

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

Chillicothe Post Office  
Chillicothe, Iowa

Docket No. A2011-32

ORDER AFFIRMING DETERMINATION

(Issued November 16, 2011)

I. INTRODUCTION

On July 26, 2011, Jason Van Der Veer (Petitioner) filed an appeal with the Commission seeking review of the Postal Service's determination to close the Chillicothe, Iowa post office (Chillicothe post office).<sup>1</sup> After review of the record in this proceeding, the Commission affirms the Final Determination to close the Chillicothe post office.

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<sup>1</sup> Petition for Review received from Jason Van Der Veer Regarding the Chillicothe, IA Post Office 52548, July 26, 2011 (Petition).

## II. PROCEDURAL HISTORY

In Order No. 775, the Commission established Docket No. A2011-32 to consider the appeal, designated a Public Representative, and directed the Postal Service to file the Administrative Record and any pleadings responding to the appeal.<sup>2</sup>

On August 10, 2011, the Postal Service filed the Administrative Record with the Commission.<sup>3</sup> The Postal Service also filed comments requesting that the determination to close the Chillicothe post office be affirmed.<sup>4</sup>

On November 10, 2011, the Public Representative filed comments.<sup>5</sup>

## III. BACKGROUND

The Chillicothe post office is located in Chillicothe, Iowa. Final Determination at 2. The Chillicothe post office provides retail service from 6:45 a.m. to 11:00 a.m., Monday through Friday, and 6:45 a.m. to 9:30 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 32 post office box customers. *Id.* at 2. Lobby hours are from 6:00 a.m. to 6:00 p.m., Monday through Saturday. The Postal Service reports that the Chillicothe post office retail window averaged 4 transactions accounting for 4 minutes of retail workload daily.

The Postal Service has made a determination to close the Chillicothe post office and provide rural route delivery and retail service through the Ottumwa post office located 7 miles away. Window service hours at Ottumwa post office are from 7:30 a.m. to 5:00 p.m., Monday through Friday. The Ottumwa post office is closed on Saturday.

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<sup>2</sup> Notice and Order Accepting Appeal and Establishing Procedural Schedule, July 27, 2011 (Order No. 775).

<sup>3</sup> The Administrative Record is attached to United States Postal Service Notice of Filing, August 10, 2011 (Administrative Record). The Administrative Record includes, as Item 47, the Final Determination to Close the Post Office and Establish Service by Rural Route Service (Final Determination).

<sup>4</sup> United States Postal Service Comments Regarding Appeal, September 19, 2011 (Postal Service Comments).

<sup>5</sup> Comments of the Public Representative, November 10, 2011 (PR Comments).

*Id.* There are 390 post office boxes available at the Ottumwa post office for customers opting for such service. *Id.* The Postal Service indicates that effective and regular rural route delivery and retail service will continue to be provided by the Ottumwa post office.

As an alternative, the Postal Service notes that the Kirkville post office is located 4 miles away. Window service hours at Kirkville post office are from 8:00 a.m. to 12:00 p.m., Monday through Saturday. *Id.* There are 67 post office boxes available at the Kirkville post office for customers opting for such service. *Id.*

#### IV. PARTICIPANT PLEADINGS

*Petitioner.* Petitioner opposes the Postal Service decision to close the Chillicothe post office. In support of his position, he argues that the Postal Service failed to replace the postmaster position. Petitioner also contends that the closure will have negative implications on the community's financial stability. He further adds that service at the alternate location is inadequate. Petition at 1.

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

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

- the postmaster vacancy;
- a minimal workload, low office revenue;
- a variety of other delivery and retail options (including the convenience of rural delivery and retail service);
- very little recent growth in the area;
- minimal impact on the community; and
- expected financial savings.

*Id.* at 4.

The Postal Service also addresses the concerns raised by Petitioner. For example, the Postal Service discusses the issue of long lines at the Ottumwa post office. The Postal Service explains that this concern was brought to the Ottumwa postmaster so that she can monitor window operations and ensure that the customers do not have an unreasonable wait to obtain services. *Id.* at 6.

*Public Representative.* The Public Representative contends that the Postal Service has complied with the appropriate statutory requirements of 39 U.S.C. § 404(a)(2)(A)(i) and (iii). PR Comments at 5. She notes that while customers were not satisfied with the Postal Service's responses at the community meeting, the record supports the Postal Service's assertion that it did consider customer concerns. *Id.* at 4, 5.

## 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 post 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 available to persons served by the post office. 39 U.S.C. § 404(d)(5).

Notice of the Postal Service's proposal to close the Chillicothe post office with an invitation for public comment was posted at the Chillicothe, Kirksville, and Ottumwa post offices from April 18, 2011 through June 20, 2011. Postal Service Comments at 4. The Final Determination to close the Chillicothe post office was posted at the same three post offices from July 7, 2011 through August 8, 2011. Administrative Record, Item No. 32 at 1; Item No. 48 at 1; see *also* Postal Service Comments at 4.

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. 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. 39 U.S.C. § 404(d)(2)(A).

*Effect on the community.* As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. As part of its investigation, on March 11, 2011, the Postal Service distributed 48 questionnaires. Final Determination at 2. Twenty-one questionnaires were returned. Four were unfavorable, one was favorable, and sixteen expressed no opinion regarding the proposed alternate service. *Id.* On March 28, 2011, the Postal Service also held a community meeting at the Chillicothe City Hall attended by 16 customers. *Id.*

The Postal Service addressed the various concerns raised by customers. For example, it indicated that the community's identity would be preserved because all mail would continue to be addressed to Chillicothe, IA 52548. *Id.* at 3; see also Postal Service Comments at 9.

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)(i).

*Effective and regular service.* The Postal Service contends that it has considered the effect the closing will have on service. Postal Service Comments at 5. The current 32 post office box customers will receive rural route delivery, although they may opt to continue Post Office Box service at the Ottumwa post office. Final Determination at 2. There are 390 post offices boxes available for rent. *Id.*

Petitioner contends that the employees at the Ottumwa post office lack customer service skills. Petition at 1. The Postal Service explains that employee courtesy is always a concern of managers. Postal employees receive periodic instructions regarding employee courtesy. The Postal Service adds that it will convey this concern to the postmaster. Final Determination at 3.

Customers expressed concern about package delivery and pickup. The Postal Service states that rural carriers will deliver packages that fit in rural mailboxes. If the package does not fit in the mailbox, the carrier will deliver the package up to half-a-mile off of the line of travel at a designated place. *Id.* at 4.

Some patrons expressed concerns regarding customers with disabilities and senior citizens who are not able to go to the post office to pick up their mail. The Postal Service indicates that customers are not required to travel to another post office to pick up their mail because these services will be provided by carriers at a roadside mailbox located near the customer's residence. *Id.* at 3. In addition, the Postal Service stated that "[s]pecial provisions are made for hardship cases or special customer needs." *Id.*

Based on a review of the record, the Commission concludes that Chillicothe customers will continue to receive effective and regular service. 39 U.S.C. § 404(d)(2)(A)(iii).

*Economic savings and effect on employees.* The Postal Service estimates total annual savings of \$19,423. Final Determination at 8. It derives this figure by summing the following costs: postmaster salary and benefits \$20,492; and annual lease costs \$3,168, minus the cost of replacement service \$4,237.

The Chillicothe postmaster retired on April 30, 1999. Since that time, the post office has been run by a temporary officer-in-charge, a non-career postmaster relief. *Id.* at 8. The non-career postmaster relief may be separated from the Postal Service and no other employees will be adversely affected. *Id.*

The Commission finds that the Postal Service has taken economic savings into account.

## VI. CONCLUSION

Based on its review of the record before it, the Commission concludes that the Postal Service has adequately considered all requirements of 39 U.S.C. § 404(d). Accordingly, its determination to close the Chillicothe post office and provide rural route delivery is affirmed.

*It is ordered:*

The Postal Service's determination to close the Chillicothe, Iowa post office is affirmed.

By the Commission.

Shoshana M. Grove  
Secretary

CONCURRING OPINION BY COMMISSIONER LANGLEY

While I concur with my colleagues that the Postal Service adequately considered all requirements of 39 U.S.C. § 404(d), I agree with Chairman Goldway that the Postal Service may not have presented a fully balanced cost/benefit analysis for closing this location. The Postal Service should take into consideration that a non-career postmaster relief (PMR) has been in charge of this facility since 1999, not an EAS-11 postmaster, and reflect the PMR's salary and benefits in its cost savings analysis.

In addition, because the current lease does not terminate until November 30, 2013, the Postal Service should note that any savings from the lease will not be realized for two years. As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings.

Nanci E. Langley



## DISSENTING OPINION BY CHAIRMAN GOLDWAY

I dissent from the majority opinion in this case for three reasons.

First, the Administrative Record reflects that customers have complained about the long lines at the Ottumwa post office, suggesting staffing difficulties with this primary alternative retail location that have not yet been resolved.

Second, the driving distance from the Chillicothe post office to the Ottumwa post office appears closer to 9.6 miles than the 7 miles cited in the Administrative Record. In addition, the driving distance to the Kirksville post office is currently between 18.5 to 20.1 miles (depending upon the route) rather than 4 miles because the 50-year-old Chillicothe Bridge that spans the nearby Des Moines River has structural defects. News reports indicate that crews are attempting to patch the old bridge as an interim measure, but if that proves unsuccessful, the new bridge is not expected to be completed until next year. The lack of a viable river crossing presently requires detouring via the next nearest bridge, making customer access to the Kirksville post office as an alternate location more difficult. In evaluating the proximity of alternate retail access, the Postal Service should evaluate actual driving distance rather than line-of-sight distance.

Finally, the Postal Service may not have fully presented the cost/benefit equation for closing this location. Taking into consideration the salary and benefits for the postal employee, minus the cost of providing additional rural carrier delivery, and the costs associated with terminating or not terminating the current lease (which runs until November 30, 2013), the net savings are rather thin compared with the service reduction. While retail transactions are few in number, postal customers depend on the post office boxes and services at this location.

Ruth Y. Goldway