

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

Ida Post Office  
Ida, Arkansas

Docket No. A2011-48

ORDER AFFIRMING DETERMINATION

(Issued December 7, 2011)

I. INTRODUCTION

On August 17, 2011, Earlene Cannon on behalf of the Committee to Save Ida post office (Petitioner) filed an appeal with the Commission seeking review of the Postal Service's determination to close the Ida, Arkansas post office (Ida post office).<sup>1</sup> After review of the record in this proceeding, the Commission affirms the Final Determination to close the Ida post office.

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<sup>1</sup> Petition for Review Received from Earlene Cannon Regarding Ida, Ar. post office 72546, August 17, 2011 (Petition). No additional letters were filed by members of the community.

## II. PROCEDURAL HISTORY

On August 18, 2011, the Commission established Docket No. A2011-48 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 September 1, 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 Ida post office be affirmed.<sup>4</sup>

Petitioner filed a participant statement in support of her petition.<sup>5</sup> On November 23, 2011, the Public Representative filed comments.<sup>6</sup>

## III. BACKGROUND

The Ida post office has provided retail postal services and service to 50 post office box customers. Seventy-five delivery customers were served through this office. Final Determination at 2. The Ida post office, an EAS-11 level facility, has retail access hours of 7:00 a.m. to 3:30 p.m., Monday through Friday, and 8:00 a.m. to 12:00 p.m. on Saturday. *Id.* Lobby access hours are the same as retail access hours. *Id.*

The Postal Service has made a determination to close the Ida post office and provide rural route delivery and retail service through the Heber Springs post office. According to the Postal Service, the Heber Springs post office is located 6 miles away.<sup>7</sup>

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<sup>2</sup> Notice and Order Accepting Appeal and Establishing Procedural Schedule, August 18, 2011 (Order No. 813).

<sup>3</sup> The Administrative Record is attached to United States Postal Service Notice of Filing, September 1, 2011; The Administrative Record includes the Final Determination to Close the Ida Post office and Continue to Provide Service by Rural Route Service (Final Determination).

<sup>4</sup> United States Postal Service Comments Regarding Appeal, October 11, 2011 (Postal Service Comments).

<sup>5</sup> Participant Statement Received from Earlene Cannon, September 13, 2011 (Cannon Statement).

<sup>6</sup> Public Representative Comments, November 23, 2011 (PR Comments).

<sup>7</sup> *Id.*; MapQuest estimates the driving distance between the Ida and Heber Springs post offices to be approximately 9.63 miles (19 minutes driving time).

There are 332 post office boxes available at the Heber Springs post office for customers opting for such service. Retail service will also be available at the Tumbling Shoals post office located 4 miles away.<sup>8</sup> There are 332 post office boxes available at Tumbling Shoals. Final Determination at 2.

The Postal Service reports that the Ida post office retail window averaged 9 transactions accounting for 9 minutes of retail workload daily. The Postal Service adds that between 2008 and 2010 office receipts have declined by 17.4 percent to less than \$14,522. *Id.* at 2.

Window service hours at the Heber Springs post office are from 8:30 a.m. to 4:30 p.m. Monday through Friday, and 8:30 a.m. through 12:30 a.m. on Saturday. *Id.* The Postal Service indicates that effective and regular rural route delivery and retail service will continue to be provided by the Heber Springs post office.

On February 4, 2011, the Postal Service distributed questionnaires regarding the possible change in service at the post office to post office box customers. Additional questionnaires were available at the counter to walk-in customers. A total of 53 questionnaires were distributed, and 46 were returned. *Id.* On March 10, 2011, representatives from the Postal Service were available at the Pleasant Ridge Baptist Church to answer questions and provide information to customers regarding the possible closure. *Id.*

#### IV. PARTICIPANT PLEADINGS

*Petitioner.* Petitioner, writing on behalf of the Committee to Save Ida post office, opposes the closure of the Ida post office. In support of her position, she argues that the closing is not warranted for several reasons. She explains that the effect on postal services will be adverse to the Ida community due to the longer distance that will have to be traveled to the Heber Springs post office. She asserts that the Heber Springs post

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<sup>8</sup> *Id.*; MapQuest estimates the driving distance between the Ida and Tumbling Shoals post offices to be approximately 4.09 miles (8 minutes driving time).

office is 9.4 miles away from the Ida post office, not 6 miles away, as the Postal Service asserts. She notes the possibility that rural carrier service will be less convenient, primarily because accountable transactions, such as money orders, would require a patron to wait for the arrival of the rural carrier. She also argues that the community's identity will suffer. Cannon Statement at 1-2. Finally, she asserts that there are inaccuracies in the calculations of economic savings by the Postal Service. She asserts that annual cost of the lease is \$2,225, not \$3,000 as the Postal Service claims. She also asserts that the postmaster salary saved is assumed to be the maximum salary \$42,480, rather than the entry level salary of \$30,492, which she argues is more relevant. She also questions the assumption that no additional work will be added to the rural delivery route serving Ida patrons. Cannon Statement at 3-4.

*Postal Service.* The Postal Service argues that the Commission should affirm its determination to discontinue the Ida 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 in addition to posting the Proposal and Final Determination, it distributed questionnaires to delivery customers. Questionnaires were also made available at the counter to retail customers. *Id.*

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

- the postmaster vacancy;
- a minimal workload and declining revenue;
- the variety of delivery and retail options available (including rural delivery service); and
- expected financial savings.

*Id.* at 4.

To a degree, the Postal Service addresses the particular concerns raised by Petitioner. With regard to her concern about added expenses to customers, the Postal Service argues that customers opting for carrier service will no longer have to pay post office box fees and will not have to drive to the post office to retrieve their mail. *Id.* at 5. In response to Petitioner's concern about the inconvenience to customers that closing the Ida post office would cause, the Postal Service explains that most transactions involving rural carriers do not require meeting the carrier at the mailbox. It notes that Stamps by Mail and Money Order application forms are also available for customer convenience. *Id.* at 6. In response to Petitioner's concerns about access to mail and mail security, the Postal Service states that customers opting for carrier service will have 24 hour access to their mail and that the vandalism report in the Administrative Record indicates no recent reports of mail theft or vandalism in the area. *Id.*

The Postal Service argues that patrons of the Ida post office will continue to receive regular and effective service. It notes that the availability of rural carrier service will free customers from the need to make a special trip to the post office. It also notes that post office boxes will be available 6 miles away at the Heber Springs post office and 4 miles away at the Tumbling Shoals post office. These options, it argues, demonstrate that the Postal Service has properly concluded that all Ida customers will continue to have regular and effective access to service. *Id.* at 7.

With respect to any adverse effect of the closing of the Ida post office on the Ida community, the Postal Service says it will be mitigated by the fact that retail service and box rentals will continue to be available 6 miles away at the Heber Spring post office and 4 miles away at the Tumbling Shoals post office. The Postal Service also notes that while a post office has been located in Ida for many years, the building is not a state or national historic landmark. It is further stated that preservation of the community's identity will be accomplished by continuing the use of the Ida name and ZIP Code in patron's addresses. The Postal Service offers these observations as evidence that it has met its burden, as set forth in 39 U.S.C. 404(d)(2)(A)(i) to consider the effect of closing the Ida Post office on the community that it served *Id.* at 8.

The Postal Service notes that economic factors are but one of several factors that were considered in reaching its decision to close, which is consistent with the standard articulated in 39 U.S.C. 404(d)(2)(A). It argues that, in any event, the Administrative Record supports its estimates of costs savings. *Id.* at 10. As support, it states that the Ida, Arkansas postmaster position became vacant when the postmaster retired on July 31, 2009. Since the postmaster vacancy, it notes, the Ida post office has been staffed by a single non-career officer-in-charge (OIC). Upon implementation of the Final Determination, if the office still has a non-career employee, the Postal Service raises the possibility that the employee may be separated from the Postal Service. It notes that no other employee would be affected by the proposed closing. From this, it concludes, it has considered the effect of the proposed closing on employees, consistent with its statutory obligations in 39 U.S.C. 404(d)(2)(A)(ii). *Id.* at 11.

*Public Representative.* The Public Representative observes that the Administrative Record includes responses to many of the issues raised by Petitioner. Petitioner's claim is that the record is inaccurate. However, for most of Petitioner's arguments, *e.g.*, that rural carrier delivery makes postal service inaccessible to segments of the Ida community, that the location of boxes is unsafe, that the distance to alternate post offices from the community has been inaccurately characterized, and that viable businesses in the community are not accurately described, the record indicates that the Postal Service has provided responses. The Public Representative concludes that Petitioner has alleged but not proved that the Administrative Record is inaccurate. The Public Representative observes that the arguments raised by Petitioner are similar to those raised in almost every case where the closing of a rural or small post office is appealed. At the same time, it notes that the Postal Service's responses are standard, "one size fits all" responses. The Public Representative argues that the Postal Service's responses, while not well tailored to the particular issues presented, demonstrates that the issues were considered. The Public Representative suggests that the law only requires that the Postal Service take the issues under consideration,

not that it must do so in a particularized, thorough, and comprehensive manner..  
PR Comments at 3.

## 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 administrative 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 Ida post office with an invitation for public comment was posted at the Ida, Heber Spring, and Tumbling Shoals post offices from March 16, 2011 through May 17. Postal Service Comments at 4. The

Final Determination to close the Ida post office was posted at the Ida post office from August 4, 2011 and at the Heber Springs and Tumbling Shoals post offices on August 29, 2011. Administrative Record, Item No. 32 at 1; *id.* 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 these notice requirements.

#### 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 14, 2011, the Postal Service distributed 53 questionnaires to Ida delivery customers. Final Determination at 2. Questionnaires also were available over the counter for retail customers at the Ida post office. *Id.* Forty-six questionnaires were returned. The Postal Service characterizes 4 as unfavorable, 4 as favorable, and 38 as expressing no opinion regarding the proposed alternate service. *Id.* The petitioner questions the accuracy of this characterization, asserting personal knowledge that the share of negative responses was much higher. The Postal Service does not take into account that over 300 hundred local postal patrons signed a petition opposing the closing of the Ida post office.

On March 29, 2011, the Postal Service also held a community meeting attended by 78 customers. *Id.*; see *also* Administrative Record, Item No. 24. There, the Postal Service addressed the various concerns raised by Petitioner, and concluded that any adverse effect would be mitigated by effective alternative forms of service. It noted that the fact that all mail would continue to be addressed to Ida, Arkansas with the same, unique ZIP Code would help preserve the community's identity. Final Determination at



3; see *also* Postal Service Comments at 8. It also noted that community impact would be mitigated by the availability of nonpostal services, such as a community bulletin board and government forms, nearby at the Heber Springs post office. Final Determination at 2; see *also* Administrative Record, Item Nos. 23, 25.

Although the sentiment of the patrons of the Ida community appears to be that the community's identity is much more at risk than the Postal Service will acknowledge, the Postal Service notes that most of the Ida residents work, or seek basic services, outside of Ida. It is not unreasonable for it to conclude that seeking postal services outside of Ida as well would not have a major impact on the community's identity. 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).

*Effect on employees.* Since the postmaster position has been vacant, the Ida post office has been staffed by a non-career OIC. The Postal Service raises the possibility that upon closing the Ida post office, the employee may be separated from the Postal Service. It notes that no other employee would be affected by the proposed closing. These statements show that the Postal Service has considered the effect of the proposed closing on employees, consistent with its statutory obligations in 39 U.S.C. 404(d)(2)(A)(ii). *Id.* at 11.

*Effective and regular service.* Petitioner contends that added expense, extreme inconvenience, diminished access to mail, and lack of mail security, would be effects of closing the Ida post office. Petition at 2. The Postal Service demonstrates that it has considered the effect that the decision to close will have on service. Postal Service Comments at 5. For example, the current 50 post office box customers will be eligible to receive rural route delivery, although they may opt to continue Post Office Box service at the Heber Springs or Tumbling Shoals post offices. The record indicates that there are 332 rental boxes available 4 miles away at the Tumbling Shoals post office, and another 332 available at the Heber Springs post office. Final Determination at 2. The existing 83 rural route delivery customers will continue to receive the same service,

although it will emanate from the Heber Springs post office. *Id.* Therefore, based on a review of the record, the Commission concludes that Ida post office 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 that closing the Ida post office will result in total annual savings of \$59,711. Final Determination at 5. It derives this figure by summing the following costs: postmaster salary and benefits \$56,711; and annual lease costs \$3,000, with zero cost of replacement service.

The Postal Service notes that following the postmaster's retirement in 2009, the Ida post office has been managed by an OIC, a non-career postmaster relief clerk, and that upon discontinuance of the Ida post office, the OIC may be separated from the service. Final Determination at 5. The Public Representative asserts that the Postal Service's estimated savings are not sufficiently detailed, and that some expenses of closing appear to be overlooked. PR Comments at 5.

The Commission has previously concluded that the Postal Service should not compute savings based on compensation costs unless there is a reasonable assurance that closing will actually eliminate those costs.<sup>9</sup> That standard does not appear to have been adhered to in this instance. The Ida postmaster retired in July 2009. Final Determination at 5. The office has since been staffed by a non-career OIC who, upon discontinuance of the office, may be separated from the Postal Service. On paper, the postmaster position and the corresponding salary will be eliminated. This, however, is a measure of maximum potential savings. Because the Ida post office has been staffed by an OIC for 2 years, it seems unlikely that the Postal Service would revert to a higher-salaried Postmaster for an office of this size. Accordingly, taking full credit for the

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<sup>9</sup> 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. A2011-19, Order No. 912, Order Affirming Determination, October 20, 2011; Docket No. N2009-1, Advisory Opinion Concerning the Process for Evaluating Closing Stations and Branches, March 10, 2010.

maximum possible postmaster salary and benefits of \$56,711 seems to be an unrealistically inflated measure of the salary cost that will actually be avoided.

The only other element of the Postal Service's estimated savings is \$3,000 for cancellation of the lease. The lease, however, is in force through August 31, 2017, and has no 30-day cancellation clause. See Administrative Record Item No. 15 at 1-2. It would appear that the Postal Service is obligated for more than \$17,000 in unpaid rent as a result of the closing of the Ida, post office.

An element of the Postal Service's estimated savings that should have been made explicit is its assumption as to revenue lost and the additional cost incurred if any of the current 50 box renters at the Ida post office elect to discontinue renting at one of the nearby facilities and opt for carrier delivery instead. The Postal Service apparently assumes that none will do so, since it does not offset any of the \$59,711 in annual savings by the additional cost of carrier delivery. Administrative Record, Item No. 33 at 6. This assumption conflicts with the Postal Service's argument that the advantages of rural delivery will offset the disadvantage of having to travel further for access to rental boxes.

There appear to be inconsistent statements regarding the economic savings to the Postal Service in the Administrative Record. The Postal Service argues that the Administrative Record supports its estimates of costs savings. *Id.* at 10. However, the Administrative Record includes some ambiguous figures to justify economic savings, as noted above, which call into question the calculations offered. [This is troubling if the Commission is to make an accurate, reliable, non-biased examination of Postal Service proceedings.](#) Because the Commission must rely on an Administrative Record for support in these determinations, it must be assured that the record is complete and transparent. Indeed, it would appear that over the long term, cost savings will be realized, particularly in light of the paucity of retail transactions and the negative trend in revenue for the Ida post office. Nevertheless, the Postal Service is obliged to make its case with a thorough and accurate record that adequately supports its assertions.

The Postal Service should take more care to make its Final Determination free from ambiguities. Nevertheless, even if the Postal Service were to revise its estimate of the savings to be realized by closing the Ida post office, it appears that closing might still provide a small net financial benefit to the Postal Service. The Postal Service has considered the economic impact of its decision. 39 U.S.C. § 404(d)(2)(A)(iv).

## 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 Ida post office and provide rural route delivery is affirmed.

*It is ordered:*

The Postal Service's determination to close the Ida, Arkansas post office is affirmed.

By the Commission.

Ruth Ann Abrams  
Acting Secretary

DISSENTING OPINION BY CHAIRMAN GOLDWAY AND COMMISSIONER LANGLEY

The financial analysis contained in the Postal Service's final determination is seriously flawed. It misstates the record in several places, particularly, with regard to savings related to the existing lease.

We find that the Postal Service's decision to discontinue operations at Ida post office is unsupported by substantial evidence on the record and thus, should be remanded.

Ruth Y. Goldway

Nanci E. Langley