

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

Postal Rate Commission
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Postal Rate and Fee Changes, 2006

Docket No. R2006-1

NEWSPAPER ASSOCIATION OF AMERICA
RULE 92 STATEMENT
September 6, 2006

The Newspaper Association of America (“NAA”) hereby submits this statement pursuant to section 92 of the Commission’s rules of practice. 39 C.F.R. §3001.92.

(a) *Description of Intervenor.* The NAA is a non-profit organization representing more than 2,000 newspapers in the United States and Canada. Most NAA members are daily newspapers, accounting for nearly 90 percent of the daily circulation in the United States. NAA’s membership also includes many nondaily newspapers published in the United States.

(b) *Usage of postal services.* NAA members use all classes of mail, including First Class Mail, Periodicals mail, and Standard mail. NAA members use First Class Mail for business correspondence and its subscribers typically remit payment by means of First Class Mail. NAA members use Periodicals mail, both Outside and In-County subclasses, for delivery of some or, in the case of some members, most of the paid subscription newspapers. In Standard Mail, NAA members typically use the High-Density and, in some instances, Saturation mail rate categories in Standard Enhanced Carrier Route mail to deliver preprinted advertisements as part of their Total Market Coverage (“TMC”) programs. NAA believes that its members spend more postage in Standard ECR Mail than in any other class of mail.

(c) *Intervenor's mailing operations.* NAA members have as many mailing operations as there are members. NAA members make substantial use of worksharing activities, including the High-Density and Saturation presortation/walk-sequencing discounts in Standard Enhanced Carrier Route mail.

(d) *Intervenor's postage costs.* NAA estimates that its daily newspaper members spent approximately \$901,160,408 in postage in 2004, compared to about \$700 million in 2001. Of this, approximately \$590,287,969 was spent on Standard Mail.

(e) *Financial impact of rate or classification changes.* NAA does not have data regarding the aggregate financial impact of the Postal Service's proposed rate changes. However, the Postal Service's proposed creation of a 2.2 cent difference between the rates for Standard ECR High-Density and Saturation mail would confer Saturation mailers with which newspaper TMC programs compete with a potentially significant rate advantage. That 2.2 cent rate differential is significantly larger than the 0.9 cent difference in current rates. In addition, proposed changes in Periodicals mail, including substantial rate increases for In-County mail and the proposed container charge, could have a substantial adverse impact on newspapers' use of Periodicals mail

(f) *Absorption/avoidance of rate changes.* NAA does not have the requested information, other than that newspapers will do what the marketplace requires.

(g) *Demand for postal services.* NAA does not have quantitative data. However, NAA is aware that newspapers are make substantial use of Standard ECR High-Density and, in some instances, Saturation mail for the delivery of preprinted advertisements via their Total Market Coverage programs. These TMC mailings typically are mailed to non-subscribers of the newspaper.

(h) *Competitor operations.* Not applicable. NAA members compete with other mailers in the distribution of print advertising.

- (i) *Impact of rate changes of users' suppliers.* Not applicable.
- (j) *Statement of revenues, volumes, costs, and profits.* Not applicable.
- (k) *User studies of Postal Service.* Not applicable.

Respectfully submitted,

NEWSPAPER ASSOCIATION OF AMERICA

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CERTIFICATE OF SERVICE

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

September 6, 2006

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