

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-T2-10 TO
WITNESS LOU BRADFIELD
(October 14, 2004)

American Business Media hereby provides the responses to Time Warner Inc., et al.'s Interrogatory TW et al./ABM-T2-10, filed September 30, 2004.

The interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

/s/ David R. Straus
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October 14, 2004

Response of ABM to TW et al./ABM-T2-10

TW et al./ABM-T2-10:

In response to TW et al./ABM-T2-1 you list the VNU Periodicals and state that you analyzed the impact of the proposed rates on 25 of them. You further indicate that the results are shown in lines 91-115 of Exhibit LB-1. The table attached to this interrogatory is from an Excel spreadsheet that was provided by ABM counsel and said to contain a summary of the analysis performed on 141 (later corrected to 153) ABM publications. The attached table shows the information provided for lines 91-115, which differs somewhat from the information provided for other publications.

- a. Please confirm that the attached table does show information that was generated for the 25 VNU publications and that you or someone you worked with generated this information and provided it to ABM counsel. If you cannot confirm, please explain precisely what information you did provide about the 25 publications.
- b. Please explain the meaning of the percentages entered in the columns labeled % 3 dg, % 5 dg, % SCF and % ADC and explain why the numbers in some rows add up to more than 100% and in other rows to less than 100%.
- c. Please confirm that the second column gives the number of issues per year for each publication. If not confirmed, please explain.
- d. Please confirm that the third column contains the number of entry points when a publication is entered in more than one postal facility and explain the meaning of the expression "dyn" in some rows.
- e. Please confirm that the numbers in the fourth column express the value of the sack minimum parameter that was used in generating the presort for each publication. If not confirmed, please explain.
- f. Please indicate the actual number of pieces per sack and pieces per pallet for each of the 25 publications.
- g. Please indicate for which of the 25 publications you assumed machinability for the purpose of determining the postage under the proposed rates and the criteria you used to determine machinability.
- h. Please confirm that, having deleted the mail.dat files used, you are no longer capable of replicating the numbers shown in the attached table and the corresponding entries in your Exhibit LB-1. If not confirmed, please provide the data from which the numbers can be replicated.

Response of ABM to TW et al./ABM-T2-10

RESPONSE

- a. Confirmed, but please note that I considered Adweek/Mediaweek to be one publication for this chart because they mailed together for this issue.
- b. The percentages entered in the columns labeled “% 3 dig” and “% 5 dig” are the percentage of pieces in the mailing that are sorted to 3 digits and 5 digits, respectively. The percentages greater than zero in the columns labeled “% SCF” and “% ADC” are the percentages of copies entered at destination SCFs and ADCs, respectively. Please note that the zeros entered on many rows in these columns do not necessarily indicate that no pieces were entered at DSCFs and DADCs. For some reason, blanks became zeros. I included the DSCF and DADC information only for the publications with multiple entry points. The reason that “the numbers in some rows” add up to more or less than 100% is that there is no reason to be adding them. The 3-digit and 5-digit sort numbers can be added, and the SCF and ADC entry numbers can be added, but there is no reason to add the former, which represent piece sortation, with the latter, which indicate entry.
- c. Confirmed.
- d. Confirmed that the third column contains the number of entry points. “Dyn” stands for dynamic entry, which means that the number of entry points changes from issue to issue, but it is always at least 10.
- e. Confirmed.
- f. Because I did not retain the mail.dat files, I do not have this information.
- g. I do not recall making any assumption. I believe that all of these publications would qualify as machinable, and I assume that the Time Warner-supplied Access file, applied to our mail.dat file, included some assumption or test.
- h. Confirmed.

Response of ABM to TW et al./ABM-T2-10

Attachment to TW et al./ABM-T2-10

| Public ation | Frq | Entry Pts | MAILE D | Sack Min Now | pc wt | ad % | Plts | Sacks | % 3 dg | % 5 dg | % SCF | % ADC | 1 issue Postage '04 | 1 issue Postage IF | Change | Annual Cost |
|-----------------|-----|--------------|------------|--------------------|-------|------|------|-------|--------|--------|-------|----------|---------------------------|--------------------------|--------|----------------|
| 91 | 48 | 19 | 22,193 | 20 | 0.350 | 54% | 4 | 419 | 36.4% | 50.5% | 22.8% | 22.6% | \$6,313 | \$6,418 | 1.7% | \$5,040 |
| 92 | 12 | | 62,265 | 20 | 0.460 | 19% | 42 | 398 | 44.0% | 55.4% | 0.0% | 0.0% | \$18,501 | \$20,355 | 10.0% | \$22,248 |
| 93 | 12 | | 14,864 | 24 | 0.220 | 40% | 0 | 314 | 58.6% | 29.2% | 0.0% | 0.0% | \$4,255 | \$4,767 | 12.0% | \$6,144 |
| 94 | 7 | | 24,833 | 24 | 0.400 | 55% | 4 | 415 | 40.6% | 53.0% | 0.0% | 0.0% | \$8,717 | \$9,227 | 5.9% | \$3,570 |
| 95 | 12 | | 17,139 | 24 | 0.160 | 51% | 0 | 398 | 71.5% | 18.6% | 0.0% | 0.0% | \$5,012 | \$5,631 | 12.4% | \$7,428 |
| 96 | 12 | | 30,405 | 24 | 0.300 | 59% | 0 | 684 | 45.0% | 48.9% | 0.0% | 0.0% | \$9,816 | \$10,832 | 10.4% | \$12,192 |
| 97 | 51 | 17 | 11,986 | 6 | 0.550 | 30% | 0 | 709 | 49.8% | 26.9% | 21.6% | 0.0% | \$3,864 | \$5,008 | 29.6% | \$58,344 |
| 98 | 45 | 19 | 16,760 | 20 | 0.370 | 49% | 1 | 352 | 45.0% | 41.6% | 18.5% | 24.3% | \$4,934 | \$4,971 | 0.7% | \$1,665 |
| 99 | 24 | | 55,699 | 20 | 0.240 | 36% | 7 | 787 | 38.1% | 57.5% | 13.6% | 4.3% | \$13,853 | \$14,062 | 1.5% | \$5,016 |
| 100 | 22 | | 30,523 | 24 | 0.230 | 46% | 4 | 486 | 33.1% | 51.7% | 0.0% | 0.0% | \$8,206 | \$8,940 | 8.9% | \$16,148 |
| 101 | 12 | Dyn | 30,204 | 24 | 0.620 | 38% | 32 | 274 | 33.5% | 57.6% | 22.1% | 9.7% | \$10,271 | \$10,403 | 1.3% | \$1,584 |
| 102 | 15 | Dyn | 71,904 | 20 | 0.570 | 64% | 71 | 215 | 44.1% | 48.4% | 9.4% | 12.9% | \$26,614 | \$25,977 | -2.4% | -\$9,555 |
| 103 | 13 | 2 | 22,398 | 20 | 0.360 | 45% | 0 | 664 | 60.1% | 26.5% | 14.9% | 14.5% | \$6,897 | \$12,311 | 78.5% | \$70,382 |
| 104 | 13 | | 49,452 | 24 | 0.390 | 58% | 10 | 820 | 63.6% | 32.9% | 0.0% | 0.0% | \$17,987 | \$29,789 | 65.6% | \$153,426 |
| 105 | 12 | | 25,969 | 24 | 0.600 | 65% | 7 | 477 | 61.2% | 24.0% | 0.0% | 0.0% | \$11,895 | \$12,151 | 2.2% | \$3,072 |
| 106 | 15 | | 36,300 | 24 | 0.530 | 60% | 27 | 345 | 49.4% | 47.3% | 0.0% | 0.0% | \$14,608 | \$15,242 | 4.3% | \$9,510 |
| 107 | 12 | | 40,992 | 24 | 0.410 | 54% | 22 | 386 | 37.0% | 58.3% | 0.0% | 0.0% | \$14,055 | \$14,691 | 4.5% | \$7,632 |
| 108 | 12 | | 50,480 | 24 | 0.270 | 51% | 11 | 645 | 38.1% | 58.9% | 0.0% | 0.0% | \$15,004 | \$15,853 | 5.7% | \$10,188 |
| 109 | 12 | Dyn | 30,047 | 24 | 0.580 | 57% | 26 | 380 | 61.4% | 32.1% | 14.5% | 12.6% | \$11,500 | \$11,768 | 2.3% | \$3,216 |
| 110 | 20 | Dyn | 121,540 | 20 | 0.280 | 51% | 53 | 647 | 18.5% | 63.7% | 15.1% | 19.3% | \$30,516 | \$30,423 | -0.3% | -\$1,860 |
| 111 | 12 | | 17,805 | 24 | 0.570 | 53% | 3 | 393 | 64.3% | 22.2% | 0.0% | 0.0% | \$7,331 | \$7,737 | 5.5% | \$4,872 |
| 112 | 12 | | 63,938 | 20 | 0.350 | 37% | 8 | 1,105 | 48.4% | 45.2% | 0.0% | 0.0% | \$19,126 | \$20,577 | 7.6% | \$17,412 |
| 113 | 44 | 3 | 8,019 | 6 | 0.220 | 48% | 4 | 406 | 24.8% | 40.5% | 32.8% | 0.0% | \$1,917 | \$3,078 | 60.6% | \$51,084 |
| 114 | 13 | Dyn | 73,238 | 20 | 0.560 | 58% | 138 | 203 | 30.9% | 58.0% | 22.4% | 13.4% | \$24,297 | \$25,722 | 5.9% | \$18,525 |
| 115 | 11 | | 42,012 | 24 | 0.310 | 54% | 13 | 583 | 40.1% | 52.9% | 0.0% | 0.0% | \$13,142 | \$22,960 | 74.7% | \$107,998 |