

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

COMPLAINT OF TIME WARNER INC ET AL.  
CONCERNING PERIODICALS RATES

Docket No. C2004-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TANG  
TO NOTICE OF INQUIRY NO. 1 CONCERNING PERIODICALS DATA

The United States Postal Service hereby files the response of witness Rachel Tang to Item I of Notice of Inquiry No. 1 Concerning Periodicals Data, issued on November 19, 2004.

Each item is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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/s/  
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December 1, 2004

## **RESPONSE OF POSTAL SERVICE WITNESS TANG TO NOTICE OF INQUIRY NO. 1**

### **I. Postal Service**

Postal Service witness Tang testified (USPS-RT-2 at 8) that there are over 25,000 titles with circulation of less than 15,000 per issue. These titles account for 12 percent of Outside County volume.

Please provide as much of the following information as possible:

1. What is the mean and median circulation of publications in this group?
2. A distribution of these titles into the following circulation categories:
  - a. 15,000 – 10,001
  - b. 10,000 – 5001
  - c. 5000 – 1001
  - d. 1000 or under
3. The percent that is nonprofit?
4. The percent that is published weekly or more frequently?
5. The percent that contains more than 10 percent advertising material?
6. Please provide a volume distribution by processing category (i.e., letters, flats, automation flats, irregular parcels).
7. A distribution of pieces by presort category (i.e., basic, 3-digit, 5-digit, carrier route).
8. A distribution of pieces by weight.
9. A distribution of pieces by zone.
10. A distribution of pieces by container type.

### **RESPONSE:**

To answer the above inquiries on the publications with mailed circulation of less than 15,000 per issue, the PERMIT system was used to retrieve Periodicals postage statement Form 3541 information from FY 2003 for a total of 25,191 publications. These 25,191 publications count for over 99.8% of the 25,234 small publications in Table 5 in my original rebuttal testimony (USPS-RT-2). The reason that 43 publications were not included is that, in the PERMIT system, these publications are shown with zero copy weight for FY 2003. This can happen when piece weight is rounded to the nearest

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pound on the postage statement. Therefore, it was impossible to calculate the advertising percent or the piece weight for these 43 publications.

Since 43 out of over 25,000 publications is such a tiny proportion, the following data on 25,191 publications should be sufficient to show the characteristics of the small publications with mailed circulation of less than 15,000.

Based on the information, and my understanding of the participants in this proceeding, I do not believe that most of these publications are directly represented by any of the participants. I believe that the following responses provide a better understanding of these publications, which is useful in evaluating various rate and classification proposals.

Item 1-2:

Mean and median mailed circulation of small publications  
Distribution of titles into mailed circulation categories

| Circulation per Issue | Count of Titles | Mean   | Median |
|-----------------------|-----------------|--------|--------|
| 0 to 1,000            | 15,152          | 307    | 224    |
| 1,001 to 5,000        | 6,821           | 2,373  | 2,081  |
| 5,001 to 10,000       | 2,114           | 7,109  | 6,984  |
| 10,001 to 15,000      | 1,104           | 12,277 | 12,135 |
| Total (FY2003)        | 25,191          | 1,962  | 608    |

Note: The count of titles shows the USPS publication number and acceptance office combinations, which is consistent with the methodology employed by the analysis in my rebuttal testimony (USPS-RT-2). Detailed explanation was provided in my response to the interrogatories of Time Warner Inc. et al. (TW et al./USPS-RT2-9 b-c).

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Item 3:

Percent of non-profit publications

| Circulation per Issue      | Commercial | % Commercial | Nonprofit | % Nonprofit |
|----------------------------|------------|--------------|-----------|-------------|
| 0 to 1,000                 | 10,736     | 70.9%        | 4,416     | 29.1%       |
| 1,001 to 5,000             | 4,519      | 66.3%        | 2,302     | 33.7%       |
| 5,001 to 10,000            | 1,435      | 67.9%        | 679       | 32.1%       |
| 10,001 to 15,000           | 718        | 65.0%        | 386       | 35.0%       |
| All Publications (FY 2003) | 17,408     | 69.1%        | 7,783     | 30.9%       |

Item 4:

Percent of weekly or more frequently published publications

| Circulation per Issue      | Published Weekly<br>or More Frequently |       | Other      |       |
|----------------------------|--|-------|------------|-------|
|                            | Percentage                             |       | Percentage |       |
| 0 to 1,000                 | 4,149                                  | 27.4% | 11,003     | 72.6% |
| 1,001 to 5,000             | 1,558                                  | 22.8% | 5,263      | 77.2% |
| 5,001 to 10,000            | 280                                    | 13.2% | 1,834      | 86.8% |
| 10,001 to 15,000           | 85                                     | 7.7%  | 1,019      | 92.3% |
| All Publications (FY 2003) | 6,072                                  | 24.1% | 19,119     | 75.9% |

Item 5:

Percent containing more than 10 percent advertising material

| Circulation per Issue      | More than 10% Ad |       | No more than 10% Ad |       |
|----------------------------|------------------|-------|---------------------|-------|
|                            | Percentage       |       | Percentage          |       |
| 0 to 1,000                 | 6,475            | 42.7% | 8,677               | 57.3% |
| 1,001 to 5,000             | 3,726            | 54.6% | 3,095               | 45.4% |
| 5,001 to 10,000            | 1,410            | 66.7% | 704                 | 33.3% |
| 10,001 to 15,000           | 763              | 69.1% | 341                 | 30.9% |
| All Publications (FY 2003) | 12,374           | 49.1% | 12,817              | 50.9% |

Item 6:

Information on the volume distribution by processing category (i.e., letters, flats, automation flats, irregular parcels) is not available.

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Item 7:

Distribution of pieces by presort category

| Circulation per Issue      | Basic | 3-Digit | 5-Digit | CR    |
|----------------------------|-------|---------|---------|-------|
| 0 to 1,000                 | 42.9% | 28.1%   | 23.3%   | 5.7%  |
| 1,001 to 5,000             | 26.8% | 30.5%   | 24.4%   | 18.3% |
| 5,001 to 10,000            | 16.9% | 36.4%   | 27.1%   | 19.6% |
| 10,001 to 15,000           | 11.5% | 35.8%   | 30.9%   | 21.8% |
| All Publications (FY 2003) | 24.5% | 32.5%   | 26.2%   | 16.8% |

Item 8:

Distribution of pieces by weight increment

| Weight Increment | Circulation Size |                |                 |                  |                  |
|------------------|------------------|----------------|-----------------|------------------|------------------|
|                  | 0 to 1,000       | 1,001 to 5,000 | 5,001 to 10,000 | 10,001 to 15,000 | All Publications |
| 0 to 1 oz        | 9.9%             | 8.5%           | 10.3%           | 14.4%            | 10.5%            |
| 1 to 2 oz        | 3.9%             | 9.6%           | 13.9%           | 11.1%            | 9.9%             |
| 2 to 3 oz        | 6.4%             | 8.1%           | 12.4%           | 10.9%            | 9.5%             |
| 3 to 4 oz        | 7.3%             | 9.1%           | 11.0%           | 14.3%            | 10.4%            |
| 4 to 5 oz        | 9.3%             | 10.7%          | 9.2%            | 9.8%             | 9.9%             |
| 5 to 6 oz        | 8.5%             | 7.5%           | 10.2%           | 10.6%            | 9.0%             |
| 6 to 7 oz        | 8.9%             | 9.1%           | 8.1%            | 6.7%             | 8.3%             |
| 7 to 8 oz        | 6.1%             | 7.5%           | 6.5%            | 9.0%             | 7.3%             |
| 8 to 9 oz        | 18.4%            | 10.0%          | 3.7%            | 3.1%             | 8.5%             |
| 9 to 10 oz       | 3.7%             | 4.5%           | 3.6%            | 3.1%             | 3.8%             |
| 10 to 11 oz      | 2.6%             | 4.0%           | 2.4%            | 1.8%             | 2.9%             |
| 11 to 12 oz      | 2.8%             | 2.4%           | 2.2%            | 1.2%             | 2.1%             |
| 12 to 13 oz      | 1.7%             | 1.7%           | 1.2%            | 0.6%             | 1.4%             |
| 13 to 14 oz      | 1.4%             | 1.2%           | 1.3%            | 0.8%             | 1.2%             |
| 14 to 15 oz      | 1.4%             | 0.8%           | 0.7%            | 0.7%             | 0.9%             |
| 15 to 16 oz      | 0.6%             | 1.1%           | 0.3%            | 0.3%             | 0.6%             |
| 16 to 17 oz      | 0.8%             | 0.3%           | 0.5%            | 0.2%             | 0.4%             |
| 17 to 18 oz      | 0.8%             | 0.3%           | 0.4%            | 0.1%             | 0.4%             |
| 18 to 19 oz      | 0.7%             | 0.6%           | 0.0%            | 0.1%             | 0.4%             |
| 19 to 20 oz      | 1.1%             | 0.2%           | 0.1%            | 0.2%             | 0.4%             |
| 20 to 21 oz      | 0.3%             | 0.5%           | 0.1%            | 0.0%             | 0.3%             |
| 21 to 22 oz      | 0.8%             | 0.5%           | 0.0%            | 0.1%             | 0.4%             |
| 22 to 23 oz      | 0.4%             | 0.2%           | 0.1%            | 0.0%             | 0.2%             |
| 23 to 24 oz      | 0.2%             | 0.1%           | 0.1%            | 0.0%             | 0.1%             |
| Over 24 oz       | 2.2%             | 1.5%           | 1.5%            | 0.8%             | 1.5%             |

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Item 9:

Distribution of pieces by zone

| Circulation per Issue | DDU | DSCF | DADC | Zone 1&2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | Zone 8 | 100% Editorial |
|-----------------------|-----|------|------|----------|--------|--------|--------|--------|--------|--------|----------------|
| 0 to 1,000            | 1%  | 24%  | 1%   | 31%      | 7%     | 5%     | 6%     | 3%     | 2%     | 3%     | 18%            |
| 1,001 to 5,000        | 3%  | 16%  | 1%   | 25%      | 8%     | 7%     | 7%     | 4%     | 2%     | 4%     | 22%            |
| 5,001 to 10,000       | 3%  | 10%  | 2%   | 18%      | 8%     | 9%     | 9%     | 4%     | 3%     | 4%     | 29%            |
| 10,001 to 15,000      | 3%  | 11%  | 2%   | 18%      | 7%     | 10%    | 10%    | 5%     | 3%     | 4%     | 28%            |
| All Publications      | 2%  | 15%  | 2%   | 23%      | 7%     | 8%     | 8%     | 4%     | 2%     | 4%     | 24%            |

Note: Publications with 100% editorial content are combined in the last column because zone distribution of such publications is not available. This includes nonprofit publications with less than 10% advertising content, which are treated as 100% editorial.

Item 10:

Distribution of pieces by container type

| Circulation per Issue      | Pallet | Sack  |
|----------------------------|--------|-------|
| 0 to 1,000                 | 0.9%   | 99.1% |
| 1,001 to 5,000             | 3.1%   | 96.9% |
| 5,001 to 10,000            | 11.7%  | 88.3% |
| 10,001 to 15,000           | 17.4%  | 82.6% |
| All Publications (FY 2003) | 7.7%   | 92.3% |