

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

POSTAL RATE AND FEE CHANGES, 2006:

Docket No. R2006-1

**INTERROGATORIES DIRECTED BY THE MCGRAW-HILL COMPANIES, INC.  
TO TIME WARNER WITNESS MITCHELL: MH/TW-T1-1-11**

Pursuant to Rules 25, 26 and 27 of the Rules of Practice, The McGraw-Hill Companies, Inc. directs the following interrogatories and other discovery requests to Time Warner Inc. (Time Warner) witness Robert W. Mitchell. If the information requested is not available in the precise format or level of detail requested, please provide responsive information in such format and level of detail as is available. In the event that Time Warner would otherwise object to any of these discovery requests, please first contact the undersigned counsel to discuss whether the objection may be resolved informally.

Respectfully submitted,

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**MH/TW-T1-1.** With respect to your testimony at page 10 lines 4-11, please explain fully and specifically how the rates proposed by you in this case reflect a “piecemeal” approach, including in your answer (without limitation) a specification of any and all further rate design proposals for Periodicals mail that are presently contemplated by you and/or Time Warner for future rate and/or classification cases.

**MH/TW-T1-2.** With respect to your testimony at page 17 lines 18-20 that “[i]f the container rate were to cause mailers of 5-digit pallets to merge them into larger 3-digit pallets in order to reduce the container charges, it would be a step backwards”:

(a) Please explain fully whether the USPS-proposed container charge would likely cause any substantial shift from 5-digit pallets to larger 3-digit pallets, in view of the fact that under that proposal, the average per-piece container charge for pallets would be only 0.052 cents, as confirmed by witness Tang in response to MH/USPS-T35-1(b).

(b) Please explain fully whether the container charges proposed by Time Warner in this case would be more likely to cause a shift from 5-digit pallets to larger 3-digit pallets.

(c) Would a mailer moving copies of Periodicals from 5-digit to 3-digit pallets likely face degraded service? Why or why not?

**MH/TW-T1-3.** With respect to your testimony at page 21 lines 7-10 that “the costs of co-palletizing have not been found low,” but “will undoubtedly decline over time”:

(a) Please provide any and all information available to you regarding the costs of co-palletization and the charges assessed therefor by printers and/or other parties.

(b) Please explain fully whether there is any basis for concluding that those charges will likely decline over time, particularly if a printer’s co-palletization charges are based on a percentage of the postage saved through co-palletization.

**MH/TW-T1-4.** Please explain fully the basis for your statement at page 24 lines 13-14 of your testimony that “[m]any mailers have already made adjustments to achieve machinable status,” and identify any and all such mailers and specify the adjustments made.

**MH/TW-T1-5.** Please explain fully the basis for your statement at page 24 lines 13-16 that “adjustments to achieve machinable status . . . . should not be a source of

significant . . . disruption,” assuming that the achieving of machinability would require a significant change in the weight and/or dimensions of a publication or otherwise.

**MH/TW-T1-6.** Please explain fully the basis for your statement at page 24 lines 20-21 that “[m]any mailers have been investing in co-mailing capabilities,” and identify any and all such mailers and investments, and provide any and all supporting documentation.

**MH/TW-T1-7.** With respect to your testimony at page 24 lines 23-25, please explain fully the reasons why a separate rate is proposed for firm bundles, and why they may require handling different from the manner in which any other bundles are handled (except that firm bundles are not broken prior to delivery).

**MH/TW-T1-8.** With respect to the request in Presiding Officer’s Information Request No. 19, page 3, that Time Warner “provide calculations of the percentage changes of ... [its] proposal[] on the 251 publications using . . . more recent data”, please provide for each such publication (using the more recent data) the cents-per-piece postage cost (a) under the present rates, (b) under the Time Warner-proposed rates, and (c) under the USPS-proposed rates.

**MH/TW-T1-9.** Please explain the statement that “I do not believe the same holds true for co-mailing” at the end of your response to ABM/TW-T1-19(c). Are you saying that the costs of co-mailing are low? If so, please provide the information on which that statement is based.

**MH/TW-T1-10.** In response to ABM/TW-T1-6, you make general statements in support of the assertion in your testimony that the effects of your proposal on small mailers are limited. Please explain whether and, if so, how you tested these hypotheses prior to the filing of your testimony.

**MH/TW-T1-11.** Please refer to publication number 31 on Table ABM/TY-T1-8b, page 3 of 3. According to that table, publication 31 now pays 33.2 cents per copy, would pay 36.7 cents per copy under the Postal Service proposal, and would pay 51.9 cents per copy under your proposal, *an increase of 56%*. (a) What are the mailing characteristics of that publication that cause such a large increase under your rate proposal? (b) If one such characteristic is that the publication is mailed in sacks, please explain why it is not palletized, co-palletized or co-mailed.