

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 SET OF DISCOVERY REQUESTS
DIRECTED BY THE MCGRAW-HILL COMPANIES, INC.
TO COMPLAINANTS' WITNESS STRALBERG
MH/TW et al. – T2 – 12-13
(June 14, 2004)**

Pursuant to Rules 25 through 28 of the Commission's Rules of Practice, The McGraw-Hill Companies, Inc. submits the following interrogatories and other discovery requests to Complainants' witness Stralberg (TW et al. – T2). To the extent that witness Stralberg may be unable to provide a full response, please provide a response by another witness, employee or representative of Complainants. If the information requested is not available in the precise format or level of detail requested, please provide such information in such format and level of detail as is available. If Complainants would assert any objection to any of these discovery requests, please first contact the undersigned to discuss whether the objection may be resolved informally.

/s/

Paul A. DeGiusti
Director, Government Affairs
The McGraw-Hill Companies, Inc.
1200 G Street, N.W., Suite 1000
Washington, D.C. 20005-3802
Tel: (202) 383-3702
Email: paul_degiusti@mcgraw-hill.com

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MH/TW et al. – T2-12: Under the proposed rates, the pallet charges for entering a 3-digit/SCF or 5-digit/CR pallet at a destination ADC are higher than the pallet charge for entering an ADC pallet at the destination ADC. Could this give mailers incentives to convert 3-digit/SCF or 5-digit/CR pallets to ADC pallets? If so, how would such practice affect Postal Service costs, assuming an average number of pieces per pallet?

MH/TW et al. – T1-13: Referring to your answer to ABM/TW et al. – T2-8 that the “difference in productivity between the FSM-1000 and manual sorting is relatively small:” (a) Please specify the productivities in question. (b) Please quantify the capital and operating costs per piece of the FSM 1000. (c) Please specify the costs per piece of manual sorting. (d) Please explain how the capital and operating costs of the FSM-1000 are recovered through the current rates, and whether they are recovered from automation mail charges, non-automation mail charges or both. (d) Please explain how the capital and operating costs of the FSM-1000 would be recovered under the proposed rates, and whether they would be recovered from machinable mail charges, non-machinable mail charges or both.