

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

Hacker Valley Post Office
Hacker Valley, WV 26222
(Retha Casto, Petitioner)

Docket No. A2009-1

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1**
(August 14, 2009)

The Postal Service hereby responds to Commission Information Request
(CIR) No. 1, Questions 1-13. CIR No. 1 was issued on July 31, 2009.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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August 14, 2009

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

1. In its Motion to Dismiss, the Postal Service states "...the lessor of the property housing the Hacker Valley Post Office declined to renew the lease for the Postal Service...." United States Postal Service Motion to Dismiss Proceeding, July 15, 2009, at 2 (Motion to Dismiss). When was the Postal Service first informed that this lease would not be renewed?

RESPONSE:

The Postal Service was first notified by letter from Lela M. Carter dated July 17, 2006, which was received on July 20, 2006.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

2. What efforts has the Postal Service made to locate an alternative facility or site for the Hacker Valley post office?

RESPONSE:

In 2006, the Postal Service performed an initial survey of the Hacker Valley area to locate possible alternative sites for a Post Office. Hacker Valley is primarily a rural area, which presented the Postal Service with limited alternative options. One existing structure that could serve as a potential Post Office was not available, and the Eastern Facilities Service Office (FSO) determined that no other suitable buildings were then available. The other buildings in the area were either occupied by businesses or did not meet all of the Postal Service's standards for a Post Office site. An additional survey was thereafter conducted, and the outcome of that survey was that there were no suitable alternative sites in Hacker Valley.

The Postal Service has attempted to renegotiate the lease for the Hacker Valley Post Office facility. The Postal Service was prepared to take over maintenance of the existing structure, but the lessor was unwilling to renew the lease.

The Postal Service is currently under a building freeze and hence designing and building a facility is not an option; further, the FSO has advised that placing an emergency postal trailer in Hacker Valley would be cost prohibitive. However, see response to question no.3

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

3. How much effort does the Postal Service plan to extend to find an alternative facility or site and how much time will this take?

RESPONSE:

The Postal Service has sought to locate an alternative facility in Hacker Valley. While the Postal Service has determined no buildings are currently suitable to serve as an alternative site, local officials have discussed alternatives with several local businesses. A licensed architect and business owner are in discussion with local officials regarding a proposal to design and build or convert an existing structure that would meet postal requirements. If this proposal is pursued, then the building would be leased to the Postal Service to serve as a new Post Office. The FSO has tentatively indicated that this proposal could be feasible. The FSO and the Acting District Manager intend to review this proposal within the next several weeks to determine whether this proposal could provide a suitable alternative facility. The timeframe in which a new building could become operational has not yet been determined.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

4. The Commission received comments from an individual who attended the Hacker Valley post office suspension meeting on June 8, 2009 at the Hacker Valley Senior Citizen Center. The comments discuss some of the statements made by a Postal Service employee at the suspension meeting. These statements imply that the Postal Service does not expect to establish a replacement Hacker Valley facility as a result of existing financial situation.
- a. If incorrect, what did the employee say?
 - b. Please verify what plans exist for establishing a replacement facility?

RESPONSE:

- a. During the suspension meeting, a postal official explained to the community why the Hacker Valley Post Office was being emergency suspended and what the short term implications of this decision would be. It is confirmed that a postal official stated that the Postal Service was losing millions of dollars per day and that the Hacker Valley Post Office was losing money each year, as well. However, it was emphasized that monetary shortfalls were not the basis for any decision regarding the Hacker Valley Post Office. The local official further stated that operations at the Hacker Valley Post Office had only been suspended and no decision to close the office had been made.
- b. Currently, all services provided at the Hacker Valley Post Office are being handled through the Rock Cave, West Virginia Post Office. The Postal Service does not currently have the funds available to build a new structure in Hacker Valley, but it is evaluating alternative arrangements.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

5. Under 39 U.S.C. 404(d)(1), the Postal Service must provide adequate notice to persons served by a post office of its intention to close or consolidate such post office at least 60 days prior to the proposed close date.
- a. Has the Postal Service made a final decision on whether or not to close the Hacker Valley post office?
 - b. If not, when can customers served by the Hacker Valley post office expect such a decision, and how will they be informed of this decision?
 - c. Will the Postal Service obtain community input prior to making such a decision? When and how will it do that?

RESPONSE:

- a. The Postal Service has not made a final determination to close the Hacker Valley Post Office. Due to the expiration of the building's lease, the Postal Service was forced to suspend operations at the Hacker Valley Post Office on an emergency basis.
- b. After an emergency suspension, a suspension team makes an on site visit in order to review the decision and recommend whether to suspend operations at the Post Office. Under standard procedures, if suspension is recommended, the formal discontinuance can be initiated; however, there is no set time frame for initiating a discontinuance study in this instance. At this point, there is no time frame for informing Hacker Valley customers of a decision regarding the commencement of a discontinuance study because no decision has been made. If a decision is made to propose discontinuance, then notice would be furnished through the means currently provided in Handbook PO-101, including through posting of required notices, as well as through information gathering techniques, such as community meetings or surveys.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

- c. The community will be provided with amply opportunity for input in the event a discontinuance study is commenced. If a formal discontinuance study is initiated, a proposal would be posted for a period of sixty days, during which time customers may offer comments to include in the record. If local officials determine to proceed with the proposal, then the proposal and the record would be sent to Postal Service Headquarters. Headquarters would then determine whether to post a Final Determination regarding discontinuance, and in that event, the Final Determination would be posted publicly for thirty days. Affected persons can appeal any such determination directly to the Postal Regulatory Commission. See 39 U.S.C. § 404(d).

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

6. Over the last five years, how many post offices have been suspended due to the expiration of a lease? Please identify each such office and its suspension date.

RESPONSE:

Ninety-seven offices have been suspended due to lease expiration in the past five years. Each such office is identified below. As information, in most or all of these cases, lease expiration results from any one of the following factors (i) the lessor does not want to renegotiate or renew the lease; (ii) the lessor demands a rental price that exceeds fair market value; or (iii) the lessor refuses to make improvements to the structure in accordance with postal standards.

SUSPENDED OFFICES (LEASE EXPIRATION)			
(Last Five Years - As of 8/14/09)			
OFFICE	STATE	ZIP	SUSPEND DATE
Advent	WV	25231	06/30/2006
Aroda	VA	22709	08/11/2007
Banks	ID	83602	03/18/2005
Bevington	IA	50033	03/31/2008
Bingham	NE	69335	10/03/2008
Boring Maryland	MD	21020	09/26/2008
Braden	TN	38010	04/22/2005
Brixey	MO	65618	10/21/2006
Brooke	VA	22430	02/17/2006
Brucetown	VA	22622	08/24/2004
Busy	KY	41723	10/04/2006
Cardin	OK	74335	02/28/2009
Chauncey	WV	25612	05/27/2005
Claremont	SD	57432	12/30/2008
Coalgood	KY	40818	08/31/2004
Cochecton Center	NY	12727	11/03/2008

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

Columbus City	IA	52737	12/07/2007
Creston	WV	26141	10/03/2007
Curtin	OR	97428	11/26/2005
Cynthiana	OH	45624	10/01/2005
Dalton	MO	65246	12/27/2006
Dividing Creek	NJ	08315	04/10/2006
Duke	MO	65461	06/07/2006
Dutchtown Post Office	MO	63745	03/28/2008
Etoile	KY	42131	06/08/2007
Exchange	WV	26619	02/03/2006
Export	PA	15632	06/26/2008
Fort Ransom	ND	58033	08/30/2006
Fruitvale	TN	38336	05/20/2009
Gapville	KY	41433	01/03/2006
Gibbs	MO	63540	06/29/2007
Glady	WV	26268	01/10/2007
Goldsboro	TX	79519	03/01/2009
Grassy Meadows	WV	24943	10/11/2005
Hacker Valley	WV	26222	06/30/2009
Hallsville	OH	45633	01/12/2007
Hendersonville	PA	15339	05/19/2008
Hope	ME	04334	05/31/2006
Hope	KY	40334	05/31/2006
Howell	UT	84316	10/07/2005
Hunlock Creek	PA	18621	09/12/2005
Hustle	VA	22476	08/04/2009
Jacobson	MN	55752	11/15/2005
Josephine	PA	15750	11/14/2005
Kinsey	MT	59338	02/01/2007
Kurthwood	LA	71443	02/28/2005
Laings	OH	43752	10/01/2005
Lane	IL	61750	04/30/2006
Laneburg	AR	71844	12/01/2006
Lickingville	PA	16332	12/07/2007

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

Linefork	KY	41833	05/30/2008
Macon	TN	38048	12/31/2008
Maple Mount	KY	42356	06/24/2005
Marengo	WI	54855	11/26/2005
Marston	NC	28363	02/17/2009
Marydell	KY	40751	01/30/2004
Mazie	KY	41160	05/28/2004
Middle Brook	MO	63655	01/09/2007
Midland	OH	45148	06/30/2009
Milton Center	OH	43541	09/25/2005
Mitchellsburg	KY	40452	10/31/2006
Mohawk	WV	24862	05/17/2004
Myra	WV	25544	05/23/2005
Nekoma	KS	67559	05/16/2008
New London	PA	19360	09/30/2005
North Robinson	OH	44856	05/05/2009
Noxen	PA	18636	01/17/2009
Oakdale	IA	52319	09/30/2008
Pfeifer	KS	67660	12/30/2008
Plessis	NY	13675	12/31/2007
Point Washington	FL	32454	08/25/2006
Pool	WV	26684	01/29/2005
Powderhorn	CO	81243	12/31/2004
Rector	PA	15677	08/29/2005
Ricetown	KY	41364	12/31/2004
Ringgold	PA	15770	10/18/2004
Riverside	OR	97917	10/15/2005
Shawnee	WY	82229	04/30/2006
Smithboro	NY	13840	11/30/2007
South Sterling	PA	18460	07/24/2008
Spring Run	PA	17262	05/30/2007
St. Croix	IN	47576	04/01/2006
Stambaugh	KY	41257	12/03/2004
Strawberry Valley	CA	95981	03/31/2009

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

Sunderland	MD	20689	10/27/2007
Swan	IA	50252	05/13/2005
Telegraph	TX	76883	02/27/2009
Valdez	NM	87580	12/02/2005
Wakefield	OH	45687	09/02/2005
Walcott	WY	82335	12/01/2005
Walker	KY	40997	08/11/2006
Waterville	IA	52170	09/03/2008
West Point Post Office	OH	44492	09/30/2008
Westerville	NE	68881	04/30/2004
Widnoon	PA	16261	02/03/2005
Williamson	PA	17270	04/30/2007
Zionsville	PA	18092	01/23/2009

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

7. How many of the post offices suspended due to the expiration of a lease were subsequently closed? Please provide the date of suspension and the subsequent date of closure for each such post office.

RESPONSE:

Of the offices identified in the response to question 6, twenty-five offices were subsequently closed. Each such office is identified below.

SUSPENDED OFFICES (LEASE) & CLOSED				
Last Five Years - As of 8/14/09				
OFFICE	STATE	ZIP	SUSPEND DATE	CLOSE DATE
Etoile	KY	42131	06/08/2007	08/02/2008
Hallsville	OH	45633	01/12/2007	07/25/2009
Dalton	MO	65246	12/27/2006	08/01/2009
Laneburg	AR	71844	12/01/2006	05/10/2008
Mitchellsburg	KY	40452	10/31/2006	04/12/2008
Busy Point	KY	41723	10/04/2006	08/02/2008
Washington	FL	32454	08/25/2006	02/16/2008
Walker	KY	40997	08/11/2006	02/23/2008
Hope	KY	40334	05/31/2006	01/19/2008
Shawnee	WY	82229	04/30/2006	04/07/2007
Gapville	KY	41433	01/03/2006	08/11/2007
Walcott	WY	82335	12/01/2005	04/07/2007
Curtin	OR	97428	11/26/2005	03/22/2008
Marengo	WI	54855	11/26/2005	06/27/2009
Jacobson	MN	55752	11/15/2005	04/14/2007
Howell	UT	84316	10/07/2005	04/12/2008
Cynthiana	OH	45624	10/01/2005	07/25/2009
Chauncey	WV	25612	05/27/2005	06/27/2009
Ricetown	KY	41364	12/31/2004	12/03/2005
Stambaugh	KY	41257	12/03/2004	12/03/2005
Coalgood	KY	40818	08/31/2004	08/06/2005
Brucetown	VA	22622	08/24/2004	07/08/2006

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

Mazie	KY	41160	05/28/2004	08/06/2005
Mohawk	WV	24862	05/17/2004	06/27/2009
Marydell	KY	40751	01/30/2004	03/26/2005

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

8. How many of the post offices suspended due to the expiration of a lease were subsequently reopened? Please provide the date of suspension and the subsequent date that such post office was reopened.

RESPONSE:

Two post offices that were suspended due to lease expiration were reopened, as indicated below.

SUSPENDED OFFICES (LEASE) & SERVICE RESTORED				
Last Five Years - As of 8/14/09)				
OFFICE	STATE	ZIP	SUSPEND DATE	SERVICE RESTORED DATE
Powderhorn	CO	81243	12/31/2004	04/12/2005
Dividing Creek	NJ	08315	04/10/2006	08/14/2008

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

9. How many of the post offices suspended due to the expiration of a lease are currently pending closure? Please provide the date of suspension and proposed closure date for each such post office.

RESPONSE:

Five post offices suspended due to lease expiration are currently pending closure. Each such office is indicated below.

SUSPENDED OFFICES (LEASE) & PENDING CLOSURE				
Last Five Years - As of 8/14/09				
OFFICE	STATE	ZIP	SUSPEND DATE	PROPOSED CLOSE DATE
Nekoma	KS	67559	05/16/2008	09/12/2009
Duke	MO	65461	06/07/2006	09/05/2009
Riverside	OR	97917	10/15/2005	08/23/2008
Maple Mount	KY	42356	06/24/2005	09/09/2006
Westerville	NE	68881	04/30/2004	08/19/2006

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

10. What factors are considered by the Postal Service in deciding whether to reopen a suspended post office?

RESPONSE:

An emergency suspension is defined in Handbook PO-101 as:

An action in which a district manager, Customer Service and Sales, suspends operations of any Post Office in his/her jurisdiction because an emergency or other condition requires such action. Circumstances that may justify a suspension include, but are not limited to, a natural disaster, the termination of a lease when other suitable quarters are not available, the lack of qualified personnel to operate the office, severe health or safety hazard in the work environment, severe damage to or destruction of the office, and the lack of adequate measures to safeguard the office of its revenues.

Hence, a decision to reopen a suspended facility depends on whether any of the factors underlying the suspension action can be remedied. For example, if a location is suspended due to a safety hazard, structural damage or disaster, the key issue in most circumstances is whether any of those factors that caused the facility to be suspended can be corrected in a manner to enable the Postal Service to restore service. In cases where operations are suspended due to termination of a lease, the preeminent factor is whether service can be restored through suitable alternative quarters.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

11. What factors are considered by the Postal Service in deciding whether to close a suspended post office?

RESPONSE:

See response to question no. 10. Generally, where the factors that underlie the suspension action cannot be remedied or suitable alternative quarters cannot be secured, a suspension action would lead to a discontinuance study.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

12. Is there a time frame within which the Postal Service typically acts to decide upon whether to continue a suspension, close the post office, or reopen the post office? After what time period would it be reasonable for citizens in the community to presume that a suspended post office would not be likely to reopen (*i.e.*, that it can be considered constructively closed)?

RESPONSE:

Section 141 of Handbook PO-101 directs local officials to notify postmaster associations and customers in the event of an emergency suspension. Further, local officials are directed to conduct timely investigations and follow-up. Section 141 of Handbook PO-101 further provides that a “plan of action should be sent to the Headquarters Post Office review coordinator through the vice president, Delivery and Retail, within 90 days after the suspension occurs.)” Specifically, under section 617 of Handbook PO-101:

[t]he district manager, Customer Service and Sales, must determine a plan of action to restore service, secure suitable alternate quarters, take other necessary corrective action, or initiate a discontinuance study within 90 days (3 months). That plan of action must be sent in writing to the vice president, Delivery and Retail, no later than the 90th day.

Hence, in most circumstances, it is reasonable to expect a decision to be made within 90 days of the suspension. As indicated in the responses to questions 1-5 above, postal management is still considering options to restore service to the community, and hence a decision to commence a discontinuance study at this juncture would be premature.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION INFORMATION REQUEST NO. 1

13. What administrative procedures or remedies are available for citizens in a community where a post office is suspended to seek action from the Postal Service?

RESPONSE:

While the Handbook PO-101 does not establish administrative procedures or remedies specific to emergency suspension actions, section 141 of Handbook PO-101 directs local officials to “[n]otify and adequately explain reason for suspension to customers.” Section 262 of Handbook PO-101 encourages the use of public meetings if feasible: “[i]f an emergency suspension is required, a community meeting should be held before the suspension if at all possible.” Notice to customers is to be provided by correspondence under section 613.3 of Handbook PO-101, which directs local officials to

- [n]otify affected customers [of a suspension] immediately by individual letter. ... Include in the notice the following information:
- a. Effective date.
 - b. Reason for emergency suspension.
 - c. Alternate services available.
 - d. Nearest Post Office and hours of service.
 - e. Name and telephone number of person to contact for more information.

As a general matter, customers are encouraged to contact local postal officials regarding retail and delivery service concerns. Domestic Mail Manual section 608.6.1 further establishes an administrative process for customers to appeal the handling of a complaint or inquiry by local officials to the USPS Headquarters Office of Consumer Advocate.