

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

VALASSIS NSA

Docket No. MC2012-14

Docket No. R2012-8

**THE WASHINGTON POST'S RESPONSE
TO NOTICE OF INQUIRY NO. 1**

1. The Washington Post respectfully submits this declaration in response to the "Questions for Commenters Critical of the Valassis NSA" in Notice of Inquiry No. 1 ("NOI"). This declaration is also being submitted in support of the Newspaper Association of America's Response to Notice of Inquiry No. 1 that is being filed separately.

2. The Washington Post reiterates its opposition to the Valassis NSA. As we explained in our previously filed comments in this proceeding, we believe that the Postal Regulatory Commission should reject the Valassis NSA for several reasons. First, it is now clear that the Postal Service based the Valassis NSA on inadequate information. Second, the Valassis NSA will cause unreasonable harm to The Washington Post in the marketplace for distributing preprinted advertising inserts. Third, the Postal Service stands to lose over \$3 million per year in Washington Post mail revenues if it approves the Valassis NSA. Finally, the Valassis NSA will cause immediate and irreparable harm to The Washington Post's business and the Postal Regulatory Commission therefore should not approve the Valassis NSA on a wait-and-see basis.

3. In response to NOI Question 9, for fiscal year 2010, The Washington Post estimates that advertising inserts for durable and semi-durable goods from national retailers represented 10% of total advertising revenues (including ROP, classified, and digital advertising), 16% of total print advertising revenue, and 41% of total preprint advertising revenue. For fiscal year 2011, The Washington Post estimates that advertising inserts for durable and semi-durable goods from national retailers represented 10% of total advertising revenues (including ROP, classified, and digital advertising), 17% of total print advertising revenue, and 40% of total preprint advertising revenue.

4. In response to NOI Question 10a, The Washington Post estimates that in fiscal year 2011 we mailed approximately 86,121,819 mid-week TMC packages. We do not have the requested data by weight. We further estimate that those TMC packages contained 37,457,005 individual advertising inserts displaying durable or semi-durable goods sold by companies operating in 30 or more states.

5. In response to NOI Question 10b, The Washington Post estimates that in fiscal year 2011, we distributed 2,728,893 mid-week TMC packages via private delivery carriers or through other delivery methods. We do not have the requested data by weight.

6. In support of NAA's Response on questions relating to the net financial impact of the Valassis NSA and, in particular, the statements contained therein as to the total amount newspapers as an industry spent on postage, The Washington Post submits that it paid the Postal Service approximately \$15,443,420 in 2010 and \$14,921,369 in 2011 in postage for TMC mail distribution.

7. In further support of NAA's response on questions relating to the net financial impact of the Valassis NSA and, in particular, the statements relating to the total amount of postal revenue that the Postal Service stands to lose from the newspaper industry as a whole, we estimate that the Postal Service stands to lose at least \$3 million in TMC postage revenue from The Washington Post on an annual basis if the Valassis NSA is approved. The reasons why the Valassis NSA will result in lost postal revenues from newspapers are summarized by NAA in its filings.

The undersigned declares under penalty of perjury that the foregoing is true and correct. Executed on June 29, 2012.

Respectfully submitted,

THE WASHINGTON POST

By:


Name: Arnie Applebaum

Title: Vice President/Advertising