

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

Before Commissioners:

Ruth Y. Goldway, Chairman;
Mark Acton, Vice Chairman;
Dan G. Blair;
Tony L. Hammond; and
Nanci E. Langley

Renfro Valley Post Office
Renfro Valley, Kentucky 40473

Docket No. A2010-6

ORDER AFFIRMING DETERMINATION

(Issued December 16, 2010)

I. INTRODUCTION

The Postal Service proposes to consolidate the Renfro Valley, Kentucky post office and to provide retail and delivery services by establishing a community post office.¹ Jeff Hayes (Petitioner) filed a timely appeal seeking review of the Postal Service's decision.² The Commission affirms the Postal Service's determination.

¹ The Postal Service filed a hard copy and electronic version of the administrative record supporting its final determination in this proceeding. See United States Postal Service Notice of Filing, September 10, 2010, and United States Postal Service Notice of Filing, September 19, 2010. The administrative record consists of 56 items. Item No. 51 is the Final Determination to Consolidate the Renfro Valley Post Office and Establish a Community Post Office, July 19, 2010 (Final Determination).

² Petition for Review, August 25, 2010 (Petition). An attachment to the Petition contains the signatures of 47 individuals, apparently current box holders, who urge that the post office remain open.

II. BACKGROUND

Renfro Valley, Kentucky is an unincorporated rural community located in Rockcastle County. The community is comprised of retired people, farmers, and commuters who work in nearby communities or at local businesses. Final Determination at 6. The Postal Service identifies 20 local businesses located in the community. *Id.* There are no religious institutions or schools located in the community. *Id.*

The Renfro Valley post office, classified as EAS-C, provides service 4 hours per day, from noon to 4 p.m., 6 days a week, Monday through Saturday. In addition to providing various retail services, *e.g.*, sale of stamps and money orders, it serves 43 post office box customers. It averages nine window transactions per day. Renfro Valley post office revenues for fiscal years 2007, 2008, and 2009 were \$21,017, \$12,484 and \$10,620, respectively. *Id.* at 1. Estimated annual operating costs are \$22,442. The Postal Service estimates its actions will yield annual savings of \$14,942. *Id.* at 7.

On July 3, 2009, the Renfro Valley post office postmaster retired and a career employee from a neighboring office was installed as the temporary officer-in-charge. *Id.* at 1. On October 16, 2009, the Postal Service initiated an investigation to consider a possible change in postal services affecting the Renfro Valley post office. administrative record Item No. 3. The reasons cited for the investigation include: declining workload, proximity to other post offices, and economic savings attributable to the alternate service. *Id.*

The Postal Service indicates that delivery and retail services will be provided through a community post office (CPO) which it intends to establish in Renfro Valley not far from the existing post office.³ As discussed below, the Postal Service commits that

³ Final Determination at 1-2. A CPO is a postal operation within a small community that is established on a contractual basis. *Id.* at 1.

the CPO will provide customers with at least the same level of service they are currently receiving. *Id.* at 2-4.

The lease on the building housing the Renfro Valley post office was scheduled to expire on September 17, 2010. Administrative record Item No. 2. The Postal Service's website, <http://www.usps.gov>, indicates that the post office is currently open Monday through Saturday from 12:00 p.m. to 3:45 p.m.

III. PARTICIPANT PLEADINGS

In Order No. 527, the Commission gave notice of the appeal, appointed a Public Representative, and established a procedural schedule.⁴

Petitioner's pleadings. In his appeal, Petitioner asserts that the Renfro Valley post office is important to the community. Petition at 1. In support of the appeal, Petitioner also submitted PRC Form 61.⁵ The Petitioner contends that the Renfro Valley post office should not be closed. He cites the close proximity of the post office and friendly service as reasons for maintaining it. He also states that members of the community do not want to change their addresses. Petitioner also indicates that it will be difficult to enter and exit the Mount Vernon post office (the nearest post office) parking lot. *Id.* at 1.

Postal Service filings. As directed by Order No. 527, the Postal Service filed its administrative record developed during its investigation to consider a possible change of postal services affecting the Renfro Valley post office. Documents filed as part of the administrative record include: detailed information about the post office, questionnaires sent to individuals in the community about the possible change in service, comments received from those in the community, the Postal Service's response to the comments,

⁴ Notice and Order Accepting Appeal and Establishing Procedural Schedule, August 31, 2010 (Order No. 527).

⁵ Participant Statement, September 20, 2010. The Participant Statement was submitted on behalf of all box holders who signed the attachment to the Petition.

and the Final Determination. The Final Determination addresses each concern raised by customers and emphasizes the continuing role to be played by the CPO.

In separate comments, the Postal Service addresses the principal concerns raised by the appeal, namely, effect on postal services and effect on the community.⁶ Among other things, it notes that the CPO will provide the same service as an independent post office, including post office box service, “and the hours of a Community Post Office can be established and adjusted to meet the changing needs of the community.” *Id.* at 4.⁷

The Postal Service also asserts that the consolidation will not negatively affect the Renfro Valley community. To that end, it states that postal services will continue to be readily available; community identity will be preserved by retention of the community name and ZIP Code; and nonpostal services provided by the post office can be provided by the CPO and local businesses. *Id.* at 4-5. It concludes that the advantages of consolidation, including the convenience of the CPO, the lack of adverse impact on Renfro Valley, and expected financial savings, outweigh any disadvantages. *Id.* at 2-3.

The Postal Service contends that its determination is supported by the administrative record and that it has satisfied the requirements of 39 U.S.C. § 404(d)(2)(A). It urges the Commission to affirm its decision to consolidate the Renfro Valley post office. *Id.* at 5-6.

Public Representative comments. Based on a review of the administrative record, the Public Representative concludes that the Postal Service adequately addressed the effect of consolidation on the community and on the provision of postal services.⁸ Among other things, the Public Representative notes that the Postal Service

⁶ United States Postal Service Comments Regarding Appeal, October 19, 2010 (Postal Service Comments).

⁷ Citing the administrative record, the Postal Service also states that it considered and addressed customer concerns related to retail service available, mail security, parking, and reliable delivery. *Id.* a 3.

⁸ Comments of the Public Representative, December 9, 2010 (PR Comments).

provided customers with proper notice, an opportunity to present their views, and fairly considered customers' concerns. *Id.* at 3-5. The Public Representative concludes that the Postal Service has complied with applicable provisions of 39 U.S.C. § 404(d). *Id.* at 2-3.

IV. COMMISSION ANALYSIS

Under 39 U.S.C. § 404(d), the Postal Service must afford postal patrons the opportunity to present their concerns regarding a proposal to close or consolidate a post office within the community. The Postal Service must notify postal patrons of its intent to close or consolidate the post office 60 days prior to the proposed close date. If the Postal Service decides to close a post office, it must make its Final Determination available to the public for 30 days. Additionally, the law requires the Postal Service to consider the following factors: the effect on the community; the effect on postal employees, whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service.

The Commission's responsibility under the law is to review the Postal Service's determination to close or consolidate a post office "on the basis of the record before the Postal Service in the making of such determination." 39 U.S.C. § 404(d)(5).

A. Notice to Customers

As part of its investigation, the Postal Service distributed questionnaires to all 43 post office box customers regarding a possible change in service affecting the Renfro Valley post office. Final Determination at 1; see administrative record Item No. 5. Questionnaires were also made available at the Renfro Valley post office. Final Determination at 1. Twenty-three questionnaires were returned. No responses were favorable; 17 were unfavorable; and 6 expressed no opinion regarding alternate

service.⁹ The Postal Service also held a community meeting on December 14, 2009, which was attended by 27 customers. Administrative record Item No. 27.

Notice of the Postal Service's proposal to consolidate the Renfro Valley post office and establish a CPO was posted at the Renfro Valley and Mount Vernon post offices from February 5, 2010 through April 7, 2010. *Id.*, Item No. 39. Nine unfavorable comments were received. *Id.*, Item No. 46, at 2. The Final Determination to discontinue service at the Renfro Valley post office was posted from August 2, 2010 through September 3, 2010. *Id.*, Item No. 51.

Based on a review of the record, the Commission finds that the Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

B. Customer Concerns

In response to the Postal Service's proposal, customers raised concerns regarding the effect of the change on postal services and on the community. The Postal Service responded to each of the customers individually. See administrative record Item No. 6 at 1-79; Item No. 41 at 1-21. These concerns and the Postal Service's responses are summarized in the Final Determination.

Regarding the effect on postal services, the Postal Service emphasizes that the CPO will offer at least the same level of service as currently provided by the Renfro Valley post office.¹⁰ The Postal Service also addressed customer concerns regarding the security of the mail, delivery reliability, traffic issues, and training of CPO personnel. Final determination at 2-4.; see *also* administrative record Item No. 7 (Postal Customer Questionnaire Analysis) and Item No 42 (Analysis of 60-Day Posting Comments). Based on a review of the record, it appears that the Postal Service seriously considered

⁹ *Id.* In the underlying record, these numbers are inverted. Item No. 7, Postal Customer Questionnaire Analysis, indicates that of the 23 returned questionnaires, 6 were unfavorable and 17 expressed no opinion. Administrative record, Item No. 7 at 1.

¹⁰ See Final Determination at 3; Postal Service Comments at 4; administrative record, Item No. 42 at 2.

and adequately responded to all customer concerns related to the effect of the consolidation on postal services.

The Postal Service asserts that consolidation will have no adverse affect on the community. In support, it notes that

- community identity will be preserved through the continued use of the Renfro Valley name and ZIP Code;
- the CPO can accommodate future growth in the community;
- local interests may own the CPO, which may benefit the community financially; and
- the CPO will provide retail postal services to meet the needs of the community.¹¹

The record also reflects that the Postal Service has considered other statutory requirements, including effect on employees and economic savings to the Postal Service.¹² Based on a review of the record before it, the Commission concludes that the Postal Service has satisfied the requirements of section 404(d)(2)(A).

C. Renfro Valley CPO

The Postal Service's proposed consolidation is "premised upon providing regular and effective postal services" to Renfro Valley customers. Postal Service Comments at 3. To that end, and consistent with section 404(d)(2)(iii),¹³ the Postal Service plans to establish a community post office in Renfro Valley. The Postal Service cites the CPO and its benefits to the community in addressing customers' concerns about consolidation. See Final Determination at 2-6.

¹¹ See Final Determination at 6; Postal Service Comments at 4-5; administrative record, Item No. 42 at 2-3.

¹² See Final Determination at 7. As noted above, the Postal Service estimates annual savings of about \$15,000. *Id.*

¹³ Section 404(d)(2)(A)(iii) requires the Postal Service to consider whether its actions (closing or consolidation) are consistent with the policy in 39 U.S.C. § 101(b) directing the Postal Service to provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining.

As of the date of the Final Determination, July 19, 2010, the Postal Service had not executed a contract to establish a CPO in the community.¹⁴ The record does not reflect whether such a contract has now been executed. From the administrative record however, it is apparent that the Postal Service has committed to see that the Renfro Valley post office will remain operational until such time as postal services are available from the planned CPO. See Final Determination at 2, 3.

V. CONCLUSION

Based on its review of the entire record before it, the Commission concludes that the Postal Service has adequately considered all of the requirements of 39 U.S.C. § 404(d). Accordingly, its determination to consolidate the Renfro Valley post office and simultaneously establish a community post office is affirmed.

It is Ordered:

The Postal Service's determination to consolidate the Renfro Valley post office and establish a community post office is affirmed.

By the Commission.

Shoshana M. Grove
Secretary

¹⁴ Notice of an opportunity to bid on the contract was to be posted at the Renfro Valley and nearby Mount Vernon post offices. *Id.* at 2.