

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

COMPLAINT OF TIME WARNER INC. ET AL.
CONCERNING PERIODICALS RATES

Docket No. C2004-1

RESPONSES OF AMERICAN BUSINESS MEDIA TO
TW et al./ABM-4-5, 7, 64 (revised)
(August 31, 2004)

American Business Media hereby provides the responses to Time Warner Inc., et al.'s Interrogatories and Request for Production of Documents TW et al./ABM-4-5, 7, filed July 27 and August 12, 2004.

The interrogatories are stated verbatim and followed by the response.

Respectfully submitted,

/s/ David R. Straus

David R. Straus

Thompson Coburn LLP
1909 K Street, NW
Suite 600
Washington, DC 20006-1167
(202) 585-6921
Attorney for American Business Media

August 31, 2004

Response of ABM to TW et al./ABM-4

TW et al./ABM-4:

- a. For each ABM-member publication that is distributed through the U.S. Postal Service under Periodicals rates, please provide a copy of the most recent ownership statement required by 39 U.S.C. § 3685 and a representative copy of a recent mailing statement (PS Form 3541).
- b. Additionally, please provide the following information, to the extent available, for each such publication:
 - (1) frequency of publication;
 - (2) average mailed volume per issue;
 - (3) mail piece shape (letter/flat/other);
 - (4) average weight per piece;
 - (5) average total print order per issue;
 - (6) printer and ZIP Code where printed;
 - (7) percent at each presort level (carrier route, 5-digit, 3-digit and basic);
 - (8) for each presort level, the percent that is pre-barcoded;
 - (9) percent qualifying for each per-piece discount provided under current rates;
 - (10) percent that is palletized;
 - (11) percent editorial content;
 - (12) percent of advertising pounds entered in each zone;
 - (13) average number of pieces per bundle;
 - (14) for sacked pieces, average number of pieces per sack;
 - (15) for palletized pieces, average number of pieces per pallet.

RESPONSE

- a. American Business Media does not routinely collect or maintain either ownership statements or mailing statements of publications and therefore has none of the requested documents.
- b. The only information that American Business Media has that is responsive to this question is contained in mail.dat files collected on a confidential basis from those members that chose to participate in a member survey conducted in the spring of 2001 for the purpose of developing an American Business Media position in a rate case. Thus, the data are more than three years old, and we have been advised generally and informally from those from whom we sought

Response of ABM to TW et al./ABM-4

permission to release the data in connection with this proceeding that in many cases the mailing characteristics such as weight, palletization, and sacking may have changed in the past three plus years. For this reason, *i.e.*, the data may no longer be relevant, and because mail.dat files contain information that is deemed by many publishers to be confidential and competitively sensitive, American Business Media objects to this interrogatory.

Notwithstanding this objection, because the age of the data make their release less of a confidentiality concern and in accordance with and subject to a nondisclosure agreement reached with complainants, American Business Media and its members are willing to make available the mail.dat files for 154 publications, representing most of the files in American Business Media's custody and control and all of the mail.dat files in American Business Media's custody or control for the six members that agreed to their release.

Response of ABM to TW et al./ABM-5

TW et al./ABM-5:

- a. Did ABM at any time after the filing of Time Warner et al.'s original complaint in January 2004, attempt to estimate the impact of the proposed rates on specific ABM-member publications?
- b. If yes, please identify the publications for which such an analysis was attempted and describe the method used to perform the analysis and the results obtained.
- c. Please also answer the following for each such publication.
 - (1) Was one or more mail.dat files used in the analysis? If yes, please provide an electronic copy of each mail.dat file used.
 - (2) Was an Access file generated in the process of analyzing the mail.dat information? If yes, please provide an electronic copy of the Access files used.
 - (3) Was an Excel spreadsheet generated in the process of analyzing the mail.dat information? If yes, please provide an electronic copy of the Excel files used.

RESPONSE

a. yes.

b. American Business Media objects to this question on the ground that the studies performed were conducted at the request of counsel for purposes of this litigation and therefore represent attorney work product that is not subject to discovery.

Notwithstanding this objection, in accordance with a nondisclosure agreement reached with complainants, American Business Media states its general understanding that the method used by the five member companies to analyze the impact of the proposed rates was for each to perform calculations employing both mail.dat files and an Access file developed and made available by the complainants to determine the postage that would be paid under the rates proposed for an actual, recent issue and comparing the result to the postage paid at today's rates. The one exception to this statement is that one member wishing to provide the

Response of ABM to TW et al./ABM-5

comparison requested by counsel was unable to perform the calculations even with the Access file and asked another member that had figured out the system to perform the calculations for it. The results obtained, which will be provided more specifically in response to part c, were in general that, of the 141 publications studied, 133 would pay increased rates under the proposed rates, ranging from insignificant to more than 80%, while 8 would see very small decreases (assuming no change in mailing practices).

c. American Business Media objects to this question on the ground that the studies performed were conducted at the request of counsel for purposes of this litigation and therefore represent attorney work product that is not subject to discovery.

Notwithstanding this objection, American Business Media, in accordance with an understanding and nondisclosure agreement reached with complainants, is willing to state that American Business Media does have and is willing to provide to complainants electronic versions of spreadsheets (covering all 141 publications) in the custody or control of American Business Media (modified when necessary only to delete the names of individual publications) that show certain billing determinants along with postage at present and proposed rates.

Response of ABM to TW et al./ABM-7

TW et al./ABM-7

Referring to your response to TW et al./ABM-6g, for each ABM-member publication for which mail.dat files are normally generated, please provide an electronic copy of such a file for a typical issue.

RESPONSE

The only mail.dat files in American Business Media's custody or control are those discussed and provided in response to TW et al./ABM-3(b).

Response of ABM to TW et al./ABM-64

TW et al./ABM-64

Please identify each person whom ABM expects to call as a witness at the hearing in this docket and state the subject matter on which the witness is expected to testify (sic).

RESPONSE (Revised)

At this time, American Business Media intends to call the following witnesses: Joyce McGarvy (Crain Communications), Nick Cavnar (Hanley-Wood) and Lou Bradfield (VNU). It is expected that these witnesses will address various theories propounded by complainants in support of a new rate design for Periodicals. More specifically, it is expected, subject to change as the testimony is finalized, that they will address, possibly among other things, the need for a new rate design, ongoing changes in the Periodicals and printing industries, allegations that the present rates are unfair, the impact of the proposed changes (especially on smaller circulation periodicals, weeklies and dailies), the role of ECSI value and the need to “bind the nation together” in the establishment of Periodicals rates, and the theory that ad revenues can meaningfully be measured on a per recipient basis. Because American Business Media’s testimony is due in nine days, it does not intend to update this response further.