INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF AMERICAN BUSINESS MEDIA
TO TIME WARNER INC., ET AL. WITNESS SCHICK
ABM/TW et al.-T4-48-66
(June 8, 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
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ABM/TW et al. - T4-48. With regard to your testimony at page 2 lines 18-20 that “[w]e are forced to make decisions that we know are not in the best interest of the ‘lowest combined costs’ model,” please state whether the nature of any such decisions is fully addressed on page 3 of your testimony, and, if not, please specify the nature of any such decisions that are not driven by a need for expedited delivery.

ABM/TW et al. – T4-49. With regard to your testimony at page 3 lines 8-11, please state the approximate percentage of Quad/Graphics Periodicals mail volume that is prepared in sacks, including the percentage mailed in sacks to shorten delivery time and the percentage mailed in sacks for other reasons. Please specify such other reasons.

ABM/TW et al. – T4-50. With regard to your testimony at page 4, lines 3-9, please explain fully how Quad/Graphics accommodates a publisher who “wants and needs the lowest postage rates *and* the quickest, most efficient delivery.”

ABM/TW et al. – T4-51. Please explain the extent to which the comailing process may delay delivery of publications, and preclude the quickest delivery, and explain the reasons for this result.

ABM/TW et al. – T4- 52. (a) With reference to your testimony at page 7, lines 15-20, please explain whether *all* comailings by Quad/Graphics are 99+% palletized and will be 100% palletized in the near future. (b) If and to the extent that not all such comailings are or will be palletized to that degree, please explain the factors that lead to differentiation in degrees of palletization.

ABM/TW et al. - T1-53. With regard to your testimony at page 4, lines 1-2, please explain how the use of sacks affects costs incurred by Quad/Graphics, and the extent to which any such additional costs are passed on by Quad/Graphics to publishers.

ABM/TW et al. – T4-54. With regard to your testimony at page 3, lines 19-24, please explain (a) the nature of the change to presort parameters that led to the reduction of sacks mailed by *In Style*, and (b) what incentive led *In Style* to make such change.

ABM/TW et al. - T4-55. With regard to your testimony at page 4, lines 16-18, and page 5, lines 16-18, please explain (a) how the proposed rate structure

would affect the viability of the printing industry, (b) how the proposed rate structure would affect smaller printers, and (c) how the proposed rate structure would help further differentiate Quad/Graphics from its competition.

ABM/TW et al. – T4-56. With regard to your testimony at page 5, lines 21-22, please state the extent to which Quad/Graphics shares in the postage savings generated by comailing and other forms of pooling.

ABM/TW et al. – T4-57. (a) Please provide your best estimate of the minimum investment required of a printer, in terms of both cost and the type of equipment, technology, software and processes required, in order to efficiently comail Periodicals. (b) Please provide your best estimate of the minimum number of titles and total Periodicals mail volume that a printer must handle in order to justify such investment and efficiently comail Periodicals.

ABM/TW et al. – T4-58. With reference to your testimony at page 12, lines 17-18 that “[i]n *most* cases today, publications with low advertising will not see enough savings to justify to cost [of dropshipping]” (emphasis added), (a) please state what you mean by low advertising, in terms of a percentage or range; (b) please estimate the extent, in terms of volume and percentage of Periodicals volume, to which such low advertising publications are printed at Quad/Graphics, and the extent to which they are comailed; and (c) please explain the circumstances in which *some* low advertising publications do see enough savings to justify dropshipping, and please estimate the extent to which this occurs.

ABM/TW et al. – T4-59. What percentage of Periodicals produced by Quad/Graphics do you project would be dropshipped if the presently proposed rate structure were to be implemented? For any response that is less than 100%, please explain what factors apart from the editorial pound charge operate to inhibit or preclude dropshipping to that extent at the present time.

ABM/TW et al. – T4-60. Referring to your testimony at page 13, lines 2-9, please confirm that as more mailers resort to dropshipping in lieu of transportation by the Postal Service, those who remain dependent upon Postal Service transportation will face rising unit costs for such transportation.

ABM/TW et al. – T4-61. Please identify all other printers that you believe may have a larger Periodicals comailing volume than Quad/Graphics, and separately identify all other printers that you believe may have a larger investment than Quad/Graphics in the comailing of Periodicals. In each case, please estimate/describe the volume/investment.

ABM/TW et al. – T4-62. Please identify all other printers that you believe may have a Periodicals comailing volume, and/or investment in the comailing of Periodicals, that is comparable to that of Quad/Graphics. In each case, please estimate/describe the volume/investment.

ABM/TW et al. – T4-63. Please estimate and explain the time and resources that would be necessary for a Periodicals printer that does not presently engage in comailing to achieve an investment in comailing of Periodicals and a Periodicals comailing volume comparable to that of Quad/Graphics today.

ABM/TW et al. – T4-64. Please identify all printers other than Quad/Graphics that you believe may have a substantial Periodicals comailing volume and/or substantial investment in the comailing of Periodicals, to the extent that you view them as a serious actual or potential competitor. In each case, please estimate/describe the volume/investment.

ABM/TW et al. – T4-65. Please describe and quantify (a) the investments already made by Quad/Graphics in comailing and copalletization, respectively, and (b) the further investments in comailing and copalletization, respectively, that Quad/Graphics would likely make if the proposed rate structure were to be adopted. Please explain how such changes would reflect the “Ready, Fire, Aim” philosophy referred to at page 8 line 11 of your testimony.

ABM/TW et al. – T4-66. With reference to your testimony at page 11 lines 14-15 that “comailing equals copalletization without the extra work,” (a) please specify and explain the extra work involved in copalletization, (b) please provide your best estimate of the minimum investment required of a printer, in terms of both cost and the type of equipment, technology, software and processes required, in order to efficiently copalletize Periodicals, and (c) please provide your best estimate of the minimum number of titles and total Periodicals mail volume that a printer must handle in order to justify such investment and efficiently copalletize Periodicals.