

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

VALASSIS NSA

Docket No. MC2012-14

Docket No. R2012-8

RESPONSE OF THE KANSAS CITY STAR TO NOTICE OF INQUIRY NO. 1

The Kansas City Star is a multi-media, multi-channel news organization serving the greater Kansas City area and reaching more than 1 million readers each week through print and digital means. The region's largest source of news and information, The Kansas City Star also reaches more than 700,000 households each week through our direct marketing service. Owned by The McClatchy Company, the Kansas City Star produces daily, thrice weekly, twice weekly and weekly newspapers, multiple magazine titles, books and a direct marketing product that is mail delivered to more than 700,000 households. The majority of revenues are from advertising, including the entirety of the direct marketing service.

The Kansas City Star submits this declaration in support of Newspaper Association of America's ("NAA") Response to Notice of Inquiry No. 1

The Kansas City Star respectfully requests that the Postal Regulatory Commission reject the Valassis NSA, with the strong belief it would create an unfair competitive advantage to a national advertising mail company against a local mail customer. This proposal will imperil the health of a newspaper that has served this local community for more than 130 years. It would cause immediate and lasting damage, which could be irreparable.

Response To Questions

1. For fiscal year 2010, we estimate that advertising inserts for durable and semi-durable goods from national retailers represented 19.2% of The Kansas City Star's advertising revenues (including ROP, classified, and digital advertising), 24.1% of total print advertising revenue, and 73.9% of total preprint advertising revenue.
2. For fiscal year 2011, we estimate that advertising inserts for durable and semi-durable goods from national retailers represented 19.9% of total advertising revenues

(including ROP, classified, and digital advertising), 25.3% of total print advertising revenue, and 79.8% of total preprint advertising revenue.

3. For fiscal year 2011, The Kansas City Star estimates that we mailed 33,585,137 pieces of TMC advertising mail packages displaying durable and semi-durable goods from national retailers via the Postal Service and no TMC pieces via private delivery carriers or through other delivery methods. This amounts to 9,715,826 pounds distributed.

4. For fiscal year 2010, The Kansas City Star estimates that we paid the USPS approximately \$5.3 million to deliver our TMC and direct mail products.

5. For fiscal year 2011, The Kansas City Star paid the United States Postal Service approximately \$7 million to deliver our TMC and direct mail products.

6. The Kansas City Star estimates that the USPS could lose a significant portion of the approximately \$7 million we expect to spend on postage in the next year if the Valassis NSA is approved.

I declare under penalty of perjury that the foregoing is true and correct. Executed on June 25, 2012.



Mi-Ai Parrish
President and Publisher
The Kansas City Star