

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

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Postal Rate and Fee Changes, 2000

Docket No. ~~R2000-1~~  
POSTAL RATE COMMISSION  
THE SECRETARY

**NEWSPAPER ASSOCIATION OF AMERICA  
INTERROGATORIES TO  
ALLIANCE OF INDEPENDENT  
STORE OWNERS AND PROFESSIONALS WITNESS  
ORLANDO BARO (NAA/AISOP-T2-1-20)  
June 19, 2000**

The Newspaper Association of America hereby submits the attached interrogatories to Alliance Of Independent Store Owners and Professionals witness Orlando Baro (AISOP-T2-1-20) and respectfully requests a timely and full response under oath.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the instant document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

June 19, 2000

William B. Baker  
William B. Baker

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NAA/AISOP-T2-1. In your testimony you portray yourself as a small businessman and *The Flyer* as a small, independent business.

- a. Please confirm that *The Flyer* is owned by Harte-Hanks, one of the nation's leading multi-media companies.
- b. Please confirm that you are an executive of Harte-Hanks (either the main corporate entity or a Harte-Hanks subsidiary).

NAA/AISOP-T2-2.

- a. Please confirm that the circulation of *The Flyer* is approximately 1,175,000.
- b. Are you aware that, according to the *2000 Editor and Publisher International Yearbook*, the Monday-Saturday circulation of *The Miami Herald* is approximately 349,114?
- c. Are you aware that, according to the *2000 Editor and Publisher International Yearbook*, the Monday-Saturday circulation of *The Washington Post* is approximately 714,945?

NAA/AISOP-T2-3. With respect to *The Miami Flyer*.

- a. What is *The Flyer's* annual gross revenue?
- b. What is *The Flyer's* annual postal bill?

NAA/AISOP-T2-4. Please refer to page 3 of your testimony, where you state that one "will not find K-Mart, or national grocers in our paper."

- a. Please confirm that *The Flyer's* carries advertising by Sedano's, South Florida's third largest food store and your number one customer?
- b. What percentage of *The Flyer's* revenue is from Sedano's?

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- c. Will one find K-Mart, Wal-Mart, or national grocers in ADVO shared mail packages?
- d. Please refer to page three of your testimony. You appear to say that your costs are too high to attract K-Mart, Wal-Mart, or national grocers business. Do you know if ADVO typically has the same costs are you do? If your answer is yes, why is it that in many sections of the nation ADVO can attract that business and you can not?

NAA/AISOP-T2-5. With respect to *The Flyer*:

- a. Does *The Flyer* typically pay Standard A ECR saturation or high density rates with either SCF or DDU discounts?
- b. What proportion of The Flyer's mailings pay the Standard A ECR piece-rate? The Standard A ECR pound rate?
- c. Do you know whether ADVO typically pays postage for its shared mail packages at the same presortation, destination entry discount, and piece-rate versus pound-rate levels as does *The Flyer*?

NAA/AISOP-T2-6. Please refer to page 6, bottom paragraph, of your testimony, where you complain that you do not get postal discounts for volume or for frequency and that in the private sector, "the bigger you are, the more you save."

- a. Is it your position that government services should be offered on a discounted basis so that the bigger you are, the more you save on government services?
- b. Is it your position that you would not object if the government offered ADVO services at fees lower than those the government forced you to pay for the same services?

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- c. Is it your position that *The Flyer* should have paid more for postage when it was an independent business and less after Harte-Hanks acquired it "since the bigger you are, the more you should save"?

NAA/AISOP-T2-7. With respect to *The Flyer*:

- a. Please list all community newspapers you compete against and their circulation.
- b. Do you compete against ADVO? If yes, what is their distribution volume, and how many zoned areas do they sell?
- c. Who else do you consider the *Flyer's* competition?

NAA/AISOP-T2-8. Please refer to page 3 of your testimony, where you state that advertisers use other less expensive media.

- a. What are these "less expensive media"?
- b. Please provide a full comparison of their rates and your rates.
- c. If these media are less expensive, why aren't the small businesses that use your publication using them.

NAA/AISOP-T2-9. Please refer to page 3 of your testimony, where you state that free papers provide geographically-targeted advertising services to local merchants.

- a. Do daily metropolitan newspapers, through their paper and Total Market Coverage Programs (TMC), provide geographically-targeted advertising services to local merchants?

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- b. Do paid-circulation community newspapers, through their paper and Total Market Coverage Programs (TMC), provide geographically-targeted advertising services to local merchants?
- c. Do free-circulation community newspaper provide geographically-targeted advertising services to local merchants?

NAA/AISOP-T2-10. With respect to *The Flyer*:

- a. How many individuals are on the staff of *The Flyer*?
- b. How many reporters or editors are on the staff of *The Flyer*?
- c. What percentage of the space in your paper is devoted to national, and/or local news reporting and sports reporting?
- d. Does your advertising revenue cross-subsidize the editorial activities of your paper?

NAA/AISOP-T2-11. With respect to *The Flyer*:

- a. How far down—i.e., zip code, postal carrier route, zip+4—does *The Flyer* zone ROP ads? Inserts?
- b. What is the smallest “buy” an advertiser can make in *The Flyer*?
- c. To the best of your knowledge, how far down does *The Miami Herald* zone for advertising ROP “buys”? For free-standing insert buys?
- d. To the best of your knowledge, what is the smallest “buy” an advertiser can make in the *Herald*?
- e. To the best of your knowledge, how far down *The Miami Herald*’s Total Market Coverage Product (TMC), operated by *Herald Direct*, zones?
- f. To the best of your knowledge, what is the smallest insert “buy” an advertiser can make in the *Herald*’s TMC program, operated by *Herald Direct*? If your answer is yes, please provide that information.

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- g. To the best of your knowledge, how many copies a week does the *Herald's* TMC program mail?
- h. What is the typical (not rate card) price per thousand for an insert that *The Flyer* charges for one zone?
- i. To the best of your knowledge, what price per thousand for an insert does *The Miami Herald's* TMC program charge for one zone?
- j. What is the price for a 4x4 one zone distribution ROP ad in *The Flyer*?
- k. What is the price of a full-page one zone ROP ad in *The Flyer*?
- l. To the best of your knowledge, what is the price for a 4x4 one zone ROP ad in *The Miami Herald*?
- m. To the best of your knowledge, what is the price of a full-page one zone ad in *The Miami Herald*?
- n. Does *The Flyer* offer or provide for solo mail programs?
- o. To the best of your knowledge, does *Herald Direct* offer or provide for solo mail programs?

NAA/AISOP-T2-12. Please provide the answers to the following in table form.

Please consider the community newspapers that compete with *The Flyer*.

- a. To the best of your knowledge, how far down do these community newspapers zone for advertising "buy"?
- b. To the best of your knowledge, what the smallest "buy" is that an advertiser can make with each of these community newspapers?
- c. To the best of your knowledge, what the price per thousand for an insert is in each of these community newspapers?
- d. To the best of your knowledge, what the price is for a 4x4 ROP ad in each of these community newspapers?
- e. To the best of your knowledge, what the price is of a full-page ad in each of these community newspapers?

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NAA/AISOP-T2-13. Please refer to page 7 of your testimony, where you state that Martino Tire started out advertising with you, and ultimately shifted to daily newspapers. Would you agree that it is *possible* that Martino Tires shifted advertising venues because it found the different environment of newspaper advertising more suited to their needs than a mailed shopper?

NAA/AISOP-T2-14. Might it also be true that K-Mart, Wal-Mart and national grocers are not in *The Flyer* because they have found the environment of Sunday newspapers more conducive to successful sales at their stores?

NAA/AISOP-T2-15. Please refer to page eight of your testimony, where you state that the *Miami Herald* just raised its price to \$1.25.

- a. Please confirm that the \$1.25 price is the price for a newstand, non-subscription, single copy sale.
- b. Do you know that the typical price of a subscriber to the *Miami Herald* is less than 34 cents per day?
- c. You say that low income households, single parents, and seniors cannot afford to buy a subscription to a newspaper. What, if any, is the difference in area penetration of *The Miami Herald* in Coconut Grove versus what you define as "Low income households"?

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NAA/AISOP-T2-16. Please refer to page 5 of your direct testimony where you state that you cannot cut prices and offer special deals to your biggest customers. Is it your testimony that your largest advertiser pays the same rate as smaller customers? Please provide a copy of your current rate card, plus written contracts between your company and your top five advertisers, to support your answer.

NAA/AISOP-T2-17. Please compare the ROP and preprint distribution prices that you charged your advertisers in July 1996 with your current prices. In particular, please address whether your prices to advertisers have risen, declined, or stayed the same over the course of that period.

NAA/AISOP-T2-18. Please refer to page 6 of your direct testimony. In what "prior years" did you see "double digit postal increases"? Please specify the percentage of the "double digit postal increases." During these years, how much did the rates that you charge advertisers increase? Please specify your answer in actual dollars and as a percentage based upon the previous year's rates.

NAA/AISOP-T2-19. Please refer to page 7 of your direct testimony. In the top paragraph, you mention that "newspaper distribution . . . would cost too much and reach people that were outside their stores' trade area." In the bottom paragraph, you refer to a "higher prices per thousand of circulation for targeted distribution by mail"



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[presumably a reference to your free shopper] and further state that the "insert price per thousand is cheaper in the daily newspaper for big volume customers than we can make available to our customers." Does newspaper TMC insert distribution of comparable print pieces "cost too much" or cost less than your *Flyer*?

NAA/AISOP-T2-20. Please refer to the discussion in your testimony beginning on page 4, second paragraph ("We succeed by offering . . .") through the second full paragraph on page 5. Please confirm that the services which you describe your sales staff as offering to your customers are excellent selling techniques employed by most professional advertising sales staffs in an effort to acquire and retain the majority of advertisers budgets? If you cannot confirm, please explain.