

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Stoy Post Office  
Stoy, Illinois

Docket No. A2011-43

REPLY BRIEF OF THE PUBLIC REPRESENTATIVE

October 19, 2011

I. INTRODUCTION

On August 10, 2011, the Commission received a petition from Lisa L. McKinley (Petitioner) to review the Postal Service's decision to close the Stoy Post Office in Stoy, Illinois (Stoy Post Office).<sup>1</sup> On August 11, 2011, the Commission issued Order No. 799, which institutes the current review proceeding, appoints a Public Representative, and establishes a procedural schedule.<sup>2</sup> In accordance with Order No. 799, the Postal Service filed the administrative record for the closing.<sup>3</sup> The Petitioner filed a participant statement.<sup>4</sup> The Postal Service filed comments concerning the appeal.<sup>5</sup>

II. STATEMENT OF FACTS

The Stoy Post Office provided retail postal services and service to 52 post office box customers. Administrative Record, Item 13. No delivery customers were served

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<sup>1</sup> Petition for Review Received from Lisa L. McKinley Regarding Stoy, Illinois Post Office 62464, August 10, 2011 (Petition).

<sup>2</sup> Notice and Order Accepting Appeal and Establishing Procedural Schedule, August 11, 2011 (Order No. 799).

<sup>3</sup> United States Notice of Filing, August 25, 2011 (Administrative Record). The Final Determination appears as item 47 of the Administrative Record.

<sup>4</sup> Participant Statement from Lisa L. McKinley, September 14, 2011 (Participant Statement).

<sup>5</sup> United States Postal Service Comments Regarding Appeal, October 4, 2011 (Postal Service Comments).

through this office. *Id.* The Stoy Post Office, an EAS-53 level facility, had retail and lobby access hours of noon to 4:30 p.m., Monday through Friday and noon to 1:30 p.m., Saturday. Final Determination at 2.

The Stoy Post Office postmaster was reassigned on October 29, 1993. An OIC had been installed to operate the office. *Id.* Retail transactions averaged 8 transactions daily (7 minutes of retail workload). *Id.* Office receipts averaged less than \$12,000 annually for the past three years. *Id.* There are no permit or postage meter customers. *Id.* By closing this office, the Postal Service anticipates saving \$18,817 annually. Administrative Record, Item 29.

After the closure, retail services will be provided by the Robinson Post Office located 6 miles away. Final Determination at 2. Delivery service will be provided by rural carrier through this office. Robinson Post Office is an EAS-20 level facility, with retail hours of 9:00 a.m. to 4:30 p.m., Monday through Friday, and 9:00 a.m. to 11:00 a.m., Saturday. Two hundred and five post office boxes are available.

### III. POSITIONS OF THE PARTIES

#### A. Petitioner

The Petitioner contends the Postal Service's calculation of financial savings is not accurate. Petition at 1. Noting that the postmaster retired in 1993, she explains that the post office has been administered by a PMR at a substantially lower cost to the Postal Service.

The Petitioner also discusses the inconvenience that she will experience by having to travel further to obtain postal services, and potential theft/security issues with purchasing services through a rural carrier. *Id.*

The Petitioner filed a Participant Statement with elaborates on the concerns expressed in her initial Petition. She states "[t]he residents of Stoy feel that closing our post office and receiving rural delivery service will not provide this community with the maximum services we receive from our local post office." Participant Statement at 1.

## B. The Postal Service

The Postal Service believes the appeal raises three main issues: (1) the effect on postal services; (2) the impact upon the Stoy community, and the economic savings expected to result from discontinuing the Stoy Post Office. Postal Service Comments at 1. The Postal Service contends that it has given these issues serious consideration. *Id.* The Postal Service also asserts that it has considered other statutory issues such as the calculation of economic savings and the impact on postal employees. *Id.* at 2.

## IV. STANDARD OF REVIEW AND APPLICABLE LAW

### A. Standard of Review

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination on the basis of the record that was before the Postal Service. The Commission is empowered by § 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be: (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.<sup>6</sup>

### B. The Law Governing Postal Service Determinations

Prior to making a final determination to close or consolidate a post office, the Postal Service is required by 39 U.S.C. § 404(d)(2)(A) to consider: (i) the effect of the closing on the community served; (ii) the effect on the employees of the Postal Service

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<sup>6</sup> Section 404(d)(5) also authorizes the Commission to suspend the effectiveness of a Postal Service determination pending disposition of the appeal.

employed at the office; (iii) whether the closing is consistent with the Postal Service's provision of "a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining;" (iv) the economic savings to the Postal Service due to the closing; and (v) such other factors as the Postal Service determines are necessary. See 39 U.S.C. § 404(d)(2)(A)

In addition, the Postal Service's final determination must be in writing, address the aforementioned considerations, and be made available to persons served by the post office. 39 U.S.C. § 404(d)(3). Finally, the Postal Service is prohibited from taking any action to close a post office until 60 days after its final determination is made available. 39 U.S.C. § 404(d)(4).

## V. ARGUMENT

### A. The Postal Service Appears to Have Followed Required Procedural Steps in Reaching its Final Determination

The record indicates the Postal Service has taken the following steps in reaching its Final Determination. On March 11, 2011, the Postal Service distributed 75 questionnaires to post office box customers and made questionnaires available at the counter for retail customers. Final Determination at 2. Thirty questionnaires were returned. *Id.* On March 24, 2011, the Postal Service held a community meeting with 13 customers in attendance. *Id.* The Postal Service posted the proposal to close the Stoy Post Office at the Stoy, Oblong, and Robinson Post Offices for approximately 60 days, from April 8, 2011, to June 9, 2011. *Id.* The Final Determination was posted at the Stoy Post Office from July 8, 2011, to August 9, 2011. *Id.* at 1.

The Public Representative believes these steps demonstrate that the Postal Service sought input from the public, and substantially complied with the notice and posting requirements of 39 U.S.C. § 404(d).

B. The Postal Service Appears to Have Considered the Pertinent Factors of 39 U.S.C. § 404(d)(2)(A)

(1) The effect of the closing on the community served

The Final Determination summarizes the issues raised and Postal Service responses concerning the affect on the community. The issues were identified through questionnaires and the community meeting. *Id.* at 6.

In reviewing the summaries presented in the Final Determination, the Public Representative concludes that the Postal Service has attempted to consider and respond to all issues raised concerning the effect of the closing on the community served.

(2) The effect on the employees of the Postal Service employed at the office

The postmaster was reassigned on October 29, 1993, and an OIC had been installed. It appears, but the Public Representative is not certain, that the OIC was in the non-career postmaster relief (PMR) program. The Postal Service states that the PMR may be separated from the Postal Service, and that no other Postal Service employee will be adversely affected. Final Determination at 4.

The Public Representative concludes that the Postal Service has considered the effect on employees of the Stoy Post Office.

(3) Whether the closing is consistent with the Postal Service's provision of "a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining"

The Postal Service asserts that customers of the closed Stoy Post Office may obtain retail services at the Robinson Post Office located 6 miles away. Final Determination at 2. Delivery service will be provided by rural carrier through the Robinson Post Office. The 52 post office box customers may obtain post office box

service at the Robinson Post Office. Two hundred and five post office boxes are available at the Robinson Post Office.

The Public Representative concludes that the Postal Service has arraigned for the customers of the Stoy Post Office to continue to have access to effective and regular postal services.

(4) The economic savings to the Postal Service due to the closing;

The Postal Service estimates annual savings of approximately \$18,817 from closure of the Stoy Post Office:

Postmaster Salary (EAS-53, No COLA)	\$15,350
Fringe Benefits @ 33.5%	5,142
Annual Lease Costs	<u>3,120</u>
Total Annual Costs	\$23,612
Less Cost of Replacement Service	<u>- 4,795</u>
Total Annual Savings	\$18,817

Final Determination at 4.

The Postal Service states that receipts for the Stoy Post Office were: \$11,608 in FY 2008, \$7,461 in FY 2009, \$5,533 in FY 2010. *Id.* at 2.

The Public Representative concludes that the Postal Service has considered the economic savings due to the closing. However, the Public Representative does not believe the Postal Service will realize the full amount of its estimated cost savings. The Stoy Post Office was being run by an OIC, presumably at a lower cost than a postmaster. Whether or not the OIC is terminated or reassigned also influences the potential for cost savings.

(5) Concerns Raised by the Customers

The Final Determination summarizes the concerns raised by customers and Postal Service Responses. The concerns were identified through questionnaires and the community meeting. *Id.* at 2-5.

The Petitioner raised the specific concern of potential theft by leaving money in a mailbox for transactions with a rural carrier. Petition at 1; Participant Statements at 2. The Postal Service addresses this concern by stating that “[c]ustomers may place a lock on their mailboxes as a security measure.” Postal Service Comments at 6. In this instance, the Public Representative believes the Postal Service is failing to address the concerns of a postal customer.

The Postal Service argues that a rural carrier can provide most, but not all, services that are available through a post office. The Postal Service frequently suggests to customers that a customer does not necessarily have to meet with a rural carrier, but instead may leave appropriate instructions and money in a mailbox to obtain a postal service. The Postal Service now suggests that a customer may place a lock on the mailbox. If the mailbox is locked, as suggested by the Postal Service, preventing rural carrier access, how does the rural carrier obtain customer instructions and payment for completing postal service transactions?

The Public Representative would encourage the Postal Service to *listen* to the actual concerns of a customer, and not rely so heavily on previously prepared stock answers.

Except for the anomaly discussed above, the Public Representative concludes that the Postal Service has attempted to consider and respond to the issues raised by customers.

## VI. CONCLUSION

The Postal Service's Final Determination to close the Stoy Post Office appears procedurally in order. Aside from the concerns that the Postal Service will not realize the cost savings it estimates, the Public Representative concludes that no persuasive argument has been presented which would prevent the Commission from affirming the Postal Service's determination to close the Stoy Post Office.

Respectfully submitted,

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