

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 STRALBERG: MH/TW-T2-1-6**

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 Halstein Stralberg. 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. To the extent that the witness is unable to provide a full response, please provide a response by the witness best able to respond or by Time Warner as an institution. 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,

Timothy W. Bergin  
Hall, Estill, Hardwick, Gable, Golden &  
Nelson, P.C.  
1120 20<sup>th</sup> Street, N.W., Suite 700 North  
Washington, D.C. 20036-3406  
(202) 973-1224  
tbergin@hallestill.com

Counsel for The McGraw-Hill  
Companies, Inc.

**MH/TW-T2-1.** With respect to your testimony at page 36 line 15 through page 38 line 17:

(a) Please confirm that in this case you estimate unit container costs that are some 78% higher, in the case of sacks, than you had estimated in Docket No. C2004-1, and some 69% higher in the case of 5-digit pallets. If you do not confirm, please explain fully.

(b) Please confirm that these higher unit container cost estimates are largely based on a special “web-based survey” conducted by the Postal Service during this case for the purpose of estimating, for each container type, presort level and entry point type, the number of facilities that a container will pass through. If you do not conform, please explain fully.

(c) Please explain fully the extent to which the special web-based survey may or may not be reliable, in your view, and the extent to which you believe it to be statistically valid or invalid.

**MH/TW-T2-2.** With respect to your testimony at page 8 lines 12-16 that “Mr. Glick and I had noticed many of the same problems with the Miller model” and “[o]ur ideas for correcting those problems converge in some cases and differ in others,” please specify all issues in this case on which you have taken an approach that differed from the approach of Mr. Glick, and summarize the differing approaches to each such issue.

**MH/TW-T2-3.** With respect to your testimony at page 37 lines 1-5, expressing concern that in your view, the Postal Service in this case is “proposing to weaken and even eliminate some of the existing dropship discounts,” please specify each element of the rate design and rates proposed by the Postal Service in this case that in your view weakens or eliminates existing dropship discounts, and specify each element of that rate design and those rates that in your view strengthens or adds to the number of dropship discounts.

**MH/TW-T2-4.** With respect to your testimony at page 31 lines 7-16:

(a) Please explain why, in your view, skin sacks would decline from approximately 50 million to 32 million in the 2004-2005 time period;

(b) Please explain why, in your view, the volume of Outside-County Periodicals sacks would decline from 84 million to 67 million over the 2004-2005 time period.

**MH/TW-T2-5.** With respect to your testimony at page 29 lines 20-27, please state whether you calculated container, bundle and piece volumes on a test-year after-rates basis, and if so, please provide the calculations and volumes, and if not, please explain why such after-rates volumes were not estimated and presented in your testimony.

**MH/TW-T2-6.** In response to ABM/TW-T1-8, you state that it was not possible to provide rate impact information for Time Warner publications that are co-mailed or co-palletized because the printer does not release necessary data to the participants.

(a) Please state whether Time Warner asked its printer(s) of co-mailed or co-palletized publications to release the information so that this analysis could be performed and/or asked the other participants in the programs to agree to the release of the information for this purpose.

(b) Since Time Warner is apparently unable to assess the impact of its proposal on even its own co-mailed or co-palletized publications, is it possible for Time Warner to calculate the impact on other co-mailed or co-palletized publications? If so, how?

(c) Please provide any suggestion you might have as to how the Commission can assess the impact of Tim Warner's proposed rates on co-mailed and co-palletized publications?