

**DOCKET SECTION**

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**BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON DC 20268-0001**

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POSTAL RATE AND FEE CHANGES, 1997 )  
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**DOCKET R97-1**

**TRIAL BRIEF OF  
THE NATIONAL NEWSPAPER ASSOCIATION**

The National Newspaper Association  
By its attorneys

Tonda F. Rush  
Steven Douse  
King & Ballou  
PO Box 50301  
Arlington VA 22205  
(703) 534-5750

Senny Boone  
1525 Wilson Blvd, Suite 550  
Arlington VA 22209  
(703) 907-7900

## TABLE OF CONTENTS

<b>TABLE OF AUTHORITIES</b>	<b>1</b>
<b>I. INTRODUCTION.</b>	<b>3</b>
A. THE PURPOSE OF THE TRIAL BRIEF IS TO PRESENT A ROAD MAP TO THE CASE.	3
B. COMMUNITY NEWSPAPERS' ISSUES HAVE REMAINED UNRESOLVED SINCE 1994.	5
<i>a. R94-1 identified but left unresolved serious data reliability problems for within county mail.</i>	6
<i>b. MC95-1 reaffirmed the Commission's commitment to fair treatment of periodicals, but left key questions unresolved.</i>	8
<b>II. VOLUME DATA FOR WITHIN COUNTY MAIL ARE QUESTIONABLE.</b>	<b>10</b>
A. THE POSTAL SERVICE SHOWS SHRINKAGE, WHILE POTENTIAL USERS APPEAR TO BE GROWING.	10
B. THE MEASUREMENT OF THE SUBCLASS VOLUMES IS IN QUESTION.	11
<b>III. THE COMMISSION SHOULD EXAMINE DECLINING VALUE OF SERVICE IN DELIVERY OF MAIL TO DISTANT SUBSCRIBERS.</b>	<b>13</b>
A. THE COMMISSION HAS THE MEANS THROUGH COST COVERAGE ADJUSTMENTS TO ENCOURAGE THE POSTAL SERVICE TO ATTEND TO DELIVERY PROBLEMS.	13
B. NEWSPAPER MAIL REQUIRES TIMELINESS.	15
C. EVEN A LOW MARKUP CAN BE ADJUSTED TO RECOGNIZE POOR SERVICE--OR THE USPS ESCAPES WITHOUT SANCTION.	16
<b>IV. A FAIR DISCOUNT FOR WORK SHARING IS WARRANTED TO ENCOURAGE MAILER EFFICIENCY.</b>	<b>17</b>
A. EXCEPTIONAL DISPATCH DESERVES ANOTHER EXAMINATION BY THE COMMISSION.	17
B. A NEW THRESHOLD FOR HIGH-DENSITY MAILINGS WOULD RECOGNIZE WORK SHARING ON SMALL ROUTES.	19
<b>V. CONCLUSION</b>	<b>21</b>

## TABLE OF AUTHORITIES

Domestic Mail Manual, United States Postal Service, D210.3.1.....	17-18
Opinion and Recommended Decision of the Postal Rate Commission, Docket No. R-90-1.....	13, 19
R-90-1 Testimony of Thomas Shipe, USPS Witness T-10.....	19
R-90-1 Testimony of Lawrence Buc, NNA T-1.....	19, 21
Opinion and Recommended Decision of the Postal Rate Commission, Docket No. R-94-1.....	6-7, 16, 19-20
Opinion and Recommended Decision of the Postal Rate Commission, Docket No. MC-95-1.....	5, 8-9, 17-18, 19-20
The Postal Reorganization Act of 1970, 39 U.S.C. § 101.....	1
39 U.S.C. § 3622.....	4, 13, 16
39 U.S.C. § 3622 (b) (2).....	8
Report To Congress: Preferred Rate Study, United States Postal Rate Commission, June 18, 1986.....	10
Revenue Foregone Reform Act, 39 U.S.C. § 3626 (a)(3)(B)(i-ii)(I-VI).....	14
39 U.S.C. § 3626 (a)(1).....	10

## I. INTRODUCTION

### A. The purpose of the trial brief is to present a road map to the case.

In the prehearing conference of R97-1, the Presiding Officer directed the Postal Service and the intervenors in the case to provide trial briefs setting forth their theory of the case, including

“an explanation of the theoretical and public policy considerations which it believes the Commission should give weight to. The Postal Service case does not include testimony from a so-called policy witness this time, to explain how the Postal Service views its future and why its request is both consistent with and in furtherance of that future.” Tr. 1/26.

The Presiding Officer went on to urge intervenors to supply such an overview as well if “they wished to emphasize aspects of the case.” Tr. 1/30. The Postal Service’s response to the order was to express support for the Commission’s goal of “expressing a unifying policy orientation,” Trial Brief of the United States Postal Service at 3, Sept. 29, 1997 (hereinafter Postal Service Trial Brief), but to contrast this case with the more unusual dockets in R94-1, in which an across-the-board increase was proposed and MC95-1, where an overall revamping of the classification schedule was at issue. The Postal Service appeared eager to suggest that no policy shifts were embodied in this case, other than that directed by the Postal Reorganization Act of 1970, as codified in Title 39 of the United States Code. The Postal Service argues against any attempt by

the Commission or intervenors in this case to examine postal policy under the rubric of Section 3622 by repeatedly reminding its readers of its view of the Commission's limited authority.

“After all, it is not the purpose of Commission rate making and classification proceedings, nor is it the Commission's authorized function, to scrutinize and evaluate Postal Service policy changes.” Postal Service Trial Brief at 8.

In fact, though NNA recognizes the Postal Service's oft-stated wish to be freed of the regulatory restraint imposed by statute in these cases, the parties to this docket must concede if there is to be regulatory oversight at all, it must necessarily involve some inquiry into policy. Neither rate making nor classification review can be devoid of policy discussion. Decisions to recognize costs in a new way or to shift assignable costs inevitably affect policy. In recognition of the inevitable shifts in direction and policy quietly underlying such decisions as new discounts, work-sharing recognition (or non-recognition as is often the case for small mailers) and rate design the Commission appears to be seeking not only sound cost-based rates, but also the common threads of policy within the case presented by the Postal Service as well as by the intervenors.

NNA appears in this case as a part of a larger coalition of periodicals mailers expressing concern about mail processing cost methodology. This effort is described in a trial brief of the joint periodicals group, which expresses concern with what appears to be a policy of commission—assigning mail processing costs to periodicals mailers that

we do not believe to be rightfully ours. In this brief, NNA describes concerns that appear to arise from causes that may be described as a policy of omission, of overlooking concerns of a small mailer, despite NNA's repeated attempts to raise them. NNA's case involves four general areas of ratemaking: proper counting of the pieces in the within-county mailstream, declining service, the drop shipping practice known as exceptional dispatch, and the threshold piece requirements for high density mailing discounts in the periodicals class. NNA sets forth below the reasons for its concerns and the relief requested from the Commission.

#### **B. Community newspapers' issues have remained unresolved since 1994.**

As the Postal Service points out, this docket has a more traditional flavor than that of the two most recent cases, Dockets R94-1 and MC95-1. But there is nothing traditional about the Postal Service's emerging philosophy of neglecting smaller customers as it courts large volume mailers. In this decade, the Postal Service that has successfully restructured rates to provide discounts for high volumes of saturation mail, recognized the ability of large mailers to drop mail downstream. It continued its subtle reminders that but for the Postal Reorganization Act, Ramsey pricing would be possible--and small mailers would truly be left, as Witness Navasky said in MC95-1, "in the dust." Opinion and Recommended Decision of the Postal Rate Commission, Docket No. MC95-1 at V-84. The concerns of within county newspaper mailers remain largely unattended.

The goal of achieving "reasonable and equitable rates of postage" is mandated

by 39 U.S.C. § 3621. “But ‘reasonable’ is in the eye of the beholder. The Postal Service is also required to ‘bind the nation together through the personal, educational, literary and business correspondence of the people.’” See 39 U.S.C. § 101. Those goals sometimes seem at odds, but they need not be. The averaging of costs within classes and subclasses has helped to inhibit postage prices for smaller, rural and charitable entities and to spread the burden of USPS operating costs and overhead among a great many mailers. But increasingly, the Commission is asked to help the Postal Service de-average these costs and to assist larger mailers in claiming some of the savings they bring to the Postal Service through work-sharing. As it does so, it has set up entry barriers to small mailers by permitting the Postal Service to create qualifications for work-sharing that exclude smaller mailers who may be also offering work-sharing contributions, but are not able to claim the discounts that should be available to them. The Commission and the Postal Service in recent years have been ensconced in an examination of various ways to aid USPS in boosting volumes. Understandably, these efforts tend to focus upon large mailers. But, in the process, smaller mailers have been somewhat out of focus in the policy examinations. This phenomenon is evident in the most recent two dockets of the Commission.

***a. R94-1 identified but left unresolved serious data reliability problems for within county mail.***

The dawning of Docket R94-1 brought the shock of a proposed 34.1 percent increase in within county rates to community newspaper publishers. Opinion and Recommended Decision of the Postal Rate Commission, Docket No. R94-1, Nov. 30,

1994 at V-72. Under the Commission's scrutiny, the Postal Service later revealed its cost data was wrong. A revision was filed that changed the proposed rate to a 1.5-percent reduction from existing levels. But in the course of arriving at the revision, the Postal Service revealed the cost data had been wrong since 1986 and that the cumulative effects of inaccurate base year costs had affected rates from every case in the years inclusive from 1986 to 1994. The Commission noted that the revisions still did not fully explain the source of the proposed 34.1 percent increase, an observation with which the Postal Service agreed. R94-1 at V-73. The resolution of the question was left for another day.

NNA also raised serious questions about the accuracy of volume data. During the case, it attempted to discover volumes of certain rural post offices so it could test the billing determinants against its own knowledge of mailer practices. The Postal Service resisted discovery. NNA nonetheless presented an affidavit from its economic witness John Haldi attesting to "serious anomalies and irregularities in the RPW data for in-county mail." *Id.* Because of resource limitations, NNA was unable to pursue this issue to completion during the case. Questions about methodologies involving within county mail were left for resolution outside the docket. However, in the intervening years, little change has occurred. It appears from this record that no material change in the methodology used for volume data has occurred at the Postal Service's initiative since the conclusion of R94-1. Tr. 9/4351.

In R97-1, NNA has further explored the questions of reliability for the costing and volume data. NNA also offers to the Commission more information on the reasons for

the need to expand the work-sharing discounts. NNA further presents evidence of a persistent magnitude of service problems, some of which appear to be caused by the Postal Service's shifting of mail to its Area Distribution Centers. While the operational decisions to change mail processing patterns are clearly not within the ambit of the Commission's review here, the resulting decline in service is squarely within the Commission's authority to consider under 39 U.S.C. § 3622(b)(2).

NNA's premise that the problems faced by small newspaper mailers are overwhelmingly the result, not of the Postal Service's overt actions, of intentional misstatement of costs nor overt neglect of service, but of the significance of within county mailers' status as very small customers in the \$62 billion postal enterprise. As a small subclass, used by businesses with limited resources to press for attention and change, within county mail simply gets overlooked.

***b. MC95-1 reaffirmed the Commission's commitment to fair treatment of periodicals, but left key questions unresolved.***

In MC95-1 The Postal Service suggested a new Publications Service subclass for fewer than 900 publications out of the Periodicals class customer base of 11,578 publications. Among its justifications was a contention that the smaller publications were making no contribution to institutional costs and were, in fact, being carried at below-cost rates. MC95-1 at V-99. The Commission found that contention to be untrue, uncovering an error in the calculation of the presort discounts. The Commission found at that time that the cost coverage of proposed Publications Service beneficiaries would be 135.4 percent and that of regular rate Periodicals would be 101.3, a level close to

cost but certainly not below cost. Furthermore, the Commission found that the Postal Service's proposal to create nearly equal implicit cost coverages between the two proposed subclasses would cause the smaller regular subclass mail to pay a contribution 1.5 times greater than the unit contribution of the Publications Service piece, an effect that it deemed would send "... an inappropriate economic signal and unfairly shift(s) costs to the Regular subclass mailer." Docket MC95-1 at I-9.

In that case, NNA proposed two work-sharing discounts. First, NNA sought a revision of the eligibility criteria for the walk-sequencing discount so that mailers on smaller carrier routes would be encouraged to engage in walk sequencing. Second, NNA requested a drop-shipping discount for mailers who use exceptional dispatch as a means of gaining acceptable service. The Commission denied both requests. In the first instance, the existence of small post office box sections of fewer than 125 addresses--given as an example of an instance where the 125 piece density could not be achieved--seemed to the Commission to be primarily an administrative matter into which it was reluctant to intrude. It suggested that the Postal Service explore an administrative solution. MC95-1 at V-130. In the second instance, the Commission noted the availability of additional entry for mailers using exceptional dispatch and found at that time no need to create a new means of offering the drop ship discount. It urged the Commission to review practices in the field and see whether administrative relief might be available to publishers. MC95-1 at V-137. Regarding both matters, the practice and administrative application of the Postal Service's policies are unchanged in the ensuing two years. The problems of publishers remain.

## **II. VOLUME DATA FOR WITHIN COUNTY MAIL ARE QUESTIONABLE.**

### **A. The Postal Service shows shrinkage, while potential users appear to be growing.**

NNA Witness Heath offers his understanding of the mailing practices of the weekly newspaper, which he believes to be the predominant user of within county mail. He notes that volume data are difficult to obtain, but that his examination of mailing practices causes him to question the reliability of studies that show dramatic shrinkage in the subclass. His assumption that weekly newspapers are the dominant user of the subclass comes from his observation that weekly newspapers were historically the primary intended beneficiary of this statutorily mandated subclass. See 39 U.S.C. § 3626(a)(1). This historical view has been articulated by the Commission and, indeed, is reflected in the Congressional record. In its 1986 report to Congress on the subject of preferred rates, the Commission reviewed the history of this subclass. It reviewed the intent of Congress to preserve a subclass to promote local publications through preferred rates. Report to the Congress: Preferred Rate Study, United States Postal Rate Commission, June 18, 1986, at 45-46.

Since the era of that review, the subclass volumes have shrunk from 1.73 billion pieces in 1985 to 877 million pieces in 1996, about a half of one percent of total domestic mail volumes. Direct Testimony of Bradley V. Pafford, USPS T-1 at Table 2, page 11-12. Meanwhile, growth of weekly newspapers has been marked. However, NNA Witness Heath testified that he believes most weekly newspapers are users of

small post offices and pointed as evidence to the fact his own newspaper group, which has a nationwide presence, enters 39 out of 40 titles in post offices outside major urban postal facilities. NNA believes that data from these offices may be harder for the USPS to obtain and that there is reason to believe the volume data are suspect.

**B. The measurement of the subclass volumes is in question.**

Some but not all USPS volume figures are captured through automated PERMIT/BRAVIS system data Tr. 9/4356. But USPS witness Pafford revealed that in the case of within county mail, only about 62% of the volume is captured through PERMIT systems. Tr.9/4360. Pafford notes that 6,103 post offices out of a total of 7,882 are not on the PERMIT system. Tr.9/4356 & 4360. He cannot say why those post offices are not automated, Tr.9/4382, but it is reasonable to assume those are the smaller, more rural offices for which systems installation, training and data integration are more difficult and less critical to the total overall volume numbers.

Pafford's testimony leads to the conclusion that nearly 40% of the total within county volume data are captured through sampling systems, which are explained in USPS Library Reference H-89, at Tr.9/4357-4347. NNA believed the volume numbers were derived by the sampling of mail pieces, but after extensive questioning of Pafford learned that no such sampling occurs. Instead it is the post offices themselves that are sampled and within the panel of sampled offices, a census of mailers statements is taken. Tr.9/4388-90; Tr.15/7599.

Whether it is the delivery office or the mail itself that is sampled, in a scheme

where nearly 40% of volumes derive from sampling, the importance of the sampling procedure, its reliability and its currency grows apace. NNA has pursued these questions in discovery, following a labyrinth of questions that were complicated by the witness's initial reticence to elaborate upon the sampling during initial oral cross, Tr.9/4355, and the need for pursuing the question through the library reference. In the end, all that was learned was that the Postal Service's own confidence in its data is uncertain, Tr.9/4361, and the sample design has essentially not been updated since 1985. Tr.15/7609. It is not clear how sampled offices are added and subtracted from the panel, nor whether they remain on the panel after being converted to PERMIT, what adjustments may be made in the instance of such conversion, nor whether shifting US populations and post office usage would affect the panel. An unending depth of resources and extended discovery might have answered these questions, but under the constraints of this docket, NNA is unable to form a sense of confidence in the volume measurement data. Rather, with a host of unanswered questions about the data, Witness Heath expresses his puzzlement that subclass volumes continue to decline in an era when weekly newspapers appear to be growing. Testimony of NNA Witness Heath, T-1 at 10. NNA raises in this case the inference that the data are unreliable and, at best, may be responsible for an underestimate of mail volumes.

In a perfect world, NNA would appear before the Commission with alternative data to provide the basis on the record for adjustments of rates. However, although NNA represents a significant portion of weekly newspapers, it does not claim to represent them all. Further, it does not offer its own data as a substitute for the Postal

Service's data, having lacked the means to conduct a searching examination of periodicals' within county mailing practices. NNA's evidence simply is designed to suggest to the Commission that an overhaul is long overdue. Failure to pursue a more rigorous counting of the mail may mean that each within county mailer is bearing an unfairly high institutional cost and that the subclass may be missing out on some of the benefits of cost averaging that a more robust mail class would enjoy.

### **III. THE COMMISSION SHOULD EXAMINE DECLINING VALUE OF SERVICE IN DELIVERY OF MAIL TO DISTANT SUBSCRIBERS.**

#### **A. The Commission has the means through cost coverage adjustments to encourage the Postal Service to attend to delivery problems.**

The timeliness and reliability of delivery are considered under 39 U.S.C. § 3622(b)(2), which directs the Commission to look at the value of mail service "actually" provided each class or type of mail as it considers the cost coverage assignment of each mail class. The Commission has extensively considered the problems of "actual" delivery within the second-class or periodicals class of mail, most recently in Docket R90-1. In that case, the Commission discussed the many elements considered a part of the value of service for second-class mail, including the so-called "red tag service" as well as the class's perceived low elasticity, the educational, cultural, scientific and information (ECSI) value of the class, and the effect of the rate increase upon the mail user. The effects of rising attributable costs appear to have been tempered by a recognition of these elements in the cost coverage. Opinion and Recommended Decision of the Postal Rate Commission, Docket R90-1, ¶¶ 5243-58.

As a subclass within the periodicals class, within county mail shares many of the attributes of the overall class, particularly with respect to ECSI values. As a subclass, however, it has some of its own peculiar cost and demand characteristics. The Commission is constrained, however, from separately calculating value of service for within county mail because of the requirement of the Revenue Forgone Reform Act (RFRA) which took effect on Sept. 30, 1994, and which directed the Commission to limit the share of institutional costs of affected subclasses to a percentage of the cost assigned to the most closely corresponding regular rate class. 39 U.S.C. § 3626 (a)(3)(B)(i-ii)(I-VI). In the case of within county, the most closely corresponding regular rate class is regular rate periodicals, which has a proposed 107% cost coverage in this case. For fiscal year 1998, the cost coverage would be 5/12 of the 107% periodicals cost coverage and for all years after 1998, one half of the periodicals cost coverage. 39 U.S.C. § 3626(a)(3)(B)(ii)(V).

Hence, while there may be some academic interest in looking at an independent cost coverage for within county mailers, the focus of inquiry for this subclass must be the value of service to the overall class. NNA Witness Heath, while directing most of his attention to problems for within-county mailers, offers testimony about deteriorating service for newspapers mailed outside the county of their primary office of publication. Heath at 5-8. NNA Witness Speights likewise provides a first-hand view of the difficulties The Prentiss (MS) Headlight has encountered in the past three years. Both witnesses attribute a portion of their problem to the changes in the mail processing and transportation implemented pursuant to reclassification. Both witnesses attest that the

delivery provided to their products by the Postal Service has declined in quality.  
Testimony of NNA Witness Patsy Speights at 6, lines 7-10; Heath at 5-8.

### **B. Newspaper Mail Requires Timeliness.**

A newspaper that arrives after the news is stale is of declining importance to the reader, as witness Speights attest. A newspaper that hopes to announce a sale at an advertiser's place of business is of no value if the newspaper makes its appearance in the mailbox only after the sale has concluded.

Witness Speights discusses the steps she followed at The Headlight to learn about her subscribers' problems. She notes the receipt of many letters and responses from subscribers who are unhappy with mail delivery. She further explains that outside-the-county mail delivery to her is not simply a matter of reaching a retired resident who has moved out of state. It also involves a critical piece of her local market where the geography of the retail-trading zone does not conveniently follow the political boundaries of the county. Speights at 4-5.

Witness Heath provides additional evidence of the complaints he encounters when he engages in training for newspaper executives on the best use of the postal system. Heath at 5-7. Significantly, both Witness Heath and Witness Speights present their belief that service has declined in part because of the creation of Area Distribution Centers, forcing small volumes of newspapers intended for the local area to be routed a great distance from the office of publication and back again to the general area, only to be delivered to an address that may have been as few as 15 miles away from the office

of publication. This is a development believed by NNA witnesses to have arisen as a direct result of reclassification and may, therefore, indicate a lower value of service in base year 1996 than in the base year 1993 covered by Docket No. 94-1.

**C. Even a low markup can be adjusted to recognize poor service--or the USPS escapes without sanction.**

The markup for periodicals class is admittedly low, in keeping with the mandate by Congress to recognize ECSI values and the other elements of value of service incorporated by 39 U.S.C. § 3622. The Commission recommended a markup of 16.3 percent. It noted the high ECSI value of the class, but recognized the expedited treatment intended for second-class periodicals and an own-price elasticity of -0.145. PRC Op. Docket R94-1 ¶ 5164.

Even though the markup is intentionally low, the need to recognize slower, less reliable service through a reduction in value of service for mailers remains a concern in this case. The Postal Service will say the evidence of declining delivery is anecdotal and should be discounted. Indeed, it is nearly impossible to overcome that argument, in light of the fact that the Postal Service does not regularly measure its delivery performance in this class and that an effort by a small mailer to monitor and measure service over time is costly and awkward. Who knows whether delivery has actually declined except the Postal Service? And if it does not know, who knows? Readers know—and they let their newspaper editors know by complaining and by canceling their subscriptions. Witness Speights attests to the time and trouble involved for her in

dealing with these complaints. The Commission should give these complaints weight in examining the value of service “actually” provided small newspapers in the current era of post-reclassification.

The proposed markup in this case is 107% for periodicals and 103.5% for within county mail. The Postal Service has attested to its intent to seek low markups in this case to mitigate the effect of rising costs. Direct Testimony of Donald O’Hara, USPS T-30 at 30, lines 11-19. Because the proposed markup is a reduction from the levels of previous years, the proposed rates may take into account some decline in value of service. Not surprisingly, the Postal Service does not say so. But the Commission may express its disapproval of deteriorating service through adjustment of the cost coverage. If it does not, it deprives captive mailers of the only sanction for poor service available to them.

#### **IV. A FAIR DISCOUNT FOR WORK SHARING IS WARRANTED TO ENCOURAGE MAILER EFFICIENCY.**

##### **A. Exceptional dispatch deserves another examination by the Commission.**

The Domestic Mail Manual authorizes periodicals mailers to transport their own mail to delivery offices when quicker transportation (known as exceptional dispatch) is needed for service reasons. DMM D210.3.1 NNA believes exceptional dispatch is simply a form of drop shipping and is identical to the practices of larger mailers seeking downstream drops for better service except for the paperwork involved. Tr. 10/4957.

NNA proposed in Docket MC95-1 that an explicit recognition of cost savings in

this form of drop shipping was in order. The Postal Service opposed the proposal on the grounds that additional entry--with requirements for additional documentation and postage deposits--was the preferred means of authorizing downstream entry of periodicals for discounts at the delivery unit rate. It averred that exceptional dispatch was simply for the publisher's convenience to facilitate delivery of time-sensitive material at the mailer's own risk and expense. Op. at ¶ 5312. The Commission denied the delivery unit discount on grounds that exceptional dispatch was to be permitted only when it did not add to the costs of the Postal Service. It recognized the Postal Service's concerns about revenue protection and logistics (Op. at ¶ 5316) despite the absence of a showing by the service that either revenue or "logistics" were at risk. The Commission acknowledged NNA's contention that some savings were generated by exceptional dispatch, but may have lacked a full understanding of the practice used by small newspapers. Op. at 5320.

In this docket, witness Speights explains more clearly to the Commission how exceptional dispatch is used and the difficulties for small newspapers of engaging in the additional paperwork and bookkeeping involved in additional entry. Speights at 5, lines 5-16. She points out that exceptional dispatch is not, in her case, merely for the "publisher's convenience," but is a newly imposed burden upon her own costs of doing business by virtue of her declining service.

NNA requests the Commission to revisit this argument in light of witness Speights' testimony and to look behind the DMM regulation on exceptional dispatch. The Postal Service's insistence upon an additional entry as a qualification for the

destination unit discount presents an unfair burden upon small mailers, as NNA witnesses attest. In fact, there is little difference between the additional entry available to a large national publication and the exceptional dispatch for the small newspaper except the scale of their operations and the length of the haul. No additional burden to the Postal Service exists and none has been shown.

**B. A new threshold for high-density mailings would recognize work sharing on small routes.**

NNA invites the Commission to reexamine the basis of setting the 125-piece high-density requirement where it was established in R90-1.

The Commission in R90-1 initially instituted this discount, intended to avoid carrier-casing expenses. Testimony by USPS witness Shipe supported a request for a walk-sequencing discount for third-class mail. See Testimony of Thomas Shipe, USPS-T-10, Postal Rate and Fee Changes, 1990. NNA witness Buc then presented a rationale for extending the discount to second-class mail. See Testimony of Lawrence Buc, NNA-T-1, *id.* Buc's sole purpose was to demonstrate that by using Witness Shipe's cost studies, a substantial cost savings to the Postal Service from carrier walk sequencing of mailings of 125 pieces or 25 percent of a route could be realized if second-class mailers could be encouraged to engage in the same work-sharing under consideration for third-class mail.

The 125-piece requirement level was reviewed by the Commission in R94-1 when NNA argued that the eligibility level should be set at 25 percent of a route, rather

than arbitrarily at 125 pieces. NNA argued that the piece requirement discouraged mailers from walk sequencing in circumstances where a physical impossibility prevented achievement of 125 pieces. By way of illustration, NNA Witness Parta described the circumstance in which box section of 500 boxes might be broken by a post office into carrier segments of four or five, creating virtual carrier routes in which nearly 100 percent saturation would be necessary to attain the discount--or worse, that 125 boxes did not even exist on some sections, preventing the mailer from attaining the discount regardless of the saturation of the "route." See Opinion and Recommended Decision, Docket R94-1, ¶ 5298-5300.

The Commission rejected NNA's request, but in so doing, it observed that the 125-piece level was set where it was simply because that was the level tested in Shipe's study. In other words, that level was studied. Others were not. Therefore, that level was adopted. But in applying this observation to consideration of the problem posed by NNA, the Commission focused upon the box section problem. It found itself unwilling to delve into the administration of box sections so heavily that a change in the saturation rule was warranted. MC-95-1 at 5305. It encouraged NNA and the Postal Service, once again, to engage in a dialogue to solve the problem.

The use of the box section illustration, while eminently representative of the sort of problem a mailer might face was but a graphic subset of a larger problem. It begged the question of the rationale for selecting the 125-piece level and none other as the threshold eligibility requirement for mailers.

In this case, NNA presents the testimony of Witness Heath, who offers a factual

situation to demonstrate why a better rule might more fairly permit small mailers to share in the dividends of the work sharing they do or (could do if properly recognized.) Heath suggests that the saturation of a rural community's routes for a weekly newspaper presents an imposing barrier. He urges consideration of NNA's request from MC-95-1 that the level be set simply at 25 % of a carrier route, which is what witness Buc recommended in R90-1.

## **V. CONCLUSION**

It is unquestioned that community newspaper mailers are heralded as among the first business partners of the postal system. The discussion of the rich history of debate over postal policies that would encourage the spread of weekly newspapers and help the nation bind itself together with more information presaged the Commission's most exhaustive examination of this particular mailer when it conducted its 1986 study.

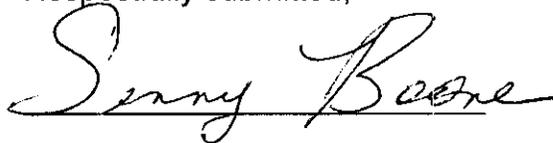
But history and value do not present much comfort to the mailer when a pattern of neglect begins to emerge, as it has for newspapers. When the volumes are small, measurements are hard to capture and the means of repairing service problems are elusive, the Postal Service finds it easier to attend to problems with more satisfying solutions. NNA's members do not complain in this case that their plight has been ignored completely, either by the Commission or the Postal Service, nor that their problems are simple, only that in the course of events in recent years, their concerns have been swept aside simply because they are small when viewed against the backdrop of a 183 billion piece system. Indeed, the within county subclass

volumes--representing the most concentrated mail use by newspapers--are not even one percent of volume.

But despite the small footprint that newspapers make upon the sod of the giant postal empire, the problems they face are genuine and are capable of resolution. In this case, NNA argues for a mandate to revise the within county volume measurement systems. NNA urges a recognition of declining value of service created by undependable delivery. NNA also requests a second look by the Commission at two key work-sharing issues: one, the drop shipping known as exceptional dispatch and, two, the walk sequencing on routes where 125-pieces may be functionally impossible for a periodicals mailer to achieve.

In each case, the witnesses offered by NNA present the world as it appears to a small newspaper publisher dependent upon the Postal Service for its means of reaching readers. NNA urges the Commission's attention to their concerns.

Respectfully submitted,

A handwritten signature in cursive script that reads "Senny Boone". The signature is written in black ink and is positioned above the typed name and affiliation.

National Newspaper Association  
By its attorneys

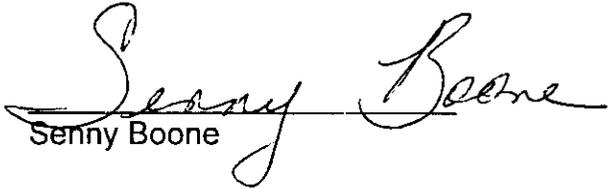
Tonda F. Rush  
Steven Douse  
King & Ballou  
PO Box 50301  
Arlington VA 22205

Senny Boone  
1525 Wilson Blvd, Suite 550  
Arlington VA 22209

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

February 10, 1998

  
Senny Boone