

From: Max Heath [mailto:maxheath@lcni.com]
Sent: Sunday, August 16, 2009 6:37 PM
To: Pulcrano, Samuel M - Washington, DC
Cc: Tonda Rush
Subject: Some suggested items to expand your list of 13

Sam, thanks for your time at the POAC Tuesday and then MTAC on Wednesday. On behalf of the National Newspaper Association and its 2,600 weekly and primarily small daily members, I'd like to make this suggestion:

"Newspaper distribution" should merit a separate item on your list, and not be merely lumped in under "Periodicals" with time-sensitive newsweeklies, as important as they are. We have members that mail Saturday editions of dailies locally, non-dailies that mail a Saturday issue for important football coverage (as in Texas) or other sports coverage or advertiser demand in other states. All drop overnight for local next-day delivery, or even early next morning, in many cases.

If driven to set up private home delivery service on Saturday, it is highly likely that it will be for all days distributed, whether two, three, or six. AND, most mailed newspapers also have Standard Mail ECRS shoppers, which would be moved outside USPS as well, as there are even more dollar savings, and whose move helps cost-justify the home delivery choice most would rather not make. High gasoline prices in 2006-8 led many of these to convert from home delivery to mail, both inside-county and outside-county. (In-county mail volume increased 12.8% in USPS FY 2008.)

There are also very large daily newspapers (which we don't represent) including the Wall Street Journal (now with a Saturday issue) and The Economist weekly (with large--800,000 in North America--distribution delivered by Saturday) that are heavily mail-dependent, just to name two.

My own company, Landmark Community Newspapers, LLC, owns 7 college sports publications entered at origin for delivery by Saturday nationwide, part of a sizable customer base of 50-plus such "fan-zines", mostly newsprint. Already selling Internet subscriptions, they have a place to flee if Saturday delivery ends. I have personally worked on the delivery problems of our 7 titles for 10 years, and I understand the upset when delivery is not made by Saturday now. I do not believe USPS can deliver by Friday when there are so many Saturday failures now.

My fear is that USPS will underestimate the volume loss in its drive to cost-justify 5-day delivery, as mailers come to view USPS as an unreliable delivery source. In short, this MTAC rep believes 5-day delivery will accelerate volume loss, leading to yet another day of service cut in coming years under the logic employed here.

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