

DOCKET SECTION

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

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POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION
WITNESS SPEIGHTS TO USPS INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
(USPS/NNA-T2-1-11)

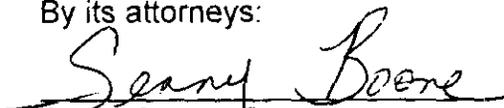
The National Newspaper Association ("NNA") hereby provides the following responses of NNA Witness Speights to the interrogatories of the United States Postal Service: USPS/NNA-T2-1-11.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

NATIONAL NEWSPAPER ASSOCIATION

By its attorneys:


Senny Boone
Tonda Rush

USPS/NNA-T2-1. Please explain how you came to testify on behalf of National Newspaper Association. Did you volunteer? Were you selected from a group of volunteers? Please explain fully.

RESPONSE.

I provided an impromptu briefing about my service problems to the NNA Newspaper Leadership Council at the NNA Convention in Fort Worth, TX, last September, where Deputy Postmaster General Michael Coughlin addressed newspaper publishers. The NNA Postal Committee felt my testimony would be useful to the Commission and I was approached by NNA to appear.

USPS/NNA-T2-2. Please provide details about Prentiss.

- a. Is it incorporated? Who provides local government and services?
- b. What is the population in town? Nearby?
- c. What types of manufacturing and industrial jobs are available in the area?
- d. To what extent is it typical or atypical of the rest of Mississippi? Please identify all bases on which you rely in formulating your opinion.
- e. To what extent is it typical of atypical of the rest of the United States? Please identify all bases on which you rely in formulating your opinion.

RESPONSE.

- a. Prentiss is incorporated. It is the county seat of Jefferson Davis County. Government is provided by a mayor and five aldermen elected at large. Citizens are protected by a full time police department and full time fire department. The fire department works in conjunction with department in Bassfield, Clem and Oakvale to provide coverage for the entire county with the assistance of trained volunteers who are cross trained First Responder Medical personnel. The town provides water and sewer to all residents inside the City Limits and some adjacent areas. Solid waste, rubbish and cardboard collections are also provided by the city.
- b. Population of Prentiss is 1,487. Population of the county is 14,051.
- c. The school system is one of the larger employers with teaching positions and many non-certified service jobs, such as clerical, maintenance, food service and transportation. We have four wire harness plants located in and around

Prentiss with approximately 800 people employed. Prentiss is the home base of Polk's Meats, a pork processing plant that manufactures sausage, hams and sandwich meats distributed across the southeastern United States to retail and wholesale markets. Georgia Pacific has a world class paper/pulp mill located just across the county line near Monticello and employs many technical professional residents of the county. Horace Small, a cut and sew plant, located in Bassfield, employs approximately 300 people. It manufactures uniforms for law enforcement agencies nationwide. MD Dyess and Sons, also in Bassfield, is a home-owned company that refurbishes heavy equipment for the international market.

The expansion of the poultry market in the South has afforded many farmers an opportunity to convert their cotton, soybean and corn operations to poultry farms providing products for numerous plants in the state. These employment opportunities are in addition to various retail business ventures in the county.

d. Prentiss is a fairly typical small town, in my experience. My husband and I have lived in several small communities, including Killeen, Texas and Augsburg, Germany. Our schools have won state championships in basketball and football several times in the past decade. Our churches are the hub of many activities. The golf course and country club offer almost year round recreation and our lake has some of the best fishing spots around. We have a local airport to permit easy travel. I grew up in Prentiss and was delighted 11 years ago to have the opportunity to come to my hometown to work.

e. Please see my answer to d. above. I have lived in other small towns and I consider community life in Prentiss to be quite similar to that elsewhere.

USPS/NNA-T2-3. Please provide some details about *The Prentiss Headlight*.

- a. How have circulation and the percentage of advertising varied during the last three years?
- b. With what other publications does it compete for circulation? For each publication identified, please provide its frequency of publication and approximate circulation, to the best of your knowledge.
- c. Are you aware of any other publications? If so, please identify them and your best understanding of their frequency of publication and approximate circulation.

RESPONSE.

- a. Our trade area circulation has decreased from 790 to 714 in that time. Our out-of-trade area, has dropped from 427-400 for a loss of 27 subscribers. The advertising percentage has fallen from 78% in 1995 to 70% in 1998.
- b. The Headlight is the only weekly newspaper serving our county. Our non-subscriber publication, the Southwest Shopping Bag, is the only standard mail piece entered on a weekly schedule in our area.

The two daily newspapers in the area are the Hattiesburg American and the Clarion Ledger in Jackson, both Gannett Company newspapers. They do not carry any local advertising from our area and rarely any local news, except when some big news happens like a school bus wreck.

According to my local sources, the American serves 82 people in the county and the Clarion Ledger serves 108. They are delivered by private carrier.

c. No. I assume there is some circulation from USA Today, the Wall Street Journal and other national publications, but I do not have their circulation figures in my area. Also, Jefferson Davis county residents subscribe to a number of magazines, but I do not consider them competitors and I do not know their frequency or circulations.

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USPS/NNA-T2-4. Please confirm that with respect to the "one-time" experience described on pages 3-4 of your testimony that you received two telephone calls from the Postal Service bringing the matter to your attention.

RESPONSE.

Yes, from the Carson and Bassfield postmasters.

USPS/NNA-T2-5. On page 5, line 14, you state you believe the “New Hebron situation” is one faced by many small town publishers. Please state the basis for your belief. Did you conduct a study? Have you anecdotal evidence of other examples? Please explain fully.

RESPONSE.

The “New Hebron” situation is not unique to the Headlight. I think we small newspaper people get more involved because our subscribers are not just an address, they are friends and neighbors and we do what we can to make up for service that the Postal Service does not provide. Most of the subscribers who receive their mail at Rt. 1 New Hebron, live just inside Jeff Davis County--and their county-border situation is repeated all over Mississippi. Newspapers often have to go to extra trouble to reach these people whose sense of community is not defined by the Postal Service’s operational lines. They expect their newspaper on time, just like those served by my local post office.

The subject of exceptional dispatch is often a topic of conversation at Mississippi Press Association meetings. I am aware of the following newspapers that have a similar exceptional dispatch problem.

1. John Carney, publisher of the Lawrence County Press (39654), drives 20 miles one way, twice a week, to drop his newspaper and Standard A publications. New Hebron is INSIDE his county, but served by the former 391 SCF in Jackson. He drops the Standard A piece on Tuesday for Wednesday

delivery and his newspaper on Wednesday for Thursday delivery so his In-County subscribers can get next day delivery. His former SCF is 396 located 40 miles away in McComb, which is southwest of Monticello.

2. Jamie Arrington of the News Commercial (39428), reports losing a lot of out of state subscribers due to delivery problems. To avoid damage to his paper from similar loss of his trade area subscribers, he drives his papers to Mount Olive (39119) and Seminary (39479). Both Post Offices are located inside his county.

3. Jeff Mosley, Wayne County News (39367) is on the Mississippi-Alabama line. Melvin, AL, is part of his trade area. He does not do exceptional dispatch and his readers complain that it takes four days for the paper to reach them. The paper goes from Waynesboro to Meridian (MS) to Mobile (AL) to Butler (AL) then to Melvin. They pass Melvin twice before they are taken off the postal trucks for delivery.

4. Mrs. John Turner, Greene County Herald (39451), has a similar problem. Leaksville, the home of the paper, is located near the Alabama line. The Herald serves Fruitdale, AL, only 15 miles away. The papers travel to Hattiesburg (MS) to Gulfport (MS) to New Orleans and back before reaching subscribers.

5. Sean O'Connor, circulation manager for the Laurel Leader Call (39440), has customers in Louin (39338) twenty miles away who complain of a 3-4 day delay. When the paper arrives, it often comes in clusters of two or three issues. It appears to me that all of these problems result from the creation of the ADC system. It is clear that newspaper readership is affected by the delays.

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USPS/NNA-T2-6. On page 6, lines 17-18, you refer to your newspaper's annual postage bill by referring to postage incurred for both the newspaper and a "weekly shopper."

- a. Please provide a breakdown of the postal expenditures by pieces and postage as between the newspaper itself and the weekly shopper.
- b. In what subclass(es) and category(ies) of mail is the weekly shopper entered?

RESPONSE.

- a. My figures for 1997 show a total of \$9,137.84 with an average of 1115 pieces per week for the Headlight and \$46,247.09 with an average of 5558 pieces per week for my nonsubscriber product (shopper.)

- b. Standard A.

USPS/NNA-T2-7. Beginning on line 23 of page 6 and ending on the first line of page 7, you indicate that at one time virtually all copies of the newspaper "would have been mail-delivered."

- a. By this do you mean that the copies once were virtually all delivered by mail, or that they would have been if an appropriate combination of mail category and service had ever been offered?
- b. To what time period does the quoted statement apply?

RESPONSE.

- a. When the third-class rate was raised from \$.083 to \$.105, we converted to private carriers for both the Headlight and the nonsubscriber product within the city limits of Prentiss. At that time, we converted 154 subscribers and 288 shopper recipients to carrier delivery. We found that our advertisers were more satisfied, we saved money and we could guarantee day of delivery. We made some later adjustments in the proportion of mail versus carrier delivery, but have maintained the same general pattern.
- b. The conversion occurred in the early 1990's.

USPS/NNA-T2-8. Referring to page 7, line 1 of your testimony, why is carrier delivery not "possible" for copies delivered just out of town?

RESPONSE.

The word "just" may be misleading. I should have said "carrier delivery isn't possible for us for copies that need to be delivered outside of Prentiss."

The rural routes in the county are often more than 100 miles and we mail to 8 post offices. Due to the infrequency of work and the resources available to pay carriers or provide transportation, setting up a carrier force for these routes is out of the question. Because of the service problems, however, I am working on a plan to spread my private delivery routes another quarter mile around Prentiss as development in those areas creates more dense populations.

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USPS/NNA-T2-9. Please estimate the percentage of the circulation of *The Prentiss Headlight* that is carrier route presorted.

RESPONSE.

Of the 1,115 pieces mailed, 657 or 58.9% are carrier route presort.

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USPS/NNA-T2-10. Please explain why you cannot enter the *Prentiss Headlight*

by:

- a. establishing additional entry at New Hebron; or
- b. by using plant verified drop shipment.

RESPONSE.

a. I would have to rearrange my schedule to make it to New Hebron before their window closes at 4 p.m., a change that would require a mid-day trip and lengthen an already long day for me. As it is now, I arrive at New Hebron after my news day is complete, long after the Post Office is closed.

Additional entry would be a problem for the New Hebron office as well, since none of the staff there are familiar with the 3541 forms or with the deposit accounts needed for Periodicals mail. My present mail drop does not create a problem for the Postal Service. My postage is paid at Prentiss, where the personnel are familiar with my mail. If I were extended a discount, the Prentiss personnel would be able to confirm the number of papers taken to New Hebron, but it is important to note that my mailing generally doesn't change from week to week. This verification is not needed very often to assure USPS that my proper postage is paid. If either post office--either Prentiss or New Hebron--needed to verify that my pieces equaled the number claimed on my 3541, one phone call to Prentiss would do the job.

b. I don't have a commercial printing plant. I have no experience in plant verified drop shipping and am not familiar with the requirements. I am

unaware of any mailers in my area who use this practice. It has not been suggested by my postmaster. He suggested exceptional dispatch after trying every means he could think of to get my papers delivered on time.

USPS/NNA-T2-11. How is your mail verified at New Hebron?

RESPONSE.

My mail verifications, to the extent that any are done at all, are done at Prentiss where clerks key my statements into their computer. They are aware of my New Hebron exceptional dispatch, of course. We keep sufficient funds on hand at Prentiss and we provide a copy of the 3541. The Prentiss staff, however, do not touch any of my mail except for copies delivered out of Prentiss. I do all of the work.

I drop my Prentiss copies onto a flat cart and push them into the Prentiss office. I put the Carson and Bassfield mail into separate canvas buggies and push them into the equipment room. There they stay until a contract carrier picks them up for those other offices. All the rest of the mail is put into a buggy and pushed inside. My New Hebron mail is taken to New Hebron by me and pushed through a slot. Most of the time I never see an employee, either at Prentiss or at New Hebron.

My mail operation was overseen on a spot check by Esther Martin, who is Officer in Charge in Prentiss. Esther knew little about Periodicals or Standard A mail when she came to Prentiss and was interested in learning. She spent a day with me shortly after she arrived, watched me load the paper from the printing plant, compare my actual copies with the printer's computer reports, check my sack tags and unload. She became familiar with my operation in that manner.

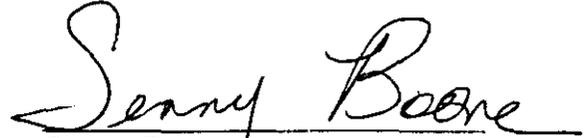
This system was created because of the repeated failures of the system, after my postmaster made his best efforts to get the New Hebron mail delivered on time, as I said in my testimony. Mrs. Martin recently asked me to try the Postal Service for my New Hebron copies again as she thought the problem could be solved. But the effort failed. The copies were not delivered on time.

I believe my problem arises from a broken system, not from the failures of my local postal personnel. I am providing the solution by doing my own trucking to New Hebron. What I need is a recognition of my contribution through an appropriate discount, not another new burden from additional paperwork and bookkeeping.

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 or the Rules of Practice.

February 11, 1998


Senny Boone