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National Newspaper Association hereby provides comments to the Postal Service's proposal to discontinue hard-copy postage statements, published in the Federal Register on February 13, 2023. NNA's comments are confined to the application of the proposal to USPS Form 3541, the postage statement required for Periodicals mailers. NNA does not oppose the Postal Service's desire to continue the migration of mailers to digital communications with USPS. However, the proposal will present a hardship for many small publications. For a variety of reasons, NNA makes four specific proposals:

1. That the transition period should be continued through 2025.
2. That after the elimination of hard-copy statements, USPS will not refuse or defer any Periodicals mail for the sole reason that a digital statement is not presented at the time mail is offered for entry, but will continue its practice of moving mail in a timely fashion to its destination while working with the mailer to reconcile postage due and the necessary documentation.
3. That USPS improve communications to the field, specifically requiring local postmasters where Periodical mail is entered to hold in-person meetings with mailers no later than 180 days before any implementation date of this proposal.
4. That USPS rapidly enhance the available of service data for newspaper mail. Better visibility would be a carrot, rather than a stick, that would give publishers a positive incentive to achieve the goals intended by this proposal.

Background

NNA represents approximately 1,700 community newspapers, primarily weekly and small daily publications situated in small-towns and rural areas. For purposes of this discussion, NNA considers a newspaper to be a daily if it publishes five days a week or more. Its members are heavily reliant upon the Postal Service for the primary distribution of each issue to readers. Without the Postal Service as a distribution partner, NNA member newspapers would not be able to serve their communities with news and information. Any disruption to that distribution puts both the newspaper and the community at risk. Fortunately, most NNA members have been making the changes in mail preparation, entry and payment that USPS has been promoting of requiring over the past several years. Those that are not are falling behind primarily for financial reasons.

The Postal Service's proposal arrives at a time of tremendous stress in the publishing industry, particularly for journalism-based publications. Growing national concern about the eruption of news deserts in America has led to a spate of legislative and regulatory proposals to guide public policy toward supporting, rather than inhibiting the sustainability of local newspapers. Yet, financial hardship is leading a number of community newspapers to follow the path that their larger brethren began more than a decade ago: to trim news coverage, reduce publication dates and, sadly, simply to close. One of NNA's most loyal members—and dependable mailers—joined these ranks recently. The story of the Canadian (TX) Record is told here: [Texas news desert expands after Canadian Record stops publishing | The Texas Tribune](#).

Certainly, changes presented to publishers by the Postal Service are not the only barriers to a publication's sustainability. The general financial economy is doing a fine job of putting newspapers at risk. But neither are the Postal Service's contributions to the difficulties without consequence.



Just within the past decade, the Postal Service has made it more difficult for newspapers to get the news out:

- by closing nearly half of the mail processing facilities, particularly those closest to rural and small town publishers;
- by diminishing service standards by a day;
- by consistently failing to meet even the new standards;
- by providing no meaningful way for local newspapers to use service measurement tools;
- by creating more complex mail entry tools, such as Seamless Acceptance;
- by twice-a-year postage increases of daunting magnitude;
- by forcing publishers to eliminate the use of sacks, which are the easiest and most compact means of bringing the newspaper from the printer to business mail entry.

Now comes a proposal to require local publishers to either invest in costly mailing software or spend opportunity time in training staff on USPS tools for business entry.

Frankly, after all of this, a local publisher would be forgiven for thinking: the Postal Service does not want our business. It is a sentiment that NNA often hears from its membership.

However, NNA understands the impetus behind this proposal. While supportive of initiatives to contribute to the viability of Periodicals in the mail, NNA suggests that this proposal be considered a desirable direction and not an immutable end-goal for Periodicals in the mail.

1. The speed of the transition

The Postal Service proposes to end the hard-copy acceptance of Form 3541 on January 21, 2024.

Although that date may seem like a year away, in fact it is not enough time for a time-stressed local newspaper publisher to make a transition.

First, the final rule is not likely to reach local publishers until at least mid-April, if then. Although NNA members will be immediately informed, there are several thousand other newspaper titles in the country that are not so plugged into the intricacies of mail usage as are NNA members. It is likely that word of this change will not reach many smaller newspapers until much later.

Publishers will need time to make a transition. If purchasing postal software off the approved vendor list at www.postalpro.com, negotiations, contracts and implementation will be necessary. But Periodicals software vendors already are overloaded with customer service requests and program changes driven by the semi-annual postage increases. The time for implementation of new software, which may include the need for a publisher to secure financing, could easily consume the entire time from effective notice to the January 21, 2024 drop dead date.

The publication of notice that hard-copy statements are ending will begin to drive the change USPS is seeking. By adding an additional 12 months to the final implementation date, USPS will give the smallest newspapers more time to adapt, provide its own local postmasters with more time to teach the new methods, and improve the odds of keeping the newspaper in the mail. Meanwhile, the migration of publications into digital filing will begin to show the results that the Postal Service desires.

Therefore, an implementation date in January 2025, following any rate changes that month, would be beneficial.

2. The acceptance of the mail without digital forms is important.

The Postal Service has a long tradition of moving mail even when the nuances of compliance are not met. That tradition reflects an understanding of the importance of timeliness for newspapers. It also protects the local postmaster from a battery of complaints from mail recipients who want to know where their newspaper is.



A prime example is the Postal Service's handling of Overnight Entry of Mail, permitted under DMM Section _____. Overnight entry, of course, was a staple of the relationship between postmaster and publisher long before modern service standards, measurements and financial controls. In the old days, the mail would appear on a postal dock and the publisher would arrive at the post office the following day with a mailing statement and a check. Because the periodicity and local relationship kept the Postal Service from encountering unacceptable financial risk, the mail moved ahead of the payment.

As USPS began to push the industry into digital documentation, new regulations had to be established to continue this overnight mail practice. To its credit, the Postal Service developed a process that would allow for that overnight entered-mail to be moving through the mailstream while documentation and payment (now digital in most cases) arrived apace.

The Postal Service should honor this tradition.

The final rule should make clear that newspaper mail must not be held pending a publisher's compliance with the digital form submission. NNA believes the intent of the Postal Service is to continue to move the mail. But without black letter guidance for local postal officials, a mail delay is surely to erupt somewhere. That will require the time and attention of senior postal officials—and most likely NNA's MTAC team—to address a problem that could have been avoided.

3. In-person meetings are a must.

No matter how many emails are sent and webinars offered, many people never get the word.

In NNA's 138-year history as a partner of the Postal Service on policy development, this lesson has been brought home many times.

NNA has pledged to assist USPS in carrying out the goals of this proposal. In fact, its first training session provided ably by the USPS Product Solutions Team has already occurred. NNA will do more.

But the waving of the USPS Headquarters wand, while commanding, is not always as successful as NNA and the Postal Service managers would like. Inevitably, NNA finds that local postmaster learn of Periodicals mail changes from our publishers, not from USPS management. NNA also finds that non-member newspapers often hear about changes in postal policy from our own members. Even with all of that communication, changes come slowly.

A case in point is the recent requirement for Periodicals mailers to use flats trays instead of mail sacks to transport newspapers.

NNA began teaching this conversion shortly after the turn of the millennium. Numerous webinars, seminars and postal hotline communications have been held. We have seen a consistent, though gradual, conversion to flats trays. In 2023, USPS issued an order for local publishers to cease using sacks except in narrowly-circumscribed conditions.

Yet, anecdotal reports indicate that sacks are very much still in use in ways that USPS thinks it has eliminated. Why? Because the flats trays are harder to get...because local postmasters prefer sacks..because the word has not got out.

If USPS handles instruction on this conversion of hard-copy 3541 to digital submission as it has handled most instruction to small post offices, the result is likely to be the same. Many will not get the word. Many will continue to do as they have always done.

Therefore, NNA strongly urges that USPS examine the universe of local post offices where active Periodicals permits are being used and, if hard-copy statements are being filed, direct the local postmaster to initiate a meeting with the mailer to discuss the plans for conversion to a digital platform. That report should be submitted



to the Mailing Acceptance team in a timely fashion. If no report is filed, Mailing Acceptance should provide an additional grace period for that meeting to occur and the conversion to take place, even if the process begins after that final implementation date.

4. The best way is to use a carrot, not a stick.

The Postal Service has been pushing Periodicals mailers through changes in mail entry, preparation, and transportation for more than a decade. Many NNA members, for example, have adopted Full Service Intelligent Mail Barcode practices, even though there is little benefit to them. That adoption has led to enrollment in Seamless Acceptance programs, another USPS change in which there is little benefit to the mailer.

Yet one benefit from the Full-Service acceptance that was offered but never consummated for local newspaper publishers is service data. Other mailers in Full-Service are offered a far more fulsome data set on service performance, service interruptions and problems in distribution than newspaper publishers ever get. For the newspaper industry, the promise of Service Measurement is merely a glimmer of hope for the future. It is an odd outcome, given the importance of timely delivery of this mail. A catalog whose arrival in a household could effectively be a span of a week or two without destroying the value of the mailpiece, strangely, gets more service data than the newspaper whose timely weekend arrival makes the difference between a reader who is able to learn about a local sale or the changed time of a church service and the one whose news arrives too late.

The reasons for the data paucity are well known to the Postal Service. They are about delivery-unit entry, lack of automation machines that will safely sort newspapers and carriers' uses or non-uses of individual mailpiece scanners. All of these deficits are within the Postal Service's power to repair, but carrying out such repairs have been a low priority.

If effective service data were actually available to publishers, the conversion to Full-Service—and with it the digital transmission of 3541 forms—would be rapid. Knowing where mail is stalled, and why, is the key to saving a much-needed subscriber relationship. Publishers have every reason to wish to engage in that exercise, for reasons of their own sustainability rather than the Postal Service's needs.

Create reliable service data for newspapers. That one carrot will accomplish the goals of this proposal faster than any regulatory bludgeon available.

Summary

NNA does not wish to stand in the way of progress. It has dedicated the resources of its small team to helping the Postal Service carry out the goals of several initiatives in recent years. The rationale for moving hard-copy submissions to digital formats is clear. NNA submits that with a more careful design for the implementation plan, much of the anxiety about this conversion could be avoided. But better yet would be a USPS initiative to give publishers an incentive to make changes for their own reasons. Better service data will accomplish the same goal, and create a win-win scenario for the mailer and the Postal Service.

Sincerely,

A handwritten signature in black ink that reads "John M. Galer".

John Galer
Chair, National Newspaper Association and
Publisher of weekly newspapers, including the Hillsboro (IL) Journal-News