

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

**Six to Five Day Street Delivery)
And Related Service Changes)**

Docket No. N2010-1

NNA T-2

**REBUTTAL TESTIMONY
OF AL CROSS, NNA T-2
ON BEHALF OF NATIONAL NEWSPAPER ASSOCIATION**

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AUTOBIOGRAPHICAL SKETCH

My name is Al Cross. I am director of the Institute for Rural Journalism and Community Issues, based at the University of Kentucky, and an assistant professor in UK's School of Journalism and Telecommunications. I started my professional life as a weekly newspaper editor and manager in rural Kentucky, then spent 26 years at The (Louisville) Courier-Journal, the last 15½ as chief political writer, and still write a fortnightly column for the paper. I was president of the Society of Professional Journalists in 2001-02 and have been in this position since August 2004.

I teach courses in Community Journalism but the great majority of my duties are with the Institute, the mission of which is to help rural journalists define the public agenda in their communities, through strong reporting and commentary – especially on issues that have a local impact but are driven by events, institutions and individuals outside the local community. The Institute is less a journalism-craft center than a public-policy center for rural journalists, helping them grasp issues that affect their communities – jobs, education, health care and economic development – as well as encouraging them to perform the accountability journalism that the First Amendment envisioned. We present the Tom and Pat Gish Award for courage, integrity and tenacity in rural journalism because it is usually more difficult to produce good journalism in rural areas than in metropolitan areas.

The Institute publishes The Rural Blog, a daily digest of events, trends, issues, ideas and journalism from and about rural America, and www.RuralJournalism.org, a website to help rural journalists. We sponsor conferences such as the 2007 National Summit on Journalism in Rural America and the 2010 conference of the International Society of Weekly Newspaper Editors. My presentations on rural issues and journalism have been made all over the country, from New York to Texas to Alaska, and I recently spoke on press freedom and responsibility in Zambia and Botswana.

Our overarching vision is not merely to help rural journalists, but to help rural America through journalism. To that end, we interpret rural issues for metropolitan news media, conduct seminars, and publish research and good examples of rural journalism.

1
2 **I. PURPOSE AND SCOPE**

3 My testimony has two main purposes:

- 4 1. To show that the end of Saturday mail delivery could exacerbate the decline
5 of many rural communities and the quality of life in rural America.
6 2. To show that the end of Saturday mail delivery would have a major negative
7 effect on rural newspapers, and thus on the communities they serve.
8

9 **II. The mail means more in rural America and is essential to quality of life.**
10

11 The mail is simply a more important part of the public and civic infrastructure in
12 rural America, where those infrastructures are thinner and shakier, than in the rest of
13 the nation. Rural Americans reside further from post offices than their city cousins, and
14 rely more on mail delivery for products and services.
15

16 **A. Population trends show rural America is falling behind.**
17

18 Reducing the quality of postal service will reduce the quality of life in rural
19 America, making it a less attractive place to live. The resulting out-migration, and
20 suppression of in-migration, will contribute to population loss and stagnation in rural
21 counties and add to suburban sprawl that drains other public resources.

22 According to Census Bureau estimates for 2009, the total population of the
23 nation's 2,038 truly rural counties rose only 2.9 percent, compared to 9.1 percent for the
24 U.S. as a whole, according to research by Roberto Gallardo, research associate at the
25 Southern Rural Development Center at Mississippi State University, published on July
26 14, 2010, in the Daily Yonder, the online publication of the Center for Rural Strategies, a
27 nonprofit that seeks to improve economic and social conditions for rural communities
28 through media and research.

29 The 2010 census will surely show that rural counties' share of the population will
30 fall below 20 percent (though it must be remembered that many counties that remain

1 rural in character are included in Standard Metropolitan Statistical Areas because more
2 than one-fourth of their population commutes to the central city in the county for work).
3 But rural America will remain important to the rest of the nation, as the source of its
4 food, fiber, energy sources and other natural resources, and as that part of America
5 where Americans most often choose to vacation, build second homes or reconnect with
6 their roots and the diverse culture of our country.

7
8 **B. The USPS and the government have special obligations to rural America.**
9

10 The facts listed above are good reasons to care about the future of rural
11 America, but there are even more special reasons when it comes to postal service: the
12 United States Constitution and our history.

13 Mail service was one of the reasons we became a federal republic. Article One,
14 Section Eight of the Constitution gives Congress power “to establish post offices and
15 post roads,” and a century after the Constitution was fully ratified Congress began
16 establishing Rural Free Delivery. That service was fully implemented a century ago, and
17 has created a legitimate expectation among Americans that no matter where they
18 choose to live in this land of liberty, they can expect quality postal service. As this
19 testimony will seek to show, postal service that serves them fewer than six days per
20 week (taking holidays into account) is not quality postal service.

21 The PRC may take note of survey results that show most Americans willing to
22 sacrifice Saturday delivery to mitigate postage increases, but it should remember that
23 the question was posed as an either-or choice, without other alternatives. It should also
24 remember that this country was founded with a strong sentiment against the tyranny of
25 the majority. Rural-urban breakdowns of those polls are not publicly available, but we
26 feel sure that truly rural residents would be much more opposed to the loss of Saturday
27 delivery.

28 As the foregoing testimony will show, the end of Saturday mail would make a
29 large number of rural Americans second-class citizens.
30

C. Expansion of Internet service is and will be no substitute for Saturday mail.

The latest data from the Pew Internet and American Life Project, gathered in December 2009 and displayed immediately after this paragraph, show that while the percentage of rural Americans using the Internet has come close to the overall percentage, they are likely to get less from it, because they lack high-speed broadband and make less use of interactive features. (Note the bottom line of the table; if citizens rarely participate in neighborhood e-mail lists or online forums, they are more likely to continue to rely on their local newspaper for news about their community.)

AMONG ALL ADULTS:	URBAN	SUBURBAN	RURAL
Use the Internet	74%	77%	70%
Have broadband at home	61%	64%	47%
Have used wireless Internet	57%	56%	45%
AMONG INTERNET USERS:			
Read a blog dealing with community issues in the past year	17%	13%	11%
Belong to neighborhood e-mail list, listserv or online forum	10%	7%	2%

It is important to note that the “broadband” figures in this chart are likely inflated, because until very recently the Federal Communications Commission used a much lower speed threshold to define Internet service. The FCC announced on July 20 that it had raised the downstream threshold by a factor of 20, to 4 megabits from 200 kilobits per second, which it called “the minimum speed required to stream a high-quality — even if not high-definition — video while leaving sufficient bandwidth for basic web browsing and e-mail, a common mode of broadband usage today.”

The change meant that millions more Americans than previously believed lack meaningful broadband service. The FCC said in its latest Broadband Deployment Report that prospects for getting the service to those estimated 14 to 24 million people are bleak “without changes to present policies. The evidence further indicates that market forces alone are unlikely to ensure that the unserved minority of Americans will

1 be able to obtain the benefits of broadband anytime in the near future.” It also said that
2 areas not served by broadband “appear to be more rural than the U.S. as a whole.”

3 The availability of service aside, many Americans simply decline to adopt the
4 Internet. Pew surveys have found that Internet adoption has slowed since 2005, when it
5 reached 72 percent. It dropped below 70 percent in 2006 and has yet to reach 80
6 percent. It appears that many Americans will simply not adopt the Internet, and one
7 reason is that for many people in rural America it is not available, affordable or reliable.
8 Satellite service is more expensive and less reliable than terrestrial services, and
9 sometimes the only terrestrial service available is dialup.

11 **D. Rural people rely more on USPS than urbanites, who have more alternatives.**

13 Among the millions of rural Americans who do use the Internet, online shopping
14 has become a popular way to save time and money, but the items they purchase must
15 be delivered by the Postal Service or private parcel delivery services. In many rural
16 areas, private service is often limited or unavailable, and generally it is more expensive.
17 Those costs could increase if the Postal Service was no longer a competitor, and almost
18 certainly would go up in areas with little or no competition among private services.

19 Rural populations tend to be older, and thus more likely to require prescription
20 drugs. These are usually maintenance prescriptions, which insurance companies
21 increasingly prefer to have filled by mail. Such deliveries are often scheduled for
22 Saturdays because people are more likely to be at home to sign for the goods. The end
23 of Saturday delivery could leave them without necessary medicine, especially when
24 there is a Monday holiday – about 10 percent of the time.

1 **E. Rural carriers provide essential services that are often needed on Saturdays.**

2
3 Many rural residents, especially immigrants and the working poor, do not have
4 bank accounts or use them sparingly. They prefer to use money orders, and often need
5 to obtain them on Saturdays because they commute long distances during the regular
6 workweek.

7 “I live in a very rural community, and know that a cut in Saturday service would
8 probably affect people out here quite a bit,” Bill Reader, associate professor of
9 journalism at Ohio University and an academic partner of the Institute for Rural
10 Journalism and Community issues, wrote to the Institute. “Many people out here work
11 during the Post Office's normal hours, and rely on Saturday mornings to send packages
12 (no UPS Stores or FedEx drop boxes out here), pick up held mail and packages, etc.
13 Many of my working-age neighbors don't have bank accounts, and use USPS money
14 orders to pay their bills -- money orders they can only get on Saturday mornings.”
15

16 As I understand the proposal, small rural post offices that get their mail from rural
17 carriers would not open on Saturdays because no mail would be delivered to the office
18 on highway contract routes.
19

20 **F. The lack of Saturday mail would hurt businesses in rural areas.**

21
22 While big-box stores and other major retailers can use mass mailings any day of
23 the week, independent retail merchants must rely on their local newspaper to get
24 printed advertising in the hands of their customers and potential customers. The lack of
25 a Saturday newspaper would mean the absence of a powerful advertising vehicle for
26 local businesses at an increasingly important time of the week. Saturday has long been
27 the biggest shopping day of the week, but Sunday sales have increased to the point that
28 they now equal Friday sales in volume, even though stores are open fewer hours on
29 Sunday than any other day of the week, according to Aaron Martin of ShopperTrack, a
30 survey firm that serves retailers.

1 Independent retail merchants in rural areas have found it hard to compete with
2 big-box stores; the big stores rely on direct mail and national advertising, while local
3 retailers are dependent on newspaper ads. While the coming of a large store often
4 brings additional businesses that cluster around it, towns that lack such stores but are
5 an easy drive from them have suffered because of them, according to research by Ken
6 Stone of Iowa State University. Independent retailers are important civic actors,
7 providing support for local causes and programs, and they are especially important to
8 local newspapers, which get little advertising from big-box stores. For example, Wal-
9 Mart very, very rarely advertises in rural newspapers, instead relying on its national
10 advertising and its reputation as the store with the lowest prices.

11
12 **III. Loss of Saturday mail delivery would have major deleterious effects on many**
13 **rural newspapers, and thus inevitably on the communities they serve.**
14

15 In addition to the indirect impact on newspapers noted above, the hundreds of
16 papers that publish on Saturdays – and to some extent the weeklies that publish on
17 Fridays – would be negatively affected in several ways, and so would their readers. (By
18 industry convention, a weekly newspaper is one that publishes three or fewer times a
19 week and a daily paper is one that publishes four or more times a week.)

20 The Morris (Minn.) Sun Tribune publishes only on Saturdays, and about three-
21 fourths of its subscribers are served by mail, Publisher Sue Dieter said in an interview
22 with the Institute for Rural Journalism and Community Issues. She said she would
23 rather move to all carrier delivery, but that would reduce the resources that her paper
24 has for gathering and reporting news.

25 The Columbian-Progress in Columbia, Miss., publishes on Thursday and
26 Saturdays and delivers to subscribers entirely by mail. Moving to “Thursday and Friday
27 doesn’t make too much sense,” Publisher Julie Johnson told the Institute. “I wouldn’t
28 want to [publish on] Monday, because most of our advertisers want to be there for the
29 weekend. So I don’t know what we would do.”

1 The Sullivan County Democrat in Callicoon, N.Y., publishes on Tuesdays and
2 Fridays, and Publisher Fred Stabbert dislikes the prospect of no Saturday mail. He told
3 the Institute, “Hopefully, they’ll get it delivered Friday, but we do have readers who live
4 some distance away and do not get the newspaper until Saturday. This concerns us. If
5 the paper doesn’t arrive until Monday, it would probably be null and void for a lot of our
6 advertisers.”

7 Community newspapers are linchpins for their communities, most of which do not
8 have television stations and many of which have little local news on radio because so
9 many radio stations have been bought by chains that eliminate their general formats in
10 favor of niche programming aimed at larger markets. This has been done not only by
11 major chains like Clear Channel and Cumulus, but by smaller companies like Bluegrass
12 Broadcasting in Kentucky, headed by Steve Newberry of Glasgow, Ky., recently
13 chairman of the National Association of Broadcasters. He knows niches; he told the
14 Institute that unless a station has a totally news-and-talk or news-talk-sports format, the
15 more news it puts on the air, the lower its ratings.

16
17 **A. In today’s fast-paced society, news that is just a few days old is old news.**
18

19 In most rural communities for much of the year, the big night of the week is
20 Friday night, when high-school football teams renew old rivalries and carry the banners
21 of their communities. High-school basketball teams play about two games a week,
22 typically on Tuesdays and Fridays.

23 Rural residents want to read about these games as soon as they can, Jeff Funk,
24 publisher of the Enid (Okla.) News and Eagle, told the Institute for Rural Journalism and
25 Community Issues. “People don’t want to read about Friday night sports in their
26 newspaper on Monday afternoon,” he said.

27 “By that time, they wouldn’t really be stories,” said Brinn Clayton, publisher of
28 The Courier-Times in Roxboro, N.C.

29 Many daily papers do not publish on Sundays, and in many cases the Saturday
30 edition is their largest seller. “Our Saturday paper’s big because of the sports coverage,”

1 said Cindy Conrad, publisher of the Sentinel-Standard in Ionia, Mich. "The community
2 will have a hard time with this [change] because of the obituaries and sports coverage
3 they count on in the Saturday paper."

4 Obituaries are one of the most heavily read parts of almost any newspaper, and
5 the lack of a local newspaper for two or three days could complicate lives at a time of
6 stress.

7 8 **B. Newspapers cannot replace lost print revenue with online revenue.**

9
10 The Internet is a very different medium, and despite newspapers' broad and
11 deep experimentation in reaction to the digital revolution, their online revenue has
12 recouped only a small share of the print revenue they have lost because of competition
13 from the Internet.

14 15 **C. Many daily papers increasingly rely on mail delivery.**

16
17 In response to rising fuel prices and labor issues involving carriers in recent
18 years, many daily newspapers have started using the Postal Service to deliver part or
19 all of their prepaid circulation. The loss of Saturday mail would be a major blow to rural
20 dailies that have Saturday editions and use the mail.

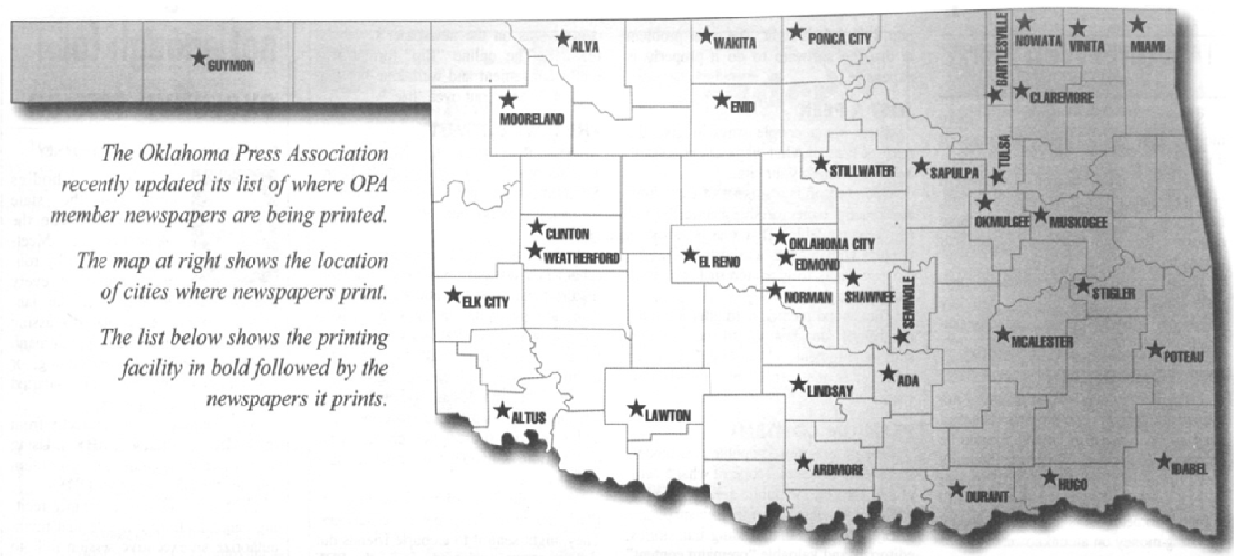
21 One such paper is the Times-Tribune in Corbin, Ky. Circulation Director Ernie
22 Horn says the paper hasn't been able to decide what it would do without Saturday mail,
23 but one option is "not having a Saturday paper." That would be an obvious blow to the
24 financial health of the newspaper, and damaging to the community, which is covered
25 relatively little by broadcast news operations.

26 Some weekly papers have tried carriers, and some still use them, but others
27 have abandoned them, including the Bureau County Republican in Illinois. Publisher
28 Sam Fisher said his thrice-weekly paper would want to keep its Saturday paper and
29 "have to come up with a whole new carrier system."

1 That's not easy for independently owned papers like the Republican and the
2 Cadillac (Mich.) News. "We are not part of a corporate chain that can tap into expertise
3 at a headquarters," Publisher Christopher Huckle told the PRC at its Chicago hearing.
4 About 20 percent of U.S. dailies and 40 percent of weeklies are independently owned.
5

6 **D. Many weekly newspapers cannot easily adjust their publication schedules.**
7

8 While many weekly papers that publish on Saturdays could shift to Friday, some
9 would find the change very burdensome because press time can be hard to find. Many
10 small daily newspapers are now printed at larger papers in the same chain and have
11 shut, sold or scrapped their presses – many of which once printed weekly papers.
12 "When advertising fell off the cliff, we shut down our press," Publisher Andy Bernhard of
13 the Park Record in Park City, Utah, told the Institute for Rural Journalism. The trend has
14 been noticed in many states, including Oklahoma, where the state press association
15 recently published this map as a reference for its newspaper members.



16
17
18 **E. Many papers have large remote circulations that would be placed at risk.**
19

20 In many rural areas, a large share of newspaper circulation goes to residents
21 who have moved to adjoining or nearby counties. For example, in Appalachian

1 Kentucky, it is typical for one-fourth to one-third of weekly newspapers' circulation to go
2 outside the county. Newspapers have reported increasing problems with timely delivery
3 of such papers, and resulting cancellation of subscriptions. Eliminating Saturday as a
4 delivery day would only increase this problem, especially for papers that publish on
5 Friday – or even on Thursday, the most common or second most common day for once-
6 a-week newspapers to publish.

7 "We have a lot of snowbirds who get their papers after Friday," said Lynn
8 Mounsdon, circulation manager for the Echo-Press in Alexandria, Minn., which
9 publishes on Wednesdays and Fridays. Without Saturday delivery, "It would delay the
10 mail another two days. . . . The timely thing is important because there will be
11 customers who may not re-subscribe if it's going to be later than they're used to."

Conclusion

I believe the Postal Service has a special obligation to rural America that is rooted in its constitutional origins. Rural America's needs cannot be assumed to be the same as those of urban America. Information options are more limited, and residents rely heavily upon local newspapers to remain connected to the community. Local newspapers would be adversely affected by the loss of 5-day service, and their communities would in turn suffer from the loss.