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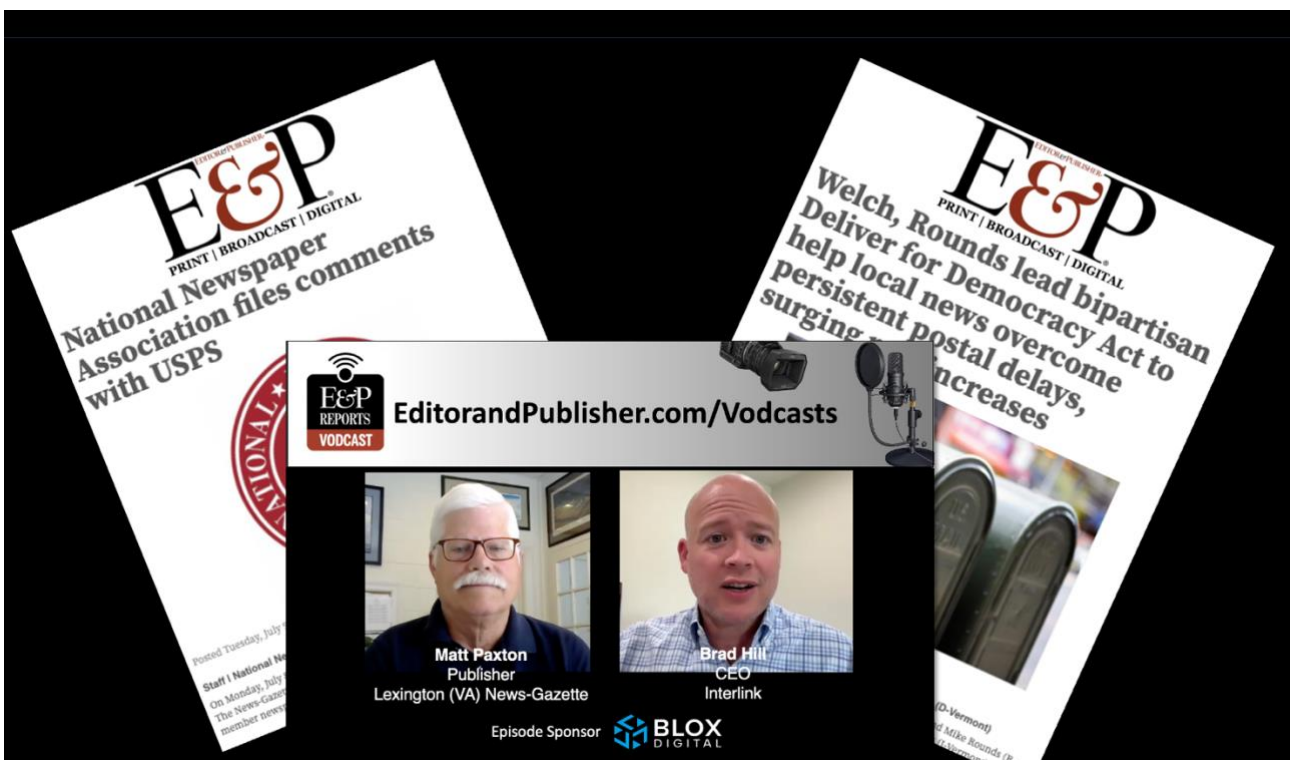
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Audio Transcript

Episode 245 of "[E&P Reports](#)" Vodcast Series
with Mike Blinder

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[Navigating the challenges of USPS print delivery](#)

In this episode, E&P spoke with two prominent figures in the newspaper industry: Matt Paxton, publisher of The News-Gazette in Lexington, Virginia, and past president of the National Newspaper Association (NNA), and Brad Hill, CEO of Interlink and an NNA representative on the USPS Mailer's Technical Advisory Committee. They explore the ongoing relevance of print media, the intricacies of postal delivery and the NNA's advocacy efforts.



0:00:03.9 Announcer: This is ENP reports, a vodcast from Editor & Publisher Magazine, the authoritative voice of news media since 1884, serving newspapers, broadcast, digital, and all forms of news publishing.

0:00:19.2 Mike Blinder: And warm greetings once again, Mike Blinder, publisher of ENP Magazine. As always, we start off by urging those, listening to this program on a podcast channel to follow us, those watching on YouTube, seeing our elderly face, I'm just kidding, but watching our faces. [laughter] Well, below us is a subscribe button. There's a bell to the right. If you engage with those things, you'll get updates every time We upload this weekly vodcast series dedicated to the news publishing industry ENP reports. Part of news publishing is still print. Do I have that right, Matt Paxton?

0:00:55.0 Matt Paxton: Yes, indeed.

0:00:55.4 MB: There you go.

0:00:56.4 MP: Certainly on the community level.

0:00:58.1 MB: There you go. We don't ignore those legacy presses that still churn out amazing content each and every day. Matt Paxton is the publisher of the News Gazette in Lexington, Virginia. You're also the past president of the NNA. Those who know it know it stands for the National Newspaper Association. Matt, thanks so much for joining us.

0:01:18.2 MP: My pleasure. Thank you.

0:01:20.9 MB: Brad Hill. Brad, you are CEO of Interlink. A company that provides services to those that mail product, but you're also the NNA's representative on postal mailing technology. Do I have that right, sir?

0:01:39.5 Brad Hill: The Mailer's Technical Advisory Committee. I'm one of the NNA's representatives along with Matt Paxton. We work with the postal service on technical issues. Yes.

0:01:50.7 MB: So, there you go. The two gentlemen that I have on this program today, and I are gonna discuss how the heck to get a printed product through the postal system. Doing that right guys? And do it efficiently and cost effectively. Is that what this is all about?

0:02:05.1 MP: Yes, it is.

0:02:05.8 MB: There you go. We're gonna unpack all of that on the backside of this message.

0:02:08.8 Announcer: This episode of ENP Reports is exclusively sponsored by BLOX Digital, formerly TownNews. Even though the name has changed, their commitment to the media industry is as strong as ever. BLOX Digital is now even better positioned to deliver integrated solutions like



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0:03:13.3 MB: Now, I was warning these gentlemen before the program to treat me like a 3-year-old and I sometimes when I give a speech, Brad and Matt and I stand, they say, tell us the ENP story. I say, I said to the audience for 35 years, I was an ad guy. All I did was sell advertising. I did in hundreds of markets as a consultant. Then I turned all the ads over and never fulfilled them. I never printed them. Do you understand? I never manufactured. I just sold them. And so I, when I took over ENP four years ago, I learned something that I never knew in this industry. Gentlemen, maybe you do know this, that paper and postage are expensive. Do I have that? I mean, suddenly I'm producing a printed product and I'm realizing how amazingly cumbersome that can be in the world.

0:03:54.3 MB: That's why some publications, as you both know, have decided to shut down presses. Walter Huston made that amazing choice to give iPads to every single one of his print subscribers years ago in Arkansas; maybe in Arkansas, you can pull off that feat. Tampa Bay Times owned by the Poynter Institute now only prints one day a week, I believe, and does everything with a digital. I mean, if you make that call, it's great. Some people have been yelling at me when I talk about how hard it is to finance ENP some months where Robert and I have to put money back into it. They say, just stop printing, and I could save like 20 grand a month, a year. But printing is still a viable media. Matt, do I have that right? I mean, where's the NNA's position on print? You guys have more print members, I think, than any other association.

0:04:41.7 MP: Yeah, I think that we see that for our membership which is almost exclusively community papers in more rural areas, the average NNA member has a circulation of 3000, so it's very small, typically a weekly paper. And we believe that we can't survive in a digital only world in our types, in our communities. Our readers like getting the print product. They value it and they'll pay for it. And our advertisers, to a large degree, I think feel the same way. They know that they can use social media, and they do. And they know that they can, you can advertise digitally, both with us and without us. But there is still a value proposition for print, for printed newspapers in smaller communities and in rural areas particularly areas that have lousy broadband coverage. And that's sort of the archetypical NNA member.

0:05:57.1 MB: Well, let's just keep that on the table for the rest of our dialogue. We will assume that there are human beings that still will get a weekly print newspaper in their hands, read it and respond to the to the editorial and the advertise. I mean, [laughter] which is what we do for a living. So, with that being said, correct me if I'm wrong, again, treat me like I'm a 3-year-old, but I am on the board of the international newspaper group, but that's mostly 'cause we salute the operations all stars and I follow operations. We have amazing editorial people who cover this, the area, that there's been a move towards postal delivery from carrier delivery. And Brad, I don't know if you wanna address that or Matt, but the reason being right, it's hard to keep a carrier to deliver papers once a week. Is that true?



0:06:43.5 BH: Very difficult to do that. We've worked with hundreds of papers over the last several years in that transition as the days of print have been reduced, oftentimes that can be the initial impetus or one of the main causes for moving a mail from carrier delivery, but also the cost. You know, when you can deliver a paper across town for 20 cents, there aren't a lot of carriers that are only getting paid 20 cents per stop to deliver anymore. So from a cost perspective, there's a lot of money to be saved by using the mail, at least locally.

0:07:12.9 MB: There is a challenge with that if you are a daily paper, correct? I mean, 'cause you got some delays, you can't, but if you're a weekly, which means you're not necessarily breaking news in the... You can do that on your website, right? You can just have more in depth county coverage. It's cost effective then. I mean, that's basic. Is the NNA have a position on this that move into mail is a good move, Matt?

0:07:37.7 MP: Yeah. Well, NNA members have used the mail for decades, centuries actually. We've always been in the mail and primarily because we're community publications. We tend to be covering one county or maybe just a very few counties. We do take advantage of what's known as the in county rates, which are lower than rates for newspapers being mailed outside of the county. So that has really been NNA's probably core concern in terms of postal is maintaining that in county subclass of mail at a fair and reasonable rate.

0:08:33.0 MB: The reason for this interview and the timeliness of this interview, Brad, is because the... Recently the NNA sent a letter to the Postal Service, right? And I want you to unpack this for me quickly, Brad, about the rule change about securing bundles of flats. Brad, do I have that right? Can you just quickly give us the elevator tour of this issue?

0:08:56.8 BH: Yeah, and it's something that Postal Service has been wrestling with for many years now. And it has to do with the likelihood of a bundle of newspapers going through the postal network and staying together or versus breaking apart. But believe it or not, there are a lot of people that will still create bundles with rubber bands. Also string and I think string is perfectly viable. Rubber bands are in many cases as well. But the Postal Service contends that when that kind of bundle goes across its equipment or through its network, that handling that occurs is likely to break apart that bundle and cause issues that require more manual attention that, that's a Postal Service position on it. They want to move to plastic straps for all bundles of flat shaped mail in instead to reduce the fog, if you will, in processing.

0:09:52.9 MB: And, Matt, I assume there's, that's just impossible for some operators. It's too expensive to get that equipment.

0:10:01.5 MP: Yeah, I priced it when this all came down a month or so ago, I went out and priced some of this equipment and it's in the \$8000 - \$10,000 range. And it's not something that it is gonna be real accessible to a lot of smaller publications and publishers. I mean, we would use it once a week. It's not real efficient to buy something that costs that much to use once a week. Our position is that because the bulk of our mail is in county and is... Most of our mail, our newspapers get delivered to our post office a block away, and it goes right out on the routes. It never goes through any postal transportation. It never goes through any postal sortation equipment. It is already

bundled in, carrier route sorted, and actually in delivery sequence. So all the carriers have to do is load the bundles and go, and so it's not being handled.

0:11:00.8 MB: Brad, is this like a one size fit all rule? In other words, if some publications should strap because of they have to go through massive mechanics at the postal level, but if you're just a county publication, dropping it right off and it goes right out for delivery, is that what you're suggesting?

0:11:19.2 BH: Yeah. There's no reason for a rule like this to be imposed in publications like what Matt's describing here for the mail that's being delivered locally. Again, this rule is about preserving the timeliness and the processes for implant operations at the postal service. That has nothing to do with how carriers are handling the mail locally for those... That mail that's delivered out of the post office where it's entered. But across country, perhaps it makes some more sense for some type of publications. I would contest it's as a properly tied string bundle is just as secure, in some cases, more secure than a strapped bundle for a fraction of the cost. So I think the postal services is misguided in trying to eliminate the string bundle approach. Rubber bands they're, it's a different issue, but certainly I think string is viable if it's done correctly. But even that's not necessary locally.

0:12:11.0 MB: Matt, are you yelling at windmills here? I mean, you sent a letter. Is that gonna, are you getting any response? Can you, do you feel like that these guys may meet you halfway and sit down with someone like Brad here and your experts and discuss making some modifications? Or are you just got fingers crossed now?

0:12:31.1 BH: Well, the letter actually was submitted to the postal service in the form of comments on the proposed rule, and there's a docket with the Postal Service. So, our comments went in along with quite a few others. I know Post Comm has submitted comments. So our comments are an official document with the Postal Service. We have had meetings with the Postal Service and they... Our understanding of what it is that we're proposing and we're somewhat optimistic that they might modify the rule to some extent to allow us to continue to use tied bundles for local distribution, anything that's not going through handling at a sortation center.

0:13:23.0 MP: The other part of the rule involves the use of newspapers that are placed loosely in the flat stubs, the deep tubs that have essentially replaced sacks in newspaper delivery. And the Postal Service wants to limit that to no more than 500 copies for mailing. We'd like to see that up somewhat, but that's what we've been using for our mail that goes out of the county. It goes to our Regional Processing Center in Richmond in these flats tubs. They are not tied. They are loose in the tubs and that... They requested us to to prepare them that way, at least a decade ago. So that works fairly well. And we don't have any quibble with that at all.

0:14:11.9 MB: Matt, there are, there's two things going on in Washington that are kind of confusing to me. Maybe you can sort it out. The delivery for America, I guess it's not an act. I guess it's a program being suggested by the United States Postal Service to, I guess, to warrant why their rate increases keep going up. And then there's the delivery for Democracy Act, which has been put out by Senator Welch and a few others bipartisan Representatives in order to get the Postal Service to provide better service. Can you just just unpack that for me.

0:14:42.9 MP: Sure. The delivering for America program is a Postal Service plan and there is their plan to return the Postal Service to sustainability and which is an admirable goal. We need a strong Postal Service. It needs to be sustained. Our problem is the way that they're going about it, which is basically putting everything on the back of the rate payers with no concern about it at all, I think, of trying to rein in costs and of course their biggest cost is people. The delivery for Democracy Act submitted by... Sponsored by Senator Peter Welch of Vermont and others, is, at the heart of it is a requirement that the Postal Service reach their goal of delivering the mail on time 90% of the time, or they are not going to be entitled to these large rate increases.

0:15:43.2 MB: So let's discuss this, the advocacy of the NNA. One of the items that we, I, we editorialize on at E&P and maybe we shouldn't, is that we're an industry that's in dire need of as much support as we can. So we can continue to find a sustainable news business model, end of, that's it, period. And we have too many associations. They're just, just, everybody there... If the airline industry had this many associations. I don't know if it would ever fly a plane and they all seem to be pulling oars in different directions. How did... The NNA is one of the few that still says things like print, print, print, print. Right? I mean, with all the associations out there now. You do have some support from the News Media Alliance. Correct? So when you are lobbying you at least have their bigger shoulders to work with. Right?

0:16:37.8 MP: We work with them. Absolutely. Particularly when our issues align and they most often do, not always, but I'd say 80-90% of the time we're in complete agreement with their positions and we do work together on these. Yes, indeed. I will take a little bit of issue with the broader shoulders of NNA. They're a great group. We know the folks there well, but as our former Executive Tom DeRush [0:17:15.6] _____ used to say, NNA punches above its weight, because we we tend to be the grassroots publishers. We're the people, I'm sitting here on deadline. As soon as I get off of here. I got to go proof pages. I doubt if there are any executives at Gannett that are proofing pages.

0:17:36.3 MP: We are seen as as close to the ground and the politicians tend to think that we certainly carry some weight in our communities in terms of, the people still read us and they'll come and see us when, the politicians will come see us when they're making making their trips through the districts, because we still write editorials that are local.

0:18:04.8 MB: Let me pose. We actually investigated this did some work on investigating advocacy and one of our issues a while back. That one of the challenges that state associations and the NNA have is how the bigger groups. I don't wanna say hedge funds, but them as well, have eliminated the publisher positions where there's regional managers in different cities and and there's small little skeleton staffs in towns. The NNA must have the advantage of when you put up the bat signal and say to your members, let's make a phone call. Let's send an email. You've got owners. Right. You've got publishers...

0:18:41.0 MP: Exactly.

0:18:42.7 MB: Who are, and that still works. I mean, remember that old expression all politics is local. Does that work? I mean, do we need more of that, more of that adverse, grassroots advocacy in our industry today?



0:18:55.5 MP: Well, I think we do. I mean, it works as well as anything if he can say that anything works.

0:19:00.3 MB: Right.

0:19:03.2 MP: But yes, I think when you walk into a legislator's office. You don't always meet with the Senator, the Congress person...

0:19:10.1 MB: Yeah. You get the aid sometimes but that person is very influential. Right?

0:19:11.5 MP: But the staff... It's almost better meeting with the staff because the other ones that are really advising the legislator. So that's very, very beneficial. But yes, we've had... We were in Washington a couple of months ago, and the Welsh bill is one that we were we're talking to people about. And there's other legislation that's pending and that we've been working sort of behind the scenes on that would address issues that we have concerns about.

0:19:44.1 MB: Excellent. Well, I wanna... Brad, thanks for sitting in the background there. Do you have anything you wanna add finally to this to this dialogue?

0:19:50.6 BH: I work with a lot of weekly papers and we have at Interlink for a long time as well as daily papers now and I can certainly attest to the effectiveness of NNA's lobbying efforts, both within the Postal Service and on Capitol Hill as well. One of the issues that comes to mind is six day mail. You may remember, and we don't hear about it much anymore, but the Postal Service was pretty hard on eliminating Saturday delivery for some time. Without the NNA's involvement, we may not, any of us take delivery of mail today on Saturday. It's been very effective. And on the postal side, most of the discounts that are unique to newspapers in the periodical class of mail exists today as a direct result of efforts put in place by the National Newspaper Association as relationship with... And working with the Postal Service over decades. It's been profound to watch that evolve or my few decades involved.

0:20:48.9 MB: Brad Hill, CEO at Interlink and one of NNA's representatives on the USPS Mailer Technical Advisory Committee. Matt Paxton, publisher of the News Gazette in Lexington, Virginia, and past president of the National Newspaper Association. Thank you both for your valuable time. We obviously at E&P are gonna be keeping an eye on all of this and keep up the good fight, gentlemen.

0:21:12.1 MP: Thank you. Appreciate.

0:21:12.4 BH: Thanks for having me.

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