

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

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

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Docket No. C2004-1

NOTICE OF ERRATUM TO  
REPLY BRIEF OF TIME WARNER INC. ET AL.  
(January 13, 2005)

The Reply Brief of Time Warner Inc. Et. Al. ("Complainants"),<sup>1</sup> filed January 10, 2005, contained (at page 11, lines 2-4) the following sentence, which was unintentionally inaccurate in its characterization of the record:

"For example, as reported by witness O'Brien, one printer has already begun to offer comailing not only to its own clients but to publications printed anywhere. Tr. 6/1440."

O'Brien testified (Tr. 5/1440) that "Fairrington Transportation Corporation [not a printer] is an independent transportation vendor who will accept product from any printer into its drop shipping [i.e., co-palletization] pool." He also testified (id. at 1436, 1438) that "Quebecor World Logistics recently announced an expansion of its comailing capabilities and its willingness to accept product from other printers" and that "Quebecor World [which is a printer] indicated that they will begin their co-mail program with their existing client base and expand it to outside customers in 2005." However, neither O'Brien's testimony nor any other record evidence that the Complainants are aware of supports the statement that "one *printer* has *already*

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<sup>1</sup> Time Warner Inc., Condé Nast Publications, a Division of Advance Magazine Publishers Inc., Newsweek, Inc., The Reader's Digest Association, Inc. and TV Guide Magazine Group, Inc.

begun to offer *comailing* not only to its own clients but to publications printed anywhere" (emphasis added).

Accordingly, the Complainants respectfully withdraw and disclaim all reliance on the referenced sentence, and request that page 11 of the Reply Brief of Time Warner Inc. Et. Al. as originally filed on January 10 be replaced with the corrected page that is appended to this notice.

Respectfully submitted,

s/

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today rapidly becoming more accessible to much smaller publications which should be able to benefit from them. ~~For example, as reported by witness O'Brien, one printer has already begun to offer comailing not only to its own clients but to publications printed anywhere. Tr. 6/1440.~~ If the rates proposed by Complainants (or a similar set of rates) are implemented, many medium-sized and even small publications will have strong incentives and opportunities to benefit from these developments.

It is true that presort discounts have increased over the years. But the reason they have increased is that the earlier models used to estimate presort-related savings were inaccurate and that the Commission approved newer and more accurate models. And while higher presort discounts may mostly have benefited large mailers, barcode discounts mostly help those whose mail is less presorted. Likewise, the technological advancement presented by the AFSM-100 machines does not help carrier route presorted mail but rather the mail with the least amount of presort.

In any case, the proposal in this case stands on its own merits, regardless of any disagreements that ABM and McGraw-Hill may have with the worksharing and dropshipping incentives that the Commission has approved in the past.

5. *That the MC95-1 decision justifies denial of the Complainants' proposal on the ground of insufficient cost data (ABM/MH Int. Br. at 23).*

Besides being irrelevant because the Commission will not recommend specific rates in this docket and newer cost data will be used to develop the rates eventually adopted in a future rate case, this reference to MC95-1 is also irrelevant because it concerns the lack of IOCS-type cost data adequate to support the