

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

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

Docket No. C2004-1

DIRECT PREPARED TESTIMONY OF LOU BRADFIELD
ON BEHALF OF AMERICAN BUSINESS MEDIA
(September 9, 2004)

1 My name is Lou Bradfield, and I am submitting this testimony on behalf of
2 American Business Media. The general purpose of my testimony is to respond to
3 certain assertions and assumptions that have been put forth by the complainants to
4 support a radical and, I believe, potentially very harmful change in Periodicals rate
5 design. As someone with substantial experience in both the printing and distribution
6 sides of the business, and who has worked with both large and small circulation
7 periodicals, I think that I am well equipped to comment on some of the issues raised by
8 the proposal.

9 Many businesses, including publishers and printers, have developed business
10 models based upon the type of rate structure that has been in existence for many
11 decades, a structure that has changed gradually over the years to reflect changes in
12 processing costs and to more fully reflect those costs.

13 Adaptation to these changes has for the most part been possible, although, also
14 for the most part, smaller circulation Periodicals appear to have absorbed more of a
15 burden than larger circulation Periodicals. For example, I recall that in Docket No.

1 MC95-1, the reclassification case in which I testified for what was then American
2 Business Press, the Commission rejected the proposed split of the Periodicals class but
3 recommended rate changes, such as a very large increase in the carrier route discount
4 (§ 5328), that caused the rates for smaller circulation periodicals to increase while those
5 for the largest publications decreased. I understand that per copy postage for Time and
6 Sports Illustrated are now about what they were prior to the decision in MC95-1, and
7 that as proposed they would be lower than they were a decade and several rate
8 increases ago.

9 I submit that even though it might be reasonable for the Commission to consider
10 recommending some modest changes, it should reject the major overhaul proposed for
11 many of the same reasons that it rejected the major overhaul in the reclassification
12 case. I think that the Commission well understands that big rate changes that will
13 allegedly “drive costs out of the system” might well drive mailers out instead.

14 Autobiographical Sketch

15 My present position is Corporate Distribution Director for VNU Business
16 Publications, where I have been employed for two years. VNU publishes forty- eight
17 titles, among them some that are relatively known, such as The Hollywood Reporter,
18 Billboard, and AdWeek, and some that are highly specialized and well known only in
19 their field, such as Beverage World, Sales & Marketing Management and one of witness
20 Gordon’s favorites, Kirkus Review. My present responsibilities include managing the
21 mailing and distribution of all of VNU’s titles.

22 Prior to joining VNU, I held similar positions over the past twenty-two years at
23 Cahners Publishing (now Reed Elsevier), Mack Printing (now Cadmus),

1 and TV Guide Magazine where I handled both production and distribution functions. In
2 addition, I have also consulted for Dennis Publishing, Deutsche Post Global Mail and
3 others.

4 I have been a MTAC member for several years and the Industry Co-Chair for the
5 USPS Periodicals Focus Groups in the Eastern and Capital Metro Areas since 1994. I
6 have spoken at Postal Forums and MAILCOM, and am a Certified Mail and Distribution
7 Systems Manager (from Mail Systems Management Association). I have also attained
8 the Periodicals Professional Certificate from the USPS. I have a certificate in Criminal
9 Justice from Villanova University and Associate in Arts degree from California State
10 Merced.

11 Cost-based Rates

12 If there is a single, overriding theme in the complaint and testimony, it is that
13 there should be cost-based Periodicals rates. I certainly do not pretend to have Mr.
14 Stralberg's expertise in measuring the Postal Service's costs or Mr. Mitchell's expertise
15 in turning those costs into rates. Nevertheless, it is not essential to have that level of
16 expertise to conclude that the end result of their efforts do not represent appropriate
17 rates for Periodicals.

18 In this regard, I should note up front that it is difficult to address the rate structure
19 in a vacuum. Although, for example, I believe that the more than \$3 per sack charge
20 proposed would be devastating to many small publications, I cannot say that a 3¢ per
21 sack charge—to pick an extreme and unrealistic number—would create any problems.
22 Therefore, to the extent that I discuss the proposal in terms of the rates that were

1 proposed but that the Commission has ruled are not at issue, I do so because it is
2 necessary to put some context on the proposal.

3 My primary objection to the proposal is that it elevates costs and cost-based
4 rates so far above all other rate factors (except ECSI value, limited to the markup and
5 the editorial discounts) that it essentially ignores them. For example, Mitchell says (Tr.
6 851-52) that he considered the impact on mail users, but he really didn't, at least not in
7 any way that matters. He was asked whether he ran his numbers against actual
8 Periodicals, and he said that he had not (Tr. 989, 1168). Witness Stralberg concedes
9 (Tr. 160-61) that he did no analysis of the own-price sensitivities of mail with no
10 alternative to sacks and mail that cannot be drop shipped. I find it strange that the
11 complainants asked American Business Media and others for all sorts of detailed data
12 from which one can calculate the effect of the proposed rates only after they completed
13 the filing of their testimony. And, apparently, they did not even calculate the effect of
14 the proposal on their own publications, including some that are low in circulation and are
15 likely to see rate increases. For example, witness McGarvy's Exhibit JM-1 shows two
16 Time Warner publications (Time for Kids and Motocross) with increases of 28% and
17 12% respectively. Although Time Warner stands to gain more than \$16 million in
18 annual savings from the proposal, according to that exhibit, and I'm sure would not lose
19 any sleep over those two increases, increases like that should have at least given the
20 complainants pause and led to some more serious investigation of the impact of the
21 proposed rates on publishers who produce publications that would cause them to see
22 only the red ink. Furthermore, Mr. Mitchell's claim that his proposal goes easy on
23 adversely affected "high zone" mailers (Tr. 836) is of little consequence, given the

1 extremely low markup of 1.3% that certain of his assigned costs avoided (Tr. 1036-37).
2 Although he assumed that there are price points at which mail would leave the system,
3 he did not study the issue (Tr. 162).

4 For a more complete picture of the impact, American Business Media has not
5 only created witness McGarvy's Exhibit JM-1 but also Exhibit LB-1 attached to this
6 testimony. Early in this proceeding, American Business Media's counsel asked a
7 number of American Business Media members to attempt a calculation of the impact of
8 the Time Warner proposed rates, a task that only some can perform, because the
9 calculations require mail.dat files, which not everyone uses. It also required use of an
10 Access file that Time Warner developed and made available. Eventually, five American
11 Business Media members were able to produce the requested comparisons, and they
12 cover 144 publications. Excel spreadsheets with the results were provided to American
13 Business Media's counsel, and they have now been provided as well, with publication
14 names removed, to Time Warner in response to a request for production of documents.

15 Not all of the members produced the same type of spreadsheet. The attached
16 Exhibit LB-1 was created from those spreadsheets and includes some of the more
17 meaningful data that were contained on at least most of them. Thus, the columns show
18 per copy circulation, weight, percentages sacked and palletized, per issue postage
19 under the present and proposed rates and the percentage change.

20 Although this is not a scientific sample of the 1,500 or so Periodicals that are
21 members of American Business Media, it does appear that the 10% sample is
22 reasonably representative in many respects. I would guess, however, that since it was
23 only larger companies that were able to perform the calculations, the number of

1 publications with circulations over 100,000 (eighteen) is not representative. On the
2 other hand, the average number of copies per issue of 54,187 seems about right.

3 The range of impacts is quite large, from five publications with modest reductions
4 to ten with increases greater than 50%. The non-weighted average of the increases,
5 that is, the average of the percentage increases and decreases, is about 13%. As I
6 would have guessed from the rate design, the largest increases tend to be for the
7 publications with relatively high percentages of sacks. I also would guess that, as the
8 complainants are reading this testimony, they are repeating to themselves and perhaps
9 to each other that these numbers assume that mailing practices do not change, and one
10 purpose of their proposal is to “encourage” mailers to change their “behavior” (or force
11 them to pay for the services they allegedly receive if they do not).

12 I agree. The numbers do assume no change in mailing practice, and there is no
13 doubt that for some of these publications, the increase in postage cost can be
14 ameliorated, or in certain cases perhaps even reversed, if mailers take such steps as
15 increasing sack size, co-mailing, or co-palletizing. But there is also no doubt that of
16 the 25,000 or so outside-county Periodicals in the mail (Tr. 1041), a good number would
17 be staring at increases of the type portrayed at the upper end of the range on my exhibit
18 with no reasonable opportunity to change their mailing practices.

19 American Business Media witness McGarvy has touched on the issue of
20 increasing sack sizes even for publications that have the volume to do so. I will address
21 these cost-saving measures later.

22 First, however, I must discuss cost-based rates some more. To begin with, as
23 I've already said, the complainants treat maximization of cost basing and the “efficiency”

1 it would create as if they were the 11th commandment. But they are not. We all agree
2 that rates should to some degree reflect costs, and they already do, as I will show. But
3 the fine tuning in the proposal—creating a rate element for virtually every cost-causing
4 characteristic—is not the appropriate goal of postal rate making, especially for
5 Periodicals.

6 The Commission knows this. In Docket No. R-87-1, at ¶ 5510, it said: “There
7 are criteria in the Act besides those looking to economic efficiency. . . .” In Docket No.
8 R94-1, it ruled that Section 101(a) of the Postal Reorganization Act requires
9 considerations of all policy objectives “rather than allowing efficiency to dominate.” It
10 put these theories to work in the reclassification case, Docket No. MC95-1, a case in
11 many ways like this one. There, according to the Commission (page ii), under the rate
12 structure proposed for Periodicals, “publishers of small publications and small
13 circulation newspapers would pay more [and]. . . large circulation publishers would pay
14 less.” More specifically, an average of 17% more and 14% less (¶ 5122). The
15 Commission rejected major changes to the Periodicals rate structure, finding (¶ 5134)
16 with words still appropriate that it would be wrong to place “excessive emphasis on
17 ‘driving costs from the system’ and ‘changing mailers’ behavior” without full
18 appreciation for the impact on those that cannot change or could do so “only after
19 considerable adjustments in about every aspect of their operations. . . .” It determined
20 (¶ 5132) that the proposal there, like the proposal here, might “make the formation of
21 new periodicals more difficult by withholding the most favorable rates from publications
22 which have not attained significant levels of market penetration.”

1 From the complainants' complaints one would think that today's Periodicals rates
2 are randomly developed and not based on costs and are aberrational in that regard.
3 From my perspective, not only are Periodicals rates cost based, they are over time
4 becoming increasingly cost based, and they are probably more cost based than the
5 rates that apply to most mail. One way to demonstrate on a general basis that
6 Periodicals rates are cost-based is to compare the rates for the periodicals that are less
7 costly for the Postal Service to handle with the rates for those that are the more costly.

8 This comparison was made by American Business Media witness McGarvy, who
9 compared the rates paid by Time Warner's weeklies with the rate Crain pays for a
10 publication of equivalent weight and ad content. Crain's rate is 66% higher. Another
11 place to look is at the rates paid by the complainants themselves for a single publication
12 mailed in mass quantities for its main file mailing and mailed in smaller quantities in
13 supplemental mailings. The data at Tr. 73 to 75 and 116 to 126 (see also Tr. 263)
14 contain telling comparisons, for example:

- 15 • Money's main file mailing contained 1.8 million pieces, with per piece postage of
16 22.96¢. Its supplemental mailing contained 17 thousand pieces at 38.19¢ per
17 piece, or 66% higher (coincidentally the same difference shown by witness
18 McGarvy).
- 19 • The main filing mailing of Conde Nast's Bon Appetite contained 1.1 million pieces
20 and paid postage of 36.86¢ per piece, while the 28,067 piece supplemental
21 mailing paid an unappetizing 46.72¢ per piece, a 27% difference.
- 22 • Conde Nast's Brides pays 55¢ per (heavy) copy in its main file of 127,000, but
23 84¢, or 53%, more for its supplemental mailing of 5,890.

24 Time and Conde Nast do not pay these much higher rates because they like to,
25 and the Postal Service does not charge more for the supplemental mailings to
26 discourage small mailings more typical of American Business Media member
27 circulation. Rather, the rates for the supplemental mailings are higher because the

1 Postal Service's costs for these smaller, less work-shared mailings are higher, and the
2 cost based rates in effect today reflect those cost differences. Witness Stralberg
3 confirmed that these rate differences reflect cost differences (Tr. 236).

4 One look at the complex Periodicals rate structure shows just how cost-based it
5 is. As the Commission knows, there are a number of piece rates reflecting processing
6 cost differences as part of a piece/pound structure that seeks to recoup both piece-
7 related and pound-related costs. The zoned advertising pound rate is based on
8 distance-related costs, and there is a modest sack/pallet differential as well as a
9 barcode discount. Witness Mitchell agreed that at least most of the elements of
10 Periodicals rates are cost based, to varying degrees Tr. 938-46 and 1148-50. I
11 understand that there is some cost averaging in the Periodicals rate, just as there is in
12 any broadly applicable rate. Even the complainants are willing to accept some
13 averaging, as shown by witness Stralberg's support for a cost-averaged bar code
14 discount (Tr. 225).

15 One might conclude from the vigorous attack on Periodicals rates as not "cost
16 based" that they lag behind other postal rates in this regard. But witness Mitchell also
17 contended that First-Class rates are not cost based (Tr. 935) and that Standard rates
18 are not cost based (Tr. 936). He wouldn't commit on parcel post (Tr. 937). Certainly,
19 neither First-Class nor Standard rates are zoned by weight (although Standard rates do
20 reflect drop ship discounts). In addition, even though Periodicals rates appear to be at
21 least as cost-based as other rates, Periodicals rates are supposed to reflect content,
22 which is not a cost consideration. Deviation from pure cost-based rates is therefore to
23 be expected. Witness Mitchell said he has "no personal problem" with a rate for a 100%

1 editorial Periodical that is below cost or with the “price signal” that sends (Tr. 1150-52).
2 I don’t know why he should be so concerned with cost averaging as a way to preserve a
3 broad and diverse Periodicals class.

4 I said earlier that American Business Media and I are not opposed to serious
5 study and consideration of measured changes that are likely to produce lower Postal
6 Service processing costs without imposing undue hardship upon a segment of the
7 Periodicals class. Doing so, however, it seems to me, requires simultaneous
8 consideration of up-to-date Postal Service processing costs, projections of changes in
9 those costs in the short and intermediate term future and the rate structure, along with
10 an analysis of the likely impact of such changes on all types of Periodicals mailers.
11 Perhaps that was what witness Mitchell was referring to when he made a presentation
12 in which he contended that changes in Periodicals rate design could not be made by the
13 Commission and that the Postal Service must do studies to support the changes (Tr.
14 902).

15 I’m sure that witness Stralberg did what he could with what he had, but he used a
16 model from R2000-1 updated with the data used to develop fiscal year 2003 costs in
17 R2001-1 (Tr. 21). We are almost in fiscal year 2005, so the data, productivity, mail flow
18 assumptions, etc. are at least two years old. Cost estimates, of course, lose their
19 accuracy over time (Tr. 173).

20 However, things are changing, including the Periodicals processing environment,
21 with widespread use of the AFSM 100 flats processors, introduction of the Automated
22 Package Processing System (see Tr. 179), steps to reduce bundle breakage and, as I
23 understand it, substantial reduction in the use of processing annexes. At August’s

1 Periodicals Operations Advisory Committee and Mailers Technical Advisory Committee
2 meetings, the Postal Service reported that it has been able to reduce its transportation
3 costs by shifting from rail to truck. That announcement was trumped at the end of
4 August, when Amtrak announced that, effective October, it will no longer carry mail. In
5 an August 31st article in the Washington Times, an Amtrak spokesman was quoted as
6 saying that most of the Amtrak mail is “a lot of magazines” on long-distance routes. The
7 Postal Service will have to tell us what this announcement means for Periodicals service
8 and transportation costs.

9 The Postal Service also reported that it is still moving ahead with plans to
10 develop the ability to package or sequence flats to delivery points, as it now does with
11 letters. It has not yet decided whether to go with the more complicated DPP (Delivery
12 Point Packaging) or the less complicated FSS (Flats Sequencing System) approach. It
13 has, however, already completed Phase 1, concepts and simulations, and is now
14 reviewing proposals in Phase 2. There will soon be awards that will encompass the
15 building of a prototype for FSS and the building of a “test bed” of critical components for
16 DPP. If all goes well, there could be a field test of an FSS prototype in March 2006,
17 field-testing of DPP, if pursued, two years later.

18 What all of this means is that the pattern of cost incurrence is likely to undergo
19 significant change in the next few years, and I think it would be a mistake to restructure
20 rates without consideration of those changes. From the perspective of the
21 complainants, of course, there is no reason to wait, since they will save tens of millions
22 of dollars a year without the need to change a thing and without a penny of incremental
23 savings to the Postal Service. To the extent that these very large, very knowledgeable

1 and very sophisticated mailers can make some changes, they stand to save even more,
2 but should they choose to wait with those changes, they would still enjoy the very
3 substantial benefits of the rate design they have proposed.

4 The picture looks very different to the small publishers and printers who even the
5 complainants admit would have to change (if they can) to avoid punishing rate
6 increases for publishers and loss of business for printers. Efforts are underway and
7 should be continued to encourage smaller publishers and printers to engage in cost-
8 saving practices, if they can. I certainly hope that with the latest announcements from
9 Fairrington and Quebecor World discussed by witness McGarvy, co-mailing and co-
10 palletization will be available to and used by many more Periodical mailers to reduce
11 their and the Postal Service's costs.

12 No rate change is necessary to produce this result. I agree with witness Schick
13 (Tr. 430 and 504) that the co-mail incentives today are adequate, for those that are able
14 to participate. We seem to agree that for most periodicals, the drop ship incentives are
15 also adequate, since he testified that Quad/Graphics can drop ship down to and
16 possibly below 15% advertising content (Tr. 436 and 525) despite the flat editorial rate.
17 Drop ship incentives today are such that, according to witness Mitchell (Tr. 976), 69.2%
18 of all Time Warner pieces are entered at either the DSCF or the DDU. For TV Guide,
19 the percentage is a remarkable 89.6%, for Newsweek 73.18%, for Conde Nast 67.44%,
20 and for Readers Digest 65.05%.

21 My concern is for the weeklies, the very small publications, the small printers with
22 relatively few publications and others that cannot turn a switch or run a program to
23 change their mailing characteristics or the way that they prepare mail. Witness Schick

1 recognized that, even with all of the resources of Quad/Graphics and its admirable
2 history of co-mailing, his clients have valid reasons for not being able to co-mail,
3 including daily or weekly production schedules that would be difficult to adjust or
4 expand, differing trim sizes, printed polywrap and multiple insertions (Tr. 414), and he
5 added that publications or versions with fewer than 1,500 pieces cannot be co-mailed
6 as a practical matter (Tr. 448). He repeated (Tr. 425) that, even with the multiple and
7 sophisticated co-mail pools run by Quad/Graphics, weekly publications in co-mail pools
8 would risk missing critical entry times.

9 In addition, publications in a co-mailing program such as that at Quad/Graphics
10 cannot at the last minute delay their printing to accommodate a late-breaking story or a
11 lucrative, last-minute advertisement without incurring huge costs for re-running the co-
12 mail software (Tr. 418), even though there are, according to witness Schick (Tr. Tr.
13 516), publications that believe that they must do so. Business-to-business publications,
14 even many monthlies, are time sensitive news publications, and they cannot afford to
15 wait an entire month to cover a late-breaking story in the industry or profession that they
16 cover.

17 I understand from the Quebecor World press release that it may be able to
18 overcome that problem. I hope so. But that does not mean that publishers that now
19 print at other printers can simply move their work to Quebecor World (or
20 Quad/Graphics) in order to take advantage of co-mailing, assuming that the other
21 problems, such as with weeklies, can be overcome. The typical printing contract is for a
22 3-5 year duration (Tr. 509), according to witness Schick and my own experience, so
23 even if a publisher wanted to make the move, and even if that publisher's periodical(s)

1 could be co-mailed, and even if the publisher was one whose business was desired,
2 and even if the publisher thought that the new, large printer would provide all of the
3 assistance that a smaller and perhaps closer printer could provide, it could still take
4 years to make the change. And witness Schick agreed (Tr. 509) that when a publisher
5 “has to pull up stakes in one place and move, depending on the amount of work it is and
6 the complexity, that’s a big deal for them too. . . .”

7 Where I disagree with Mr. Schick is with his view that entry into the co-mail
8 business is relatively simple and inexpensive and that, as he said, any printer with a 4-
9 pocket Sitma can co-mail (Tr. 471-72). I suppose that, taken literally, it’s a true
10 statement that even a printer printing four small publications a month can run them on
11 its 4-pocket Sitma and co-mail, but I’m sure that Mr. Schick would agree that it would
12 not and could not do so as a practical matter. For one thing, they would all have to print
13 at roughly the same time of the month (unless some agreed to sit around a couple of
14 weeks). For another, the ability to make four 20,000 circulation publications look for
15 postal purposes like one 80,000 publication is unlikely to lead to substantial
16 improvement in the ability to avoid sacks and the worst of the proposed rates.

17 Co-mailing takes volume. It’s no accident that nine out of Quad/Graphics’ ten co-
18 mail pools per month contain one participant with at least 100,000 copies and that eight
19 of those ten have a participant with at least 250,000 copies (Tr. 391). Of the 105 titles
20 that participate in the Quad/Graphics co-mail pools, only thirty have circulation less than
21 100,000 and more than half have circulation in excess of 200,000. Numbers like that
22 are impossible for shorter-run printers. I would also point out that, in contrast to the

1 theoretical 4-pocket Sitma co-mailer, Quad/Graphics' primary co-mailers contain 24
2 pockets (Tr. 472), and Quebecor World plans to install 30-pocket co-mailers.

3 Even assuming that a printer has sufficient volume of eligible material for co-
4 mailing, that printer must have both the time and the financial resources to commence
5 co-mailing. According to witness Schick, it would take about twelve to eighteen months
6 to install co-mail equipment and software (Tr. 440), and to get started with a 24-pocket
7 co-mailer would cost from \$500,000 to \$2,000,00 (Tr. 433-34). From what I have been
8 able to learn, these costs are likely to be at the upper end of this range: \$1,500,000 to
9 \$2,000,000. But the time frame suggested by Mr. Schick, while accurate if measuring
10 the time from ordering a machine to making it operable, fails to take into account the
11 time it would take for a new entrant to study the issue and obtain both customer and
12 investment commitments. These steps could take about a year.

13 In addition, consideration must be given to the large amount of floor space that
14 must be devoted not only to the machine itself but also to the staging space needed
15 both before and after co-mailing. Many printers handling short-run titles have limited
16 space now, and some are land locked. Even if additional floor space can be obtained,
17 the time and money necessary to do so must be added into the equation.

18 Despite these threshold impediments, publishers of shorter run publications are
19 moving in the direction that the complainants wish to "encourage" with rate carrots and
20 sticks. VNU began co-mailing nine of its titles this summer, and our experience,
21 combined with comments to me by several printers, indicate that we can expect to see
22 gross postage savings of about 9% to 15%, with the added front-end costs eroding

1 around half of that number. For our titles for a couple of months, the net postage saving
2 has been about 4.5%. I expect that number to improve over time.

3 To me, the bottom line is that more co-palletizing and more co-mailing can be
4 done, is being done and will be done. It takes no rate design change to encourage
5 mailers to avoid the costs and damage of loading their publications into many small
6 sacks or to encourage the nation's larger publication printers to move forward in this
7 area. The main effects of the rate design and rate changes proposed here would be to
8 provide millions of dollars of rate reductions to those periodicals already paying the
9 lowest rates while imposing much higher postage costs on those unable to participate in
10 the proposed "race to efficiency."

RATE INCREASES AT PROPOSED RATES

Publication	Circulation per copy	Average Weight (lbs.)	% Sacked	% Palletized	Per issue postage (Current)	Per issue postage (Proposed)	Postage % change
1	153,500	0.53	11	89	\$31,364.00	\$34,700.00	10.64
2	126,000	0.36	23	77	\$29,495.00	\$30,527.00	3.50
3	83,000	0.23	52	48	\$18,575.00	\$19,848.00	6.85
4	32,000	0.36	65	35	\$6,386.00	\$7,096.00	11.12
5	26,000	0.31	88	12	\$6,917.00	\$7,462.00	7.88
6	131,700	0.45	24	76	\$43,366.00	\$48,007.00	10.70
7	44,000	0.22	78	22	\$9,091.00	\$9,996.00	9.94
8	77,300	0.36	39	61	\$21,326.00	\$22,386.00	4.97
9	46,000	0.19	86	14	\$9,831.00	\$10,856.00	10.42
10	77,000	0.25	82	18	\$15,147.00	\$15,994.00	5.59
11	64,000	0.21	97	3	\$9,947.00	\$10,941.00	10.00
12	92,500	0.30	17	83	\$23,159.00	\$25,618.00	10.62
13	68,000	0.37	49	51	\$19,368.00	\$20,305.00	4.84
14	99,000	0.21	27	73	\$22,883.00	\$24,335.00	6.35
15	42,000	0.34	63	37	\$12,313.00	\$13,122.00	6.57
16	157,500	0.43	11	89	\$48,345.00	\$48,882.00	1.11
17	48,000	0.31	94	6	\$12,511.00	\$13,374.00	6.90
18	21,000	0.33	N/A	N/A	\$7,412.00	\$8,042.00	8.50
19	54,000	0.38	70	30	\$16,196.00	\$16,847.00	4.02
20	38,000	0.38	79	21	\$9,031.00	\$10,107.00	11.91
21	36,500	0.24	97	3	\$8,839.00	\$9,762.00	10.40
22	96,500	0.28	39	61	\$23,709.00	\$24,723.00	4.27
23	152,000	0.24	20	80	\$36,987.00	\$37,826.00	2.27
24	76,000	0.34	30	71	\$23,681.00	\$24,564.00	3.73
25	87,000	0.30	42	58	\$21,383.00	\$22,381.00	4.67
26	100,000	0.27	26	75	\$20,114.00	\$21,446.00	6.62
27	82,000	0.22	54	46	\$16,622.00	\$18,186.00	9.41
28	42,000	0.29	90	10	\$8,211.00	\$9,241.00	12.55
29	76,000	0.31	74	26	\$22,083.00	\$23,670.00	7.19
30	101,000	0.20	20	80	\$24,312.00	\$25,879.00	6.45
31	38,000	0.26	87	13	\$10,115.00	\$11,070.00	9.44
32	163,000	0.25	30	70	\$31,041.00	\$32,513.00	4.74
33	91,700	0.16	66	34	\$19,576.00	\$21,263.00	8.62
34	96,600	0.28	34	66	\$21,254.00	\$22,550.00	6.09
35	22,000	0.39	N/A	N/A	\$6,067.00	\$6,247.00	2.96
36	63,700	0.35	62	38	\$15,632.00	\$16,483.00	5.45
37	98,000	0.27	32	68	\$21,350.00	\$22,859.00	7.07

RATE INCREASES AT PROPOSED RATES

Publication	Circulation per copy	Average Weight (lbs.)	% Sacked	% Palletized	Per issue postage (Current)	Per issue postage (Proposed)	Postage % change
38	10,600	0.36	N/A	N/A	\$3,778.00	\$4,108.00	8.72
39	43,000	0.24	81	19	\$10,581.00	\$11,371.00	7.46
40	102,000	0.69	27	73	\$33,841.00	\$34,988.00	3.39
41	65,000	0.37	29	71	\$20,671.00	\$21,517.00	4.09
42	174,000	0.27	17	84	\$26,402.00	\$29,352.00	11.18
43	28,000	0.21	N/A	N/A	\$6,057.00	\$6,412.00	5.86
44	21,000	0.34	N/A	N/A	\$5,741.00	\$6,318.00	10.06
45	35,000	0.34	72	28	\$7,456.00	\$8,153.00	9.35
46	46,000	0.21	69	31	\$11,573.00	\$12,667.00	9.45
47	19,700	0.57	91	9	\$6,112.00	\$6,576.00	7.58
48	27,200	0.84	64	36	\$10,885.00	\$11,738.00	7.83
49	17,600	0.29	N/A	N/A	\$4,162.00	\$4,364.00	4.87
50	7,000	0.20	N/A	N/A	\$2,118.00	\$2,234.00	5.48
51	55,000	1.14	34	66	\$26,689.00	\$28,710.00	7.57
52	18,000	0.67	73	27	\$7,382.00	\$8,223.00	11.39
53	16,000	0.33	N/A	N/A	\$4,490.00	\$4,764.00	6.11
54	26,000	0.35	87	13	\$5,768.00	\$6,118.00	6.08
55	37,000	0.77	55	45	\$16,279.00	\$17,662.00	8.50
56	2,200	0.22	N/A	N/A	\$523.00	\$543.00	3.89
57	17,000	0.55	N/A	N/A	\$5,268.00	\$4,891.00	(7.16)
58	31,300	0.73	N/A	N/A	\$11,269.00	\$14,707.00	30.51
59	8,300	0.21	31	69	\$2,188.00	\$2,318.00	5.91
60	8,700	0.22	N/A	N/A	\$2,348.00	\$2,403.00	2.35
61	10,800	0.31	61	39	\$2,891.00	\$2,881.00	(0.35)
62	6,300	0.24	N/A	N/A	\$1,701.00	\$1,731.00	1.74
63	11,600	0.23	72	28	\$3,295.00	\$3,375.00	2.42
64	8,800	0.25	N/A	N/A	\$2,424.00	\$2,488.00	2.65
65	7,000	0.25	22	78	\$1,830.00	\$1,772.00	(3.19)
66	10,500	0.32	31	69	\$3,256.00	\$3,451.00	5.97
67	10,400	0.22	11	89	\$2,773.00	\$2,925.00	5.48
68	7,300	0.24	66	34	\$2,013.00	\$2,078.00	3.23
69	7,000	0.26	14	86	\$1,945.00	\$2,094.00	7.65
70	40,500	0.53	23	77	\$14,915.00	\$17,900.00	20.01
71	49,500	0.43	22	78	\$15,593.00	\$19,142.00	22.76
72	21,800	0.55	64	36	\$8,451.00	\$10,450.00	23.65
73	160,000	0.38	71	29	\$40,116.00	\$54,067.00	34.78
74	88,000	0.42	79	21	\$33,983.00	\$47,266.00	39.09

RATE INCREASES AT PROPOSED RATES

Publication	Circulation per copy	Average Weight (lbs.)	% Sacked	% Palletized	Per issue postage (Current)	Per issue postage (Proposed)	Postage % change
75	39,000	0.27	86	14	\$10,319.00	\$14,537.00	40.88
76	364,345	0.22	21	79	\$89,633.00	\$99,333.00	10.82
77	194,152	0.33	34	66	\$45,038.00	\$52,059.00	15.59
78	311,522	0.26	33	67	\$66,973.00	\$79,958.00	19.39
79	47,805	0.19	8	92	\$3,266.00	\$3,550.00	8.70
80	33,056	0.18	10	90	\$5,246.00	\$5,340.00	1.79
81	18,912	0.20	9	91	\$1,174.00	\$1,348.00	14.82
82	61,074	0.20	14	86	\$5,121.00	\$6,161.00	20.31
83	31,320	0.35	79	21	\$9,440.00	\$13,928.00	47.54
84	24,519	0.16	100	0	\$6,869.00	\$11,384.00	65.73
85	15,605	0.17	100	0	\$4,294.00	\$7,158.00	66.70
86	17,985	0.18	100	0	\$5,375.00	\$8,187.00	52.32
87	33,093	0.21	100	0	\$9,013.00	\$16,225.00	80.02
88	155,960	0.38	24	76	\$41,038.00	\$43,680.00	6.44
89	196,920	0.32	26	74	\$48,164.00	\$50,138.00	4.10
90	154,277	0.42	27	73	\$43,327.00	\$45,604.00	5.26
91	22,193	0.350	N/A	N/A	\$6,313.00	\$6,418.00	1.66
92	62,265	0.460	N/A	N/A	\$18,501.00	\$20,355.00	10.02
93	14,864	0.220	N/A	N/A	\$4,255.00	\$4,767.00	12.03
94	24,833	0.400	N/A	N/A	\$8,717.00	\$9,227.00	5.85
95	17,139	0.160	N/A	N/A	\$5,012.00	\$5,631.00	12.35
96	30,405	0.300	N/A	N/A	\$9,816.00	\$10,832.00	10.35
97	11,986	0.550	N/A	N/A	\$3,864.00	\$5,008.00	29.61
98	16,760	0.370	N/A	N/A	\$4,934.00	\$4,971.00	0.75
99	55,699	0.240	N/A	N/A	\$13,853.00	\$14,062.00	1.51
100	30,523	0.230	N/A	N/A	\$8,206.00	\$8,940.00	8.94
101	30,204	0.620	N/A	N/A	\$10,271.00	\$10,403.00	1.29
102	71,904	0.570	N/A	N/A	\$26,614.00	\$25,977.00	(2.39)
103	22,398	0.360	N/A	N/A	\$6,897.00	\$12,311.00	78.50
104	49,452	0.390	N/A	N/A	\$17,987.00	\$29,789.00	65.61
105	25,969	0.600	N/A	N/A	\$11,895.00	\$12,151.00	2.15
106	36,300	0.530	N/A	N/A	\$14,608.00	\$15,242.00	4.34
107	40,992	0.410	N/A	N/A	\$14,055.00	\$14,691.00	4.53
108	50,480	0.270	N/A	N/A	\$15,004.00	\$15,853.00	5.66
109	30,047	0.580	N/A	N/A	\$11,500.00	\$11,768.00	2.33
110	121,540	0.280	N/A	N/A	\$30,516.00	\$30,423.00	(0.30)
111	17,805	0.570	N/A	N/A	\$7,331.00	\$7,737.00	5.54

RATE INCREASES AT PROPOSED RATES

Publication	Circulation per copy	Average Weight (lbs.)	% Sacked	% Palletized	Per issue postage (Current)	Per issue postage (Proposed)	Postage % change
112	63,938	0.350	N/A	N/A	\$19,126.00	\$20,577.00	7.59
113	8,019	0.220	N/A	N/A	\$1,917.00	\$3,078.00	60.56
114	73,238	0.560	N/A	N/A	\$24,297.00	\$25,722.00	5.86
115	42,012	0.310	N/A	N/A	\$13,142.00	\$22,960.00	74.71
116	18,060	0.21	91	9	\$5,022.00	\$5,629.00	12.09
117	35,723	0.23	84	16	\$9,601.00	\$10,428.00	8.61
118	24,229	0.22	100	0	\$7,228.00	\$7,754.00	7.28
119	29,405	0.66	71	29	\$12,121.00	\$16,723.00	37.97
120	36,064	0.18	100	0	\$10,340.00	\$11,347.00	9.74
121	29,540	0.19	100	0	\$7,799.00	\$14,115.00	80.98
122	102,771	0.72	11	89	\$45,794.00	\$47,840.00	4.47
123	22,805	0.18	100	0	\$6,356.00	\$7,304.00	14.92
124	40,808	0.48	50	50	\$14,859.00	\$15,728.00	5.85
125	12,752	0.17	100	0	\$3,481.00	\$3,925.00	12.75
126	33,774	0.39	72	28	\$11,397.00	\$12,073.00	5.93
127	52,012	0.69	26	74	\$22,838.00	\$23,980.00	5.00
128	22,948	0.24	89	11	\$6,614.00	\$10,918.00	65.07
129	32,087	0.34	68	32	\$9,863.00	\$10,611.00	7.58
130	36,373	0.18	92	8	\$9,032.00	\$9,917.00	9.80
131	29,357	0.47	47	53	\$8,346.00	\$8,748.00	4.82
132	29,357	0.47	47	53	\$8,346.00	\$8,748.00	4.82
133	29,357	0.47	47	53	\$8,346.00	\$8,748.00	4.82
134	29,357	0.47	47	53	\$8,346.00	\$8,748.00	4.82
135	16,345	0.25	60	40	\$4,775.00	\$5,054.00	5.84
136	14,617	0.52	31	69	\$5,434.00	\$6,310.00	16.12
137	28,301	0.17	93	7	\$7,971.00	\$8,556.00	7.34
138	50,646	0.99	31	69	\$24,747.00	\$27,862.00	12.59
139	67,545	0.38	73	27	\$22,200.00	\$24,630.00	10.95
140	29,942	0.23	88	12	\$8,689.00	\$9,505.00	9.39
141	18,569	0.44	61	39	\$7,188.00	\$7,609.00	5.86
142	18,514	0.39	92	8	\$6,762.00	\$7,332.00	8.43
143	27,097	0.27	80	20	\$8,168.00	\$8,764.00	7.30
144	56,521	0.36	49	51	\$18,589.00	\$23,868.00	28.40
Total	7,802,986				\$2,103,579.00	\$2,351,122.00	
Average	54187	0.35	41	32	\$14608.19	\$16327.24	13.12