

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

In the Matter of:
Star Tannery Post Office
Star Tannery, Virginia

Docket No. A2011-46

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(October 06, 2011)

On August 12, 2011, the Postal Regulatory Commission (Commission) received a petition for review postmarked August 8, 2011, from postal customer Robert Engle (Petitioner), objecting to the discontinuance of the Post Office at Star Tannery, Virginia. On August 15, 2011, the Commission issued Order No. 803, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 803, the administrative record was filed with the Commission on August 29, 2011. Outside of the initial petition for review, the Commission received five additional pieces of correspondence from customers Laurel Munk, Virginia Orndorff, Ray and Linda Figgins, Terry and Lisa Strosnider and Susan Tenenbaum, all of whom oppose the discontinuance action. The Petitioner did not file a Form 61, Participant Statement, nor did the Public Representative file a reply brief. The following is the Postal Service's answering brief in support of its decision to discontinue the Star Tannery Post Office.

The appeal and other correspondence received by the Commission raise two main issues: (1) the impact upon the Star Tannery community and (2) the impact on

postal services expected to result from discontinuing the Star Tannery Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Additionally, consistent with the Postal Service's statutory obligations and Commission precedent,¹ the Postal Service gave consideration to a number of other issues, including the impact upon postal employees and economic savings. Accordingly, the determination to discontinue the Star Tannery Post Office should be affirmed.

Background

The Final Determination to Close the Star Tannery, Virginia Post Office and Establish Service by Rural Route Service (FD), as well as the administrative record, indicate that the Star Tannery Post Office provides EAS-11 level service to 36 Post Office Box or general delivery customers and no delivery customers, and retail customers 44 hours per week. Item No. 33, Proposal, at 2; item 15, Post Office Survey Sheet, at 1.² The postmaster of the Star Tannery Post Office retired on April 1, 2009. A noncareer employee from a neighboring office has been installed as the temporary officer-in-charge (OIC)³. Upon implementation of the Final Determination, the noncareer OIC may be separated from the Postal Service; however, attempts will be made to reassign the employee to a nearby facility.⁴ The average number of daily retail window transactions at the Star Tannery Post Office is 28, accounting for 28 minutes of retail work daily. Revenue has generally been declining: \$37,316.00 in FY 2008 (97

¹ See 39 U.S.C. 404(d)(2)(A).

² In these comments, specific items in the administrative record are referred to as "Item ____."

³ FD, at 2.

⁴ FD, at 23-24.

revenue units); \$35,163.00 in FY 2009 (92 revenue units); and \$31,355.00 in FY 2010 (82 revenue units).⁵ The Star Tannery Post Office has no meter or permit customers. FD at 2; Item No. 18, Form 4920, at 1; Item No. 33, Proposal, at 2.

Upon implementation of the Final Determination, delivery and retail services will be provided by rural route delivery administered by the Strasburg Post Office, an EAS-20 level office, which has 22 available Post Office Boxes and is located eleven miles away. FD at 2; Item No. 18, Form 4920, at 1. Rural route service will continue upon implementation of the FD. FD at 2.

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Star Tannery Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Star Tannery Post Office. Questionnaires were also available over the counter for retail customers at Star Tannery. FD at 2; Item No. 20, Questionnaire Instruction Letter to Postmaster/OIC at Star Tannery Post Office, at 1. A letter from the Manager, Post Office Operations, Merrifield, Virginia was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Star Tannery Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services by the Strasburg Post Office. The letter invited customers to complete and

⁵ FD, at 2; Item No. 18, Form 4920, Post Office Closing or Consolidation Proposal - Fact Sheet, at 1; Item No. 33, Proposal, at 2.

return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. Item No. 21, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. Also, representatives from the Postal Service were available at the Star Tannery Volunteer Fire Department for a community meeting on March 09, 2011, to answer questions and provide information to customers. FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal, at 2. Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Star Tannery Post Office and Strasburg Post Office from April 19, 2011 to June 20, 2011. FD, at 2. The FD was posted at the Star Tannery and Strasburg Post Offices starting on July 14, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.

In light of the postmaster vacancy, minimal workload, declining office revenue,⁶ the variety of delivery and retail options (including the convenience of rural delivery and retail service),⁷ very little recent growth in the area,⁸ minimal impact upon the community, and the expected financial savings,⁹ the Postal Service issued the FD.¹⁰ Regular and effective postal services will continue to be provided to the Star Tannery

⁶ See note 5 and accompanying text,

⁷ FD, at 2; Item No. 33, Proposal, at 2.

⁸ Item No. 16, Community Survey Sheet; Item No. 33, Proposal, at 12.

⁹ FD, at 23; Item No. 29, Proposal Checklist at 2; Item No. 33, Proposal, at 23.

¹⁰ FD, at 2-24.

community in a cost-effective manner upon implementation of the Final Determination. FD at 2.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Star Tannery Post Office on postal services provided to Star Tannery customers. The closing is premised upon providing regular and effective postal services to Star Tannery customers.

The Petitioner, in his letter of appeal, raises the issue of the effect on postal services of the Star Tannery Post Office's closing, noting the convenience of the Star Tannery Post Office and requesting its retention. Further, Petitioners in this appeal express concern about the carrier's time of delivery late in the day. Each of these concerns was considered by the Postal Service.

The effect of closing of the Star Tannery Post Office on the availability of postal services to Star Tannery residents was considered extensively by the Postal Service. FD at 2-24; Item No. 33, Proposal, at 2-14. Upon the implementation of the Final Determination, services provided at the post office, such as the sale of stamps, envelopes, postal cards, and money orders, will also be available from the carrier to a roadside mailbox located close to customers' residences. FD at 2-21; Item No. 33, Proposal, at 2-11; Item No. 21, Notice to Customers. In addition to carrier service,

customers may opt for Post Office Box service at the nearby Strasburg Post Office (there are 22 Post Office Boxes available). FD at 2; Item No. 33, Proposal, at 2. The Strasburg Post Office also provides nonpostal services, such as the distribution of government forms. Item No. 33, Proposal, at 12-13.

Petitioners in this appeal question whether the rural route carrier will deliver late in the day. The record explains, however, that Postmasters monitor mail volume to determine and correct any delays in mail delivery. Item 23 at a. Further, the Postal Service took into consideration the additional work load for the carrier service and does not expect any delays in delivery times. Item 40 at 2; FD at 3-4 and 13.

Petitioners in this appeal question the consistency of this proposal with statutory authority in Title 39 providing that no small Post Office may be closed solely for operating at a deficit. Here, however, a variety of factors inform the decision to discontinue the Star Tannery Post Office, including a postmaster vacancy, minimal workload, declining office revenue,¹¹ the variety of delivery and retail options (including the convenience of rural delivery and retail service),¹² very little recent growth in the area,¹³ minimal impact upon the community, and the expected financial savings,¹⁴ Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a post office must consider whether such closing is consistent with the policy that the Postal Service provide “a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining.”

¹¹ See note 5 and accompanying text,

¹² FD, at 2; Item No, 33, Proposal, at 2.

¹³ Item No. 16, Community Survey Sheet; Item No. 33, Proposal, at 12.

¹⁴ FD, at 23; Item No. 29, Proposal Checklist at 2; Item No. 33, Proposal, at 14

In this case, the Postal Service analyzed, among other factors, the Star Tannery Post Office's workload and revenue. The consideration of an office's workload and revenue is not inconsistent with the policies of Title 39, however, because analysis of workload and revenue does not imply that a small Post Office is operating at a deficit. The Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

The Petitioners also express concern for senior citizens and residents unable to drive to nearby communities. The record explains, however, that carrier service is beneficial to many senior citizens and those who face special challenges because they do not have to travel to the Post Office for service. FD at 10. When packages do not fit in the customers' mail box, the carrier will deliver the package up to ½ mile off the line of travel, at a designated place, such as the customer's porch or under carport. FD at 2 and 12-13. In hardship cases, delivery can be made to the home of a customer. FD at 10.

The Postal Service has considered the impact of closing the Star Tannery Post Office upon the provision of postal services to Star Tannery customers. A highway contract or rural delivery carrier can provide similar access to retail service, alleviating the need to travel to the Post Office. FD at 2-4, 7-8 and 12; Item No. 23, Postal Customer Questionnaire Analysis; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal, at 2-10. PO Box service will still be available at the nearby Strasburg Post Office. FD at 2; Item No. 33, Proposal, at 2. Thus, the Postal Service has properly

concluded that all Star Tannery customers will continue to receive regular and effective service.

Effect Upon the Star Tannery Community

The Postal Service is obligated to consider the effect of its decision to close the Star Tannery Post Office upon the Star Tannery community. 39 U.S.C.

§ 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Star Tannery is an unincorporated community located in Frederick County. The community is administered politically by Frederick County Virginia. Police protection is provided by the Frederick County Sheriff Department and fire protection is provided by the Star Tannery Volunteer Fire Department. The community is comprised of commuters and self-employed, those who commute to work at nearby communities and may work in local businesses. FD, at 21; Item No. 33, Proposal at 12. The questionnaires completed by Star Tannery customers indicate that, in general, the commuters, and others who reside in Star Tannery must travel elsewhere for other supplies and services. See generally Item No. 22, Returned customer questionnaires and Postal Service responses.

The Petitioners letters raise the issue of the effect of the closing of the Star Tannery Post Office upon the Star Tannery community. This issue also was considered by the Postal Service, as reflected in the administrative record. FD, at 21; Item No. 33,

Proposal, at 12. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. FD, at 14, and 21-23; Item No. 33, Proposal, at 4-5 and 12-13. Communities generally require regular and effective postal services and these will continue to be provided to the Star Tannery community. The Postal Service is helping to preserve community identity by continuing the use of the Star Tannery Post Office name and ZIP Code in addresses and in the National Five-Digit ZIP Code and Post Office Directory. FD, at 14; Item No. 33, Proposal, at 4-5.

In addition, the Postal Service has concluded that nonpostal services provided by the Star Tannery Post Office can be provided by the Strasburg Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 21; Item No. 33, Proposal, at 12.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Star Tannery Post Office on the community served by the Star Tannery Post Office.

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The Star Tannery postmaster position became vacant when the postmaster retired on April 01, 2009. However, upon implementation of the Final Determination, the noncareer postmaster relief (PMR) may be separated from the Postal Service; however attempts will be made to reassign the employee to a nearby facility. The record shows that no other employee would be adversely affected by this closing. FD, at 23 and 24; Item No.

33 at 14. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Star Tannery Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Star Tannery Post Office and would still provide regular and effective service. Item No. 21, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Star Tannery Post Office are \$21,988.00. FD at 23; Item No. 33, Proposal, at 14.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD, at 21; Item No. 33, Proposal, at 12.

The Postal Service determined that carrier service is more cost-effective than maintaining the Star Tannery postal facility and postmaster position. FD, at 24. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Star Tannery Post Office on the provision of postal services and on the Star Tannery community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Star Tannery customers. FD, at 24. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Star Tannery Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Star Tannery Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel, Global Business & Service
Development

Isabelle G. Dorlan
Attorney

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
Phone: (202) 268-8706
Fax: (202) 268-5418
Isabelle.G.Dorlan@usps.gov
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