

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

**Six to Five Day Street Delivery)
And Related Service Changes)**

Docket No. N2010-1

**RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS AL CROSS
TO SECOND SET OF USPS INTERROGATORIES
USPS/NNA T2-1 TO T2-13
(August 25, 2010)**

National Newspaper Association hereby provides the responses of its witness Al Cross, NNA T2, to USPS/NNA T2-1 to T2-13, submitted on August 11, 2010. The interrogatories are restated verbatim. The response follows each interrogatory.

Respectfully submitted,

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USPS/NNA-T2-1

Please refer to page 4, lines 10-20 of your testimony and cite all provisions of the United States Constitution, all current Federal statutes, and all implementing regulations governing the operation of the United States Postal Service that equate “quality postal service” with “six-day delivery” and, taking holidays into account, require six-day delivery “no matter where people choose to live in this land of liberty.”

RESPONSE:

As I mentioned, Article One, Section Eight of the Constitution gives Congress power “to establish post offices and post roads,” and a century after the Constitution was fully ratified, Congress began establishing Rural Free Delivery, which was fully accomplished around 1913. This history shows the core public responsibility of postal service generally, and the U.S. Postal Service in particular. As someone who has lived in rural America all of my life, I don’t need statutes or regulations to tell me what “quality postal service” is.

USPS/NNA-T2-2.

Please refer to page 4, line 26 of your testimony.

- (a) List and explain all material differences between “rural” residents and “truly rural” residents.
- (b) List and explain all material differences between “suburban” residents and “truly suburban” residents.
- (c) List and explain all material differences between “urban” residents and “truly urban” residents.

RESPONSE:

The term “truly rural” is impossible to define with specificity, the other quoted terms were not used in my testimony, and my use of the term is limited to location. There are several definitions of “rural” and nine gradations of “rurality,” according to the U.S. Department of Agriculture. The most commonly used delineator is whether a locality is in a Standard Metropolitan Statistical Area, but many localities inside SMSAs, which are defined by county lines and commuting patterns, are actually rural. At the same time, the Census Bureau defines any locality of 2,500 or more as an urban place. The level of such places’ rurality depends partly on their degree of isolation from more heavily populated places, so I consider the more isolated such towns “truly rural,” as well as all those living outside urban limits.

USPS/NNA-T2-3.

Please refer to page 4, lines 28-29 of your testimony and confirm that, even if the proposed service changes are implemented, the Postal Service:

(a) intends to continue delivery of mail to Post Office Box addresses six days a week in rural areas as well as urban and suburban areas;

(b) intends to generally eliminate delivery of mail to all street addresses, whether located in urban, suburban or rural areas.

If you do not confirm, please explain.

RESPONSE:

It is my understanding that Post Office Box delivery would continue, but this would be useless to postal customers on rural routes. I would be shocked to hear that USPS intends to generally eliminate delivery of mail to all street addresses.

USPS/NNA-T2-4.

Please refer to your testimony at page 6, lines 20-24. Please provide copies of or citations to all documents on which you relied in developing this portion of your testimony. Quantify the percentage of deliveries “often scheduled for Saturdays” and provide all documentation and cite all sources in support of that figure. Please provide specific citations to documents regarding scheduled prescription shipments, focusing in particular on the arrangements through which refills are shipped, and the actions taken by shippers and recipients to schedule shipments to arrive in advance of the scheduled depletion of existing patient supplies.

RESPONSE:

Documents:

Medical News Today, June 23, 2010: “PBMs [pharmacy benefits managers]: Post office plan to end Saturday shipments could boost drug prices,” based at least in part on Bloomberg Business Week, June 21, 2010, “CVS, Medco oppose postal cuts, citing delays, costs.”

Ledyard King, Gannett Washington Bureau and Mansfield News Journal, July 26, 2010, “Scrapping Saturday mail delivery could hurt rural Americans most.”

The percentage of deliveries scheduled for Saturdays is unknown, but mail-order prescription services specifically offer Saturday delivery, and some rural areas have problems with theft of drugs from mailboxes (<http://www.katu.com/news/13755507.html>). Rural residents who are away from home when mail is delivered Monday through Friday can reduce the risk of theft by scheduling deliveries for Saturday.

The remaining answers are unknown to me.

USPS/NNA-T2-5

Please refer to your testimony at page 7, lines 16-18 and specifically cite the basis for your understanding that, if the proposed service changes are implemented, “small rural post offices . . . would not be open on Saturdays” -- for customers to enter packages in the mail, pick up held mail, or purchase money orders -- as a result of the elimination of rural carrier operations.

RESPONSE:

Dirk Lammers, The Associated Press, June 23, 2010, “SD residents testify against cutting Saturday mail,” dateline Sioux Falls, S.D.

USPS/NNA-T2-6

Please refer to your testimony at page 9, lines 19-22.

(a) For each local weekly newspaper identified in your testimony, please list the various means through which local residents interested in the local high school's sports teams currently can obtain scores and accounts of the team's games before such information is published in that newspaper.

(b) For each local daily newspaper identified in your testimony, please list the various means through which local rural residents interested in the local high school's sports teams currently can obtain scores and accounts of the team's games before such information is published in that newspaper.

RESPONSE:

I do not know.

USPS/NNA-T2-7.

Please refer to your testimony at page 10, lines 1-6.

(a) For each local weekly newspaper identified in your testimony, please list the various means through which local residents can become informed regarding deaths, funerals and memorial services of local relatives, friends and neighbors before such information is published in that newspaper.

(b) For each local daily newspaper identified in your testimony, please list the various means through which local residents can become informed regarding deaths, funerals and memorial services of local relatives, friends and neighbors before such information is published in that newspaper.

(c) For each newspaper discussed above in response to subparts (a) and (b), please indicate the days of the week on which that newspaper is routinely entered in the mail stream.

(d) For each newspaper discussed above in response to subpart (c), please identify which publications routinely shift a daily or weekly

(i) publication date; and/or

(ii) mail entry date

on account of such holidays as New Year's Day, July 4th, Thanksgiving or Christmas.

RESPONSE:

I do not know the answers to parts (a), (b) and (d)

(c) Only one specific newspaper is mentioned in lines 1-6; it is mailed Monday through Saturday.

USPS/NNA-T2-8.

At page 10, lines 11-13, your testimony identifies “competition from the Internet” as a source of lost print revenue for the newspaper industry. Please identify all other sources of competition that have contributed to the loss of print revenue for the industry. Describe all alternative sources of revenue (exclusive of newspaper printing and distribution) being pursued by each of the rural daily and weekly newspapers identified in your testimony.

RESPONSE:

The Internet and the information it carries are by far the main sources of competition for newspapers, not so much by taking their advertisers but by taking their readers’ time and offering information for free. To a much lesser degree, readers’ time has also been taken by the proliferation of cable television channels. I do not know what alternative revenue sources the cited newspapers are pursuing.

USPS/NNA-T2-9

Please refer to your testimony at page 11, lines 1-3. Although it apparently is not part of a corporate chain and its executive operations are not in a headquarters remotely located from its production facility, is the *Cadillac News* an enterprise that is able to “tap into expertise” through its membership in a publishing trade association such as the NNA or the Michigan equivalent of the Oklahoma Press Association mentioned in the Table on page 11?

RESPONSE:

I do not know.

USPS/NNA-T2-10

Please refer to the third paragraph in Table on page 11 of your testimony and provide the information referenced there as the “list below”.

RESPONSE:

This list, on Page 14 of the May 2010 edition of The Oklahoma Publisher, is at <http://www.okpress.com/Websites/okpress/Files/Content/578422/May2010Publisher.pdf>

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USPS/NNA-T2-11

For each rural daily or weekly newspaper identified in your testimony, please identify which ones on any occasion during FY 2006-10 have entered their publications in the mail stream on a particular day and on any such occasion:

- (a) requested same-day within-county postal delivery;
- (b) expected same-day within-county postal delivery; and
- (c) experienced same-day within-county postal delivery of a substantial portion of copies for which such service was requested or expected.

RESPONSE:

I do not know.

USPS/NNA-T2-12.

Please refer to your testimony at page 8, lines 8-10 and state whether it is your understanding that one of the modes of advertising to rural residents used by firms such as Wal-Mart is direct mail advertising. Please confirm that the successful use of direct mail advertising can contribute to a retailer “rarely” advertising in a local rural newspaper.

RESPONSE:

Yes.

USPS/NNA-T2-13.

Please refer to your testimony at page 8, lines 6-7 and state your understanding of whether national retailers also serve as “important civic actors” and provide “support for local causes and programs.”

RESPONSE:

Not to the extent that local owners do.