

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

Before Commissioners:

Ruth Y. Goldway, Chairman;
Mark Acton, Vice Chairman;
Nanci E. Langley; and
Robert G. Taub

Minneapolis Post Office
Minneapolis, North Carolina

Docket No. A2011-31

ORDER AFFIRMING DETERMINATION

(Issued November 16, 2011)

I. INTRODUCTION

On July 26, 2011, Ryan Carter filed an appeal with the Postal Regulatory Commission (Petition) seeking review of the closing of the Minneapolis, North Carolina post office (Minneapolis post office).¹ Based on its review of the record in this proceeding, the Commission affirms the Final Determination to close the Minneapolis post office.

¹ Petition to review received from Ryan Carter, July 26, 2011 (Petition).

II. PROCEDURAL HISTORY

In Order No. 774, the Commission established Docket No. A2011-31 to consider the appeal, designated a Public Representative, and directed the Postal Service to file the Administrative Record or otherwise file a pleading responsive to the appeal.²

On August 10, 2011, the Postal Service made the first of three filings which, collectively, contain the entire Administrative Record.³ The second filing supplemented the first filing by submitting the Final Determination to Close the Minneapolis, NC Post Office and Establish Service by Rural Route Service (Final Determination).⁴ The third filing supplemented the first two filings by submitting an analysis of a community meeting held to discuss the proposed closure of the post office.⁵ Petitioner filed a Participant Statement in support of the petition on August 23, 2011.⁶ On September 19, 2011, the Postal Service filed comments requesting that the determination to close the Minneapolis post office be affirmed.⁷ The Public Representative filed a reply brief on October 3, 2011.⁸ The Commission also received four letters from customers expressing concerns about the discontinuance of the Minneapolis post office.⁹

III. BACKGROUND

The Minneapolis post office, classified as level EAS-11, provides window service 49 hours a week from 7:30 a.m. to 4:30 p.m., Monday through Friday, and 8:00 a.m. to

² Notice and Order Accepting Appeal and Establishing Procedural Schedule, July 27, 2011 (Order No. 774).

³ United States Postal Service Notice of Filing, August 10, 2011.

⁴ United States Postal Service Notice of Supplemental Filing, August 25, 2011.

⁵ United States Postal Service Notice of Supplemental Filing, October 31, 2011.

⁶ Participant Statement received from Ryan Carter, August 23, 2011 (Participant Statement).

⁷ United States Postal Service Comments Regarding Appeal, September 19, 2011 (Postal Service Comments).

⁸ Reply Brief of the Public Representative, October 3, 2011 (PR Reply Brief).

⁹ Letters from Janice Trent, Stephen Carpenter, and Ruth M. Brown received September 1, 2011 (Patron Letters).

noon on Saturday. In addition to providing retail services, *e.g.*, sale of stamps, stamped paper, and money orders, it serves 115 post office box customers. Final Determination at 2.

The Minneapolis post office averages 17 window transactions per day. *Id.* Its revenues have increased over the past 3 years: \$18,914 in FY 2008, \$20,802 in FY 2009, and \$21,243 in FY 2010. *Id.*

On September 1, 2007, the Minneapolis postmaster was promoted. A non-career employee from a neighboring post office was installed as the temporary officer-in-charge. *Id.*

The Postal Service has determined to close the Minneapolis post office and provide delivery and retail services by rural route delivery administered by the Newland post office, located 5.5 miles away.¹⁰ *Id.* Post office box and retail services are available at the Newland post office from 8:30 a.m. to 4:30 p.m., Monday through Friday, and 8:30 a.m. to noon on Saturday. *Id.* The Postal Service will continue to use the Minneapolis name and ZIP Code. *Id.* at 5, Concern No. 1.

On February 11, 2011, the Postal Service distributed 125 questionnaires to delivery customers regarding the possible change in service at the Minneapolis post office. Final Determination at 2. Additional questionnaires were made available over the counter to walk-in customers. A total of 63 questionnaires were returned. *Id.* On February 18, 2011, the Postal Service held a community meeting at the Minneapolis post office. *Id.* Seventy-nine residents attended. Administrative Record, Item No. 24. On March 14, 2011, the Postal Service posted the proposal to close the Minneapolis post office at the Minneapolis and Newland post offices. *Id.* At the same time, the Postal Service posted an invitation for customers to comment on the proposal. *Id.*; Administrative Record, Item Nos. 32, 36. The Postal Service received 35 unfavorable comments on the Proposal. *Id.* item No. 40.

¹⁰ Mapquest estimates the drive time for this distance to be approximately 14 minutes.

IV. PARTICIPANT PLEADINGS

Petitioner. Petitioner asserts that the Postal Service did not consider the effect of the closing on the Minneapolis community or the effect on postal services. He states that Postal Service responses to customer concerns demonstrate a lack of knowledge of actual conditions in Minneapolis. Petition at 1-2. He alleges that the Postal Service has exaggerated economic savings and that the Minneapolis post office is being closed solely for operating at a deficit. *Id.* at 3. He reiterates most of these claims in his Participant Statement. Participant Statement, Attachment.

Letters. Customer correspondence filed in this proceeding raises issues of mail security, suggests that the Minneapolis post office be open fewer days of the week, and complains of the inconvenience of traveling to Newland, especially in winter. See Customer Letters.

Public Representative. The Public Representative alleges that the Postal Service failed to follow procedure required by law. PR Reply Brief at 6-8. She claims that the Postal Service made the decision to close the Minneapolis post office before providing patrons with an opportunity to express their views. *Id.* She also asserts that the Minneapolis post office is being closed solely for operating at a deficit and that economic savings from closing the post office are inflated. *Id.* at 9-11.

Postal Service. The Postal Service argues that the Commission should affirm the determination to discontinue the Minneapolis post office. Postal Service Comments at 2. The Postal Service maintains that it has followed the closing procedures of 39 U.S.C. § 404(d) and carefully considered the required factors of section 404(d)(2) in making its determination. *Id.* at 3.

The Postal Service states that its decision to close the Minneapolis post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload generating low revenue;

- the variety of delivery and retail options available;
- minimal impact upon the community;
- little recent growth in the area; and
- expected financial savings.

Id. at 4. The Postal Service asserts that it has addressed each of the concerns raised by Petitioner and that it has satisfied the requirements of 39 U.S.C. § 404(d).

V. COMMISSION ANALYSIS

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 to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 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.

A. Notice to Customers

Section 404(d)(1) requires that, 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. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons

served by that office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made to persons served by the post office. 39 U.S.C. § 404(d)(5).

The Public Representative alleges a violation of the statutory notice requirements. She states that the Postal Service decided to close the Minneapolis post office before providing patrons an opportunity to present their views. She cites to correspondence in Item 19 of the Administrative Record. Item 19, which bears the same date as the initial notice to patrons (Item 21), contains the following language. "They have chosen to Close the office and Establish service by Rural Route Service." The Public Representative also points to the inconvenient time of the community meeting and to "boilerplate" responses to customer concerns as evidence that the Postal Service did not consider the views of patrons. PR Reply Brief at 2, 5-6.

The language in Item 19, when placed in context, indicates that the Postal Service was proceeding to the next step in the process of investigating whether to close the Minneapolis post office. The full text of Item 19 reads as follows.

[The Manager, Post Office Operations] has determined to continue to move forward with the discontinuance for MINNEAPOLIS. They have chosen to Close the office and Establish service by Rural Route Service. You should be prepared to conduct the next steps in the process.

This appears to be nothing more than a directive that Postal Service personnel stand ready to implement the next procedures in the discontinuance process. In any event, a manager of post office operations does not have authority to make such a decision. That decision is made by a Headquarters vice-president. See 39 C.F.R. § 241.3(f).

Notice of the Postal Service's proposal to close the Minneapolis post office and provide rural route service was posted at the Minneapolis and Newland post offices from March 17, 2011 through May 18, 2011. Administrative Record, Item No. 36. The Postal Service received no comments during the 60-day posting period. *Id.* Item No. 38. The Final Determination to close the Minneapolis post office was posted at the

same two post offices from June 20, 2011 through July 22, 2011. See Final Determination cover sheets.

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).

B. Other Statutory Considerations

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. Also, section 101(b) prohibits the Postal Service from closing a small post office solely for losing money. 39 U.S.C. § 101(b). In considering these factors, the Postal Service solicited input from the community by distributing questionnaires to customers and holding a community meeting. Administrative Record, Item Nos. 21-25.

Effect on the community. Minneapolis is an incorporated community located in Monona County, North Carolina. Final Determination at 5. It is open 24 hours per week and provides retail and delivery service to 20 post office box customers. *Id.* at 2. Petitioner states that the Postal Service did not fill the postmaster position in Minneapolis, and that is why he is appealing. Petitioner also states that the citizens of Minneapolis do not want the post office to close.

Petitioner raises the issue of the effect of the closing of the Minneapolis post office upon the Minneapolis community. The Postal Service appears to have considered this issue. Final Determination at 5-6; Administrative Record, Item Nos. 16, 23, 33. However, Petitioner and the Public Representative complain that, in response to concerns expressed by customers, the Postal Service provided rote or “boilerplate” explanations that actually have no application to the Minneapolis community. For example, in response to concerns expressed by customers about the loss of a community bulletin board, the Postal Service suggested that customers may continue to meet and share information at a general store or church in town. Final Determination

at 6. However, Petitioner points out that there are no general stores in Minneapolis and that churches are inappropriate places for a bulletin board because not everyone in Minneapolis is of the same faith and a church would probably restrict certain content. Petition at 1-2. The Postal Service suggestions were general in nature and did not purport to refer to specific facilities within the community. Final Determination at 6, Concern Nos. 1-5. Each suggestion was prefaced with the word “perhaps.” Moreover, the suggested locations included not only “general stores” and “churches,” but “businesses,” as well. *Id.*

Upon review of the record in this proceeding, the Commission concludes that the Postal Service has satisfied the requirement that it consider the effect of closing on the community. 39 U.S.C. § 404(d)(2)(A)(i).

Effective and regular postal service. Petitioner raises the issue of the effect on postal services of the Minneapolis post office’s closing. Several other patrons of the Minneapolis post office raised this issue in their comments during the Postal Service’s investigation of the possibility of closing. See Customer Letters.

Some of the concerns of patrons dealt with mail security and senior citizens having to travel to another post office for service. *Id.* The Postal Service stated that if the decision is made to have customers install their own post office box, customers may place a lock on their mailboxes. However, the mailbox must have a slot large enough to accommodate the customer’s normal daily mail volume. Postal Service Comments at 5-6.

Petitioner points to a different response regarding mail security, which states that “customers may place a note in their mailboxes instructing the carrier to sound their horn when they arrive, in order to transact financial business.” Final Determination at 2, Concern No. 4. Petitioner considers this response to be “almost comical” and indicative of the Postal Service’s ignorance of the actual situation in Minneapolis. He states that many residents live far off state-maintained roads and would not be able to hear the carrier’s horn. Petition at 2. However, the response at issue was offered as an alternative to leaving money in a mailbox to be accessed by the carrier. Final

Determination at 2, Concern No. 3. That prior response noted that an inquiry by the Postal Service to the Postal Inspection Service had revealed no reports of mail theft or vandalism in the area. *Id.* Leaving money in the mailbox will not, of course, be possible if the customer has installed a lock on the mailbox. In that event, the customer's only other recourse will be to either make special arrangements with the carrier through the Newland post office, or to visit the Newland post office, or have someone implement the financial transaction on his or her behalf. In any event, the Postal Service should exercise more care in responding to patrons' concerns. The Commission has previously brought this problem to the attention of the Postal Service.¹¹

With respect to the impact of the closing of the Minneapolis post office on senior citizens, the Postal Service stated that carrier service can be beneficial for senior citizens because the carrier can provide delivery and retail service to roadside mailboxes. Customers would thus avoid a trip to the post office. Postal Service Comments at 6-7. Petitioner again points out that roadside delivery is hardly beneficial for senior citizens who live far from the carrier's line of travel. Petition at 2. The Postal Service responded by pointing out that if a customer lives less than one-half mile from the carrier's line-of-travel, the carrier will attempt delivery of accountable items and large parcels to the customer's residence, or at a location designated by the customer. Postal Service Comments at 5-6. If a customer lives over one-half mile away, the carrier will leave a notice in the mailbox and items can be picked up at the Newland post office. *Id.* at 6. Finally, carriers can deviate from their line-of-travel to pick up packages. *Id.*

However, upon review of the entire record in this proceeding, the Commission concludes that the Postal Service has satisfied the requirement that it consider the effect of closing the Minneapolis post office on postal services. 39 U.S.C. § 404(d)(2)(A)(iii).

¹¹ See Comments of the United States Postal Regulatory Commission on Proposed Amendments to Post Office Consolidation and Closing Process, May 2, 2011, at 3-4.

Economic savings. The Postal Service estimates the economic savings from closing the Minneapolis post office to be \$49,079. Postal Service Comments at 9. It derives this figure by summing the following costs: postmaster salary and benefits of \$44,279; and annual lease costs of \$4,800. It does not include a cost of replacement service. Final Determination at 7.

Petitioner and the Public Representative dispute this estimate. They point out that the \$44,279 figure is the expense for a career postmaster. However, the only employee actually working at the Minneapolis post office is a lower-paid, non-career postmaster relief, who may remain employed with the Postal Service. Petition at 3; PR Reply Comments at 11-12. The Commission has addressed this issue previously.¹² Savings attributable to costs not shown to be avoided should not be included in the savings estimates. Exclusive of employee compensation costs, net annual savings are still positive.

Section 101(b). Section 101(b) prohibits closing any small post office solely for operating at a deficit. The Public Representative contends that the Postal Service's closing of the Minneapolis post office violates section 101(b) because none of the reasons it advances is unrelated to Minneapolis' deficit.¹³ PR Reply brief at 7-8. She states:

The Postal Service cites Minneapolis' declining revenue, low workload, stagnant population, and postmaster vacancy as if they are four distinct reasons for Minneapolis' discontinuance. They are not. It is illogical to portray these problems as independent of Minneapolis's deficit problem when, in reality, they are three causes and one symptom thereof.

Id. at 10 (citations omitted).

¹² See, e.g., Docket No. A2011-16, Order No. 843, Order Affirming Determination, September 8, 2011; Docket No. A2011-18, Order No. 865, Order Affirming Determination, September 20, 2011; Docket No. N2009-1, Advisory Opinion Concerning the Process for Evaluating Closing Stations and Branches, March 10, 2010.

Having examined the record, the Commission is not prepared to conclude that the Postal Service's determination violates section 101(b). In addition to considering workload at the Minneapolis post office (revenues low and averaging only 17 retail transactions per day), the Postal Service also took into account the following factors: the postmaster position is vacant; and growth in the area has been minimal in recent years. Final Determination at 4. Regular and effective postal services will be provided to customers in Minneapolis.

VI. CONCLUSION

The record fully supports the conclusion that regular and effective service will continue to be provided to customers of the Minneapolis post office. The Postal Service's determination to close the Minneapolis post office is affirmed.

It is ordered:

The Postal Service's determination to close the Minneapolis, North Carolina post office is affirmed.

By the Commission.

Shoshana M. Grove
Secretary