

Before the Postal Regulatory Commission

Washington DC 20268-0001

Statement of Thomas Lipker

On Behalf Of

United States Postal Service

Docket No. N2009-1 Field Hearing

Independence, Ohio

September 16, 2009

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My name is Thomas Lipker. I am a Customer Service Analyst for the United States Postal Service in the Northern Ohio District office, 2200 Orange Ave., Cleveland, Ohio 44101. My principal responsibilities in that position for the past 10 years have been as a rural delivery analyst and discontinuance review coordinator. Interaction with customers has been a consistent feature of my postal career and has been very gratifying to me in my current job, as it was when I began my career as a city carrier in 1994, and when I became a delivery supervisor.

The service area of the Northern Ohio District consists of the 3-digit ZIP Code range from 439 through 449. The District provides retail and delivery service to approximately 5 million customers and 2.2 million delivery points through a network of Post Offices supported by 466 stations and branches.

The Northern Ohio District facilitates customer access to postal services by selling stamps through nearly 1200 consignees that customers routinely visit, such as grocery and drug stores, and office supply vendors. Thirty-five contract postal units (CPUs) provide customers access to virtually all retail services, while thirteen Approved Shippers assist customers with entry of properly prepared mail.

In the 443 Akron 3-digit ZIP Code area, we provide retail and delivery services to a community of approximately 208 thousand customers and 144 thousand delivery points through a network of Post Offices that supervise 13 stations and branches. Akron customers also have access to nearly 90 grocery, drug store and office supply stamp consignees where they routinely shop and transact other retail business. Akron customers also have access to five CPUs and one Approved Shipper.

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Stamps by Mail, stamps by fax and 1-800-ASK-USPS also provide convenient customer access to the purchase of stamps. Customers can also access a wide range of postal products and initiate transactions through www.usps.com that once required a visit to a Post Office, station or branch.

I understand that the Postal Regulatory Commission is considering a Postal Service request for an advisory opinion regarding the current Station and Branch Optimization and Consolidation Initiative (SBOC), which is focused on retail stations and branches that report to Postmasters at or above the EAS-24 pay grade. Of the 466 postal stations and branches in the Northern Ohio District, as of September 2nd, 28 were identified as candidates for discontinuance studies as a part of that Initiative. I am not in a position today to address the future status of any of those stations and branches beyond the fact that just 16 remain the subject of active review.

The Postal Service has a public input process for stations and branches that requires us to solicit and consider local customer input before making any recommendation regarding the closure of a station or branch.

(1) In all cases, we are required to post notices in the lobbies of those stations that inform customers of the opportunity either to complete a questionnaire or to participate in a public meeting. When input is solicited through a questionnaire, the questionnaires are available for pick-up in the retail lobby for at least 10 days. If there is a public meeting, any notice about the meeting must be posted at least 10 days before the scheduled date.

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(2) In addition, any Post Office box customers at that station or branch are individually notified of a possible change and encouraged to comment.

(3) If there are carrier operations at the facility, the notices also are delivered to each address served by those operations. As part of the Initiative under review at the Commission, if the station has an unusually large carrier delivery operation, a public notice may be published in a newspaper informing delivery customers of the opportunity to obtain a questionnaire or attend a public meeting, in lieu of individual notices.

I understand the concern that some customers may feel about the possibility of changes in local postal retail operations. The study process and the consideration of public input will reveal to us which, if any of the 16 remaining candidates in the Northern Ohio District it may be reasonable to close. I am not in a position to address the future status of any of those stations and branches today.

I am not familiar with the Commission's advisory oversight process, as it relates to the Station and Branch Optimization and Consolidation Initiative, or otherwise. But I am conversant with the Postal Service's station and branch discontinuance review process that is being applied in the Initiative. I illustrate the process for the Commission's benefit by addressing how it was applied to the recent discontinuance of the Rolling Acres Mall Finance Unit in Akron.

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Before explaining the process we followed for the Rolling Acres Mall Finance Unit, I will share with you a brief overview of how the unit came into being, and the changes over time that led to consideration of its discontinuance.

1997 was a time when postal mail volume and demand for traditional “brick-and-mortar” access to retail postal services were increasing steadily, unlike today. The Northern Ohio District sought to enhance postal customer access to retail services in Akron by establishing a classified retail unit at the Rolling Acres Mall, which was then a thriving and robust retail center. At the time, to the best of my knowledge, Akron was served by the Kenmore Post Office at 2394 East Avenue -- 44314; as well as the Maple Valley Post Office at 1518 Copley Rd., Akron – 44320; and the Akron Main Post Office, 675 Wolf Ledges Parkway -- 44309.

The mall seemed like a logical place to extend postal retail. It was anchored by two major department stores, and housed at least two dozen national chain stores as well as local merchants. The location of a postal presence where customers shopped and conducted numerous other retail transactions was seen as an opportunity to make postal services even more convenient to the large number of local residents. In 1997, the Postal Service entered into a 5-year lease to establish a retail window unit, a collection mail depository for postage paid letters, flats and parcels, and a postage vending machine. The lease was renewed in 2002 for another five years. While the office originally was open full time (40 or more hours), by the time it was studied for discontinuance it was open for business 1:15 pm to 5:00 pm, Monday through Friday.

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With the lease due to expire at the end of September 2007, the Northern Ohio District applied the Postal Service Handbook P0-101 review process beginning in 2006 to determine whether to continue operating the Rolling Acres finance unit.

A 2006 survey of dispatched mail indicated that on an average day, approximately 80 pieces of mail were sent from the Rolling Acres Finance Unit. Vending revenue had declined over the years. Retail operation surveys for the Rolling Acres unit showed a 50 percent decline in the revenue per work hour from FY 2003 through FY 2006.

These trends were consistent with an apparent decline in the mall's fortunes as many retail merchants either ceased operations or relocated. Mail to tenants at the mall was delivered by a letter carrier operating from the Maple Valley Post Office. In 2005, there were 127 possible delivery stops in the Rolling Acres Mall, but only 59 addresses to which mail was actually delivered. In 2006, that number dropped to 41, meaning that the mall was in serious decline as a retail magnet, with a 67 percent vacancy rate.

We assessed the operations at other postal retail locations in the area and determined that they were capable of absorbing the declining Rolling Acres postal retail traffic.

Beginning October 4, 2006, we made questionnaires and a comment form available for pick-up at the finance station and solicited responses from walk-in retail customers. One hundred questionnaires were distributed, a high number given the absence of any delivery customers served by the finance unit. We collected responses through October 27, 2006. The 40 comments that were returned were generally

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complimentary of the finance unit retail staff and expressed a preference for continuing to be able to conduct retail transactions at that location.

A public meeting was scheduled for Friday, December 8, 2006 in the Community Room at the Rolling Acres Mall. On November 17, 2006 we posted a public notice regarding that meeting in the finance unit lobby and sent letters to the Mayor of Akron, the Congressman in whose district the station was located, the American Postal Workers Union local president, as well as the manager of the Rolling Acres Mall, so that other mall tenants and visitors could be notified.

In all of our notices, we informed customers of the reasons for the discontinuance proposal:

- the low level of and continuing decline in walk-in retail traffic;
- the need to meet customer needs in an efficient manner; and
- the pending conclusion of the lease.

The notice also indicated the availability of three alternate full-service postal retail locations and their Monday-Saturday operating hours, including the Kenmore Post Office, 1.1 miles away, as well as the Maple Valley and Barberton Post Offices, 2.9 and 3.2 miles away, respectively.

In addition, I should note that there also were 3 CPUs within a 5 mile radius of Rolling Acres, the closest being only 1.5 miles away. All were then open from between 8 to 12 hours on Sundays, in addition to Monday through Friday hours. At the time, postage also could be purchased via Automated Teller Machines at the US Banks and

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National City Banks in the area. Other retail sources of stamps were Sam's Club, Marcs Discount Store, Walgreen's, Lorens Hallmark Shop, and Staples.

The decision to hold the public meeting at 1:00pm on Friday, December 8 was based on the expectation that we would maximize convenience to both tenants and mall customers. However, the meeting attracted only one attendee -- the Rolling Acres Mall manager.

After the meeting, postal representatives visited a mall tenant who had completed a questionnaire. That business owner expressed concern about his continued ability to mail merchandise if the finance unit were to close. We addressed his concerns by demonstrating how conveniently the online USPS shipping tool called Click-N-Ship could produce an addressed mailing label with pre-paid postage for his postal needs and how free pickup would be made when his city carrier made daily deliveries to his address.

After considering all of the information gathered as part of the discontinuance study process, including the questionnaire responses, the District formally proposed that the Rolling Acres finance unit be discontinued by submitting to Headquarters on January 2, 2007 its recommendation. Headquarters issued its discontinuance decision on April 30, 2007 approving the proposal. We promptly posted a notice in the retail lobby and sent letters to:

- the Mayor of Akron; the City Council president;
- the Congresswoman whose district included Rolling Acres;
- the Rolling Acres Mall manager;

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- the American Postal Workers Union local; and
- Rolling Acres Mall retail unit customers.

The Postal Service never heard back from any of these correspondents. A media advisory was released on May 24, 2006 informing the local print and television news broadcast units about the closure of the Rolling Acres Mall Finance Unit effective July 27, 2007 and the continued availability of service at nearby postal retail units.

We have since monitored customer service at the Kenmore, Maple Valley and Barberton Post Offices. We have not seen any uptick in customer complaints regarding these offices.

Finally, I should note that commercial operation of the Rolling Acres Mall ceased altogether in 2008. The property is presently up for auction. As such, it seems that the decision to discontinue operation of a classified unit from the Rolling Hills Mall was timely.