

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

VALASSIS NSA

Docket No. MC2012-14

Docket No. R2012-8

RESPONSE OF Geomentum, an Interpublic Group of Companies (IPG) agency, TO  
NOTICE OF INQUIRY NO. 1

I. An introduction that identifies the company and what it does.

Geomentum, a division of IPG's Mediabrands, is an advertising agency that provides media services (including print circulars delivered via newspapers, shared mail and private carriers) for national retail, restaurant, hospitality and CPG brands. Geomentum is part of the Interpublic Group of Companies (NYSE: IPG.) For the reasons expanded upon in the "Response To Questions" below, we oppose the proposed Valassis NSA.

II. RESPONSE TO QUESTIONS

1. Pursuant to 39 U.S.C. 3622(c)(10)(B), the Commission must determine if the Valassis NSA would "cause unreasonable harm to the marketplace." Please identify the relevant marketplace concerning the Valassis NSA. Include a statement of supporting justification.

Answer:

In regards to the identification of the marketplace that faces potential harm if the Valassis NSA is approved, in fact there are several, namely the Retail industry, the Newspaper industry and the Advertising/Media Services industry. As providers of Advertising/Media services to a significant portfolio of retailers, it is our fiduciary responsibility to identify areas where our clients face potential financial harm. By offering pricing that is discriminative, we feel the Valassis NSA may cause financial harm to certain clients.

Likewise, as part of IPG, a publicly traded corporation, it is our fiduciary responsibility to ensure that our company is not placed in an unreasonable and inequitable competitive disadvantage that is beyond our reasonable control. By offering Valassis, a provider of Advertising/Media Services, pricing incentives that are not available to our agency, and beyond our control, we are placed at a competitive disadvantage that could potentially harm the marketplace for Advertising/Media Services for us, and others.

Question # 5. Please provide information regarding the views of those who sell advertising for firms that sell or distribute semi-durable and durable goods nationally on the appropriateness of the Valassis NSA.

Answer:

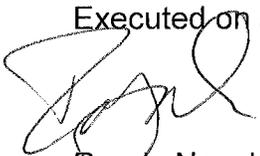
We oppose the Valassis NSA on the grounds that the proposed NSA provides a select group of advertisers (i.e. Retailers within certain categories) access to pricing incentives, while restricting access to others who may otherwise qualify for incentive based pricing through the normal course of business negotiations. Not only does this place certain segments of advertisers at a distinct disadvantage for no other reason than they are not within an "approved" category, it also stands to create an unfavorable opinion of the USPS among advertisers who are excluded, due to inconsistent pricing policies, which could further diminish future business opportunities.

In addition, the Valassis NSA provides a significant competitive pricing advantage to Valassis, as a provider of Advertising/Media Services, which is not available to its competitors, and therefore stands to cause harm to the marketplace for reasons outside the control of Valassis competitors within the Advertising/Media Services industry. Access to special pricing that is not available to other Advertising/Media Services companies provides Valassis an unfair competitive advantage when competing for new clients.

Furthermore, Valassis is currently both a media owner, through its Red Plum shared mail program, and an Advertising/Media Services company, that recommends media options to its client base. Transparency and neutrality are at the core of providing unbiased media recommendations to advertising clients. Any action that may compel Valassis to make media recommendations that appear self serving may stand to diminish the credibility of both Valassis and the USPS.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 29, 2012



Randy Novak  
VP, Shopper Media  
Geomentum