

**BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20068-0001**

Repositionable Notes) **Docket No. MC2007-2**
Minor Classification Change)

**COMMENTS OF THE NATIONAL NEWSPAPER ASSOCIATION
ON VARIOUS PROCEDURAL MATTERS
(APRIL 19, 2007)**

In the original docket authorizing provisional pricing for Repositionable Notes, Docket MC 2004-5, National Newspaper Association (NNA) sought pricing of RPNs for within county mail at a price no greater than .5 cents. NNA's expert witness Jerry Tidwell, publisher of a weekly newspaper in Texas, argued that pricing of RPNs at 1.5 cents for within county periodicals was unusable for newspapers in competition with larger daily newspapers distributing RPNs through private delivery. The Commission said in its decision:

"In designing a set of permanent rates for RPNs, it might be beneficial for the Postal Service to consider a lower RPN rate for those in witness Tidwell's position. He belongs to two groups for whom RPNs are least attractive and most sensitive to overall cost, if the ORC survey is accurate — flat mailers, and small mailers who produce their mail inhouse. He is further set apart from other potential RPN users in that he competes with businesses that pay nothing extra to distribute their RPN-equivalent products. Charging less for RPNs in categories composed primarily of small mailers facing private competition (In-County Periodicals, for example) might serve the interests of the Postal Service by making it more likely that this group of mailers will remain viable customers. " Opinion and Recommended Decision of the Postal Rate Commission, "Repositionable Notes Provisional Service Change," Docket No. MC2004-5 at page 27.

Since that time, no further opportunity to address the need of the mailers in this subclass has arisen. And, as NNA had predicted in its testimony, use of RPN's has been minimal among these mailers. At this time, NNA desires to address this concern. A minor alteration in the rate authorization to permit within-county mailers to access the RPN product at the rate allowed for First-Class letters should have minimal effect, if

any, upon the present users, while permitting the Postal Service to secure some additional revenues from users that would like to use the service but cannot.

Therefore, NNA believes settlement conferences should be convened under Rule 69 to permit it to attempt to reach an agreement with the Postal Service and other parties on an acceptable RPN rate for within-county periodicals.

If no agreement is possible, NNA would oppose treatment of this docket as a minor classification change NNA would also request a short period for discovery, and possibly a hearing on this matter.

NNA at this time opposes suspension of the docket until such time as an attempt to reach agreement in settlement conferences has occurred.

Respectfully submitted,

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have filed the foregoing document online in accordance with the Commission's Rules of Practice.

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April 19, 2007
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