

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

ANNUAL COMPLIANCE REPORT

DOCKET No. ACR2007

REPLY COMMENTS OF THE NATION COMPANY L.P.  
(February 13, 2008)

The Nation would like to reply to the comments offered by Valpak proposing that “if the Commission were to determine...that this “requirement” for revenues from each class cover their attributable costs does not trump the annual cap...that the Postal Service...focus the entirety of its rate increases...on those publications that do not cover attributable costs...such targeted rate increases typically would be directed at those low volume, high-cost magazines that are circulated nationally.”

As Victor Navasky testified on October 30<sup>th</sup> to the House Subcommittee on Federal Workforce, Postal Service and the District of Columbia, “As a class, small circulation magazines and journals of our sort face a financial crisis, dramatically exacerbated by the recent action of the postal authorities. These small circulation journals, whose influence far exceeds their numbers (because of the quality of their readers and the seriousness of their content), are mostly underfunded, yet they bear the brunt of the recent periodical rate increase...”

The Nation’s rates increased close to 19%, and other magazines in our category saw even larger rate increases. Many magazines have dramatically cut their frequency or even closed their doors in the wake of the 2007 rate change.

For Valpak to make a completely market-based argument (and a short-sighted one at that) that small magazines be charged even higher increases going forward is a repudiation of the historic ethos of our magnificent postal system. Navasky continues “the founding fathers of this country believed that the circulation of information, opinion, and what they called intelligence was a pre-condition to self governance...for the next two hundred years we proceeded on this assumption that the mail, especially periodicals including information and opinion relating to public affairs, was a public good. Had the postal authorities properly factored this into their (2006-2007) deliberations and weighed it against their narrow definition of efficiency, it is difficult to see how they could have ended up with the invidious formula they ultimately adopted (in 2007).”

And now we have Valpak attacking a historically essential class of mail, (and singling out its most vulnerable members) making the argument that costs trump all public interests, that our postal

system is not a public good charged in part with disseminating a wide variety of information and opinion for the benefit of our democracy, but rather a quasi-business whose primary responsibility is to serve the parochial interests of the mailers of coupons and their brethren. The Postal Service is a government sponsored communications service. There is no reason for the government to operate a purely commercial service that is primarily an advertising channel.

The last 215 years of postal policy were instrumental in the creation of the extraordinary free press we have in the U.S. today. Comments such as Valpak's threaten that tradition and should not be taken lightly.

Respectfully submitted,

Teresa Stack  
President  
The Nation Company LP.

The Nation Company, L.P.  
33 Irving Place  
New York, NY 10003  
212-209-5401 phone  
212-982-9000 fax  
tstack@thenation.com