

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

Notice of Price Adjustment

Docket No. R2009-4

**COMMENTS OF THE
NEWSPAPER ASSOCIATION OF AMERICA
ON NOTICE OF MARKET-DOMINANT PRICE ADJUSTMENT**
(June 22, 2009)

The Newspaper Association of America (“NAA”)¹ supports the Postal Service’s adjustment to Standard mail High Density flats rates. By moderating the excessive increases – some more than double the inflation rate -- announced in February to rates more closely approximating inflation, the Postal Service’s adjustment will encourage retained mail volume and discourage a migration of customers out of the mailstream.

NAA is gratified that the Postal Service has recognized that the rates for High Density flats announced in February and that took effect on May 11 are excessive. NAA appreciates the Postal Service for adjusting those rates to approximately, on average, the rate of inflation. The newly announced rates should provide some relief for newspaper Total Market Coverage programs that use High Density flats mail. NAA also wishes to note the reduction of the pound charge for above-breakpoint mail, which restores the longstanding rate design

¹ The Newspaper Association of America (“NAA”) represents the interests of more than 2,000 newspapers in the United States and Canada. NAA members account for nearly 90 percent of the daily newspaper circulation in the United States and a wide range of non-daily U.S. newspapers.

principle of equal pound rates for High Density and Saturation mail while erasing an unjustified rate discrimination. It also furthers the Postal Service's stated objective of reducing the effect of weight on price.

NAA further submits that the reduced High Density flats rates will help to stem migration of newspaper TMC programs to alternative delivery. Newspapers are currently facing enormous pressure to reduce their operating costs. Since the February announcement by the Postal Service of the excessive rates for High Density flats that took effect on May 11, private delivery companies have seen an opportunity to entice newspapers to move their TMC programs out of the mail. The adjustments in this proceeding moderate the rates for the particular rate categories most used by newspaper TMC programs. By so doing, the Postal Service's belief that the rate adjustment will reduce the risk of diversion out of the mainstream is well-founded.

For the foregoing reasons, the Newspaper Association of America supports the announced rate adjustments for Standard High Density flats mail, which will help to preserve Postal Service volumes and revenues.

Respectfully submitted,

NEWSPAPER ASSOCIATION OF AMERICA

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