R. Lawrence Angove President & CEO

## Insomnia in Seattle

October 12, 2010

To: All U.S. Publisher and Partner Members

Fr: Larry

RE: City of Seattle Ordinance

It has finally happened!

After staving off repeated attempts over the past three years by states and municipalities to regulate and/or restrict delivery of directories, the industry suffered its first major setback yesterday with the passage of such an ordinance by the Seattle City Council.

Attached for your review are copies of the Council's press release, the plain language of the ordinance, and the Council's publicized talking points on the ordinance. These documents will allow you to understand the Council's thinking and positioning on the issue. It will not be the last time you see these kinds of justifications.

Rather than reviewing the facts, misperceptions, mistruths, and machinations that combined to produce this unfavorable result, I'm going to focus, for the most part, what the industry may expect and what it must do going forward.

The statement by Scott Cassel, executive director of the Product Stewardship Institute, in the second paragraph of page 2 of the Council's release is most noteworthy and must not be taken lightly. When the Seattle model is promoted to other cash-strapped municipalities, a flash-fire of similar legislation is a real possibility regardless of where publishers are headquartered and distribute.

The reason that Seattle chose to create its registry and a third-party operated site of its own is that the sponsor of the ordinance did not believe that the industry was fully committed to the concept of opt-out in spite of the industry's already operating site: <u>yellowpagesoptout.com</u>. We must execute and report at levels that substantiate that commitment.

I believe that the only way for the industry to escape the burdens sure to come with hundreds, perhaps thousands, of piece-meal legislation is for every publisher to participate fully in the industry's enhanced <u>yellowpagesoptout.com</u> site. If you're a subscriber to Rates & Data, your directory information will automatically be loaded into the site. If you're not, you will have a mechanism by which you may have your data entered into the site.

From the industry perspective, we believe the ordinance, as passed, will not hold up under legal challenge. As an industry, we are committed to reducing the number of unwanted yellow pages directories. We must, however, ensure that our members' rights are respected and oppose any attempts to single out the yellow pages industry with disparate regulatory and financial treatment, including discriminatory license fees and advance recovery fees not applied to competing media and non-media sources of paper. The industry also opposes any provisions that compel our members to promote a duplicative, city-run program through mandatory notices on the covers of their directories.

We are prepared to fight the fight.

Please contact me directly at 231.935.4608 or <u>larry.angove@adp.org</u> should you have any questions or comments.