

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

VALASSIS NSA

Docket No. MC2012-14

Docket No. R2012-8

RESPONSE OF THE INDIANAPOLIS STAR TO NOTICE OF INQUIRY NO. 1

The Indianapolis Star is a daily newspaper that has been serving the citizens of Indianapolis for more than 100 years. The proposed NSA for Valassis provides one of our biggest direct mail competitors with an unfair rate advantage. This will result in a significant loss of advertising revenues from national retailers of durable and semi-durable goods – an important revenue stream that supports our news and information product. If implemented, the NSA will force The Star to pursue cost cutting measures so that we can stay competitive. It is likely that we will move our TMC product out of the mail to respond to the price advantage given our competitor. For these reasons, The Indianapolis Star respectfully opposes the proposed NSA for Valassis.

We submit this declaration in support of NAA's Response to Notice of Inquiry  
No. 1

Response To Questions:

1. For fiscal year 2010, we estimate that advertising inserts for durable and semi-durable goods from national retailers represented 14% of total advertising revenues (including ROP, classified, and digital advertising), 31% of total print advertising revenue, and 71% 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 15% of total advertising revenues (including ROP, classified, and digital advertising), 31% of total print advertising revenue, and 70% of total preprint advertising revenue.

3. For fiscal year 2011, we estimate that we distributed 23.2 million packages of TMC advertising inserts displaying durable and semi-durable goods from national retailers via the U.S. Postal Service. The Star does not deliver this non-subscriber product through private delivery carriers.

4. For fiscal year 2010, we estimate that we mailed approximately 23 million TMC packages for which we paid the Postal Service approximately \$ 5,148,317.

5. For fiscal year 2011, we mailed approximately 23.2 TMC packages for which we paid the Postal Service approximately \$5,144,084.

6. We estimate that the Postal Service will lose approximately \$5,144,084 from our mid-week TMC postage if the Valassis NSA is approved. We anticipate that our largest

advertisers would pull out of our TMC product, thereby rendering the product not profitable and it would be discontinued.

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on June 27, 2012.

A handwritten signature in cursive script, appearing to read "Meghan F. Miller", is written over a horizontal line.

Meghan F. Miller  
Finance Director

The Indianapolis Star, a division of  
Pacific and Southern Company, Inc.