

Statement of: **Larry Green**
President and Publisher
Pioneer Press
3701 West Lake
Glenview, IL 60026
(847) 486-7201
lgreen@pioneerlocal.com

Prepared for:

The House of Representatives
Committee on Oversight and Government Reform
Subcommittee on Federal Workforce, Postal Service, and the District of Columbia Hearing, May 28, 2007
Dirksen Federal Building
Chicago, Illinois

Congressman Davis, Honorable Members of the Committee
Thank you for this opportunity.

My company, Pioneer Press is part of the Sun-Times Media Group headquartered here in Chicago. Pioneer publishes 58 community newspapers and one regional magazine. All are distributed by the Postal Service. This year our annual postal bill will approach \$2 million.

We are pleased with the current level of service and attention our periodicals receive. Week after week our newspapers, mailed with in-county second class rates, pre-sorted by carrier route and delivered more than 70 individual post offices; arrive on time to postal patrons in the zip codes where the mailings originate.

The USPS is efficient in this category and local postmasters we work with are, for the most part, customer friendly and service oriented.

The quality of this service and the unique local content of our publications combine to fulfill our goal—and yours—of an informed citizenry.

But--and you knew there was going to be a "but."

This is not an unqualified endorsement. Many of our subscribers do not live in zip codes where our mailings originate and they can wait up to three weeks to receive their paper—often receiving two or more delayed copies on the same day. I understand from colleagues in other cities that this is not unique to the Chicago region.

Similarly, our direct mail solicitations for new subscribers using Standard A enhance carrier route sortation can take up to nine days to begin reaching targeted homes in the suburbs and neighborhoods of Chicago.

The delays are not limited to third class mail or just to city mail. It took at least five days for this committee's letter advising me of this hearing's specifics to reach my office in Glenview, Illinois from Washington.

Just two weeks ago a check mailed to the post master in Hinsdale from Tinley Park on a Friday had not arrived by the close of business the following Wednesday. That is distance of less than 18 miles or less than a six hour walk.

I'm sure you agree these delays are excessive for an organization that actively markets their services to help businesses grow.

And as a business operator, I am also concerned about the rapid increase in second class postal rates. This year's estimated increase of 16%--while less than the originally forecasted 23-24%--none the less is more than five times the rate of inflation. I can see the day when many community newspapers—including some that I publish—will eventually be forced to find alternative ways to deliver their publications or cease publishing. This will endanger our mutual goals of an informed citizenry.

Periodicals actually enhance the value of mail. As more and more alternatives to mail emerge—automatic bill paying; e-mail, internet shopping; private overnight delivery services—knowing there will be a newspaper or magazine in the mailbox actually gives consumers, the USPS shareholders, a reason to watch for the postman or post woman.

We also understand the USPS is experimenting with a centralized “flat sortation” system for mail distribution. And we have heard reports that this system will delay or eliminate my industry’s current ability to deliver newspapers directly to *local post offices* and *substations* for timely distribution. If these reports are correct, the USPS may drive away revenue in the name of “efficiency.” There are some cynics in my business who believe that may actually be the intent.

I want to call your attention to one more frustration in dealing with the USPS. Its mammoth book of regulations is difficult and sometimes confusing to wade through. For a few years I employed a Harvard trained lawyer whose primary task was interpretation these regulations and applying them to our business model. I believe, along with many of my colleagues who depend on the mail to distribute their publications, that these rules and regulations must be reviewed and simplified. This is a long overdue reform that will be welcomed by all businesses that rely on the USPS.

One result of the current complicated set of regulations is inconsistent interpretation of them by local postmasters. When you deal with as many local post offices as we do, that can be not only frustrating but costly, particularly when an initiative is permitted by one postmaster but rejected by a second—both sometimes citing the same rule.

Let me give you one example. There are very specific rules for ‘pre-positioned notes’ or Post-it-Notes used for advertising messages generally on the front pages of our publications. Some postmasters are more lenient than others when applying these regulations leading some advertisers to question why their materials were rejected while a competitor’s identical format was accepted. The easy answer for us is to “blame the post office” but I much rather be assured that if we follow rules, our competitors will be following the same rules.

Again, thank you for this opportunity.