

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

Postal Rate and Fee Changes, 2006

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Docket No. R2006-1

**RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS HEATH TO
INTERROGATORIES OF UNITED STATES POSTAL SERVICE
(USPS/NNA T1-26-28)**

NNA hereby provides responses to interrogatories of the United States Postal Service, USPS/NNA T1-26-28. Each interrogatory is repeated verbatim and a response follows.

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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October 18, 2006
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USPS/NNA-T1-26. Please refer to interrogatory USPS/NNA-T1-2(b), which directed you attention to DMM 707.7.3, entitled “*Advertising Copies*”. Your response to USPS/NNA-T1-2(b) states, “I do not understand what is meant by ‘advertising copies[beyond what is referenced in USPS/NNA-T1-2(f-g)].’” In your testimony, p. 9, lines 11- 14, you state, “Advertisers may, for their own marketing reasons, choose to purchase copies for their own customers. Under DMM 707.7.3, these copies are required to travel at the outside County postage rate as well, but would appear to IOCS ,[sic] again, as a Within County periodical.” You appeared to understand the import of DMM 707.7.3 in your testimony, while it escapes your understanding when faced with interrogatory USPS/NNA-T1-2(b). Please assume that the reference to “advertising copies” in the title of DMM 707.7.3 refers to those copies as described in that section of the DMM.

- a. Please confirm that DMM 707.7.3 expressly identifies copies purchased by advertisers “or others” for advertising purposes as nonsubscriber (or nonrequester) copies.
- b. Please confirm that your testimony does not address requester publications or nonrequester copies.
- c. Please identify the language in DMM 707.7.3 that requires advertising copies, or copies related to advertising, to be entered at Outside-County rates.
- d. Please confirm that nonsubscriber copies may be entered at Within-County rates, subject to the 10 percent limit on nonsubscriber copies described in DMM 707.11 and 707.7.
- e. Please confirm that the Postal Service provides a tool found at http://pe.usps.com/10_rule.xls that facilitates counting of subscriber and nonsubscriber copies so that publishers can keep track of when a periodical's annual pieces approach or exceed the applicable 10 percent limit.

RESPONSES:

- a. Confirmed.
- b. Confirmed.
- c. DMM 707.7.3 makes clear that these copies are considered non-subscriber copies. Therefore, they would generally travel at Outside County rates.
- d. Confirmed. However, publishers carefully reserve the 10 percent allowance, usually called the sampling allowance, for use in targeting potential new subscribers just before, or during a direct mail campaign for new subscribers. They would not generally wish to consider the copies mailed under 707.7.3 as part of their sampling allowance, therefore. So while the DMM permits 707.7.3 copies to be mailed at Within County rates, such usage would waste the sampling allowance in the view of most newspaper publishers. And, to clarify my understanding of "advertising copies," my customary usage of that term refers to copies mailed by the publisher to advertisers, not to copies identified under 707.7.3.

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USPS/NNA-T1-27. In your response to USPS/NNA-T1-6(a) you state, "An Outside County mailpiece so qualified because of one of the conditions I explain in my testimony is not likely to be considered by the publisher to be a 'sample copy' within the 10 percent allowance and therefore would not be mailed at Within County rates." However, in your response to USPS/NNA-T1-2, in all but one part you confirmed that the DMM allows mailers to mail nonsubscriber copies at Within-County rates within the 10 percent allowance.

a. Please confirm that if the number of nonsubscriber copies mailed is less than 10 percent of the annual number of subscriber copies paying Within-County rates, then those nonsubscriber copies need not pay Outside-County rates but may be mailed at Within-County rates. If you do not confirm, please explain fully, referring to your response to USPS/NNA-T1-2(a).

b. Please confirm that the examples from your testimony, p. 8, lines 19-27, are nonsubscriber copies described in DMM 707.7.7, 'Complimentary Copies'. If you do not confirm, please explain fully.

c. Please confirm that the examples from your testimony, p. 9 lines 1-9, are nonsubscriber copies described in DMM 707.7.6, 'Expired Subscription'. If you do not confirm, please explain fully.

d. Please confirm that the examples from your testimony, p. 9, lines 11-14, are nonsubscriber copies described in DMM 707.7.3, 'Advertising Copies'. If you do not confirm, please explain fully.

e. Please confirm that according to DMM 707.7.1 'Sample Copies' are nonsubscriber copies and can be mailed at Within-County rates subject to the limitation in part (a). If you do not confirm, please explain fully.

f. Please confirm that if the number of nonsubscriber copies mailed is fewer than 10 percent of the annual number of subscriber copies, then all nonsubscriber copies defined in DMM 707.7, including 'Sample Copies', 'Complimentary Copies', 'Expired Subscription' and 'Advertising Copies' destined to the origin entry county can all be mailed at Within-County rates. If you do not confirm, please explain fully, referring to your responses to USPS/NNA-T1-2, parts (c)-(g) and to USPS/NNA-T1-27.

RESPONSES:

a. Confirmed, but see my response to USPS/NNA T1-26d.

b. Confirmed.

c. Confirmed.

d. Confirmed.

e. Confirmed that these copies are permitted by the DMM to be mailed at Within County rates, but please see my response to USPS/NNA T1-26d.

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f. Confirmed, but it would be a foolish use of the sampling allowance if a publisher claimed these categories as Within County mail.

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USPS/NNA-T1-28. Please refer to interrogatory USPS/NNA-T1-6(b), which you declined to answer based on your belief “that the USPS would not know how many such pieces there are in the Postal mail stream at any given time.” Please answer the question as a hypothetical, regardless of your belief about what the Postal Service could or could not know. If you are unable to answer hypothetically, then:

- a. Explain why you, ostensibly an expert witness in this proceeding, are unable to answer questions of the type that expert witnesses are expected to be able to answer;
- b. Identify all pieces of information or data elements that you would need to know so that you could answer the hypothetical question;
- c. Hypothecate as necessary each piece of information, or value for each data element that you need, and answer the question.
- d. If you have any trouble answering the hypothetical as stated in the body of this interrogatory, or as supplemented in parts (a) through (c), then please assume that the Postal Service can count how many “such pieces” there are, and answer the question.

RESPONSES:

a. Perhaps the problem is that my expertise is in advising newspapers on the use of the mail, rather than in testifying before the Postal Rate Commission. My response in USPS/NNA T1-6(b) was given as such because the hypothetical laid out in part (a) seemed unlikely and unreasonable to me, for the reasons I explained, and therefore a confirmation would have been misleading. If the hypothetical demands that I assume conditions that I do not believe reasonably would exist for a typical publication, I confirm.

b-d. See my response to subsection a.