

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

Before Commissioners:

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

St. Anthony Post Office  
St. Anthony, Iowa

Docket No. A2012-96

ORDER AFFIRMING DETERMINATION

(Issued March 28, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012.”<sup>1</sup> The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly,

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<sup>1</sup> United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011, at 1 (Notice).

the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

The Postal Service’s Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service’s request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On December 9, 2011, John Benedict (Petitioner) filed a petition with the Commission seeking review of the Postal Service’s Final Determination to close the St. Anthony, Iowa post office (St. Anthony post office).<sup>2</sup> The Final Determination to close the St. Anthony post office is affirmed.<sup>3</sup>

## II. PROCEDURAL HISTORY

On December 29, 2011, the Commission established Docket No. A2012-96 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.<sup>4</sup>

On December 27, 2011, the Postal Service filed the Administrative Record with the Commission.<sup>5</sup> The Postal Service also filed comments requesting that the Commission affirm its Final Determination.<sup>6</sup>

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<sup>2</sup> Petition for Review received from John Benedict regarding the St. Anthony, IA post office 50239, December 9, 2011 (Petition).

<sup>3</sup> The Commission is divided equally, 2-2, on the outcome of this appeal. In the absence of a majority, the Final Determination stands.

<sup>4</sup> Order No. 1084, Notice and Order Accepting Appeal and Establishing Procedural Schedule, December 29, 2011.

<sup>5</sup> The Administrative Record is attached to the United States Postal Service Notice of Filing Administrative Record, December 27, 2011 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the St. Anthony, IA Post Office and Establish Service by Rural Route Service (Final Determination).

<sup>6</sup> United States Postal Service Comments Regarding Appeal, February 2, 2012 (Postal Service Comments).

Petitioner filed a participant statement supporting his Petition.<sup>7</sup> On February 21, 2012, the Public Representative filed comments.<sup>8</sup>

### III. BACKGROUND

The St. Anthony post office provides retail postal services and service to 30 post office box customers. Final Determination at 2. Seventy-five (75) delivery customers are served through this office.<sup>9</sup> The St. Anthony post office, an EAS-53 level facility, provides retail service from 8:00 a.m. to 12:15 p.m., Monday through Friday, and 11:30 a.m. to 12:45 p.m. on Saturday. Lobby access hours are 8:00 a.m. to 3:45 p.m. Monday through Friday, and 11:30 a.m. to 3:30 p.m. on Saturday. *Id.*

The postmaster position became vacant on October 31, 1995, when the St. Anthony postmaster retired. A non-career officer-in-charge (OIC) was installed to operate the office. *Id.* at 2, 9. Retail transactions average 34 transactions daily (37 minutes of retail workload). *Id.* at 2. Post office receipts for the last 3 years were \$6,413 in FY 2008; \$5,440 in FY 2009; and \$5,800 in FY 2010. There are no permit or postage meter customers. By closing this office, the Postal Service anticipates savings of \$19,495 annually. *Id.* at 9.

After the closure, retail services will be provided by the State Center post office located approximately 10 miles away.<sup>10</sup> Delivery service will be provided by rural route service to cluster box units (CBUs) through the State Center post office. *Id.* The State Center post office is an EAS-16 level office, with retail hours of 8:00 a.m. to 12:00 p.m.

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<sup>7</sup> Participant Statement received from John Benedict, January 13, 2012 (Participant Statement).

<sup>8</sup> Public Representative Reply Comments, February 21, 2012 (PR Comments). The accompanying Motion of Public Representative for Late Acceptance of Comments is granted.

<sup>9</sup> The Administrative Record contains some discrepancies about the number of delivery customers. *Compare* Administrative Record, Item No. 13 (no delivery customers) *with* Final Determination at 2; Administrative Record, Item No. 1 (75 delivery customers). The Administrative Record as a whole indicates that 75 delivery customers are served by the St. Anthony post office.

<sup>10</sup> *Id.* at 2. MapQuest estimates the driving distance between the St. Anthony and State Center post offices to be approximately 10.75 miles (22 minutes driving time).

and 1:00 p.m. to 5:00 p.m., Monday through Friday, and 8:00 a.m. to 10:00 a.m. on Saturday. One hundred twenty (120) post office boxes are available. *Id.*

Retail service also is available at the Clemons post office located approximately 3 miles away.<sup>11</sup> The Clemons post office is an EAS-53 level office, with retail hours of 8:30 a.m. to 12:45 p.m., Monday through Friday, and 10:30 a.m. to 11:45 a.m. on Saturday. *Id.* Sixty (60) post office boxes are available at the Clemons post office. *Id.* The Postal Service will continue to use the St. Anthony name. *Id.* at 6-7, Concern Nos. 34 and 44.

#### IV. PARTICIPANT PLEADINGS

*Petitioner.* Petitioner opposes the closure of the St. Anthony post office. First, Petitioner contends that the Postal Service failed to consider whether or not it will continue to provide a maximum degree of effective and regular postal services to the community. Petition at 1, 2. Second, he also contends that the Postal Service failed to consider the effect of the closing on the community. *Id.* at 1, 2. Third, he asserts that the Postal Service failed to adequately consider the economic savings resulting from the closure. *Id.* at 1-2. Finally, Petitioner argues that there are factual errors contained in the Final Determination. *Id.* at 2. Petitioner's Participant Statement reiterates the concerns raised in his Petition. See *generally* Participant Statement.

*Postal Service.* The Postal Service argues that the Commission should affirm its determination to close the St. Anthony post office. Postal Service Comments at 2, 17. The Postal Service believes the appeal raises four main issues: (1) the effect on postal services; (2) the impact on the St. Anthony community; (3) the economic savings expected to result from discontinuing the St. Anthony post office; and (4) the impact on employees. *Id.* at 2. The Postal Service asserts that it has given these and other

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<sup>11</sup> *Id.* MapQuest estimates the driving distance between the St. Anthony and Clemons post offices to be approximately 2.9 miles (6 minutes driving time). The Postal Service notes that the Clemons post office is a candidate for closure. Postal Service Comments at 4 n.7.

statutory issues serious consideration and concludes that the determination to discontinue the St. Anthony post office should be affirmed. *Id.* at 2.

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

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

*Id.* at 4-5, 14. The Postal Service contends that it will continue to provide regular and effective postal services to the St. Anthony community when the Final Determination is implemented. *Id.* at 5.

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioner regarding the effect on postal services, the effect on the St. Anthony community, economic savings, and the effect on postal employees. *Id.* at 16.

*Public Representative.* The Public Representative concludes that the Administrative Record lacks substantial evidence to support complete discontinuance of the St. Anthony post office. PR Comments at 1. She notes that the Clemons post office also is slated for closure, and that there is no other source of complete postal services in the community closer than a 20 mile round-trip. *Id.* at 1, 2. She also contends that information provided regarding the number and placement of CBUs and the possible reassignment of the OIC is too uncertain and therefore fails to engender trust and understanding from the community. *Id.* at 2-3. The Public Representative also questions the reasoning for not hiring a postmaster for the past 16 years. *Id.* at 2. She recommends that the Commission remand the Final Determination. *Id.* at 1.

## 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. *Id.* § 404(d)(5).

The record indicates the Postal Service took the following steps in providing notice of its intent to close. On June 14, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the St. Anthony post office. Final Determination at 2. A total of 105 questionnaires were distributed to delivery customers. Other questionnaires were made available at the retail counter. A total of 33 questionnaires were returned. *Id.* On June 28, 2011, the Postal Service held

a community meeting at the St. Anthony City Hall to address customer concerns. Twenty-four (24) customers attended. *Id.*

The Postal Service posted the proposal to close the St. Anthony post office with an invitation for comments at the St. Anthony, Clemons, and State Center post offices from July 25, 2011 through September 25, 2011. *Id.* The Final Determination was posted at the same three post offices from November 3, 2011 through December 5, 2011. Administrative Record, Item No. 49.

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). The Postal Service must also comply with the provisions of 39 U.S.C. § 101(b), which prohibits closing any small post office solely for operating at a deficit.

*Effect on the community.* St. Anthony, Iowa is an incorporated community located in Marshall County, Iowa. Administrative Record, Item No. 16. The community is administered politically by a mayor and council. Police protection is provided by the Marshall County Sheriff. Fire protection is provided by the State Center and Clemons Fire Department. The community is comprised of farmers, retirees and those who work in local businesses or commute to work in nearby communities. *Id.* Residents may travel to nearby communities for other supplies and services. *See generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the St. Anthony community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close

the St. Anthony post office, customers raised concerns regarding the effect of the closure on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 9.

Petitioner contends that many people in the community rely on the St. Anthony post office for personal customer service. He asserts that the St. Anthony community has grown in the past year and expects that trend to continue. Petition at 1; Participant Statement at 2.

The Postal Service responds that courteous and helpful service will be provided by personnel at the State Center post office as well as from the carrier. Postal Service Comments at 11. The Postal Service also notes that there is no concrete support for Petitioner's assertion that the St. Anthony community is growing substantially. Further, the Postal Service asserts that there is no indication that the St. Anthony business community will be adversely affected by the post office closure. It states that customers indicate that they will continue to use local businesses if the post office is discontinued. Lastly, the Postal Service explains that residents may still meet informally, socialize, and share information at other businesses, churches and residences in town. *Id.* at 11-12.

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

*Effect on employees.* The Postal Service states that the St. Anthony postmaster retired on October 31, 1995 and that an OIC has operated the St. Anthony post office since then. Final Determination at 9. It states that after the Final Determination is implemented, the temporary OIC may be separated, although attempts will be made to reassign the noncareer OIC to a nearby post office. It asserts that no other Postal Service employee will be adversely affected. *Id.*

Petitioner and the Public Representative note inconsistencies in the Administrative Record regarding whether the OIC will be separated or reassigned. Participant Statement at 2; PR Comments at 2. In either case, however, the Postal

Service would have adequately considered the effect of the closing on employees at the St. Anthony post office.

The Postal Service has considered the possible effects of the post office closing on the OIC and has satisfied its obligation to consider the effect of the closing on employees at the St. Anthony post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

*Effective and regular service.* The Postal Service contends that it has considered the effect the closing will have on postal services provided to St. Anthony customers. Postal Service Comments at 5. It asserts that customers of the closed St. Anthony post office may obtain retail services at the State Center post office located 10 miles away. Final Determination at 2. Delivery service will be provided by rural route service through the State Center post office. *Id.* The St. Anthony post office box customers may obtain Post Office Box Service at the State Center post office, which has 120 boxes available, or at the Clemons post office, which has 60 boxes available. *Id.*

For customers choosing not to travel to the State Center or Clemons post offices, the Postal Service explains that retail services will be available from the carrier. Postal Service Comments at 5. The Postal Service adds that it is not necessary to meet the carrier for service since most transactions do not require meeting the carrier at the mailbox. *Id.*

Petitioner argues that CBU delivery will be too time consuming for a carrier and asserts that the purchase of money orders from the carrier is not efficient or safe. Petition at 1. Participant Statement at 2-3. The Postal Service responds that the carrier will have more than a sufficient amount of time to deliver mail and provide retail services to customers in a timely fashion. It maintains that conducting postal transactions through the individually locked CBU mail compartments is efficient, convenient and secure. It explains that customers may conduct transactions in person or leave a note in their mailbox requesting the carrier to sound the horn upon arrival. Further, it notes that reports of mail theft or vandalism in the area are low. Postal Service Comments at 8.

Petitioner contends that CBUs will not have enough parcel lockers to accommodate packages from customers. Petition at 1. The Postal Service responds that each individual mail compartment in a CBU is more generous than the basic post office box and should be able to accommodate small parcels. It notes that if there are more parcels than the CBU can hold, the carrier will deliver packages up to .5 miles to customer houses. Postal Service Comments at 9.

Petitioner and the Public Representative argue that it will be a burden for customers to travel to the State Center post office to obtain postal services or retrieve undeliverable or time sensitive packages. Petition at 1; Participant Statement at 2-3; PR Comments at 2. The Postal Service responds that special services such as certified mail and delivery confirmation may be obtained from the carrier by leaving a note and payment in the mailbox. It states that the carrier will provide services that day and leave a customer receipt in the mailbox on the next delivery day. It asserts that customers can contact the State Center post office to request redelivery of undeliverable or time sensitive packages. Postal Service Comments at 8-9.

The Postal Service has considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

*Economic savings.* The Postal Service estimates total annual savings of \$19,495. Final Determination at 9. It derives this figure by summing the following costs: postmaster salary and benefits (\$20,492) and annual lease costs (\$2,400) minus the cost of replacement service (\$3,397). *Id.* A one-time expense of \$1,476 also will be incurred for the movement of the post office facility. *Id.*

Petitioner argues that St. Anthony is a very low cost post office and that the economic savings expected from its closure is overstated. Petition at 2; Participant Statement at 3. The Postal Service explains that the discontinuance costs will be absorbed by existing postal employees, and that the relatively small lost revenue from Post Office Box Service has little impact on the total savings resulting from the closure. It states that maintaining CBUs also will be minimal compared to the cost to maintain the St. Anthony post office. Postal Service Comments at 14-15.

Petitioner asserts that the economic savings were incorrectly calculated based on the salary and benefits of a postmaster rather than the OIC. Petition at 2; Participant Statement at 3. The St. Anthony post office postmaster retired on October 31, 1995. Final Determination at 2. The post office has since been staffed by a non-career OIC who, upon discontinuance of the post office, may be separated from the Postal Service. The postmaster position and the corresponding salary will be eliminated. See, e.g., Docket No. A2011-67 United States Postal Service Comments Regarding Appeal, October 24, 2011, at 13; and Docket No. A2011-68, United States Postal Service Comments Regarding Appeal, November 2, 2011, at 10. Furthermore, notwithstanding that the St. Anthony post office has been staffed by an OIC for approximately 16 years, even assuming the use of the presumably lower OIC salary, the Postal Service would have satisfied the requirements of section 404(d)(2)(A)(iv).

Petitioner also argues that if the OIC is reassigned rather than separated, then the economic savings would have been overestimated. Participant Statement at 2. The Postal Service responds that if the OIC is transferred to an existing vacant position, then the OIC would be filling a position that would otherwise have been filled by another employee. Postal Service Comments at 16.

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

*Section 101(b)*. Section 101(b) prohibits closing any small post office solely for operating at a deficit. Petitioner alleges that the Postal Service is closing the St. Anthony post office solely for economic reasons. Petition at 2. The Postal Service responds that a variety of factors informed its decision to discontinue the St. Anthony post office. It asserts that considering a post office's workload and revenue is not inconsistent with section 101(b) because analyzing workload and revenue does not imply that a small post office is operating at a deficit. Postal Service Comments at 13-14.

To be sure, economics plays a role in the Postal Service's decision. However, the Commission is not prepared to conclude that the Postal Service's determination

violates section 101(b). In addition to considering workload at the St. Anthony post office (revenues declining and averaging only 34 retail transactions per day), the Postal Service took into account other factors such as the postmaster vacancy, the minimal impact on the community, and expected financial savings. It also considered the alternate delivery and retail options available to customers. Final Determination at 9.

The Postal Service did not violate the prohibition in section 101(b) on closing the St. Anthony post office solely for operating at a deficit.

## VI. CONCLUSION

The Postal Service has adequately considered the requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the St. Anthony post office is affirmed.<sup>12</sup>

*It is ordered:*

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

By the Commission.

Shoshana M. Grove  
Secretary

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<sup>12</sup> See footnote 3, *supra*.

## DISSENTING OPINION OF CHAIRMAN GOLDWAY

The Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

The Postal Service argues that savings should be calculated based on a full-time postmaster's salary. Yet the St. Anthony post office has been operated by a non-career officer-in-charge (OIC) since the former postmaster retired on October 31, 1995. On the one hand, the Postal Service argues that the effect on employees of this closing will be minimal because only a non-career OIC will be eliminated; yet on the other hand, it argues that the savings should be calculated using a full-time postmaster position.

A non-career OIC has been in place for 16 years. Given this extended period of time and the Postal Service's current financial difficulties, it is clear that the Postal Service has no obligation to maintain a full-time postmaster in small facilities such as St. Anthony. Upon closure of the facility, the Postal Service may, at most, avoid continuing to pay the OIC level salary.

The Postal Service already claims billions of dollars in savings from reducing labor costs. I believe the savings from substituting OICs in postmaster positions throughout the nation have already been included in those billions. There are inherent and blatant contradictions in the Administrative Record that must be corrected on remand.

It is not the statutory responsibility of the Commission to correct the Administrative Record for the Postal Service and certainly not to make its own surmise about what and/or whether there would be savings if accurate data were in the Administrative Record. Therefore, the decision to close should be remanded to the Postal Service to correct the Administrative Record and present a more considered evaluation of potential savings.

I am also concerned about the distances between the St. Anthony post office and those that are offered as substitutes. The St. Anthony post office is 10.75 driving miles from the replacement State Center post office. (The Postal Service also describes the Clemons post office as a substitute, but that office is identified as a candidate for closure.) Several members of Congress have publicly expressed concern that post offices that are 10 miles apart should be maintained in rural areas. The Postmaster General has expressed interest in finding other ways to serve such distant post offices rather than close them altogether. This closing should be reconsidered within the context of the policies now being developed regarding distant rural post offices.

Moreover, the Postal Service recently announced a moratorium on post office closings. It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 to gather evidence and pursue an appeal to the Commission, while others whose post offices were in the review process but had not yet received a discontinuance notice by December 12, 2011, have the respite of a 5-month moratorium and the opportunity to have further consideration of alternatives by the Postal Service.

The citizens of St. Anthony, Iowa and their concerns regarding the loss of a neighborhood post office should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium.

Ruth Y. Goldway

## DISSENTING OPINION OF VICE CHAIRMAN LANGLEY

The Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service should take into consideration that a non-career postmaster relief (PMR) has been in charge of this facility for over 16 years, since October 1995, not an EAS-53 postmaster, and reflect the PMR's salary and benefits in its cost savings analysis. As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings.

In addition, the Administrative Record indicates that retail services are also available from an alternate post office, the Clemons post office, approximately 3 miles away from the St. Anthony post office. Final Determination at 2. The Clemons post office is being considered for discontinuance under the Retail Access Optimization Initiative (RAOI). The Postal Service should include within its discontinuance process a mechanism to ensure that due consideration is given to the impact on the community of the receiving administrative post office immediately being reviewed for discontinuance.

I find that the Administrative Record evidence does not support the Postal Service's decision to discontinue operations at the St. Anthony post office and should be remanded.

Nanci E. Langley