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May 10, 2023

The Honorable Michael Kubayanda
Chairman
And Members of the Commission
Postal Regulatory Commission
901 New York Avenue NW
Suite 200
Washington DC 20268

In Re: Market Dominant Price Change, R2023-2

Dear Chairman Kubayanda and Commissioners:

I write on behalf of approximately 1,700 community newspapers in response to the US Postal Service's announced July 9, 2023, postage increase. Our members use Periodicals mail as the primary delivery channel to reach subscribers. We also have a number of members who use Marketing Mail (including some users of Every Door Direct Mail) to provide additional reach in their markets for advertisers.

This impending increase adds additional pain to small newspapers whose postage increases already have amounted to nearly 25% since January, 2021. As the second increase of this year, the higher postage handcuffs our members, whose own communities are still trying to emerge from the COVID-19 pandemic. There is simply no way for publishers to recoup this additional expense.

In the past year, several of our most loyal members, sadly, have closed their doors, overwhelmed by the headwinds facing local journalists. NNA has lost a number of newspapers this year whose titles stretched back a century or more. Researchers tell us that the US is losing newspapers at an approximate rate of 2 per week. [As newspapers close, struggling communities are hit hardest by the decline in local journalism - Northwestern Now.](#)

While postage increases are certainly not the only force driving these endings, the one-two punch of unreliable mail delivery and aggressive price increases are among the preventable causes.

Respectfully, while NNA understands the rationale for the increases, we believe it is time for the Commission to revisit its rule requiring a 2 percent surcharge for mail classes that do not fully cover costs. The Commission's rule in 39 C.F.R 3030.221 is not achieving the objective of full cost coverage for Periodicals. Given the continued closing of newspapers and magazines, it is highly unlikely that Periodicals will ever become compensatory. The price increases will not help the Postal Service; they are hampering newspapers' struggles to serve their communities. In light of the law's recognition of the educational, cultural, scientific and informational value of Periodicals, combined with the inevitable recognition that Periodicals will not rise to full cost coverage, the Commission should revisit its rule and eliminate the surcharge as it applies to newspapers and magazines.



NNA does find one positive element in the current proposed price change. The Postal Service proposes a small discount for “marriage mail” or saturation advertising mailings that are 2 ounces or less, contain at least four distinct advertisers’ messages and are to be mailed at least 10 times in a calendar year. NNA has relatively few members that have continued programs begun decades ago to reach nonsubscribers through what was originally third-class mail. The postage costs for these programs have outstripped demand in an era where digital advertising is incrementally much cheaper. We noted earlier this month that Kroger, a long-time newspaper advertiser, was discontinuing its print advertising entirely and moving to a digital marketing strategy.

However, in America’s small towns, there remain independent grocers, hardware stores and other local retailers that benefit from our newspapers’ saturation mail programs. The Postal Service’s proposal will have merit for them.

I appreciate your consideration of our concerns as you review the proposed price changes.

Respectfully,

A handwritten signature in black ink that reads "John M. Galer". The signature is written in a cursive, flowing style.

John M. Galer
Publisher, The Journal-News, Hillsboro, IL
Chair, National Newspaper Association and
Member, USPS Mailers Technical Advisory Committee