

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes,                    )  
2006    ) Docket No. R2006-1

**REVISED ANSWER OF MPA/ANM WITNESS GLICK  
TO AMERICAN BUSINESS MEDIA INTERROGATORY  
ABM/MPA/ANM-T2-26  
(October 17, 2006)**

The Magazine Publishers of America, Inc. (“MPA”) and Alliance of Nonprofit Mailers (“ANM”) submit the revised answer of MPA/ANM witness Sander Glick to American Business Media interrogatory ABM/MPA/ANM-T2-26. The revision is prompted by a phone discussion initiated by ABM counsel clarifying the intended meaning of the interrogatory.

Respectfully submitted,

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**R2006-1**  
**RESPONSE OF MPA/ANM WITNESS GLICK**  
**TO ABM/MPA/ANM-T2-26**

**ABM/MPA/ANM-T2-26.** You agree in response to ABM/MPA/ANM-T2-2(e) that, even though you can't say for sure, a publication now mailed "solo" is likely to reduce its percentage increase under the Postal Service's proposal if it begins to co-mail or co-palletize, compared with its increase if it continues to mail solo.

(a) What further information would you require in order to provide an unequivocal response?

(b) Can you identify a publication or even describe a plausible but hypothetical "solo" publication that would not face a lower percentage rate increase under the Postal Service's proposal by beginning to co-mail or co-palletize? If so, please describe its mailing characteristics.

**RESPONSE**

The question mischaracterizes my response to ABM/MPA/ANM-T2-2(e). My response explained the comparisons I was making, which I believed were responsive to your question.

(a) The postage rate for a commingled publication will be lower than the postage rate that the publication would pay if mailed solo. Whether or not a publication can save money through commingling depends on the postage savings and the additional non-postage costs of commingling. To provide an unequivocal response on whether commingling will reduce combined postage and non-postage costs for a particular publication, I would need to know the specific billing determinants for the publication as a "solo" mailing and as a "commingled" mailing, and the additional non-postage costs for commingling.

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(b) No. The Postal Service's rate proposal appears to offer all solo publications lower postage rates by beginning to co-mail or co-palletize. Whether or not a publication can save money through commingling, however, also depends on the additional non-postage costs of commingling. Whether the reduction in postage would outweigh the additional non-postage costs would depend on the characteristics of the particular pool.

For example, if the cost of commingling a publication is high (e.g., if significant transportation costs are required to reach the facility where the mail would be commingled) and the commingling would not allow the publication to qualify for many more postage discounts, the publication may not reduce its costs by commingling. For example, under the USPS-proposed rates, it may be necessary to have 200,000 pieces in a co-palletization pool to upgrade mail sufficiently to make it cost effective. The minimum number of pieces in a pool to be cost effective would be lower under the MPA/ANM proposal.