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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

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

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

REBUTTAL TESTIMONY
OF
DONALD J. O'HARA
ON BEHALF OF
UNITED STATES POSTAL SERVICE

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1 **REBUTTAL TESTIMONY OF DONALD J. O'HARA**
2 **AUTOBIOGRAPHICAL SKETCH**

3
4 My name is Donald J. O'Hara. Since 1997, I have served as the Manager,
5 Classification and Product Design in the Marketing organization. Earlier this year, I
6 began serving as the Acting Manager of Pricing. In this capacity, I have direct
7 responsibility for supervising the work of the economists and pricing specialists in
8 Pricing, as well as the work of consultants retained by the Postal Service on pricing,
9 classification, and costing matters.

10 I have been employed by the Postal Service since 1981. For most of this period,
11 I was a Principal Economist in the Planning Department, where I produced information
12 and analyses used in the strategic planning process. During this time, I also played a
13 major role in the development and implementation of the Postal Service's Total Factor
14 Productivity (TFP) measurement system. In the 1992 reorganization, I moved to the
15 reclassification project. I have made three previous appearances in proceedings before
16 the Postal Rate Commission. In Classification Reform I (Docket No. MC95-1), I
17 provided testimony on rates and classifications for First-Class Mail. In Classification
18 Reform II (Docket No. MC96-2), I provided testimony on rates and classifications for
19 Nonprofit Periodicals. In Docket No. R97-1, I provided testimony on the rate levels
20 proposed by the Postal Service.

21 I received a Ph.D. in Economics from the University of California at Los Angeles
22 in 1971, and from 1970 until 1980 I taught at the University of Rochester, first as an
23 Assistant Professor of Economics (through 1976), and then as an Associate Professor.
24 In 1980-81, I served on the staff of the President's Commission for a National Agenda
25 for the Eighties.

1 **I. PURPOSE AND SCOPE OF TESTIMONY**

2 My testimony addresses two subject matter areas. The first part addresses the
3 concerns raised by Newspaper Association of America (NAA) witness Tye and
4 Association of Alternate Postal Systems (AAPS) witness White concerning the
5 competitive effect of the Postal Service's proposals for the Enhanced Carrier Route
6 (ECR) subclass. I begin with a brief summary of the concerns raised by witnesses Tye
7 and White. I then explain how the Postal Service's proposed rates for ECR facilitate
8 competition in advertising markets. I also address concerns that the proposal unfairly
9 targets heavy weight ECR matter, and I refute the intervenors' claims of economic harm.

10 The second part of my testimony discusses how single-piece First-Class mailers
11 benefit from an averaged first-ounce rate and why the Office of Consumer Advocate's
12 (OCA's) courtesy envelope mail (CEM) proposal should be rejected.

13 **II. THE ECR SUBCLASS PROPOSAL IS MANIFESTLY REASONABLE.**

14 **A. Summary Of NAA and AAPS Positions**

15 Both NAA and AAPS contend that the Postal Service's proposal for the ECR
16 subclass cost coverage and the proposal to reduce the pound rate for the ECR subclass
17 are motivated in large part by a desire to divert business from newspapers and
18 alternative delivery carriers. They have represented that if the pound rate is reduced as
19 proposed by the Postal Service, their organizations' members will suffer economic harm
20 due to diversion of advertising from alternative media, such as newspapers, to Standard
21 Mail ECR. For instance, NAA witness Tye claims that the proposed ECR cost coverage
22 and the proposal to reduce the ECR subclass pound rate element "would have the

1 effect of diverting volume from private enterprise competitors of ECR mail." Tr.
2 30/14742. Witness Tye confesses, however, that he did not review the rates charged
3 by newspapers for inserts, and he offers no other quantitative data to support his
4 conclusion that volumes will shift as his testimony portends. Tr. 30/14781, 14831,
5 14895, 14906. Witness Tye nonetheless suggests that the Postal Service's ECR rate
6 proposal is motivated by a "stealth objective of diverting mail from private enterprise
7 competitors." Tr. 30/14740. He submits that the proposal is "part of an ongoing effort to
8 divert ECR mail from private enterprise competitors" and should therefore be rejected
9 by the Commission. Tr. 30/14693. In support of this claim, witness Tye cites to Table
10 12 in witness Tolley's testimony, which contains figures relating changes in ECR volume
11 for the period 1994-99 to a number of variables, including increases in prices for
12 newspaper advertising. Tr. 30/14821. Witness Tye proposes that the Commission
13 recommend a cost coverage for ECR that is no lower than the cost coverage
14 recommended in Docket No. R97-1 in relative or absolute terms, and that the
15 Commission propose common rate increases for piece-rated and pound-rated
16 nondiscounted ECR, thereby resulting in an increase in the pound rate element for
17 pound-rated ECR pieces. Tr. 30/14743-44.

18 AAPS witness White similarly suggests that the ECR proposal is motivated by an
19 effort "to create diversion from alternate media." Tr. 22/9948. In support of this
20 proposition, witness White cites the Postal Service's ongoing commissioning of SAI
21 research, as well as its stated intent with regard to the proposed ECR pound rate
22 reductions in Docket Nos. MC95-1 and R97-1, as proof of the Postal Service's intent in

1 this docket. Tr. 22/9954-56. Witness White claims that the Postal Service's request for
2 a lower pound rate will result in a market that is "less competitive." Tr. 22/10006. He
3 foresees a "severe impact" on the private delivery of heavier pieces, because
4 "[l]owering the pound rate would further damage alternate delivery's ability to compete .
5 . . ." Tr. 22/9961, 22/9940. Witness White proposes that the Commission not
6 recommend any reduction in the ECR pound rate element. Tr. 22/9962.

7 **B. The Postal Service's Proposal Promotes Competition in Advertising**
8 **Markets.**
9

10 NAA and AAPS witnesses criticize the Postal Service's direct case, claiming that
11 the Postal Service did not consider the effect on competitors under section 3622(b)(4) of
12 the ratemaking criteria. Tr. 22/9941, 30/14695. Yet the allegations that NAA and AAPS
13 raise fail to address the *effect on competition*, which I understand to be the judicially
14 interpreted concern embraced by the section 3622(b)(4) reference to competitors.
15 Indeed, the NAA and AAPS testimony is diametrically opposed to the proliferation of
16 choice--and ultimately of competition--in advertising markets. In effect, NAA and AAPS
17 would have the Commission maintain ECR rates for heavier weight pieces at levels far
18 in excess of the relationship suggested by their costs. This necessarily implies that a
19 more affordable alternative, in the form of a more attractive rate for heavier weight ECR
20 mail, would be denied to mailers for the sake of the protectionist self-interest of NAA's
21 and AAPS's members, thereby restricting choice and *reducing* competition. Simply put,
22 the 3622(b)(4) requirement that the Commission consider the effect on competition
23 weighs in favor of the Postal Service's proposal, for it will enable competition to flourish
24 in the market for high circulation advertising, to the benefit of advertisers.

1 It should be noted, moreover, that the ECR proposal's positive effects on
2 competition extend beyond the market for distribution of advertising. As a subclass
3 composed primarily of advertising messages, ECR provides advertisers, particularly
4 those serving consumer markets, with an affordable option for the geographically
5 targeted or widespread distribution of high circulation advertising for products and
6 services. This information, in turn, increases recipients' awareness of advertisers'
7 products and services, and enables consumers to make better and more informed
8 choices about consumption. As consumers become more sophisticated in their
9 knowledge of product markets, competition is enhanced, and consumers benefit, such
10 as, for example, through introduction to innovations; improvements in availability,
11 access and quality; and lower prices. Thus, to artificially inflate the proposed ECR
12 rates, as NAA and AAPS urge, would effectively reduce the level of consumer
13 information for products and services.

14 **C. The ECR Proposal Is Motivated By Costs, Not Diversion.**
15

16 NAA and AAPS allude to "stealth objectives" of diverting volumes from their
17 members (Tr. 30/14740) and to an "anticompetitive bent" on the part of postal
18 management (Tr. 22/9936). In support of these claims, both NAA and AAPS suggest
19 that Postal Service's ECR proposal evinces postal management's intent to deliberately
20 divert advertising pieces from their members to ECR mail. We understand the concern
21 regarding the impact that a large institution such as the Postal Service can have in the
22 marketplace. In particular, we are mindful of the effect of our pricing proposals on the
23 level of competition in the marketplace. In recognition of section 3622(b)(4), we do not

1 price with the specific intent to drive competitors from the field. At the same time,
2 however, we must be mindful of the needs of the marketplace and be careful that the
3 understandable desire to protect alternatives, both large and small, is not pursued at the
4 expense of consumers and customers in the marketplace.

5 I submit that claims of anticompetitive intent and conduct in this context are
6 unfounded and distort the real motive and effects of the Postal Service's proposals. The
7 ECR proposal sets prices well above costs. While it is true that the proposal would
8 reduce the pound rate element for heavier weight ECR pieces, and thereby result in a
9 rate reduction for ECR pound-rated pieces in excess of from anywhere between 4 and 6
10 ounces (depending upon presort tier and dropship profile) (Tr. 10/3911-12), there is
11 absolutely no evidence that the prices of these pieces would not more than adequately
12 cover their costs. Indeed, figures from witness Daniel's testimony show that the
13 additional cost due to additional weight in ECR does not increase as rapidly as the
14 pound rate (Tr. 10/3986-87), and that the pound rate exceeds the costs of heavier
15 weight pieces by a comfortable margin. The implicit cost coverages for pound-rated
16 ECR mail that witness Moeller supplies in his direct testimony (USPS-T-35 at 21) are
17 essentially equal to the corresponding implicit cost coverages for piece-rated ECR mail,
18 and thereby dispel allegations that the proposed pound rate element would be unfair.
19 Thus, there is nothing to suggest that the proposal would result in anticompetitive
20 predatory pricing.

21 Claims of "stealth objectives" are also dispelled by an overall examination of
22 postal rates used by the newspaper industry for their advertising products. It is

1 remarkable that the ECR proposal, particularly the cost coverage, has received such
2 heavy scrutiny from NAA. NAA's members not only offer alternatives for preprint
3 advertising through private distribution, but they also are substantial users of the ECR
4 High-Density category for their "total market coverage" (TMC) advertising products.
5 Under the Postal Service's proposal, mail in this category will, on average, receive a
6 *rate decrease*. In fact, of the seven categories for which volumes are forecasted, the
7 High-Density nonletter category is the *only* one for which this is the case.¹ Surely, this
8 does not evince evidence of intent to unfairly target competitors for heavy saturation
9 mail; to the contrary, it shows that the Postal Service's proposal is not an attempt to
10 favor any particular industry over another.

11 In addition, the recent trend of significant growth in the High-Density category
12 provides further evidence of an absence of unfair competition on the part of the Postal
13 Service. From 1998 to 1999, High-Density nonletters grew 6.6 percent, even while
14 Saturation nonletter volume declined 2.4 percent. The figures for pound-rated pieces
15 are even more revealing: High-Density grew 17.9 percent, while Saturation declined
16 11.1 percent.² These data suggest that saturation mailers are finding less costly
17 alternatives for their heavier pieces. This is troubling—not because it shows a decline in
18 Postal Service volume—but because it shows a decline in volume in a category that is
19 unquestionably over-priced relative to costs.

¹ See response to NAA/USPS-T35-43 at Tr. 10/3904-05. The only rate category to see a volume increase in the after-rates scenario is High-Density nonletters, which implies a rate reduction, on average, for that category.

1 Proof that the Postal Service's ECR proposal is driven by costs and not by
2 "stealth objectives" can be found in the Postal Service's proposals in this docket
3 regarding matter that may be carried by alternative delivery carriers. AAPS witness
4 White testifies that his organization's members are engaged in delivery of both TMC and
5 saturation shopping guides, community and telephone directories, and merchandise
6 samples. Tr. 22/9942. Although witness White devotes much attention to the USPS
7 proposed ECR pound rate that would apply to mail competing with TMC and saturation
8 shopping guides, he is strangely silent about the Postal Service's proposals for rates for
9 mail matter whose contents include directories and product samples. In fact, the Postal
10 Service is proposing substantial rate increases for such mail. Telephone and
11 community directories weighing more than one pound travel at Bound Printed Matter
12 rates. For a 1.5 pound carrier route presorted BPM piece the current "Local" rate is
13 50.5 cents. The lowest proposed rate for such a piece is the DDU rate of 58.1 cents, an
14 increase of 15 percent. Similarly, the typical merchandise sample weighing less than
15 3.3 ounces and subject to the residual shape surcharge currently pays 21.4 cents at the
16 ECR Saturation DDU rate. The corresponding proposed rate is 27 cents, an increase of
17 26 percent. Both of these increases are driven by cost considerations, just as the
18 proposed decrease in the ECR pound rate is motivated by cost considerations. Taken
19 together, these rate proposals clearly demonstrate that there has been no effort to
20 target the alternative delivery industry in the development of the Postal Service's

² USPS Billing Determinant data. USPS-LR-I-125 and USPS-LR-I-259 at Schedule G-3, page 2.

1 proposals in this case. Rather, as explained by witness Moeller, the cost data serve as
2 the underlying motive behind the ECR pound rate change. USPS-T-35 at 19-23; Tr.
3 10/3879-80.

4 **D. There Is No Evidence Of Economic Harm.**

5 Although NAA and AAPS witnesses allege that the proposal will divert their
6 members' volumes to ECR mail and hurt their businesses, these claims are wholly
7 unsupported. It is quite telling that neither witness Tye nor witness White provided
8 industry-wide surveys of the prices of alternative media. Indeed, witness Tye did not
9 even bother to ask for price information of newspaper advertising (Tr. 30/14781) or
10 compare absolute levels of prices between ECR and newspapers (Tr. 30/14895).
11 Nevertheless, he conceded that such information "would certainly [have been] an
12 additional piece of data" that, if available, he would have "certainly" looked at. Tr.
13 30/14905-06. This unexplained and glaring omission seriously undermines the
14 credibility of their conclusions. By contrast, the price data for alternative media in this
15 docket, including the *Miami Herald* 2000 rate card supplied by Alliance of Independent
16 Store Owners and Operators witness Baro (Tr. 30/14412-14; AISOP LR-1), as well as
17 the price schedule provided by AAPS witness White for his company's alternative
18 delivery products (Tr. 22/9981-82), indicate that the published prices of alternative
19 media are generally below the Postal Service's proposed prices, and this does not even
20 consider the negotiated discounts that they may offer to their customers. Thus, if
21 anything, NAA's and AAPS's failure to back their claims undercuts their allegations of
22 diversion, for there is absolutely no showing that the industry's prices are anywhere

1 near or above those of the Postal Service's proposed rates. Indeed, the recent
2 information identified by NAA in a supplemental interrogatory response demonstrates
3 that newspaper insert volumes have experienced healthy growth patterns,³
4 notwithstanding witness Tye's finding (Tr. 30/14740) that the inflation-adjusted ECR
5 pound rate has declined over time. Furthermore, the fact that the NAA is touting recent
6 gains in newspaper advertising expenditures in the first quarter of 2000, on the order of
7 5.7 percent over the same period last year,⁴ suggests that the newspaper industry is
8 hardly suffering negative consequences from what witness Tye characterizes as a
9 "pronounced" inflation-adjusted decline in the ECR pound rate. Tr. 30/14737-40. Since
10 the newspaper industry has so well weathered the decline in the real pound rate (Tr.
11 30/14737), fears that the reduction in the pound rate will result in large-scale diversion
12 are grossly exaggerated.

13 AAPS and NAA also fail to consider that the advertising market need not be
14 perceived as a zero-sum game, where every gain in ECR volume comes at the expense
15 of another carrier. It is important to consider that ECR customers do not necessarily
16 perceive ECR and newspapers or alternative delivery as direct substitutes, since they
17 offer different features and are connected with different forms of valuable content. Also,
18 ECR includes advertising that is directed to as few as ten recipients per carrier route.

³ NAA Supplemental Institutional Response to Interrogatory of Val-Pak Direct Marketing Systems, Inc. et al (VP-CW/NAA-T1-11(c)) filed August 4, 2000. See also Exhibit USPS-RT19A.

⁴ NAA News Release, *Ad Spending In Newspapers Up 5.7 Percent In 1st Quarter 2000*, available at < http://www.naa.org/about/news/article.cfm?Art_ID=274 > See Exhibits USPS-RT19B and USPS-RT19C.

1 To the extent the lower pound rate were to generate more volume in this basic tier, it is
2 difficult to imagine that this would come at the expense of the alternate delivery or
3 newspapers, who do not offer such selective distribution. Thus, a decline in the pound
4 rate should not necessarily lead ECR volumes to swell at the expense of other
5 distributors of advertising media.

6 **II. THE OCA'S RECYCLED CEM PROPOSAL SHOULD BE REJECTED.**

7 **A. Single-Piece Mailers Already Benefit from Automation.**

8
9 In Docket No. R2000-1, several parties have introduced discount proposals for
10 single-piece First-Class Mail, including OCA's CEM proposal. One reason provided for
11 these discount proposals is that they would allow the general public to share more
12 directly in the benefits of automation.

13 It is important to recognize that the general mailing public already benefits from a
14 single-piece rate that is lower than it would have been absent automation. The letter
15 automation projects that have been implemented in the field over the last decade or so
16 have had a direct impact on the rates paid by residential and small business mailers. In
17 Docket No. R97-1, the Postal Service proposed and the Commission recommended an
18 increase of only one cent in the stamp price, which was the smallest proposed increase
19 since postal reorganization. In the current docket, the Postal Service is again proposing
20 an increase of only one cent, or 3.0 percent in the basic rate. These modest increases
21 are well below the overall inflation rate in the consumer price index, and well below the
22 systemwide average increase proposed in this case.

1 **B. Single-Piece Mailers Benefit from an Averaged First-Ounce Rate.**

2 In Classification Reform, Docket No. MC95-1, the Commission stated that

3 "[a]veraging is an integral part of postal ratemaking. It is neither possible nor wise to try
4 to establish separate rates for every piece of mail." PRC Op. MC95-1 ¶ 3063. The
5 Commission also opined that::

6 Literally billions of pieces pay the current single piece First-Class rate of 32
7 cents. There are a myriad of reasons why the pieces of mail within that single
8 cell have varying costs. For example, they are sent different distances; they are
9 sent in different parts of the country; they are to be delivered to rural or urban
10 areas; they are addressed in different ways; the paper used is different; the
11 mailpiece is shaped differently; the list goes on and on. It is accepted that for
12 practical reasons, however, there is a single rate applicable to most First-Class
13 pieces weighing one ounce or less.

14
15 *Id.* at ¶ 3064.

16
17 Thus, the Commission has recognized the wisdom and practicality of an
18 averaged single-piece rate. The typical household mails some lower-cost courtesy
19 reply mail and some higher-cost handwritten mail and pays an average rate for all of it –
20 a simple and convenient system. An averaged rate has been relied upon by the general
21 public for decades and is already accommodated by current postal processing methods
22 and equipment.

23 Any proposal to replace the existing averaged structure needs to be evaluated
24 thoroughly. As a result of Docket No. R97-1, the Postal Service did implement the first
25 deaveraged single-piece rate—the rate for Qualified Business Reply Mail (QBRM).
26 Deaveraging was workable with QBRM due to its specific characteristics. QBRM meets
27 mail preparation standards that ensure its automatability, avoids any revenue assurance
28 issues since it is processed through postage due units with a relatively limited number

1 of licensed users, and does not have any of the problems created by administering two
2 differently denominated basic First-Class Mail stamps.

3 **C. There is No Evidence to Support as Radical a Change as CEM.**
4

5 In this proceeding, the OCA has again proposed a discount for CEM. In his
6 rebuttal testimony in this docket, witness Miller discusses the serious administrative,
7 operational, and revenue concerns associated with the CEM proposal. For these
8 reasons, the OCA's CEM proposal is not desirable from the point of view of the Postal
9 Service. Perhaps more importantly, even if all of these problems could be overcome,
10 there is still no evidence of the desirability of a CEM classification from the point of view
11 of users of First-Class Mail.

12 The OCA has no evidence that the public would prefer a "two-stamp" CEM postal
13 system over the present "one-stamp" system. Interrogatory USPS/OCA-T7-3(a) asked
14 the following:

15 Please identify all market research or surveys performed by or for the OCA which
16 seeks to ascertain or otherwise indicates whether the general public prefers one
17 basic First-Class Mail first-ounce stamp or two differently denominated basic
18 First-Class Mail first-ounce stamps?
19

20 Tr. 23/10770. In response to USPS/OCA-T7-3(a), witness Willette replied in part:
21

22 The OCA has conducted no research of the type you describe except to speak
23 informally to members of the public concerning CEM when the opportunity arises.
24

25 *Id.* Informal discussions with members of the public from time to time can be
26 interesting. However, the American public, the intended beneficiary of the OCA's CEM
27 proposal, has never shown in any formal, meaningful way that it wants CEM—indeed, it

1 has never been asked about CEM in any formal, meaningful way by the proposal's
2 proponents.

3 When asked in interrogatory USPS/OCA-T7-21(e) about whether the OCA had
4 considered conducting any market research in conjunction with its Docket No. R2000-1
5 CEM proposal, witness Gerarden responded:

6 Yes. ... The OCA explored informally the parameters, including cost, of
7 performing market research that could be expected to produce statistically valid
8 results, as well as OMB restrictions on data collection governing the
9 Commission. Given the modest budget on which the Commission operates,
10 including the very modest budget for the Office of the Consumer Advocate, and
11 given the need to commit available funds to other aspects of the rate case, it was
12 not feasible to conduct market research on CEM.
13

14 Tr. 29/13607. While the Postal Service is always sensitive to budgeting realities and is
15 aware of the need to prioritize in any rate case, such considerations need to be weighed
16 against the significant impact that CEM would have on the mailing public and the Postal
17 Service. A proposal as significant as CEM⁵ cannot be made in a vacuum, apart from
18 the preferences of the very public the proposal is supposed to benefit. There is nothing
19 in the present record indicating the public is in favor of this CEM proposal. If the desire
20 to benefit the public is so strong that it overshadows the Postal Service's administrative
21 and other concerns regarding this proposal, one might expect to see some evidence
22 that this proposal is overwhelmingly embraced by the public. The OCA has provided no
23 such evidence.

⁵ Witness Willette estimates that the lost revenue due to CEM could reach \$300 million annually. Tr.23/10742.

1 The Commission is reminded that, when faced with the OCA's CEM proposal in
2 Docket No. R97-1, the Postal Service sponsored market research by witness Ellard of
3 Opinion Research Corporation. Docket No. R97-1, Tr. 35/19508 *et. seq.* This research
4 concluded that the public does not find the two-stamp system attractive. The research
5 showed that 60 percent of the surveyed households preferred a one-stamp system.
6 The remaining 40 percent of the respondents were then asked which system they
7 preferred if their rate for regular First-Class letters could rise. Many respondents
8 changed their opinion, indicating that, in this instance, they would prefer a one-stamp
9 system. The cumulative results from these two questions showed that 86 percent of the
10 respondents preferred a one-stamp system, given a possible "push-up" on the regular
11 stamp price. Docket No. R97-1, Tr. 35/19077.

12 When asked about the Docket No. R97-1 research in the current proceeding,
13 witness Willette confirmed that the Postal Service may have had a valid point when it
14 used witness Ellard's market research in asserting that consumers do not want two
15 stamps. Tr. 23/10782.

16 During cross-examination in the current proceeding, witness Willette testified:

17 I think that the real point that we're missing by talking about what the rate
18 structure of First Class might or might not look like if we had CEM, is that it's a
19 choice for consumers. And CEM is being proposed as a choice for consumers.
20 If CEM is never offered, then the issue is never going to arise.... And we
21 certainly don't know what kind of use there would be of it. Without it in place, it's
22 not possible for anyone to use it.
23

24 Tr. 23/10793 . Witness Willette is apparently concerned about the consumer's choice of
25 whether to use a CEM stamp, assuming the stamp exists. However, the OCA ignores

- 1 the threshold consideration of whether the public desires a two-stamp system in the first
- 2 place.

Exhibit USPS-RT19A

Newspaper Preprint Insert Volume Estimates							
U.S. Daily Newspapers							
Projected Circulation (In Billions)							
Year		Full Run	% change	Partial Run	% change	Total	% change
1997	Total Retail	38.966	2.53	43.035	4.57	82.000	3.59
	Sunday	22.313	6.07	25.537	6.60	47.851	6.35
	Daily	16.653	-1.86	17.497	1.74	34.150	-0.04
	Total National	6.597	-3.07	1.399	0.32	7.996	-2.50
	Sunday	5.798	-4.00	0.695	-5.35	6.493	-4.15
	Daily	0.799	-4.27	0.704	6.63	1.503	5.36
	Grand Total	45.563	1.68	44.433	4.43	89.996	3.02
	Sunday	28.111	3.82	26.232	6.24	54.344	4.98
	Daily	17.452	-1.59	18.201	1.93	35.653	0.17
1996	Total Retail	38.004	-0.92	41.154	4.37	79.158	1.76
	Sunday	21.036	-0.74	23.957	3.47	44.993	1.46
	Daily	16.968	-1.15	17.197	5.66	34.165	2.16
	Total National	6.806	-8.23	1.394	21.87	8.200	-4.21
	Sunday	6.040	-9.37	0.734	20.83	6.774	-6.85
	Daily	0.766	1.82	0.660	23.04	1.426	10.65
	Grand Total	44.810	-2.11	42.548	4.87	87.358	1.17
	Sunday	27.076	-2.80	24.691	3.91	51.767	0.29
	Daily	17.734	-1.03	17.857	6.21	35.591	2.48
1995	Total Retail	38.358	0.37	39.429	6.44	77.788	3.36
	Sunday	21.193	1.20	23.153	5.94	44.346	3.62
	Daily	17.165	-0.63	16.276	7.17	33.441	3.02
	Total National	7.417	-15.13	1.144	9.91	8.561	-12.46
	Sunday	6.664	-16.81	0.608	4.59	7.272	-15.36
	Daily	0.753	3.37	0.536	16.62	1.289	8.50
	Grand Total	45.775	-2.51	40.573	6.54	86.349	1.54
	Sunday	27.858	-3.78	23.761	5.91	51.619	0.45
	Daily	17.918	-0.47	16.812	7.45	34.73	3.21
1994	Total Retail	38.216	-4.46	37.042	15.45	72.258	4.40
	Sunday	20.942	0.63	21.855	16.83	42.797	8.30
	Daily	17.274	-9.98	15.187	13.53	32.461	-0.33
	Total National	8.739	-11.41	1.041	28.29	9.780	-8.78

	Sunday	8.011	-11.86	0.581	42.05	8.592	-9.54
	Daily	0.728	-6.00	0.460	58.34	1.188	11.55
	Grand Total	46.955	-5.84	38.083	16.16	85.038	2.89
	Sunday	28.953	-3.17	22.436	17.37	51.389	4.84
	Daily	18.002	-9.83	15.647	14.48	33.649	0.05
1993	Total Retail	40.002	1.05	32.084	9.76	72.086	4.75
	Sunday	20.812	-4.45	18.707	17.14	39.518	4.68
	Daily	19.190	7.79	13.377	0.88	32.568	4.84
	Total National	9.864	9.80	0.700	2.67	10.564	9.30
	Sunday	9.089	10.95	0.409	-8.74	9.498	9.93
	Daily	0.775	-2.10	0.291	24.61	1.065	4.84
	Grand Total	49.866	2.67	32.784	9.60	82.650	5.31
	Sunday	29.901	-0.24	19.116	16.43	49.017	5.66
	Daily	19.965	7.37	13.668	1.29	33.633	4.81
1992	Total Retail	39.585	6.88	29.231	13.16	68.815	9.46
	Sunday	21.781	25.96	15.970	26.78	37.751	26.30
	Daily	17.804	-9.83	13.261	0.20	31.064	-5.81
	Total National	8.984	13.29	0.682	-14.00	9.665	10.80
	Sunday	8.192	15.01	0.449	-18.81	8.641	12.57
	Daily	0.791	-1.98	0.233	-2.92	1.025	-2.10
	Grand Total	48.568	8.01	29.912	12.35	78.481	9.62
	Sunday	29.973	22.76	16.418	24.85	46.392	23.50
	Daily	18.595	-9.52	13.494	0.14	32.089	-5.70
1991	Total Retail	37.037	10.58	25.832	14.57	62.869	12.19
	Sunday	17.292	-3.54	12.597	8.71	29.889	1.27
	Daily	19.745	26.85	13.235	20.78	32.98	24.34
	Total National	7.930	3.47	0.793	24.29	8.723	5.07
	Sunday	7.123	0.04	0.553	20.48	7.676	1.28
	Daily	0.807	48.35	0.240	34.08	1.047	44.81
	Grand Total	44.967	9.26	26.625	14.84	71.592	11.27
	Sunday	24.415	-2.52	13.150	9.16	37.565	1.27
	Daily	20.552	27.57	13.475	20.99	34.027	24.88
1990	Total Retail	33.493	10.40	22.546	4.13	56.039	7.79
	Sunday	17.927	15.50	11.588	-0.57	29.515	8.61
	Daily	15.566	5.05	10.958	9.62	26.524	6.89
	Total National	7.664	15.46	0.638	-43.54	8.302	6.87
	Sunday	7.12	13.63	0.459	-47.06	7.579	6.25
	Daily	0.544	46.24	0.179	-31.94	0.723	13.86
	Grand Total	41.157	11.30	23.184	1.77	64.341	7.67

	Sunday	25.047	14.96	12.047	-3.79	37.094	8.12
	Daily	16.11	6.06	11.137	8.56	27.247	7.07
1989	Total Retail	30.339	8.91	21.651	5.80	51.99	7.59
	Sunday	15.521	9.21	11.655	3.90	27.176	6.87
	Daily	14.818	8.59	9.996	8.10	24.814	8.39
	Total National	6.638	-3.95	1.13	-5.44	7.768	-4.17
	Sunday	6.266	-3.98	0.867	-18.44	7.133	-6.01
	Daily	0.372	-3.38	0.263	99.24	0.635	22.82
	Grand Total	36.977	6.35	22.781	5.18	59.758	5.90
	Sunday	21.787	5.06	12.522	1.97	34.309	3.91
	Daily	15.19	8.26	10.259	9.38	25.449	8.71
1988	Total Retail	27.858	-3.29	20.464	31.20	48.322	1.94
	Sunday	14.212	5.93	11.217	15.44	25.429	9.92
	Daily	13.646	-11.32	9.247	4.12	22.893	-5.67
	Total National	6.911	10.12	1.195	8.74	8.106	9.91
	Sunday	6.526	10.65	1.063	10.16	7.589	10.58
	Daily	0.385	1.85	0.132	-1.49	0.517	0.98
	Grand Total	34.769	-0.89	21.659	9.96	56.428	3.01
	Sunday	20.738	7.37	12.280	14.96	33.018	10.07
	Daily	14.031	-11.00	9.379	4.04	23.410	-5.53
1987	Total Retail	28.805	7.33	15.598	-5.08	47.403	9.55
	Sunday	13.417	0.19	9.717	5.22	23.134	2.24
	Daily	15.388	14.45	8.881	23.38	24.269	17.57
	Total National	6.276	-9.89	1.099	-13.33	7.375	-10.42
	Sunday	5.898	-6.87	0.965	-7.48	6.863	-6.95
	Daily	0.378	-40.19	0.134	-40.44	0.512	-40.26
	Grand Total	35.081	3.78	19.697	11.28	54.778	6.36
	Sunday	19.315	-2.08	10.682	3.93	29.997	-0.02
	Daily	15.766	12.00	9.015	21.45	24.781	15.26
1986	Total Retail	26.837	7.13	16.433	20.75	43.27	11.92
	Sunday	13.392	9.46	9.235	27.06	22.627	16.02
	Daily	13.445	4.90	7.198	13.52	20.643	7.75
	Total National	6.965	23.01	1.268	20.08	8.233	22.55
	Sunday	6.333	42.54	1.043	31.53	7.376	40.87
	Daily	0.632	-48.15	0.225	-14.45	0.857	-42.17
	Grand Total	33.802	10.05	17.701	20.70	51.503	13.50
	Sunday	19.725	18.27	10.278	27.50	30.003	21.28
	Daily	14.077	0.29	7.423	12.40	21.500	4.17

1985	Total Retail	25.052	8.46	13.609	13.02	38.661	10.02
	Sunday	12.235	5.17	7.268	1.54	19.503	3.78
	Daily	12.817	11.80	6.341	29.86	19.158	17.20
	Total National	5.662	7.07	1.056	26.01	6.718	9.66
	Sunday	4.443	2.97	0.793	14.27	5.236	4.53
	Daily	1.219	25.28	0.263	82.64	1.482	32.68
	Grand Total	30.714	8.20	14.665	13.87	45.379	9.97
	Sunday	16.678	4.57	8.061	2.66	24.739	3.94
	Daily	14.036	12.86	6.604	31.37	20.64	18.19
1984	Total Retail	23.098	10.15	12.041	27.86	35.139	15.64
	Sunday	11.634	15.21	7.158	45.22	18.792	25.05
	Daily	11.464	5.45	4.883	8.80	16.347	6.43
	Total National	5.288	18.06	0.838	-2.67	6.126	14.72
	Sunday	4.315	22.69	0.694	-4.01	5.009	18.14
	Daily	0.973	1.14	0.144	4.35	1.117	1.55
	Grand Total	28.386	11.54	12.879	25.31	41.265	15.50
	Sunday	15.949	17.14	7.852	38.92	23.801	23.53
	Daily	12.437	5.10	5.027	8.67	17.464	6.10
1983	Total Retail	20.970	18.45	9.417	20.89	30.387	19.20
	Sunday	10.098	25.38	4.929	37.41	15.027	29.09
	Daily	10.872	12.67	4.488	6.78	15.360	10.89
	Total National	4.479	19.70	0.861	17.78	5.340	19.38
	Sunday	3.517	1.91	0.723	6.79	4.240	2.71
	Daily	0.962	230.58	0.138	155.56	1.100	218.84
	Grand Total	25.449	18.67	10.278	20.62	35.727	19.23
	Sunday	13.615	18.34	5.652	32.55	19.267	22.18
	Daily	11.834	19.05	4.626	8.67	16.460	15.94
1982	Total Retail	17.703	n/a	7.790	n/a	25.493	n/a
	Sunday	8.054	n/a	3.587	n/a	11.641	n/a
	Daily	9.649	n/a	4.203	n/a	13.852	n/a
	Total National	3.742	n/a	0.731	n/a	4.473	n/a
	Sunday	3.451	n/a	0.677	n/a	4.128	n/a
	Daily	0.291	n/a	0.054	n/a	0.345	n/a
	Grand Total	21.445	n/a	8.521	n/a	29.966	n/a
	Sunday	11.505	n/a	4.264	n/a	15.769	n/a
	Daily	9.94	n/a	4.257	n/a	14.197	n/a

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Questions or comments, e-mail: robem@naa.org

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Exhibit USPS-RT19B

QUARTERLY NEWSPAPER ADVERTISING EXPENDITURES									
		NATIONAL		RETAIL		CLASSIFIED		TOTAL	
Year	Quarter	\$Millions	%Change	\$Millions	%Change	\$Millions	%Change	\$Millions	%Change
2000	1(p)	1,821.930	18.7%	4,609.030	0.5%	4,386.880	6.7%	10,817.840	5.7%
	2(p)								
	3(p)								
	4(p)								
1999	1(p)	1,534.90	12.60%	4,586.10	4.50%	4,111.40	3.80%	10,232.40	5.40%
	2(p)	1,792.35	17.40%	5,106.80	1.80%	4,443.97	4.00%	11,343.11	4.90%
	3(p)	1,624.39	17.90%	5,096.89	2.90%	4,600.11	4.50%	11,321.38	5.50%
	4(p)	1,780.40	22.50%	6,117.10	2.42%	5,494.04	4.95%	13,391.54	5.77%
1998	1	1,363.00	10.20%	4,389.90	4.90%	3,959.80	10.60%	9,712.63	7.90%
	2	1,526.70	8.70%	5,016.50	6.80%	4,275.10	7.00%	10,818.33	7.10%
	3	1,378.00	6.20%	4,951.80	5.60%	4,403.70	5.60%	10,733.54	5.70%
	4	1,453.40	5.70%	5,972.70	5.30%	5,234.90	4.10%	12,660.92	4.90%
1997	1	1,236.70	12.20%	4,184.20	5.60%	3,579.60	10.50%	9,000.44	8.40%
	2	1,404.60	13.90%	4,698.30	4.70%	3,995.10	12.50%	10,098.00	9.50%
	3	1,297.30	12.90%	4,689.50	5.90%	4,170.40	10.80%	10,157.31	8.80%
	4	1,375.60	16.20%	5,670.50	3.60%	5,027.70	11.50%	12,073.85	8.20%
1996	1	1,101.80	7.00%	3,960.70	0.40%	3,240.80	10.00%	8,303.27	4.80%
	2	1,232.80	6.50%	4,486.30	0.50%	3,550.10	9.70%	9,269.12	4.70%
	3	1,148.70	18.00%	4,426.60	3.50%	3,763.50	10.70%	9,338.76	7.90%
	4	1,183.40	8.50%	5,470.40	1.10%	4,510.30	8.50%	11,163.98	4.70%
1995	1	1,029.80	2.70%	3,945.00	4.40%	2,946.90	13.10%	7,921.66	7.30%
	2	1,157.20	3.60%	4,464.20	4.10%	3,235.40	8.30%	8,856.79	5.50%
	3	973.5	-0.60%	4,278.90	0.50%	3,400.60	8.70%	8,652.95	3.40%
	4	1,090.60	3.80%	5,411.40	4.60%	4,158.70	11.20%	10,660.72	7.00%
1994	1	1,003.20	8.20%	3,777.60	3.50%	2,604.60	9.10%	7,385.43	6.10%
	2	1,117.10	4.80%	4,287.00	2.20%	2,988.70	12.30%	8,392.76	5.90%
	3	979	10.80%	4,258.90	4.90%	3,129.40	12.30%	8,367.25	8.20%
	4	1,050.20	7.70%	5,172.20	4.40%	3,741.40	12.60%	9,963.76	7.70%
1993	1	927.4	-3.10%	3,648.40	6.90%	2,387.20	4.90%	6,963.00	4.80%
	2	1,066.10	0.00%	4,193.80	3.40%	2,661.80	1.50%	7,921.79	2.30%
	3	883.9	-3.30%	4,061.80	5.60%	2,786.00	3.10%	7,731.61	3.60%
	4	975.4	8.90%	4,955.00	4.90%	3,322.30	5.10%	9,252.91	5.30%
1992	1	956.9	0.00%	3,412.40	-2.70%	2,276.00	0.90%	6,645.31	-1.10%

	2	1,066.50	0.10%	4,055.40	0.30%	2,623.30	2.30%	7,745.16	0.90%
	3	914.4	-2.20%	3,848.00	1.70%	2,702.20	0.70%	7,464.63	0.90%
	4	895.9	-7.40%	4,725.60	4.90%	3,162.10	2.60%	8,783.69	2.70%
1991	1	956.5	-0.80%	3,507.60	-8.40%	2,256.50	-9.40%	6,720.58	-7.80%
	2	1,065.10	-1.90%	4,041.80	-7.60%	2,565.30	-9.70%	7,672.28	-7.60%
	3	934.8	-2.50%	3,782.30	-5.80%	2,684.30	-8.90%	7,401.35	-6.60%
	4	967.2	-13.20%	4,507.00	1.70%	3,080.50	-4.50%	8,554.74	-2.50%
1990	1	963.9	7.80%	3,830.20	6.00%	2,491.80	-11.30%	7,285.82	-0.40%
	2	1,085.70	44.70%	4,373.60	-3.20%	2,841.30	-5.40%	8,300.60	0.40%
	3	958.6	27.40%	4,016.80	1.10%	2,947.20	-5.00%	7,922.68	1.20%
	4	1,114.00	32.40%	4,431.30	-7.30%	3,226.10	-3.10%	8,771.44	-2.00%
1989	1	894.5	1.70%	3,611.70	4.80%	2,810.40	2.40%	7,316.55	3.50%
	2	750.1	-18.40%	4,518.30	16.00%	3,002.50	-5.20%	8,270.93	3.60%
	3	752.6	-13.20%	3,972.20	6.20%	3,103.90	3.00%	7,828.74	2.70%
	4	841.3	-8.50%	4,782.50	0.50%	3,328.10	17.00%	8,951.86	5.10%
1988	1	879.2	6.00%	3,447.60	4.60%	2,745.30	10.80%	7,072.03	7.10%
	2	919.5	-2.20%	3,894.90	1.70%	3,168.00	12.80%	7,982.28	5.30%
	3	867.3	4.50%	3,741.20	4.40%	3,014.40	6.80%	7,622.92	5.30%
	4	919.8	2.90%	4,756.40	5.20%	2,843.60	10.20%	8,519.85	6.60%
1987	1	829.7	2.20%	3,294.80	8.30%	2,478.80	16.40%	6,603.32	10.40%
	2	940.2	3.70%	3,828.50	7.90%	2,809.40	15.60%	7,578.07	10.00%
	3	830.3	8.50%	3,583.70	6.90%	2,823.00	15.10%	7,236.99	10.20%
	4	893.9	0.30%	4,519.60	3.40%	2,579.90	12.60%	7,993.35	5.90%
1986	1	812	1.30%	3,041.30	1.40%	2,129.80	8.10%	5,983.04	3.70%
	2	907	6.80%	3,548.30	7.80%	2,430.30	10.10%	6,886.07	8.50%
	3	765.3	0.60%	3,352.60	7.00%	2,451.80	11.90%	6,569.71	7.90%
	4	891.3	-5.20%	4,369.10	8.70%	2,290.20	14.10%	7,550.53	8.40%
1985	1	801.3	12.80%	2,998.70	7.90%	1,969.50	14.20%	5,769.47	10.70%
	2	849.5	7.20%	3,290.60	1.00%	2,207.00	9.80%	6,347.05	4.70%
	3	760.9	8.80%	3,134.50	4.30%	2,191.60	7.30%	6,086.94	5.90%
	4	940.3	6.90%	4,019.10	7.40%	2,007.60	6.80%	6,966.96	7.20%
1984	1	710.1	7.90%	2,779.40	10.40%	1,724.20	32.10%	5,213.68	16.40%
	2	792.3	11.70%	3,258.80	11.80%	2,009.60	31.70%	6,060.62	17.70%
	3	699.6	15.60%	3,004.80	7.70%	2,043.30	28.20%	5,747.78	15.20%
	4	879.4	-15.60%	3,741.00	3.40%	1,880.10	18.90%	6,500.56	9.00%
1983	1	657.9	6.50%	2,516.50	13.00%	1,305.70	16.70%	4,480.16	13.00%
	2	709.6	6.00%	2,915.40	10.90%	1,525.80	24.30%	5,150.69	13.80%
	3	605.4	21.70%	2,789.90	15.10%	1,593.60	26.40%	4,988.91	19.30%
	4	760.9	14.00%	3,619.50	16.30%	1,581.30	27.10%	5,961.77	18.70%

1982	1	617.8	13.20%	2,226.30	11.40%	1,119.20	2.80%	3,963.19	9.10%
	2	669.5	9.30%	2,628.60	6.50%	1,227.90	2.90%	4,525.97	5.90%
	3	497.4	-2.40%	2,423.90	4.50%	1,261.10	3.90%	4,182.44	3.40%
	4	667.2	13.00%	3,110.90	7.30%	1,243.80	14.40%	5,021.92	9.70%
1981	1	545.7	21.30%	1,998.40	11.30%	1,089.10	9.10%	3,633.12	12.00%
	2	612.4	20.50%	2,467.40	20.20%	1,193.40	14.80%	4,273.14	18.70%
	3	509.8	12.30%	2,320.60	11.40%	1,213.80	10.50%	4,044.21	11.20%
	4	590.5	7.10%	2,899.60	8.40%	1,087.20	0.20%	4,577.29	6.20%
1980	1	449.8	17.00%	1,796.20	14.20%	998.6	9.60%	3,244.66	13.10%
	2	508.1	13.00%	2,053.30	8.50%	1,039.80	-4.00%	3,601.27	5.10%
	3	453.8	6.30%	2,083.30	6.60%	1,098.90	-4.90%	3,636.04	2.80%
	4	551.2	8.30%	2,676.10	10.30%	1,084.70	-1.20%	4,312.03	6.90%
1979	1	384.3	13.20%	1,572.30	9.40%	911	21.90%	2,867.71	13.60%
	2	449.8	9.90%	1,893.00	8.90%	1,083.60	13.90%	3,426.31	10.60%
	3	426.8	25.10%	1,954.30	16.40%	1,155.60	18.50%	3,536.67	18.10%
	4	509.1	12.90%	2,425.40	11.80%	1,097.80	12.60%	4,032.30	12.10%
1978	1	339.4	7.80%	1,437.00	13.50%	747.6	19.50%	2,524.05	14.40%
	2	409.3	8.50%	1,737.60	15.10%	951.4	21.20%	3,098.31	16.00%
	3	341.3	-1.60%	1,678.40	11.70%	975	20.00%	2,994.69	12.50%
	4	451	4.20%	2,169.90	10.60%	975	19.60%	3,595.94	12.00%
1977	1	314.8	8.70%	1,266.60	8.20%	625.7	13.00%	2,207.16	9.60%
	2	377.2	11.20%	1,509.70	9.20%	784.8	16.70%	2,671.60	11.60%
	3	347	11.60%	1,502.30	9.80%	812.6	17.50%	2,661.87	12.30%
	4	433	7.60%	1,962.50	12.30%	814.9	18.00%	3,210.38	13.00%
1976	1	289.6	17.40%	1,170.10	12.80%	553.8	17.60%	2,013.43	14.70%
	2	339.1	18.10%	1,382.70	13.50%	672.5	22.50%	2,394.29	16.50%
	3	310.8	27.30%	1,367.90	15.00%	691.3	22.40%	2,369.95	18.60%
	4	402.6	21.70%	1,747.30	14.90%	690.4	20.20%	2,840.33	17.10%
1975	1	246.7	2.00%	1,037.30	7.20%	470.8	-2.20%	1,754.70	3.80%
	2	287.2	-1.40%	1,218.70	8.20%	549	-6.20%	2,054.97	2.60%
	3	244.2	-4.30%	1,189.50	7.90%	564.8	-2.90%	1,998.46	3.10%
	4	330.9	4.60%	1,520.50	11.30%	574.4	9.30%	2,425.87	9.90%
1974	1	241.9	4.60%	967.8	8.90%	481.4	1.30%	1,691.20	6.00%
	2	291.4	3.80%	1,126.70	5.80%	585.5	2.00%	2,003.69	4.40%
	3	255.3	3.70%	1,102.30	5.70%	581.5	-0.60%	1,939.11	3.50%
	4	316.4	8.80%	1,366.20	9.40%	525.5	-4.90%	2,208.01	5.50%
1973	1	231.2	1.70%	888.4	5.40%	475.4	17.20%	1,595.01	8.10%

	2	280.7	0.70%	1,065.10	9.50%	574	16.70%	1,919.89	10.10%
	3	246.2	1.80%	1,042.70	9.90%	585.1	12.80%	1,874.02	9.60%
	4	290.8	-7.40%	1,248.70	4.10%	552.5	11.20%	2,092.08	4.10%
1972	1	227.3	11.90%	843.2	12.20%	405.7	15.40%	1,476.09	13.00%
	2	278.7	4.10%	972.71	1.40%	491.8	16.60%	1,743.18	11.60%
	3	241.9	7.40%	948.71	0.60%	518.9	18.20%	1,709.45	12.30%
	4	314.2	13.80%	1,199.50	10.80%	496.7	18.90%	2,010.28	13.20%
1971	1	203.2	1.80%	751.3	5.20%	351.5	-4.30%	1,305.89	1.90%
	2	267.6	9.40%	873.2	5.60%	421.7	3.20%	1,562.48	5.60%
	3	225.2	14.20%	858	8.30%	439.1	11.50%	1,522.35	10.00%
	4	276	10.50%	1,082.60	13.00%	417.7	19.00%	1,776.28	13.90%

(p): Preliminary estimates

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Source: Market and Business Analysis, NAA

Email: robem@naa.org**[Return to the MarketScope Home Page](#)**

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Exhibit USPS-RT19C



About NAA

Ad Spending In Newspapers Up 5.7 Percent In 1st Quarter 2000

Up 18.7 percent, national advertising has largest quarterly percentage

NEWS RELEASE

Debra Gersh Hernandez
 Director of Public Relations (703) 902-1737
 E-mail: gersh@naa.org

Vienna, Va. – Newspaper advertising expenditures for the first quarter of 2000 totaled \$10.8 billion, an increase of 5.7 percent over the same period last year, according to the Newspaper Association of America.

National advertising continued to surge in the first quarter, with a gain of 18.7 percent, reaching \$1.8 billion, its largest quarterly percentage gain since 1983. First-quarter numbers show retail up 0.5 percent to \$4.6 billion and classified up 6.7 percent to \$4.4 billion ([see attached table](#)).

"The continuing and phenomenal growth in national advertising this year is a strong testimonial to advertisers' faith in the selling power and brand-building of newspapers," said NAA President and CEO John F. Sturm. "Newspapers are working hard to become easier to do business with, and our progress is evidenced in these numbers."

Within the classified category in the first quarter, automotive was \$1.1 billion, up 7.6 percent over the same time period last year; real-estate advertising dipped 4 percent to \$667 million; recruitment grew 11.7 percent to \$2 billion; and all other classified ads gained 1.7 percent to \$556 million.

"The jump in recruitment advertising growth this quarter is another demonstration of this

industry's strength," said NAA Vice President/Market and Business Analysis Jim Conaghan. "Despite speculation about the impact of the Internet in this volatile category, the printed newspaper continues to be the central marketplace for recruitment advertisers."

NAA is a nonprofit organization representing the \$57-billion newspaper industry and more than 2,000 newspapers in the U.S. and Canada. Most NAA members are daily newspapers, accounting for 87 percent of the U.S. daily circulation. Headquartered in Tysons Corner (Vienna, Va.), the Association focuses on six key strategic priorities that affect the newspaper industry collectively: marketing, public policy, diversity, industry development, newspaper operations and readership (added February 1999). Information about NAA and the industry may also be found at the Association's World Wide Web site on the Internet (www.naa.org).

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