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Postal Regulatory Commission
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Re: COMMENTS OF NATIONAL NEWSPAPER ASSOCIATION

February 4, 2011

Docket MT2011-3
Marketing Mail Made Easy (MMME)

POSTAL REGULATORY COMMISSION
901 New York Avenue NW, Suite 200
Washington, DC 20268-0001

To the Commissioners:

As chairman of National Newspaper Association's Postal Committee, I am writing on behalf of NNA's 2,200 newspapers to comment on Marketing Mail Made Easy (MMME).

This proposal mixes two elements: one is the new extension from rural route to city route mail of mailers' ability to use simplified addressing; the other essentially a promotional concept to encourage more mail from small businesses. I am commenting on both elements.

NNA has many members interested in the ability to use Saturation Simplified Address mail on city routes both for sampling their Periodical newspapers as permitted by Periodicals rules, and for their Standard Mail shoppers or Total Market Coverage publications. Thus NNA approves of the Jan. 2, 2011 rules change that permits small mailers to use the mails without shouldering the expense of list purchases and the qualifications necessary to earning the best discounts.

Periodicals were originally omitted from the change to DMM 602.3.2, despite the fact that those rules are "class-agnostic." NNA was assured this week that the Feb. 24 Postal Bulletin notice will make the clarification that Periodicals are included in this new mailing option. (Periodical newspapers' sampling is capped at 10% of in-county subscriber copies in a 12-month period paying Saturation In-County prices, and pay Saturation Outside County prices above that.)

We are much less excited about MMME, believing that the rule change was enough to achieve the Service's volume growth goals, and that private industry can and will use the new option to grow Standard Mail. MMME dampens our enthusiasm for what was otherwise a sensible change by appearing to put USPS in the position of targeting newspaper advertising, as well as the business of other good USPS customers in direct mail. Community newspapers, weekly

and daily, are heavy users of Periodicals and Standard Mail. Newspapers often pay 2-5 times more annually in Standard Mail postage for “shoppers” related to the paid newspapers than they do in Periodicals postage.

Newspapers stand alone as existing customers among the listed competitors for ad dollars mentioned in the MMME experimental proposal, and orally expressed by Postmaster General Pat Donahoe recently, saying that USPS wanted to take supplements out of newspapers and into direct mail. That comment was an unfortunate signal that USPS wishes to use its considerable market power to disadvantage its loyal newspaper customers, and NNA believes such sentiments will discourage our members from taking full advantage of their own mailing possibilities. The comment resurrects old competitive tensions that NNA believes are ill-suited to a future where all mailers need to help USPS solve its daunting financial problems. While we do not address whether the proposed test properly fits the Commission’s criteria for market tests, NNA points out a few other things about the proposal that are offensive, at the least, or which may need adjustment.

1. Greasing the skids for new mailers with waiver of permit fees and annual fees valued at \$370 a year is discriminatory to all the Standard Mail shoppers and free newspapers owned by NNA members that have paid and will continue to pay these fees for existing products.
2. Providing a “simplified acceptance procedure” for MMME is ironic, considering it is geared toward new customers while existing customers have spent the past two years in Sarbanes-Oxley (SOX) Hell caused by an overly-aggressive, inflexible and often irrational compliance that suggests a customer-service-be-damned mindset to many of our newspaper mailers. SOX policy alone has driven some newspapers from the mail. Will the persecuted mailers caught in the SOX trap suffer the new injustice of watching SOX requirements waived for MMME customers? Why not simplify procedures for all mailers and thus encourage mail growth from customers already in the best position to quickly add to volumes?
3. Pricing is said to be under existing price schedules “during the test period.” Does this mean that USPS may be signaling intent to lower the price if approved to move forward after the test? If so, NNA believes the test may be positioning the Postal Service to engage in unfair competition.
4. PO Boxes are not included as eligible for simplified addressing (p. 3, bullet 5) in the MMME proposal, even though included in the Dec. 16 Postal Bulletin notice. If the test does go forward, there may be good business reasons to include PO Boxes in some areas, and NNA thinks that PO Boxes associated with city routes could and should be included for DDU-entered city route saturation simplified address mail. Promotional, measurement and compliance dollars to be spent on this intended new product further drain the Service’s coffers that should be spent in improvements for existing mailers. As several comments in the list-service business have already mentioned, there is no

paucity of mailers interested in bringing more business to the Service. Shouldn't USPS spend its scarce dollars, if it has any to spare, making business mail entry smoother for existing customers?

The Postal Service took a big step forward in its new Simplified Addressing policy, and then slid two steps back by wrapping a sensible reduction of entry barriers into the present proposal. The Commission should consider asking USPS to withdraw the test, in light of many objections raised by mailing organizations, and focus on making sure that both mailings with named recipients and those addressed to Occupants receive the Service's full attention. The Simplified Addressing rule deserves some time to work on its own, without being muddied by the trappings of the ornamentation suggested in the market test.

NNA believes there is only one reliable path for mail volume growth: great service at low prices. Speaking on behalf of an industry that is greeted daily with new digital distribution options with the lure of near zero-incremental distribution costs, NNA still believes in the power of the mailbox. But its power would be harnessed far better if the Postal Service would stick to its core business and avoid its periodic outbreaks of desire to compete with its own customers.

Although NNA's concerns are not precisely those of most commenters, we do join our brethren in the mailing world in encouraging both the Commission and the Service to heed mailers' voices here. Let the mailing industry do what it does best—create mail—and let the Postal Service assure us that its sole mission is to get that mail into our customers' hands on time.

Sincerely,

A handwritten signature in black ink that reads "Max Heath". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Max Heath
Chairman, NNA Postal Committee