

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

COMPLAINT OF TIME WARNER INC ET AL.  
CONCERNING PERIODICALS RATES

Docket No. C2004-1

STATEMENT OF UNITED STATES POSTAL SERVICE WITNESS TANG  
ON TIME WARNER INC. ET AL.'S RESPONSE TO NOTICE OF INQUIRY NO. 1  
CONCERNING PERIODICALS DATA

The United States Postal Service hereby files the comments of witness Rachel Tang on Time Warner Inc. et al.'s response to Notice of Inquiry No. 1 Concerning Periodicals Data, filed on December 8, 2004.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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/s/  
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December 17, 2004

**STATEMENT OF POSTAL SERVICE WITNESS TANG IN RESPONSE TO  
COMMENTS OF WITNESS STRALBERG REGARDING NOI No. 1**

Having read the Response of Time Warner Inc. et al. to Notice of Inquiry No. 1, which was filed on December 8, 2004, I believe it is necessary to take a further look at the composition of the publications with circulation below 15,000 per issue and clarify the speculation that “many of the periodicals shown by Tang to have circulation below 1,000 are likely to be the outside-county components of Periodicals that also mail under in-county rates”. (Comments of Time Warner Inc. et al. witness Halstein Stralberg on the Characteristics of Very Small Periodicals, in Response to Notice of Inquiry No. 1, at 1.)

The table presented below shows the tiered break-down of these small publications. Among the 15,152 publications with 1,000 or less mailed circulation per issue, about 35% have some in-county volume. Thus, nearly two-thirds of these publications are completely outside county, and therefore are not “the outside-county components of Periodicals that also mail under in-county rates”.

| Mailed Circulation per Issue | All Outside County |        | With Some In-County Volume |        | % of Publications with In-County Volume |
|------------------------------|--------------------|--------|----------------------------|--------|---|
|                              | Publication Count  | Mean   | Publication Count          | Mean   |   |
| 0 to 1,000                   | 9,824              | 260    | 5,328                      | 394    | 35%                                     |
| 1,001 to 5,000               | 3,706              | 2,407  | 3,115                      | 2,332  | 46%                                     |
| 5,001 to 10,000              | 1,399              | 7,207  | 715                        | 6,919  | 34%                                     |
| 10,001 to 15,000             | 909                | 12,275 | 195                        | 12,287 | 18%                                     |
| All Publications (FY 2003)   | 15,838             | 2,065  | 9,353                      | 1,787  | 37%                                     |

One might be tempted to speculate that many, if not all, of the publications with some in-county volume are newspapers. Although our database does not allow us to identify for certain whether a publication is a newspaper or not, we can gauge how many might be in-county newspaper by just looking at the publication names. By looking at the list, I would conclude that many (perhaps one-half) of the publications with in-county volume do not appear to be newspapers. There appear to be a lot of church bulletins and local interest group publications that are probably not represented by ABM or NNA.

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By scanning the list of the smallest publications with no in-county volume, I notice that a lot of publications in this group appear to be academic journals. Most of these publications do not have any advertising content, so it is not possible to tell their zone distribution. Others of these publications have some advertising, and the pieces are generally distributed somewhat evenly across the zones. I would not be surprised if many of the publications with no advertising have a similar distribution.

These small publications with national distribution are the ones that could face a substantial postage increase under the proposed rates. We should be mindful of this group when discussing policy and rate design, but this group may not have had a voice in the proceedings.