

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

Before Commissioners:

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

Akron–East Station  
Akron, Ohio

Docket No. A2011-16

ORDER AFFIRMING DETERMINATION

(Issued September 8, 2011)

I. INTRODUCTION

On May 17, 2011, Paul J. Connor and Shirley Strader filed appeals with the Commission seeking review of the Postal Service's determination to close the East Akron station.<sup>1</sup> After reviewing the record in this proceeding, the Commission affirms the Final Determination to close the East Akron station.

II. PROCEDURAL HISTORY

In Order No. 733, the Commission established Docket No. A2011-16 to consider the appeal, designated a Public Representative, and directed the Postal Service to file

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<sup>1</sup> Petition for Review received from Paul J. Connor, May 17, 2011 (Conner Petition). See also Petition for Review received from Shirley Strader, May 17, 2011 (Strader Petition).

its Administrative Record and any pleadings responsive to the appeal.<sup>2</sup> On May 31, 2011, the Postal Service filed a notice in support of its decision to close East Akron station.<sup>3</sup> The notice, in part, challenges the Commission's subject matter jurisdiction to hear this appeal, and indicates that an Administrative Record complying with standards applicable to post office closings for East Akron station is not required.<sup>4</sup>

On June 10, 2011, the City of Akron, Ohio (Akron) intervened in this proceeding.<sup>5</sup> Along with its notice of intervention, Akron contemporaneously filed a motion to compel production of the administrative record and extend the deadline for initial briefs.<sup>6</sup> It also filed a motion in support of Mr. Connor's application for suspension of determination.<sup>7</sup>

On June 16, 2011, the Postal Service filed a response in opposition to Mr. Connor's application for suspension of determination.<sup>8</sup> The Postal Service contends that the Commission lacks jurisdiction in this matter, the closing does not result in the loss of access to postal services, the Commission previously has not granted suspensions in the case of stations and branches, and a delay in the closing will frustrate plans to close East Akron station.

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<sup>2</sup> Notice and Order Accepting Appeal and Establishing Procedural Schedule, May 19, 2011 (Order No. 733).

<sup>3</sup> Notice of United States Postal Service, May 31, 2011 (Notice). The Notice includes three exhibits: Exhibit 1, Final Determination to Close the East Akron, Ohio Classified station and Continue to Provide City Delivery, Retail and Post Office Box Service through the South Arlington, Ohio Station (Final Determination); Exhibit 2, identifies five additional Postal Service retail facilities near ZIP Code 44305; and Exhibit 3, identifies 10 additional locations to buy stamps.

<sup>4</sup> The Commission has repeatedly rejected the Postal Service's jurisdictional arguments based on the Postal Service's internal categorization of its retail facilities. See Docket No. A2010-3, Order No. 477, Order Dismissing Appeal (East Elko), June 22, 2010, at 5-6.

<sup>5</sup> Notice of Intervention, City of Akron, Ohio, June 10, 2011.

<sup>6</sup> City of Akron, Ohio's Motion to Compel Administrative Record and Extend the Deadline for Petitioner and City of Akron, Ohio to File Form 61 and/or an Initial Brief, June 10, 2011.

<sup>7</sup> City of Akron, Ohio's Motion in Support of Petitioner Paul J. Connor's Application for Suspension of Determination, June 10, 2011.

<sup>8</sup> Response of United States Postal Service to Petitioner's Application for Suspension of Discontinuance for the East Akron station, Akron, Ohio 44305, June 16, 2011. The response was accompanied by a Motion of the United States Postal Service for Late Acceptance of Response of United States Postal Service to Petitioner's Application for Suspension of Discontinuance for the East Akron station, Akron, Ohio 44305, June 16, 2011. The motion is granted.

On the same day, Akron informed the Commission that it is seeking a temporary restraining order in Federal court to prevent the closing,<sup>9</sup> and to compel the Postal Service to file the Administrative Record and respond to the application for suspension.<sup>10</sup>

The Postal Service subsequently responded to the motion to compel production of the administrative record.<sup>11</sup> Although the Postal Service opposes the basis of the motion, it indicates that it would file the Administrative Record. The Postal Service filed the Administrative Record on June 17, 2011.<sup>12</sup>

On June 17, 2011, the Commission denied the application for suspension of determination.<sup>13</sup> Although the Commission rejected the Postal Service's jurisdictional arguments, the Commission voiced an expectation that the Postal Service would submit more detailed arguments in support of its determination. The Commission also noted the availability of alternative access channels available to customers and the unnecessary expense that may be incurred by delaying implementation of these alternative channels.

On June 20, 2011, Akron informed the Commission that a Federal court ordered the Postal Service to file the Administrative Record, and that the record has been filed.<sup>14</sup>

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<sup>9</sup> The U.S. District Court for the Northern District of Ohio denied Akron's motion for a temporary restraining order. *City of Akron, Ohio v. United States Postal Service*, Case: 5:11-cv-01231-JRS (N.D. Ohio June 22, 2011).

<sup>10</sup> City of Akron, Ohio's Comment, June 16, 2011.

<sup>11</sup> Response of United States Postal Service to City of Akron, Ohio's Motion to Compel Administrative Record, June 16, 2011. See also Answer of the Public Representative in Support of Petitioner's Motion to Compel and to Extend Deadline for Filing Form 61 and/or Initial Brief, June 17, 2011.

<sup>12</sup> See United States Postal Service Notice of Filing and Application for Non-Public Status, June 17, 2011, which included a redacted copy of the Administrative Record. An unredacted copy was filed under seal. The Administrative Record is cited herein as Administrative Record. Because the Administrative Record has been filed, Akron's motion to compel production of the administrative record is moot.

<sup>13</sup> Order No. 748, Order Denying Application for Suspension, June 17, 2011.

<sup>14</sup> City of Akron, Ohio's Supplemental Motion to Extend the Deadline for Petitioner and City of Akron, Ohio to File Form 61 and/or an Initial Brief, June 20, 2011.

Akron now seeks an additional 20 days to file its initial brief. The Public Representative filed an answer which does not oppose the request for additional time.<sup>15</sup> The Postal Service took no position on the request for additional time, but respectfully disagrees that a district court ordered the Postal Service to produce the Administrative Record.<sup>16</sup> The Commission granted the request for additional time and modified the procedural schedule accordingly.<sup>17</sup>

Akron filed its initial brief on July 12, 2011.<sup>18</sup> On July 25, 2011, the Postal Service filed comments.<sup>19</sup> On August 5, 2011, reply briefs were filed by the Public Representative and Akron.<sup>20</sup>

On August 8, 2011, Akron filed a motion for extension of time to extend the deadline for filing a request for oral argument.<sup>21</sup> Akron argued that it needed additional time to study the impact of the Postal Service's decision to study additional nearby retail postal facilities for possible closure. The Postal Service filed an opposition to the motion.<sup>22</sup> The Commission denied the request for extension, but provided an

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<sup>15</sup> Answer of the Public Representative to Intervenor's Supplemental Motion to Extend Deadline for Filing Form 61 and/or Initial Brief, June 21, 2011.

<sup>16</sup> Response of United States Postal Service to City of Akron, Ohio's Supplemental Motion to Extend the Deadline for Petitioner and City of Akron, Ohio to File Form 61 and/or an Initial Brief, June 21, 2011.

<sup>17</sup> Order No. 752, Order Granting Extension and Modifying Procedural Schedule, June, 23, 2011.

<sup>18</sup> City of Akron, Ohio's Initial Brief, July 12, 2011 (Akron Initial Brief).

<sup>19</sup> Comments of United States Postal Service, July 25, 2011 (Postal Service Comments).

<sup>20</sup> Reply Brief of the Public Representative, August 5, 2011 (PR Reply Brief); City of Akron, Reply Brief, August 5, 2011.

<sup>21</sup> City of Akron, Ohio's Motion to Extend the Deadline for City of Akron to File Motion Requesting Oral Argument, August 8, 2011.

<sup>22</sup> Opposition of United States Postal Service to City of Akron, Ohio's Motion to Extend the Deadline for City of Akron to File Motion Requesting Oral Argument, August 15, 2011.

opportunity for additional comment on this matter.<sup>23</sup> Akron and the Postal Service subsequently filed additional comments.<sup>24</sup>

### III. BACKGROUND

The East Akron station is located in Akron, Ohio. The Postal Service has determined to close the East Akron station and provide post office box delivery and retail services at the South Arlington, Ohio station, located 2.9 miles away. Final Determination at 1.

The East Akron station provides service 46 hours a week from 8:30 a.m. to 5:00 p.m., Monday through Friday, and 8:30 a.m. to 12:00 p.m. on Saturday. *Id.* In addition to providing retail services, e.g., sale of stamps, stamped paper, and money orders, it provides service to 188 post office box customers and 9,991 city delivery customers. *Id.*

Retail transactions have declined at the East Akron station by approximately 10 percent since 2007. Receipts for the East Akron station decreased from \$445,666 in FY 2007 to \$397,958 in FY 2009. *Id.* The Postal Service indicates that effective and regular service will continue to be provided through city delivery service and retail service provided by the South Arlington station. Window service hours at the South Arlington station are from 8:30 a.m. to 5:00 p.m., Monday through Friday and 8:30 a.m. through 12:00 p.m. on Saturday. *Id.*

On July 14, 2009, customers were informed of the possible change in service when the Postal Service distributed 311 questionnaires. *Id.*; see also Administrative Record, Item No. 30 at 1. Questionnaires were also available over the counter for retail customers. *Id.* Ninety-four questionnaires were returned and all were unfavorable. *Id.* Subsequently, on November 20, 2009, letters were made available to both post office

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<sup>23</sup> Order No. 815, Order Denying Extension, August 19, 2011.

<sup>24</sup> City of Akron, Ohio's Supplemental Statement Regarding the Relevance and Impact of the Postal Service's Examination of the South Arlington Post Office, August 26, 2011; United States Postal Service Response to Order No. 815, August 25, 2011.

box customers and retail customers of the East Akron station correcting the July 14, 2011 questionnaires. Administrative Record, Item No. 32 at 2. The July 14, 2011, questionnaires misstated that Postal Service was reviewing the East Akron station for consolidation with the Akron Main post office, instead of the South Arlington station.

#### IV. PARTICIPANT PLEADINGS

*Petitioners.* Mr. Connor opposes the closure of the East Akron station and argues that the Postal Service's decision was arbitrary, capricious, an abuse of discretion, and unsupported by substantial evidence in the record. Connor Petition at 2. Ms. Strader notes that she uses the East Akron station to buy stamps and mail packages. Strader Petition at 1. She indicates that she will not utilize the South Arlington station or Ellet station because they are not convenient locations for her. *Id.*

*Akron.* Akron contends that the Commission has jurisdiction over this matter and requests that the Commission return the determination to the Postal Service for further consideration. Akron Initial Brief at 7. It argues that the Final Determination did not take into consideration the requisite criteria of section 404(d) and therefore the decision is arbitrary, capricious, and an abuse of discretion. Akron also contends that the Postal Service failed to follow the required procedures under the law, including failing to:

- inform customers of their right to appeal the determination;
- include required findings when notifying customers of the closing;
- post the Final Determination at the East Akron station;
- make the Administrative Record available for inspection; and
- consider the effects of the closing on the community. *Id.* at 6.

Akron further contends that meaningful consideration was not given to the situation of seniors or persons with disabilities. *Id.* at 4. It asserts that rather than address how the closure would affect this segment of the population, the Postal Service stated that seniors may apply for hardship services. *Id.* Akron argues that the Postal Service failed to provide details on the cost of the hardship service and qualifications for the service. *Id.*

*Public Representative.* The Public Representative contends that the Commission should remand the Final Determination to Postal Service. PR Reply Brief at 12. He argues that the decision to close the East Akron station has not been adequately justified.

The Public Representative argues that the estimated savings from the closure of the East Akron station appear to be overstated. *Id.* at 8-9. He indicates that the projected savings are attributable to the salary and related benefits of postal employees who worked at the station. *Id.* at 9. The Postal Service will transfer both clerks and the supervisor to the South Arlington station. He notes that it is unclear how, or in what sense, these salaries and related benefits can be considered savings.

The Public Representative contends that customer concerns have not been adequately addressed. *Id.* at 11. In particular, the Public Representative notes the Postal Service response regarding crime in the area surrounding the South Arlington station. *Id.* at 11-12.

*Postal Service.* The Postal Service argues that this appeal should be denied. Postal Service Comments at 5. The Postal Service maintains its position that section 404(d) review does not apply to closing the East Akron station. The Postal Service explains that section 404(d) does not apply to retail locations such as stations or branches which are subordinate to a post office. *Id.* at 1.

The Postal Service argues that, even if the requirements of section 404(d) were applied in the context of the discontinuance of the East Akron station, it has satisfied the salient statutory provisions. *Id.* at 3. On July 14, 2009, the Postal Service distributed questionnaires to customers notifying them of the possible discontinuance of service and inviting comments on the potential change in service. *Id.* The Postal Service also made questionnaires available over the counter.

Further, the Postal Service contends that it considered the pertinent criteria of section 404(d), including the effect on postal services, the community, and employees, and the economic savings related to the closing. *Id.* at 3-4.

## V. COMMISSION ANALYSIS

Under 39 U.S.C. 404(d)(1), prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. If the Postal Service decides to close the post office, it must make its Final Determination available to the public for 30 days, allowing patrons the opportunity to appeal the determination to the Commission. The Commission reviews 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." See 39 U.S.C. 404(d)(5).

### A. Notice to Customers

On July 14, 2009, the Postal Service notified customers of the East Akron station of a possible change in service.<sup>25</sup> The Postal Service distributed questionnaires to post office box customers of the East Akron station. Questionnaires were also made available over the counter for retail customers. Final Determination at 1. Customers were also notified of the Postal Service's decision to close the East Akron station by letter dated April 11, 2011. Notice at 3. Operations at the East Akron station were discontinued June 17, 2011. See Conner Petition.

Akron and the Public Representative argue that the Postal Service, in making its decision known, failed to post its Final Determination at the East Akron station and failed to make the Administrative Record available for inspection. Akron Initial Brief at 6; PR Reply Brief at 7. These documents were not available to participants at the time the appeal was filed. Subsequently, however, each of the documents was

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<sup>25</sup> In November 2009, the Postal Service notified customers that its July 14, 2009 letter erroneously indicated that the East Akron station was being reviewed for possible consolidation with the Akron Main post office. The November 20, 2009 letter informed customers that the East Akron station was being reviewed for possible consolidation with the South Arlington station. Recipients of the letter were invited to submit comments or questions regarding the change. Administrative Record, Item No. 34, *passim*.



provided for the record. The Postal Service submitted a copy of the Final Determination on May 31, 2011. See Notice, Exhibit 1. The Postal Service filed a copy of the Administrative Record on June 17, 2011.

In addition, Akron and the Public Representative argue that the Postal Service failed to inform customers of their right to appeal. Akron Initial Brief at 6; PR Reply Brief at 7. Mr. Connor and Ms. Strader, however, filed timely appeals. Thus, the failure to provide notice caused the participants no injury.

The record in this proceeding indicates that customers of the East Akron station were afforded adequate notice that the Postal Service was reviewing the East Akron station for possible closure. Further, customers were given an opportunity to provide input to the Postal Service by returning their questionnaires. Customers were also given notice of the Postal Service's decision to close the facility.<sup>26</sup> Based on review of the record, the Commission finds that the Postal Service has satisfied the notice requirements of 39 U.S.C. 404(d)(1).

#### B. Other Statutory Considerations

Under section 404(d)(2)(A), in making a determination on whether or not to close a post office, the Postal Service must 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.

*Effect on the community.* The East Akron station provided delivery service to almost 10,000 city delivery and 188 post office box customers. Post office box delivery and retail services will be provided by the South Arlington station. Post office box customers may retain their address by transferring to the South Arlington station. Customers receiving city delivery service will continue to receive that service. Final Determination at 1. While the discontinuance of the East Akron station is inconvenient

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<sup>26</sup> Although customers were not informed of their right to appeal the Final Determination, timely appeals were nonetheless filed.

for some customers, these accommodations help preserve the community's identity and mitigate the effects of the closing on the community.

The Postal Service solicited customer input by distributing questionnaires to delivery customers of the East Akron station. *Id.* Additional comments were received following its letter of November 20, 2009, correcting a misstatement in its earlier notice of July 20, 2009. It responded to customers' concerns directly (*see, e.g.,* Administrative Record, Item No. 31) and summarized those concerns in the Final Determination. Final Determination at 1-2.

Akron argues that the Postal Service failed to meaningfully address how closure would affect seniors and persons with disabilities, indicating only that they could apply for hardship services. Akron Initial Brief at 4. The Postal Service responds that carrier delivery service may be beneficial to seniors and those with disabilities. Final Determination at 3. Further, it notes it specifically instructs customers to contact the local postmaster for details about hardship services. Postal Service Comments at 4 n.5; *see also* Administrative Record, Item No. 40 at 7.

It appears that the Postal Service responded to concerns raised by customers. This is not to suggest that it could not have addressed certain concerns more completely, *e.g.,* concerns about safety and the South Arlington station's ability to efficiently handle the influx of customers from the East Akron station. Each facility reviewed for possible discontinuance presents unique facts, notwithstanding that there are some common themes among all such reviews. The Commission urges the Postal Service to more closely view its responses to facts under review.

*Effective and regular service.* The Postal Service points out that there are 11 postal retail facilities and 2 contract postal units located within 5 miles of the East Akron station, including the Ellet station, which is located two miles from the East Akron station. Postal Service Comments at 2; Final Determination at 2. Customers also have the option of electing city delivery service. Customers may also buy stamps by mail or purchase them from a variety of third-party vendors. *Id.*

No party appears to contend that effective and regular service will not be available from the nearby postal retail facilities. However, concerns were raised that some aspects of the service, e.g., wait time in line, may be greater. The Postal Service notes that wait time in line for the South Arlington station is 1 minute and 20 seconds. (Administrative Record, Item No. 40 at 6) and that its systemwide goal is to keep customers' wait time to 5 minutes or less. Final Determination at 1-2. Moreover, it states that managers monitor window operations to ensure customers do not have an unreasonable wait to obtain services. Administrative Record, Item 40 at 8.

Further, some customers commented that the South Arlington station is not as convenient as the East Akron station. The Postal Service acknowledges that the distance may cause an inconvenience for some customers. However, it notes that carrier service is an available option that may be beneficial. *Id.* at 10.

The Commission concludes that regular and effective service will continue to be provided to customers served by the East Akron station

*Economic savings and effect on employees.* The Postal Service estimates that closing the East Akron station will yield net annual savings of \$93,475. Final Determination at 4. It derives this figure by summing the compensation costs of the supervisor and two clerks who will be transferred from the East Akron station plus rent and utilities (\$314,047 in total) less the cost of replacement service (\$220,572).<sup>27</sup>

Akron and the Public Representative argue that the estimated savings are inflated. Akron Initial Brief at 5; PR Reply Brief at 9. The Public Representative notes that the savings are largely attributable to employee salaries and related benefits. PR Reply Brief at 9. The Public Representative contends that the Postal Service has

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<sup>27</sup> Employees' salaries and benefits total \$173,852; rent and utilities equal \$140,195. The cost of replacement service reflects the transfer of carriers from the East Akron station to the South Arlington station. The Postal Service estimates the minimum additional annual carrier drive time and mileage costs to be \$110,446. Administrative Record, Item No. 38 at 1. It is unclear how the Postal Service developed the \$220,572 cost figure. It notes, however, that, on average the net additional cost of each round trip driven by a carrier from the South Arlington station compared to the East Akron station is \$18.22. *Id.* This figure appears to be a restatement of the carrier drive and mileage costs which are already included in the estimated cost of replacement service.

not justified including these compensation costs as savings. If those costs are excluded, the Public Representative concludes that closing the East Akron station would generate no savings, but in fact cause the Postal Service to incur an additional annual expense of \$80,377. *Id.*<sup>28</sup>

The Public Representative raises a valid point concerning the computation of savings based on compensation costs that are not eliminated by the closure of the station. The Commission has addressed this issue previously. For example, in Docket No. N2009-1, the Commission urged the Postal Service to develop a more holistic approach for estimating the impact of decisions to close retail facilities.<sup>29</sup> Furthermore, in announcing its newly adopted rules governing closing of postal retail facilities, the Postal Service indicates it will implement a more robust measurement of financial impact. See 76 FR 41418, July 14, 2011. The Commission looks forward to the improved analysis.

The Postal Service indicates that there are four clerk positions at the East Akron station. Three are described as vacant, although for two the incumbent is pending qualification for the position. Administrative Record, Item No. 40 at 15-16. The Postal Service also indicates that two newly created clerk positions “will be posted at the South Arlington Station if the consolidation is approved.” *Id.* at 16. The record suggests that incumbents (from the East Akron station) will fill the positions at the South Arlington station. However, it is not entirely clear on this point. Given the figures presented in the Final Determination, annual savings will be achieved if the compensation costs are included, but not if they are excluded.

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<sup>28</sup> For its part, Akron contends that the Postal Service failed to account for the loss of the annual retail transactions generated by the East Akron station. Akron Initial Brief at 5-6. The Postal Service responds that “there is no reason to anticipate that these transactions will not occur at other retail locations or through alternate access options.” Postal Service Comments at 4 n.8.

<sup>29</sup> Docket No. N2009-1, Advisory Opinion Concerning the Process for Evaluating Closing stations and Branches, March 10, 2010, at 57-61; see also Docket No. A2011-15, Order No. 832, Order Affirming Determination, August 30, 2011, at 11.

As noted above, the Final Determination uses \$220,572 as the cost of replacement service. The record does not show how this figure was derived. The Administrative Record, however, identifies what is characterized as the minimum annual cost of replacement service as \$110,446. Administrative Record, Item No. 38 at 1. Whether that is the appropriate estimate to use in the calculation of savings or, if not, how it was inflated or supplemented by other costs to equal \$220,572 is unclear. However, if \$110,446 is an appropriate estimate of the cost of replacement service, the closure of the East Akron station would yield annual savings ranging from of approximately \$203,000 if compensation costs are included (\$314,047 minus \$110,446) to \$30,000 if compensation costs are excluded (\$140,195 minus \$110,446). When developing replacement service costs the Postal Service must take greater care to ensure that the underlying record supports its figures.<sup>30</sup>

Lastly, the Public Representative comments on the one-time expense, \$199,800 incurred by the Postal Service to buy out the lease. He notes that the annual rent is \$99,900, that the lease terminates September 30, 2012, and that only 15 months remained in the term of the lease at the time the East Akron station was closed. PR Reply Brief at 10. He asserts that the Postal Service did not explain why, under the circumstances, it would buy out the lease when it would have been less expensive to simply let the lease run its course.<sup>31</sup> Moreover, he notes that this cost and the additional one-time building costs, \$30,000, were not considered by the Postal Service in calculating estimated annual savings.

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<sup>30</sup> The analysis used to develop estimated carrier drive and mileage costs was set forth in sufficient detail. See Administrative Record, Item No. 38. The figure used in the Final Determination could not be replicated from the information provided in the record.

<sup>31</sup> The figure reported in the Final Determination, \$199,800 represents twice the annual rent. Its inclusion in the Final Determination may be in error. As the Public Representative points out, at the time the facility closed, the lease had only 15 months to run. Thus, on a pro rata basis, the Postal Service would have owed approximately \$125,000 [ $\$99,900 + (\$99,900/12 \times 3)$ ], whether it elected to vacate the premises or simply let the lease run its course. If, however, the \$199,990 figure is not in error, the Postal Service needs to reexamine its review process as it would appear, under the circumstances, to represent a gross overpayment for terminating the lease 15 months early.

The additional one-time costs should be factored into the savings estimate to present a more accurate picture of the financial implications of the decision to close a facility. Doing so, using the range of savings estimated above results in a payback period ranging from slightly in excess of one year (additional costs of \$229,800 divided by savings of \$203,000) to approximately 7.7 years (additional costs of \$229,800 divided by savings of \$30,000). Using the savings estimated by the Postal Service, \$93,475, the payback period would be about 2.5 years.

## VI. CONCLUSION

The record supports the conclusion that regular and effective service will continue to be provided to customers served by the East Akron station. As discussed above, however, the Postal Service needs to devote greater care to the development of the record, including calculating estimated savings. The determination to close the East Akron station is affirmed.

*It is ordered:*

The Postal Service's determination to close the East Akron station is affirmed.

By the Commission.

Shoshana M. Grove  
Secretary

## DISSENTING OPINION OF CHAIRMAN GOLDWAY

I respectfully dissent from my colleagues in this matter. The administrative record before the Postal Service, as provided to the Commission during this appeal, clearly demonstrates that the Postal Service is going to be worse off financially than if it had determined to keep the facility open. See Final Determination at 4. The administrative record indicates that the Postal Service will save \$93,475 annually in closing this facility. However, the administrative record also shows that to close the facility on June 17, 2011—as the Postal Service did—it incurred a one-time cost of \$229,800, consisting of \$199,800 to buy out the remaining term of the lease plus \$30,000 for renovations at the South Arlington station to accommodate the transferred carriers. Under the Postal Service’s estimated cost savings calculations, this one-time cost of \$229,800 completely negates any financial savings to the Postal Service for at least 2 years. This problem is exacerbated by the fact that the lease was set to expire on its own terms on September 30, 2012. Therefore, the administrative record demonstrates that the Postal Service could have kept the facility open until the end of the lease term at a much lower cost.

The Commission has also previously discussed its concerns regarding the Postal Service’s calculation of “cost savings” associated with shifting employees to new offices. If those salary and benefit cost savings are removed from the calculation, the Postal Service’s total annual “savings” from closing the facility is a negative \$80,377.

In my view, the final determination does not offer a rational explanation of why the Postal Service would make a determination to close this facility despite the closing’s negative impact on the Postal Service’s finances. The record also documents lapses in the Postal Service’s provision of adequate notice and meaningful community input to the citizens of East Akron. I find its decision to be arbitrary and capricious as well as unsupported by substantial evidence in the record. Accordingly, I would set aside the Postal Service’s Final Determination and remand the matter back to the Postal Service for further consideration.

This unsupported decision has the effect of worsening the Postal Service's immediate financial problems rather than remedying them. I recognize that this facility has already been closed and that restoring service now at that location would add costs to the Postal Service. However, I believe that the Commission's legal responsibility requires it to make the Postal Service accountable for its actions.

Ruth Y. Goldway  
Chairman