



Before the Senate Committee on Homeland Security and Governmental Affairs

Tonda F. Rush
President and General Counsel
National Newspaper Association
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Community Newspapers

- Priority of Congress since it was the Continental Congress
- In 1851 Congress declared development of local newspapers was a national goal by establishing the within-county postage rate
 - As a result, America has many more county-seat and small-town newspapers than most of the Western world and fewer national circulation newspapers
 - But national and regional newspapers are also heavy users of the mail, particularly serving agricultural, religious, labor and hobbyist communities (E.G., antiques, Civil War buffs)
- Periodicals reaffirmed in every major Post Office review of 19th and 20th Century policy committees and commissions

Community Newspapers Today

- NNA has 2,400 members—weeklies and small dailies
 - Predominantly in small-town America
 - Median weekly circulation 3,000-5,000
 - Typical NNA daily <10,000
- Distribution in rural areas is critical
 - Key to vibrant communities
 - Local news, election, sports, entertainment, church and civic information
- Most NNA newspapers rely upon USPS to reach readers
 - Distributions typically begin in a small town, and fan out to even smaller towns that rely on a geographic trade center for food, medicines and medical care, government services and entertainment
 - Recent NNA survey: 84% offer the newspaper online as well.
 - Electronic editions developed primarily to compensate for poor mail service
 - But readers broadly prefer print
 - Many rural readers do not have broadband capability at home

Mail Entry Traditions

Community Newspapers are weekend publications

- Weekend is when people shop

- Local and school sports happen on weekends

- Church news is on weekend

- Grocery inserts tend to target end of week

For example, a small-town newspaper with a Friday issue date may:

- Gather news and advertising from Saturday to Thursday

 - Design, print and deliver to Post Office between Thursday noon and Friday a.m.

- Drop copies at local post office before PO opens on Friday for same-day delivery in town

 - Reach distribution center by Friday mid-day for processing

 - Saturday delivery to satellite towns

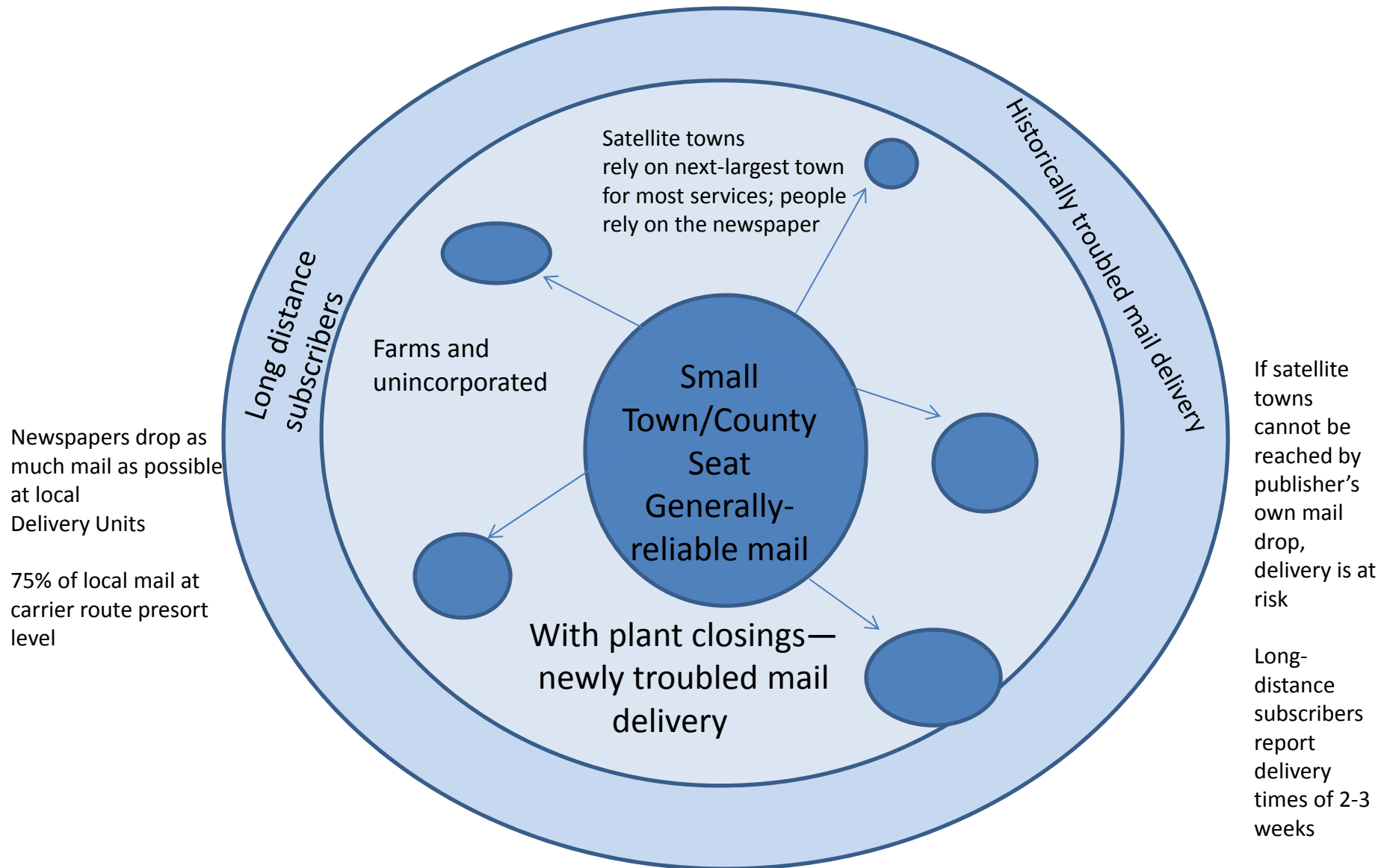
 - Tuesday-Thursday delivery to long-distance

Local Delivery-Unit entered mail today still reaches household on time

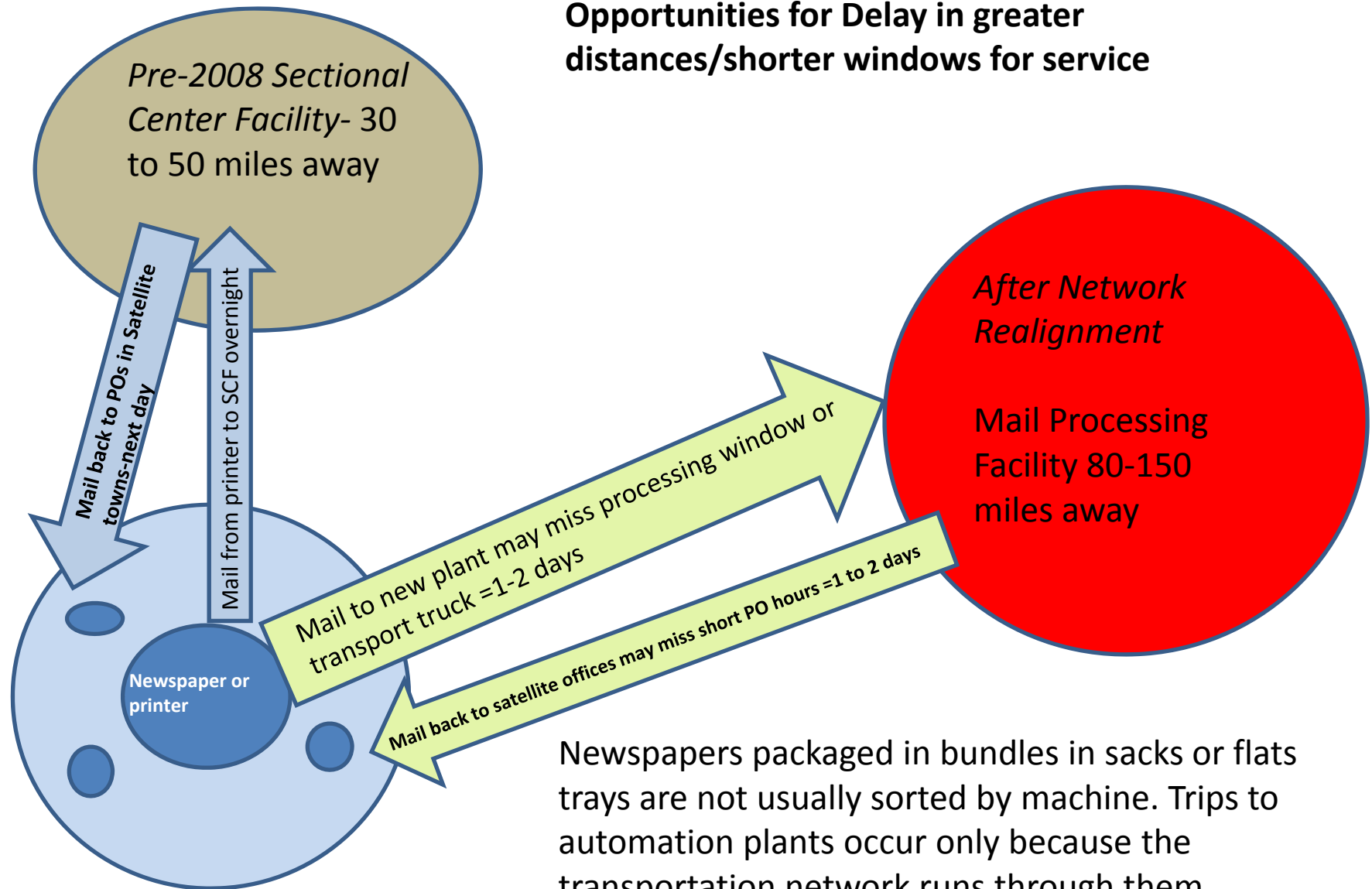
Closure of post offices has diminished service somewhat

NNA expert Max Heath: “When the mail gets to the delivery unit, carriers get it delivered. The problems are in the network.”

Classic Newspaper Distribution Pattern



Opportunities for Delay in greater distances/shorter windows for service



Newspapers packaged in bundles in sacks or flats trays are not usually sorted by machine. Trips to automation plants occur only because the transportation network runs through them. Publishers sort to carrier route/walk sequence. Newspaper copies are returned to POs for final “working.”

USPS Attention-Shifting Away from Rural Areas: Not New

- Rural issues have risen with automation
 - Automated sorting to control labor costs
 - For newspapers, flat-sorting transition began 20+ years ago
 - Machines cost \$\$; Machines need mail to produce ROI
 - Rural mail travels greater and greater distance to reach machines
- In 2008, the Area Mail Processing (AMP) review process resulted in even smaller rural footprint
 - 290 Plants at the time; 114 under review for consolidation
 - Hub and spoke design with Regional Distribution Centers
 - April 1 2006 –changes to First-Class Service Standards
- 2010-14, more closings
 - 2015 the virtual end of overnight First-Class mail

What changed for newspapers?

- Distribution center is 50-100 miles further away
- Mail acceptance and entry times have become earlier.
 - Local Post Offices must move mail earlier to more distant facilities
 - Shorter hours at post offices means fewer acceptance windows
 - Smaller staffs mean shorter hours to accept the mail
 - Missing the entry window can cause loss of a delivery day
 - Large-scale retirements mean fewer personnel who
 - Know the customer
 - Understand complex Periodicals rules
- For the Friday newspaper:
 - Deadline may have to now be Wednesday
 - Squeezes local retailers who may not be able to adjust
 - Submitters of news miss the closing deadline
 - News is a little more stale
 - Delivery within 1 day becomes delivery within 2-3 days:
 - Satellite towns may not get the news in time to shop, attend events, auctions, reach special sales
 - Delivery within 3-4 days may become 2-3 weeks or more

Why Not the Internet?

Census Bureau 2014

Rural households without computers:

23.5 %

Rural households without Internet access:

36.9%

Households with incomes <\$50K/yr

without Internet: 32.9

Online-only news operations

Are not viable except in rare circumstances

The revenue to support newsgathering, printing and postage depends upon printed and pre-printed advertising and, to diminishing extent, subscriber payments

Without timely print delivery, there is

NO LOCAL NEWSPAPER

Without the local newspaper, there is no community

USPS is developing Service Hubs

NNA requested in 2011 Postal Regulatory Commission proceeding that USPS develop “hubs” in closed plants

Hubs would be mid-points between newspaper entry point and new processing facility

Hubs could take containers of newspapers destined for satellite towns and transfer from publisher to incoming mail truck

New facility has to move mail to satellite towns anyway; trucks are still moving through the area

Newspapers destined for satellite towns will not be processed at new plant anyway because they are not machine sorted

Hubs avoid the extra 50-100 miles of unnecessary travel

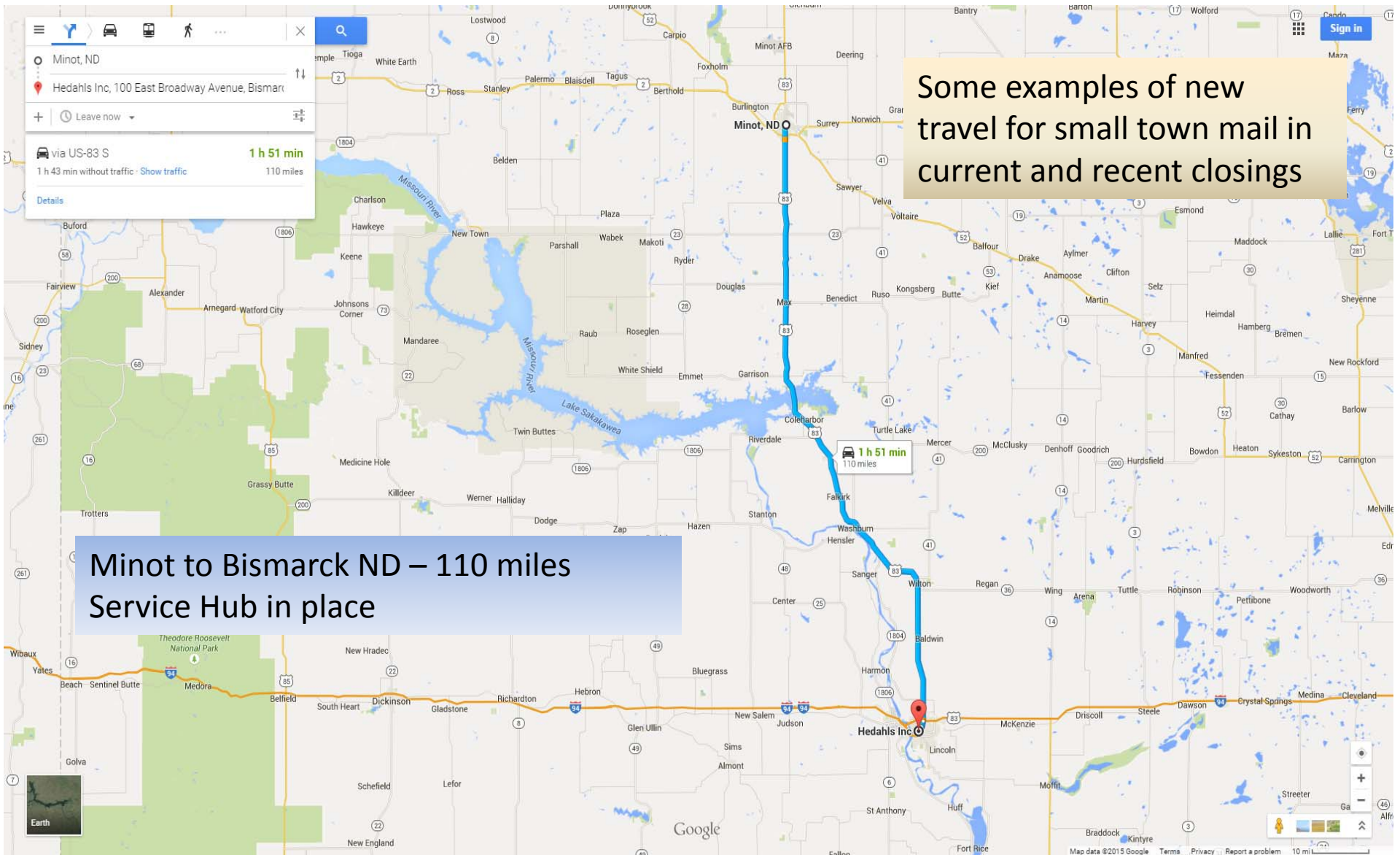
In 2015

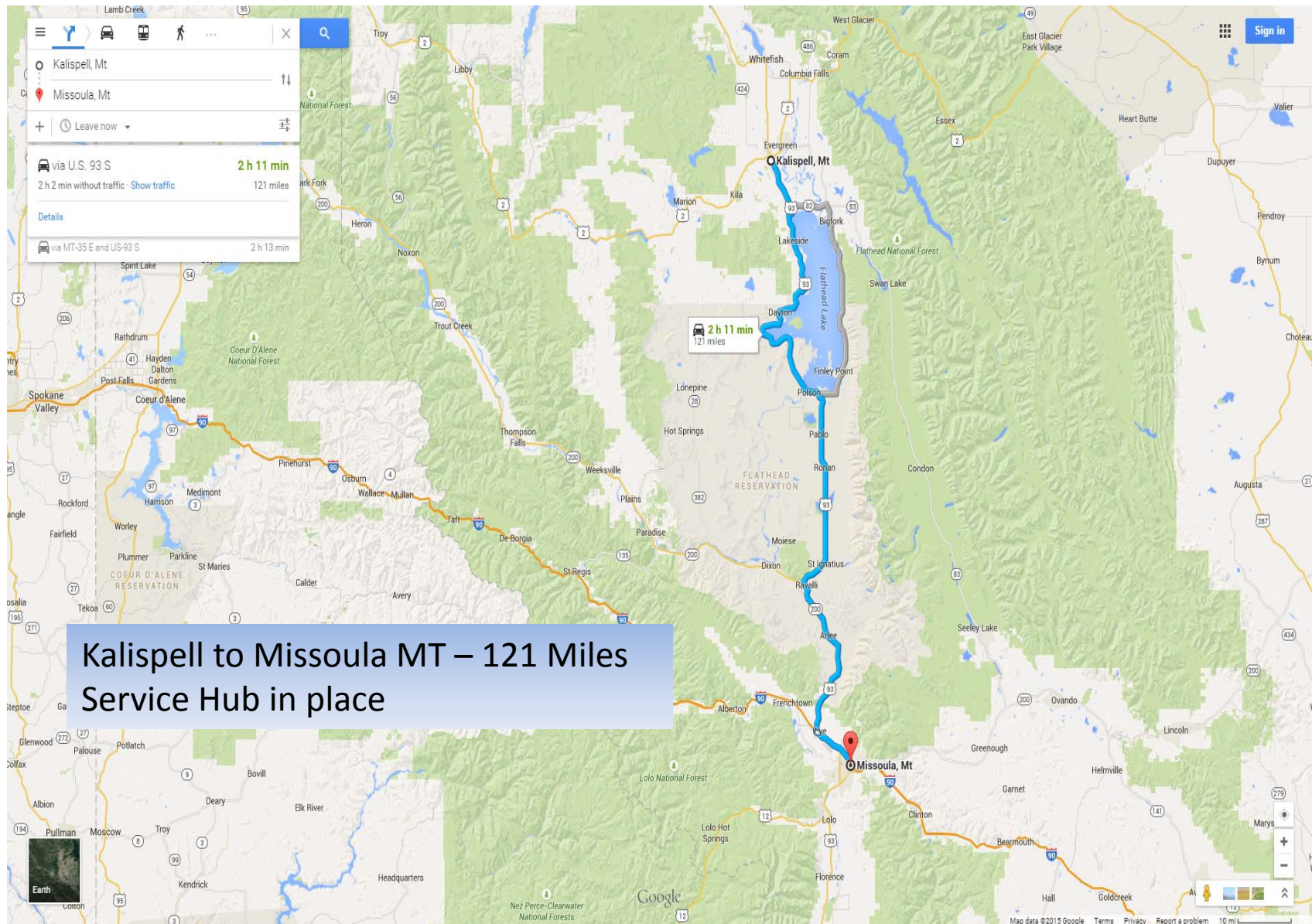
Hubs are finally becoming an official reality

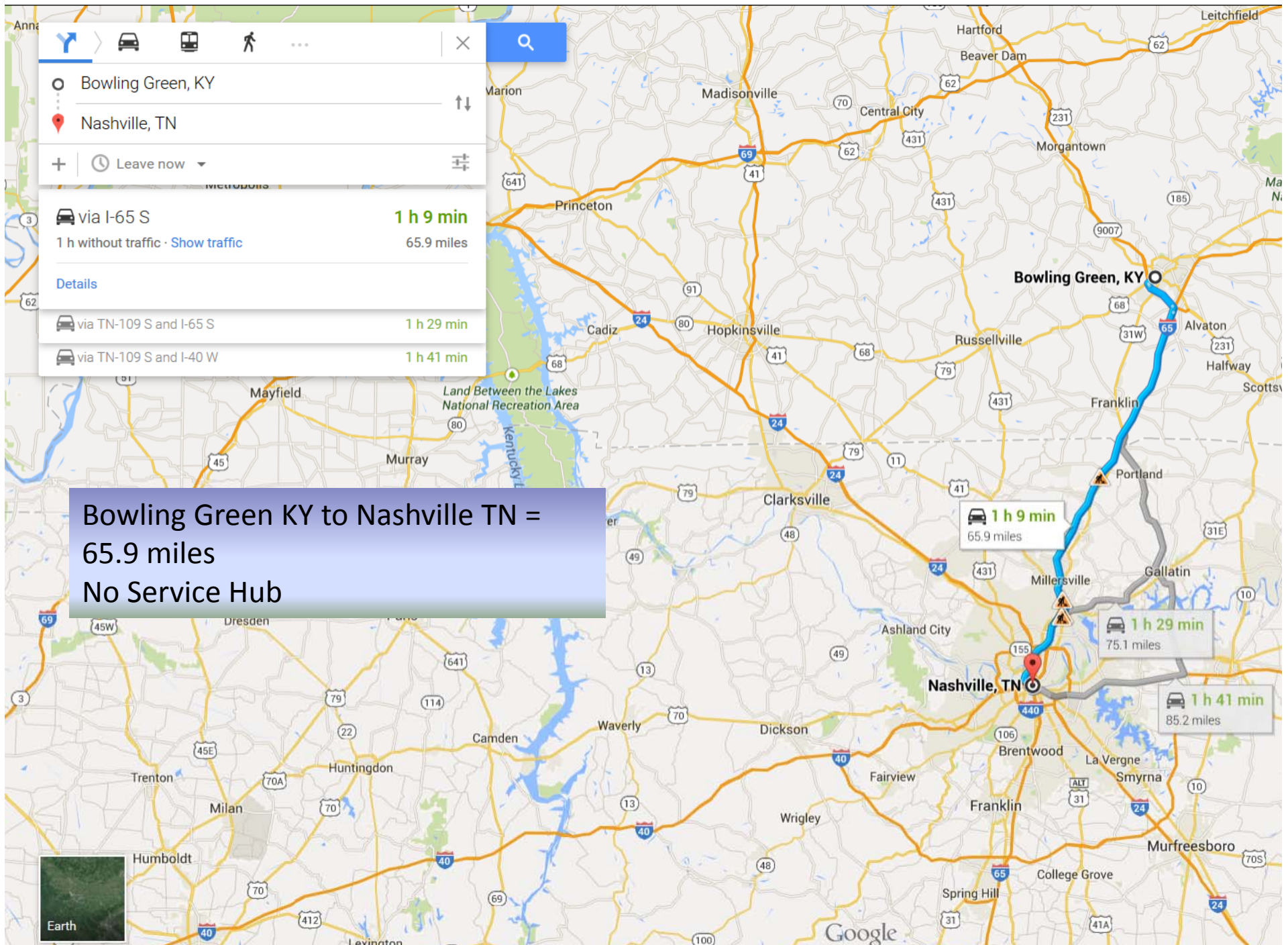
- Local mail processing managers have created some unofficial hubs because they make sense
- USPS spent 4 years examining eligible facilities, developing operating guidelines and considering parameters
- This year about a third of the plants recently closed will become hubs. In 2014, USPS issued an internal memo to mail processing network that “direct” newspaper containers need not be sent to new plants.

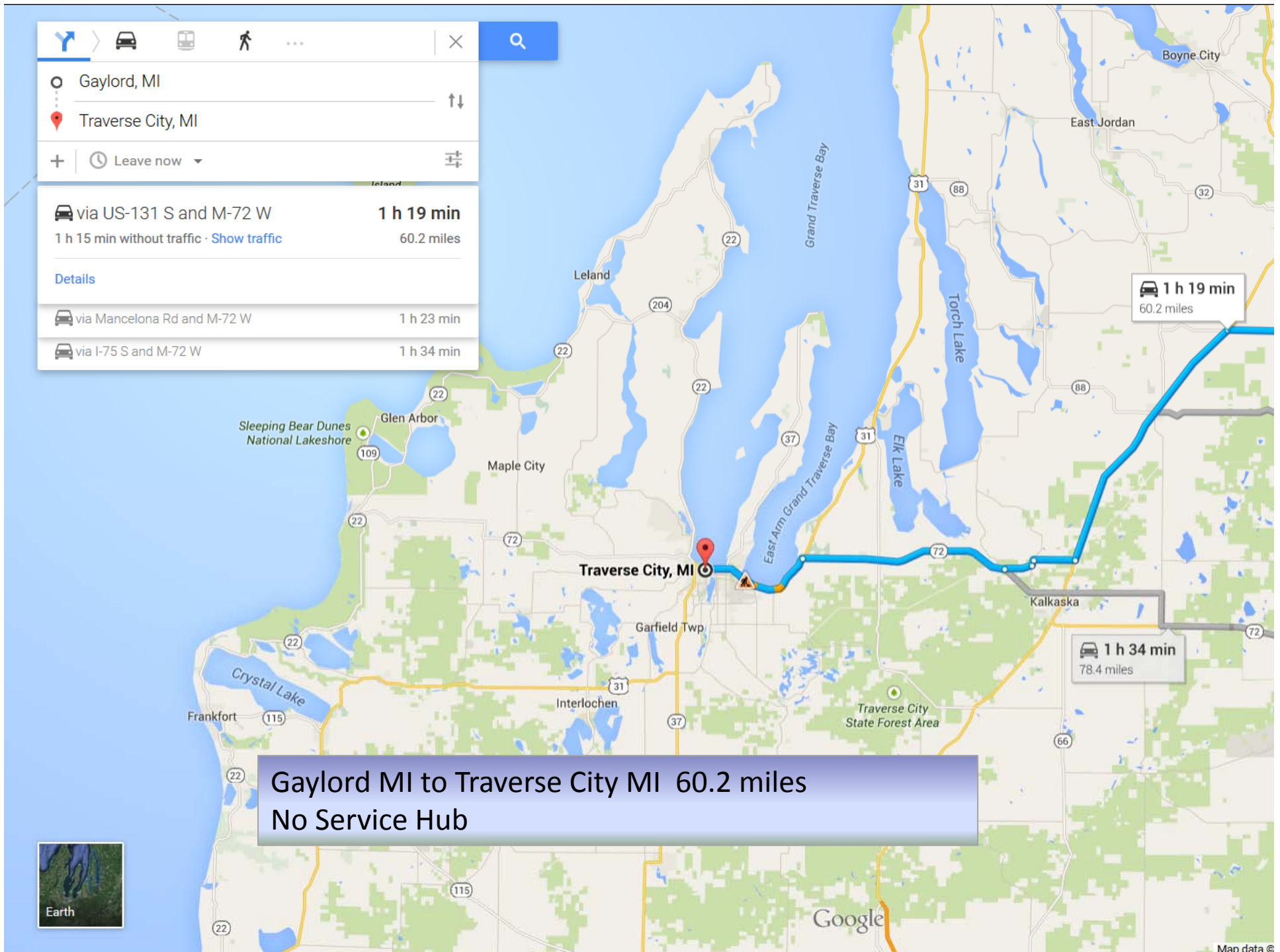
Some examples of network changes

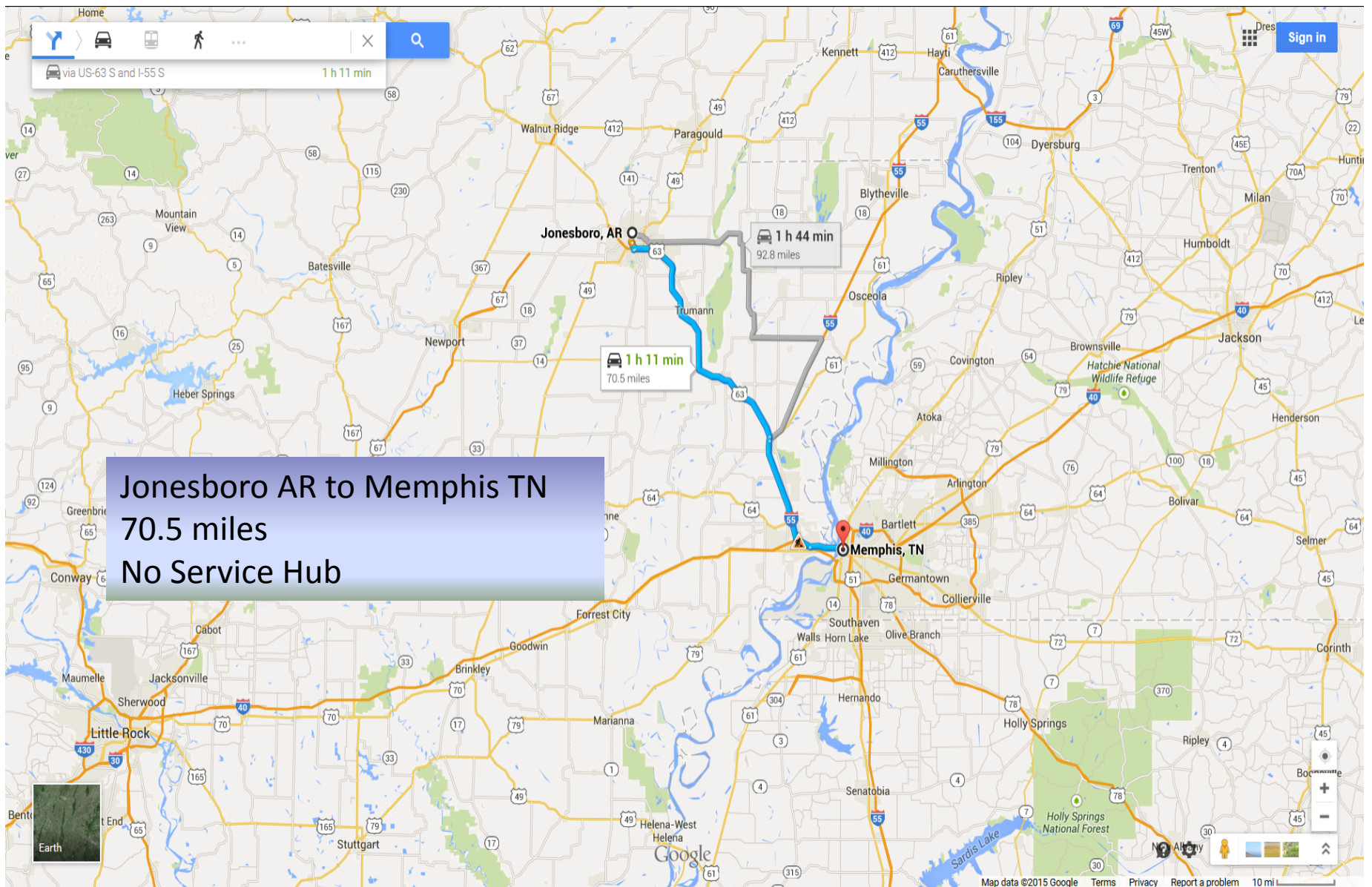
- USPS gauges:
 - Mileage and travel time without traffic from losing plant to gaining plant
 - But urban areas where “gaining plants” are located generally do have traffic
 - Mail on outer reaches of losing plant has even further to travel to the new area
 - Travel to plants for delivery back to “losing plant” area is processing “downtime” for newspapers
 - For newspapers, machine sorting is rare. The travel from small town to urban plant is just an excursion
 - The mail will come back to the satellite towns still in bundles, trays and sacks for carriers to sort

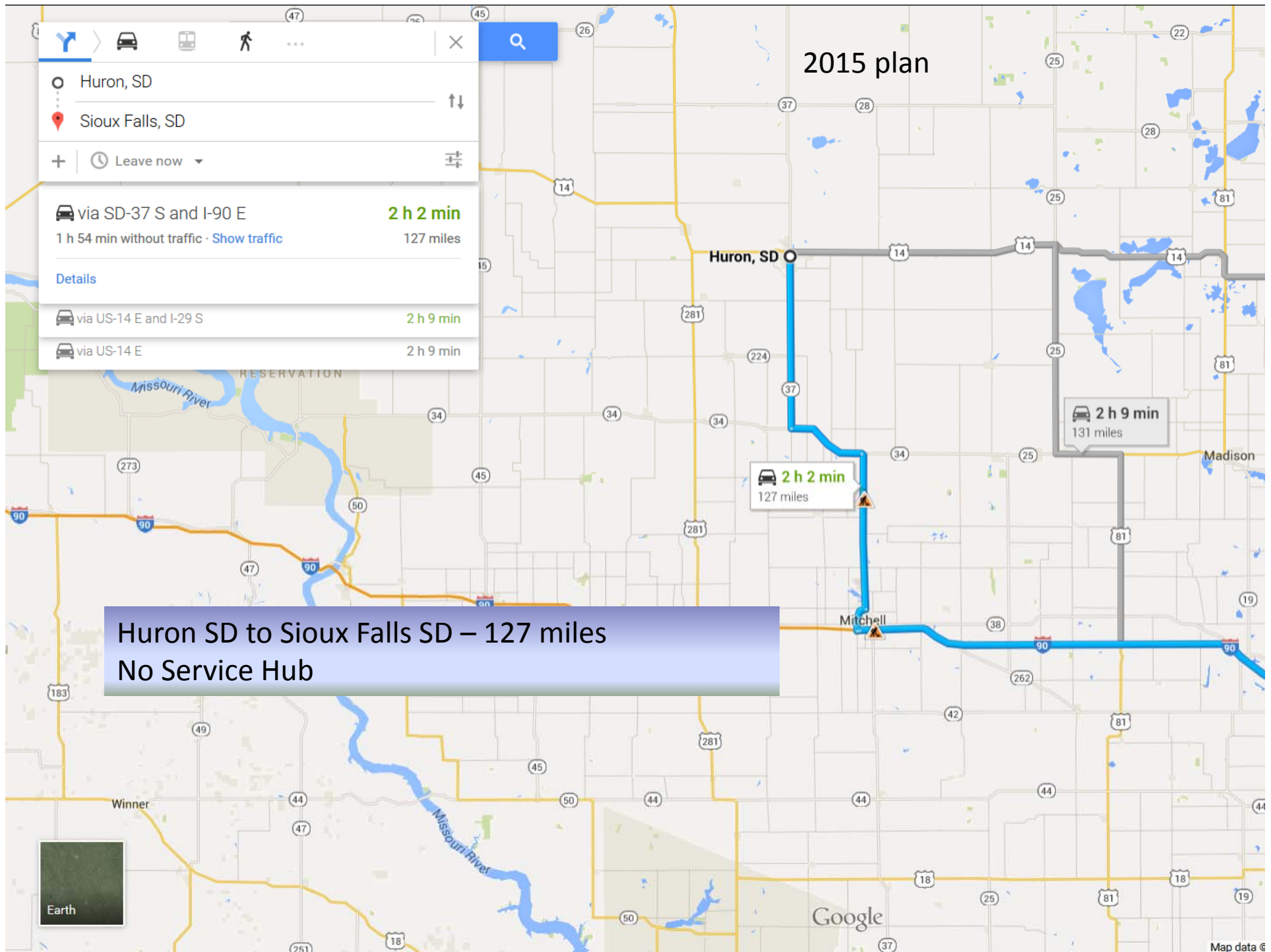


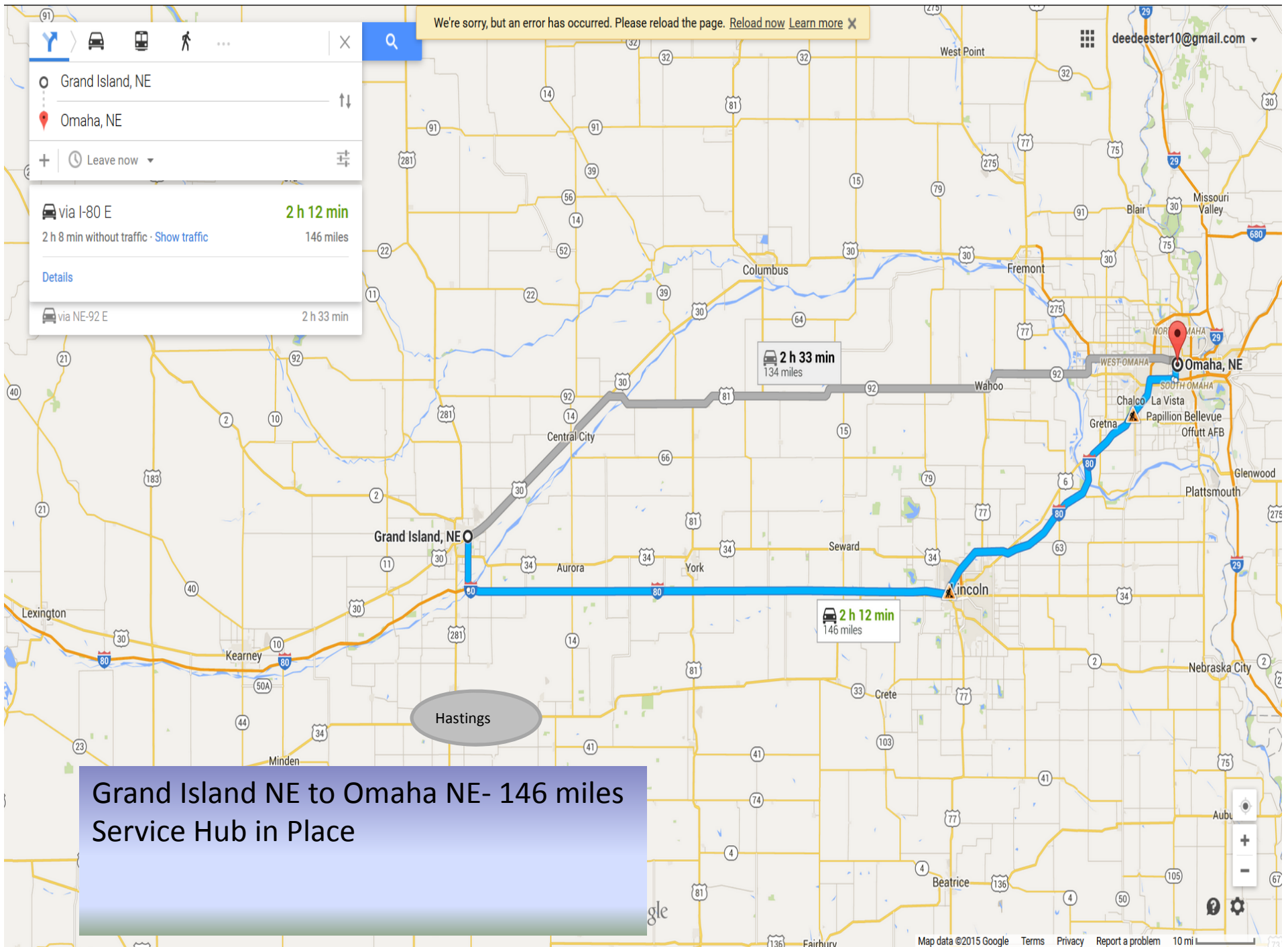


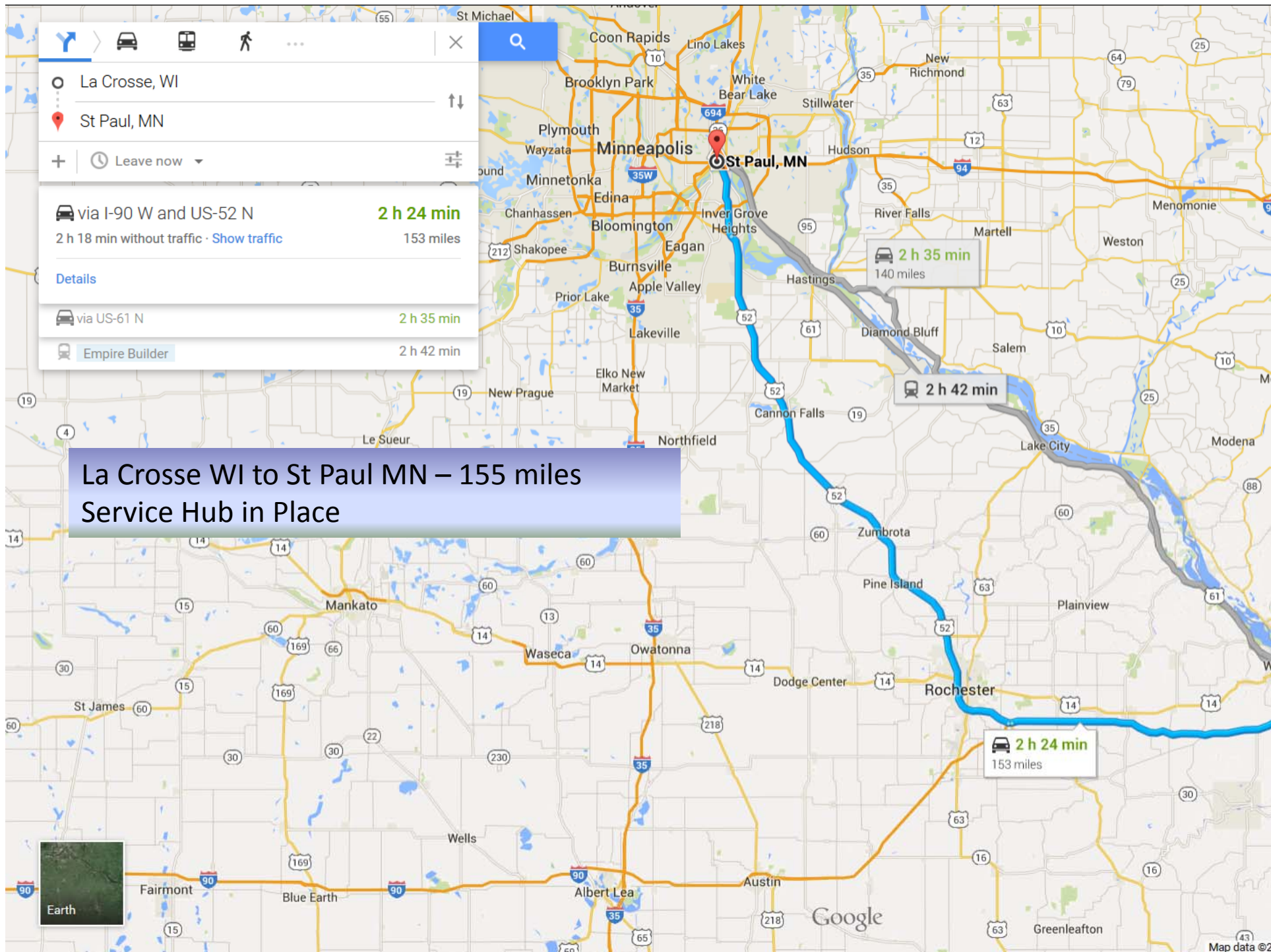


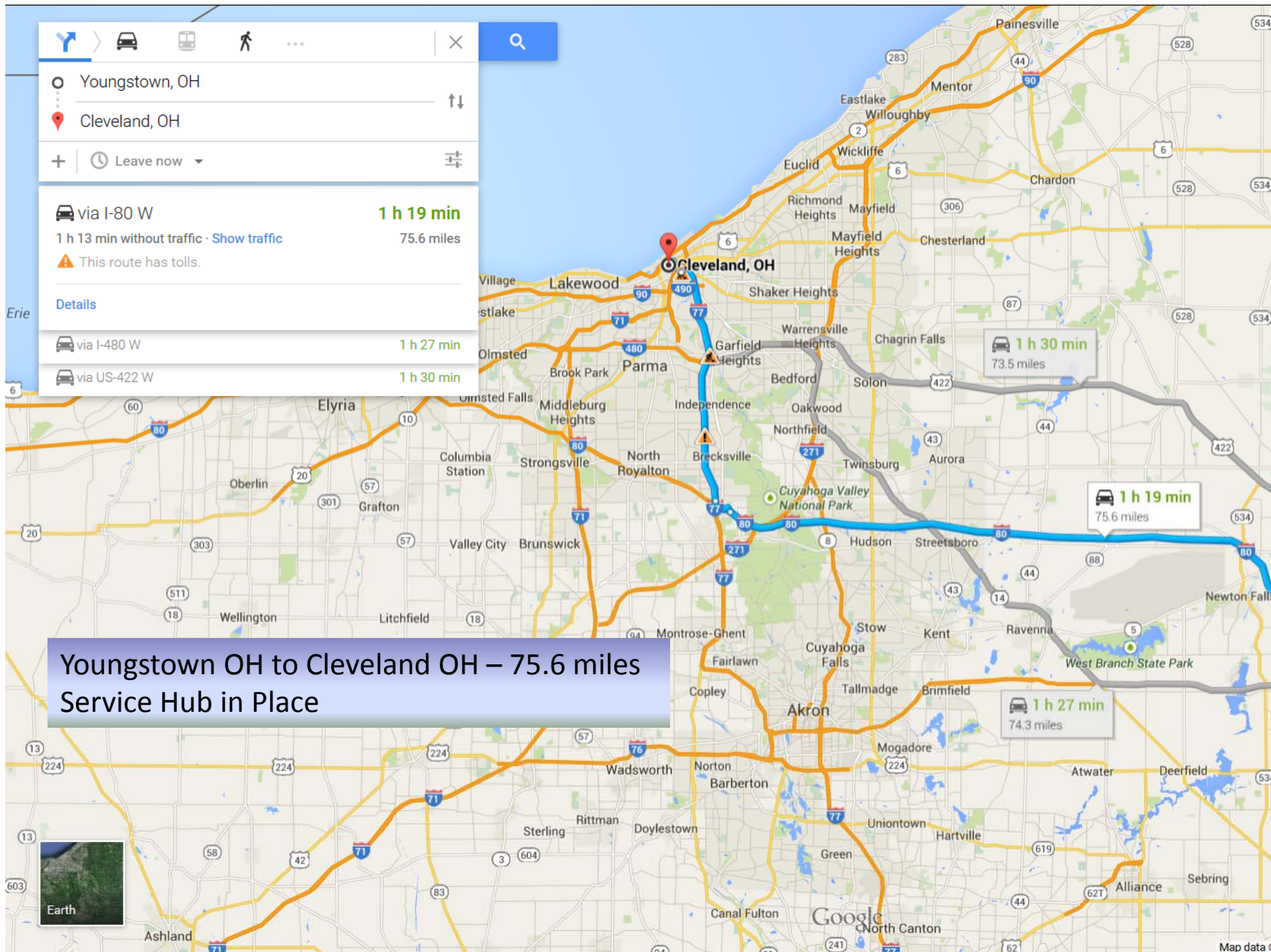


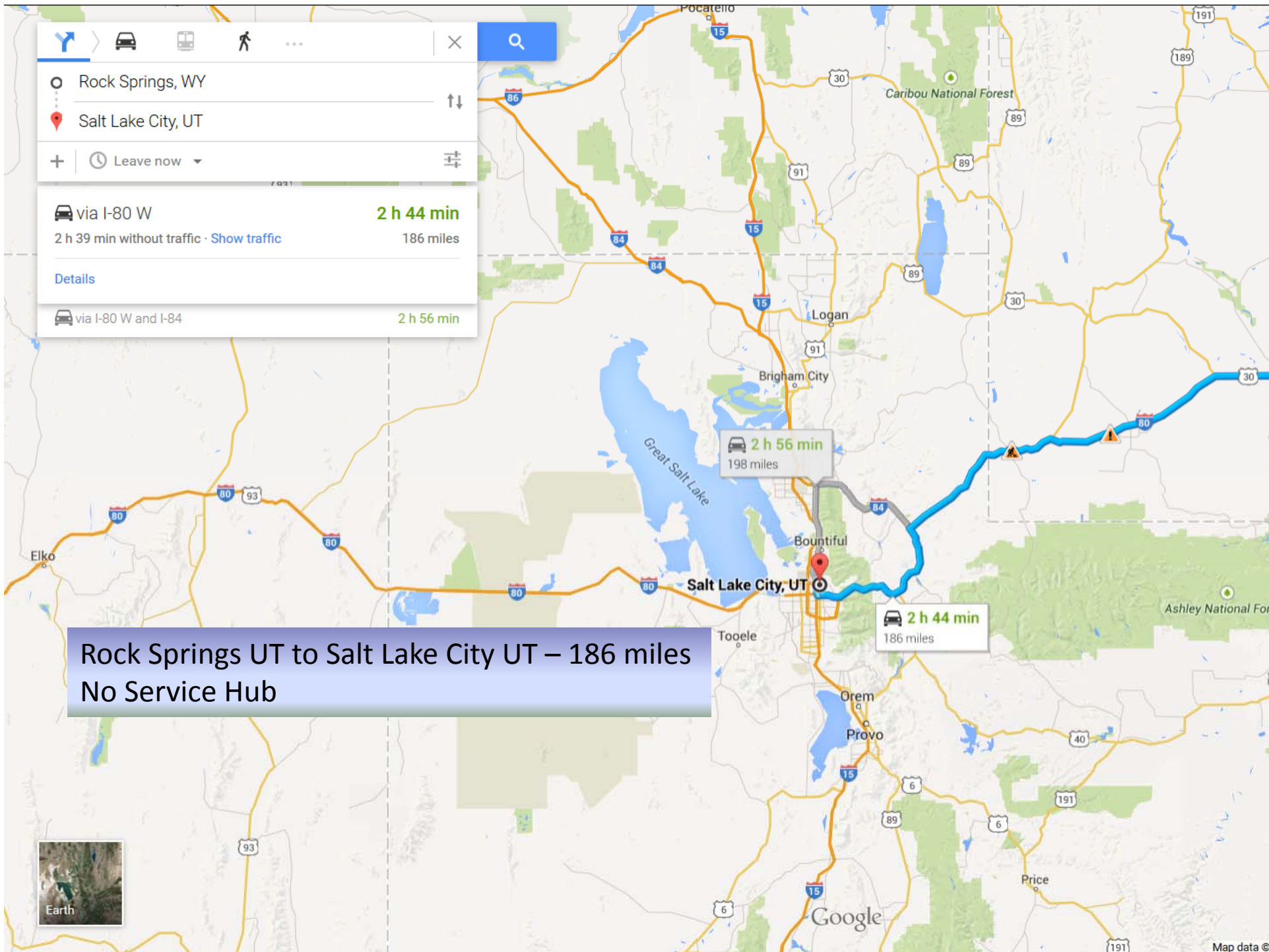


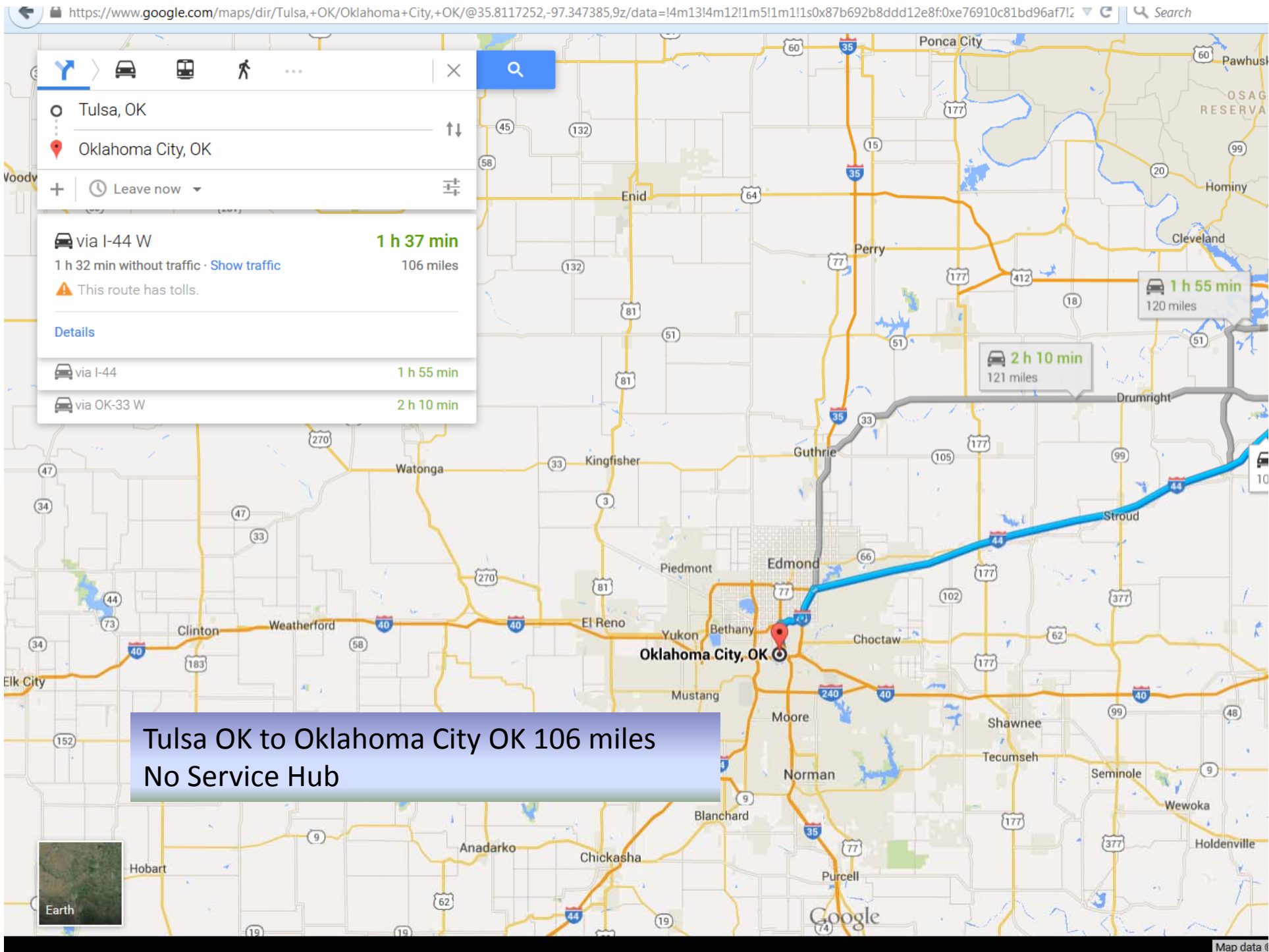












The screenshot shows the Google Maps application interface. At the top, there are navigation icons: a blue location pin, a car icon, a train icon, a person walking icon, and a three-dot menu icon. Below these is a search bar with two locations entered: "Lansing, MI" (marked with a grey dot) and "Grand Rapids, MI" (marked with a red location pin). To the right of the search bar is a vertical double-headed arrow icon. Below the search bar is a row containing a plus sign icon, a clock icon followed by the text "Leave now" with a dropdown arrow, and a settings/gear icon. The main area displays travel options. The first option is "via I-96 W" with a green duration of "1 h 2 min" and a distance of "67.7 miles". Below this is a link "Show traffic" in blue. A "Details" link is also visible. The second option is "via M-43 W" with a green duration of "1 h 40 min". At the bottom, there is a third option partially visible with a duration of "2 h 41 min".

Lansing MI to Grand Rapids MI – 67.7 miles
No Service Hub



Small sampling from NNA's recent Postal Hotline calls

--Last year the distribution center in Kalispell, MT was closed, resulting in mail entered into that post office being routed through Missoula, MT. Missoula is a community 120 miles south of Kalispell. Not only have we used the PO to deliver our newspapers but we also used the PO to send payroll to our outlying papers using first class mail. After several weeks of employees receiving their paychecks late we switched to UPS for our payroll delivery and haven't had a problem since.

From a Montana newspaper

--Can you advise why Standard Mail renewal notices, even though not prebarcoded, are taking two or more weeks to get delivered when routed to Cincy? It appears they sat in your plant for up to two weeks. While we are working to get it prebarcoded, this is still atrocious.

From a Kentucky company that uses Standard Mail for renewals

--You tell (the publisher) for me, that chances are I will not renew my subscription. Because of course, nothing has changed since the last email I have sent to the both of you. If he and his co-workers cannot figure a way for out of state people to get their newspapers in a timely fashion, then you deserve to lose subscribers! I am sorry to be so angry, but I am tired of this nonsense. I have been fighting for newspaper deliveries since 2009 and I really don't want to do it anymore.

From an Illinois subscriber to her hometown paper in Wisconsin

--I have been doing call backs on the Taylorsville and Cox's Creek subscribers that have called into the office that they had not been receiving their Wednesday papers. When speaking to them I have learned that they are again not receiving their Wednesday papers until Friday, Saturday, or even on Monday some of the time. They said that whatever we did worked for MAYBE 2 weeks and they did get their Wednesday paper on Thursday and they were very pleased with that, but it did not last.

From a circulation director of Kentucky newspaper trying to reach readers in the trade area

--I've had a complaint from (subscriber's) daughter – she paid for her mother's subscription on FEB 24 and I started it on FEB 27. HOWEVER, she has not received any papers as of today. I checked the labels to make sure one was created. ... I just do not understand how she has not received any paper at all. I checked Interlink's CASS and her address and CASS are good.

From a circulation director of Illinois newspapers trying to get a gift subscription to Florida

--I am becoming very disappointed with the timely delivery of my Farmland News. It has been over a week late the last month and today I receive the April 21st issue. I might guess that this is due to post office problems, but since I follow the auction ads in your paper it has lost its value. Thought you needed to know.

From a reader of an Ohio agricultural newspaper

Postal error results in over \$3,000 in late water bills

Approximately 400 customers affected

by MATT HUGHES

J-E News Editor

According to the Webster County Water District (WCWD), an error within the United States Postal Service (USPS) resulted in hundreds of water customers receiving late statements/shutoff notices in the month of November, including one member of the water board.

“We send out over 2,000 water bills per month,” said water district superintendent Paul Lashbrook. “Because of changes to the postal system, everything goes from the local post office to Evansville, IN and then comes back to the local post office.”

When the bills went out in early November, something went wrong.

Hundreds of customers who had always paid on time were suddenly late making their payments. Even as the district sent out late/shutoff notices to customers, they began getting bills back in the mail. Many of them were crumpled, dirty and damaged. Others that were supposed to be delivered to customers here in the county had been postmarked in places as far away as Texas.

Providence Journal-Enterprise, Kentucky

A Column by NNA President John Edgecombe Jr that ran in many community newspapers in January

By John Edgecombe Jr
Publisher, The Nebraska Signal, Geneva, Neb.
And President, National Newspaper Association

When Urban Mail Sneezes, Rural Mail Gets Pneumonia

A friend of mine from South Dakota noted that the US Postal Service delivered a lump of coal to many small towns last Christmas when it proceeded to eliminate overnight mail in most of the nation in 2015. That was a good description. USPS will slow delivery officially by one day for First-Class and Periodicals mail. Many members of Congress have asked it to hold off. But USPS is ploughing ahead.

It is time for lawmakers to consider how rural and small town mail is suffering.

The USPS plans to close more than 80 mail processing plants in 2015. Smaller plants will be consolidated into urban plants. It has already closed nearly 150 plants in the past three years and says service was not affected.

That is hard to believe, at least in small towns.

Longer road trips for most mail, traffic delays in urban areas to get sorted mail back to the local post offices, post office closings and shorter business hours have made promises of good service hard to trust. There is also the upheaval while workers lose their jobs or have to be retrained. Now, according to the nation's mail agency, cost-cutting means admitting service will be even slower, even in urban areas, by at least a day.

What the public announcements do not say is that when America's mail sneezes, rural mail gets pneumonia. Cutting a service day is a big sneeze even in the metro areas. But rural and small town mail had already contracted the illness. Many subscribers who receive newspapers by mail have been disappointed by late deliveries. The scattered reports we may hear of delayed credit card payments and business invoices would be much louder if consumers felt there were any point in complaining.

Unfortunately for many—seniors without Internet capabilities, lower income residents, rural folks without good Internet service and people who just don't trust the Internet—the mail is a necessity.

The USPS Inspector General last October chastised the agency for not fully analyzing the impact from its proposed plant closings and the Postal Service said it would do so—but only after its slower service standards go into effect. In other words, it will consider whether it can reach its goals after it has lowered them.

Even before the change, it has been hard to find out how well rural mail is delivered.

The Postal Service provides a public report to its regulator, the Postal Regulatory Commission, on how well it performs against its service standards. See Periodic Reports at www.prc.gov. USPS gathers information on speed of delivery from several sources, including its own digital scanning. The greatest volume of mail is in urban areas, so national statistics may look ok. But the law doesn't require USPS to report on how the rural mail is doing. That is something Congress should consider.

For a list of cities where changes in mail processing are scheduled in 2015 go to <https://ribbs.usps.gov/index.cfm?>. Then open "2015 Network Consolidations."