

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

**Complaint of Time Warner, Inc. *et. al.*
Concerning Periodical Rates**

Docket No. C2004-1

**INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO
TO TIME WARNER WITNESS ROBERT W. MITCHELL
(APWU/TW *et al.* -T1,1-3)**

(June 14, 2004)

Pursuant to Sections 25 and 26 of the Rules of Practice, The American Postal Workers Union, AFL-CIO (APWU) directs the following interrogatories to Time Warner *et. al.* witness Robert W. Mitchell (TW *et. al.*-T1). If the witness is unable to respond to any interrogatory, APWU requests that a response be provided by an appropriate person capable of providing an answer.

Respectfully submitted,

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APWU/TW et al.-T1-1

On page 1 of your testimony you state that you are describing the deficiencies in Periodical rates. Is it your contention that the current rates are not valid because they do not meet the requirements of the Postal Reorganization Act? If this is your contention please provide a precise listing of ways in which the rates fail to meet the PRA requirements.

APWU/TW et al.-T1-2

The PRC's rules for complaints (§3001.83 (c)) require that all complaints include copies of all correspondence or written communications between the complainant or his/her agent and the Postal Service which relate to the subject matter of the complaint. Your description of your background and your response to ABM/TW et al.-T1-1 show that you have experience and knowledge related to periodicals rates and rate increases over several years and have had discussions on these issues with all parties. Please provide copies of all written communications on these matters of which you are aware. Please include written communications between any of the complainants and the Postal Service as well as communications related to these interactions in a group setting, such as presentations during MTAC or other meetings of the periodicals mailers and the Postal Service.

APWU/TW et al.-T1-3

To better understand the potential impact of this proposed change in rate structure on smaller mailers, it is helpful to look at publications before and after such a rate structure change and see what the differences would be in the postage. The APWU's bimonthly publication *Postal Worker* is mailed out to its membership. A recent mail.dat file for this publication was analyzed using a program that Time-Warner has made available to mailers to estimate the change in postage that might be experienced using the rate structure proposed in this case. These are summary statistics generated by that program for the "current rates" calculation,

277, 755 pieces
100% editorial content,
0.25 pounds per piece,
mailed to all eight postal zones (90% to zones 3-8)
100% machinable,
88% 5-digit barcoded,
10% 3-digit barcoded,
no drop shipping,
93% received discounts for palletization.

However, the comparative analysis generated by the program indicates that the *Postal Worker* would pay higher postage under the new structure than under the current structure.

- A) What would a publication with similar characteristics have to do to avoid increases in postage under this new structure?
- B) What could a publication with similar characteristics do to reduce the number of sacks and increase the number of pallets beyond current levels?
- C) APWU is more than pleased with the performance of the current printer/mailer for the *Postal Worker*, however, the somewhat flexible publishing schedule of the *Postal Worker* and many other publications handled by this printer/mailer offer little opportunity for co-palletizing and this mailer does little dropshipping. Would APWU be forced to change its publishing schedules and long-time printer/mailer to avoid higher postage under the new rate structure?
- D) Are there significant numbers of companies that are currently co-palletizing so that there would even be a viable co-palletizing option?
- E) While this publication is mailed from the Washington metro area, would mailers in other areas have similar opportunities to take advantage of the service?
- F) Please provide a count of all companies that are currently providing the services needed to achieve fewer sacks and more pallets to small mailers and indicate their general geographic distribution.