

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

In the Matter of:
Lancaster Post Office
Lancaster, Tennessee

Docket No. A2011-2

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(January 3, 2011)

On November 8, 2010, the Postal Regulatory Commission (Commission) received an appeal from postal customer Allen O. Mason (Petitioner) objecting to the discontinuance of the Post Office at Lancaster, Tennessee.¹ On November 15, 2010, the Commission issued PRC Order No. 586, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). The Commission received no additional letters from customers of the Lancaster Post Office. The Participant Statement was filed on December 10, 2010.² In accordance with PRC Order No. 586, the administrative record was filed with the Commission on November 22, 2010.

The Participant Statement filed on December 10, 2010, and the appeal received by the Commission on November 8, 2010, raise five main issues: (1) the notice provided by the United States Postal Service (Postal Service), (2) the effect on postal

¹ The appeal was postmarked November 5, 2010, and included a two-page letter dated November 5, 2010, from the Petitioner to the Commission; a two-page letter dated June 30, 2009, from the Petitioner to Ms. Sandra Quick of the USPS; a two-page Response to Proposal to Close Lancaster Post Office; a one-page letter from Gina Butler dated June 23, 2009, with three pages attached; a one-page list entitled "Lancaster Post Office"; two pages of Driving Directions; two pages from a newspaper article dated June 11, 2009 from the *Carthage Courier*; and an eight-page petition.

² The Participant Statement included a one-page PRC Form 61; a one-page "Participant Statement"; a one-page list entitled "Lancaster Post Office" (Exhibit #1); the first page of a letter dated June 30, 2009, to Ms. Sandra Quick of the USPS (Exhibit #2); an eight-page petition (Exhibit #3); two pages of Driving Directions (Exhibit #4); a one-page letter from Gina Butler dated June 23, 2009, with three pages attached (Exhibit #5); two pages from a newspaper article dated June 11, 2009, from the *Carthage Courier* (Exhibit #6).

services, (3) the impact upon the Lancaster community, (4) the calculation of economic savings expected to result from discontinuing the Lancaster TN Post Office, and (5) the impact upon postal employees. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Accordingly, the determination to discontinue the Lancaster Post Office should be affirmed.

Background

The Final Determination To Close the Suspended Lancaster, TN Post Office and Continue to Provide Rural Route Service (FD) and administrative record indicate that the Lancaster Post Office provided EAS-C level service to eleven Post Office box customers. The Lancaster Post Office also provided service to retail customers 24 hours per week. FD at 1; Item No. 16, (Form 4920) Closing or Consolidation Proposal Fact Sheet, at 1. The postmaster of the Lancaster Post Office requested and was granted a transfer on January 31, 2003. A noncareer employee from the local office was installed as temporary officer-in-charge (OIC). The leased post office facility had safety and health deficiencies. No suitable alternative quarters were available. Service was suspended on April 5, 2003. FD at 1; Item No. 2, Notice of Post Office Emergency Suspension, at 1; Item No. 13, Post Office Survey Sheet, at 1; Item No. 17, Letter from PO Review Coordinator to Manager Post Office Operations, Nashville, TN re: Lancaster Post Office; Item No. 32, Proposal to Close the Suspended Lancaster, TN Post Office and Continue to Provide Rural Route Service, at 5 and 12.

Before the suspension, the average number of daily transactions was eighteen. Item No. 16, Post Office Closing or Consolidation Proposal Fact Sheet, at 1. Revenue

was low and trending downward: \$11,241.00 in FY 2000 (36 revenue units); \$8,367.00 in FY 2001 (26 revenue units); and \$10,089.00 in FY 2002 (31 revenue units). Id at 2.

Since suspension of operations of the Lancaster Post Office, customers have been receiving delivery and retail services from rural route delivery administered by the Hickman Post Office, an EAS-13 level office located nine miles away. The Hickman Post Office also provides retail service and delivery service in the form of thirty available Post Office boxes. FD at 1; Item No. 19, June 10, 2009, Letter from Manager, Post Office Operations, Nashville, TN to Lancaster Postal Customer at 1. Retail service is also available at the Gordonsville Post Office, an EAS-15 level office located five miles away. FD at 1. This service will continue upon implementation of the FD. FD at 1.

Delivery and retail services are available from the carrier, alleviating the need to travel to a Post Office for service. FD at 6. Customers will have the option of service to a cluster box unit (CBU) or to roadside mailboxes, which are installed by customers on the carrier's line of travel. FD at 1.

In light of the postmaster's transfer, the conditions warranting suspension of service from the existing facility and lack of a suitable alternate facility,³ declining office revenue, the variety of delivery and retail options (including the convenience of rural delivery and retail service, plus its avoidance of box fees), minimal recent growth in the area,⁴ the lack of adverse impact upon the community, and the expected financial savings,⁵ the Postal Service issued the FD.⁶ Regular and effective postal services

³ FD at 1, 2.

⁴ FD at 5; Item No. 14, Community Service Sheet; Item No. 32, Proposal to Close the Suspended Lancaster, TN Post Office and Continue to Provide Rural Route Service, at 4, 11.

⁵ FD at 6.

continue to be provided in a cost-effective manner to the Lancaster community. FD; Administrative Record.

Each of the five issues raised by the Petitioner is addressed in the paragraphs which follow.

Notice

The Postal Service followed the proper procedures which led to the posting of the Final Determination to Close the Suspended Lancaster, TN Post Office and Continue to Provide Rural Route Service. All issues raised by the customers of the Lancaster Post Office were considered and properly addressed by the Postal Service.

The Lancaster Post Office was a leased facility, located in a converted house. Item No. 5, Memorandum re: Safety Evaluation, Lancaster, Tennessee. The Post Office facility had severe safety and health deficiencies. No suitable alternate quarters were available; therefore, service at the Lancaster Post Office was suspended on April 5, 2003. FD at 1; Item No. 1, Memorandum re: Authority to Conduct Investigation. A new lease would require a building that meets federal guidelines. FD at 2.

According to 39 U.S.C. § 404(d)(1),⁷ before making the determination to discontinue a Post Office, the Postal Service “shall provide adequate notice of its intention to close or consolidate such Post Office at least 60 days prior to the proposed date of such closing or consolidation to persons served by such Post Office to ensure that such persons will have an opportunity to present their views.”

⁶ Id.

⁷ Sec. 1010(e) of Postal Accountability and Enhancement Act, Pub. L. 109-435, 120 Stat 3198, 3261 (December 20, 2006) redesignated 39 U.S.C. § 404(b) as 39 U.S.C. § 404(d).

As demonstrated by the extensive documentation contained in the administrative record, the Postal Service complied with all notice requirements. Allegations of improper notice in the Participant Statement lack any real support, and are contradicted by the documentation in the administrative record.

Customers received formal notice of the Proposal to Close the Suspended Lancaster, TN Post Office and Continue to Provide Rural Route Service (“Proposal”) and FD through postings at nearby facilities. Specifically, the Proposal to close the Lancaster Post Office was posted with an invitation for public comment at the Hickman Post Office and the Gordonsville Post Office from August 21, 2009 through October 23, 2009. FD, at 4; Item No. 32, at 1, 8. The Final Determination posted at the Hickman, TN Post Office has a stamped date of posting of October 8, 2010, and a November 15, 2010, stamped date of removal. The Final Determination posted at the Gordonsville, TN Post Office has a stamped date of posting of October 13, 2010, and a November 17, 2010, stamped date of removal. FD at cover page. A letter providing directions regarding the posting of the Final Determination directs local officials to “[m]ake a copy of the completed record available for public inspection during normal working hours at the post office(s) during the mandatory 30-day posting period.” See letter from Dean Granholm to District Manager, Customer Service and Sales, Tennessee District. This documents actual notice in accordance with applicable standards.

In addition to the posting of the Proposal and FD, customers received notice through other means. A Letter from Manager, Post Office Operations, Nashville, TN was made available to postal customers. The letter advised customers that the Postal

Service suspended service at the Lancaster Post Office, and informed them that postal service was being provided by a rural route carrier to roadside mailboxes. The letter invited customers to return a questionnaire and to express their opinions concerning the service received prior to the suspension, the service currently received, and the effect that officially discontinuing the Lancaster facility might have on them and their community. Item No. 18, Questionnaire Instruction Letter to Postmaster/OIC; Item No. 19, Cover Letter, Questionnaire and Enclosures. The returned customer questionnaires and Postal Service response letters appear in the Administrative Record in Item No. 20, pages 1-141, amply demonstrating the sufficiency of notice. In addition, representatives from the Postal Service were available at the Hickman Post Office for a community meeting on June 4, 2009 to answer questions and provide information to customers. FD at 1; Item Nos. 22-24.

The Participant Statement received by the Commission in this docket expresses a concern that the Postal Service did not provide proper notice of the Lancaster Post Office discontinuance. As set forth in the previous two paragraphs, the Postal Service did meet its obligation to provide notice and has accordingly addressed this concern. Thus, the Postal Service has met its burden by providing the notice required by law.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Lancaster Post Office on postal services provided to Lancaster customers. The closing is premised upon providing regular and effective postal services to them.

The Participant Statement received by the Postal Service in PRC Docket No. A2011-2 raises the issue of the effect on postal services in a general way. The Participant Statement notes the convenience of the Lancaster Post Office and requests its retention. The Petitioner also expresses concern regarding the need to travel to neighboring offices. These concerns were considered and addressed by the Postal Service. FD at 2-4.

The Petitioner's November 5, 2010, letter of appeal includes the statement that "The building that houses the Lancaster Post Office is in a state of repair and will meet standards." In addition, an October 16, 2009, Optional Comment Form submitted by the Petitioner states that "The building deficiencies that are mentioned are being taken care of." Item 34, Optional Comment Form, at 2.

A new lease would require a building meeting federal guidelines. FD at 2. The Lancaster Post Office was a leased facility located in a converted house. The record documents that no suitable alternate quarters were available. FD at 1; Item No. 2, Notice of Post Office Emergency Suspension, at 1; Item No. 13, Post Office Survey Sheet, at 1; Item No. 17, Letter from PO Review Coordinator to Manager Post Office Operations, Nashville, TN re: Lancaster Post Office; Item No. 32, Proposal to Close the Suspended Lancaster, TN Post Office and Continue to Provide Rural Route Service, at 5 and 12.

Courteous and helpful service is available from the carrier and the Hickman and Gordonsville Post Offices. FD at 1-3. Carrier service provides delivery and retail services to roadside mailboxes and CBUs, so that customers do not have to make a

special trip to the Post Office for service. FD at 1-2. Most transactions do not require meeting the carrier at the mailbox. FD at 3. Some of the services available from the carrier include mailing certain packages, purchasing postal money orders, and special services. Id.

The Postal Service has considered the impact of closing the Lancaster Post Office upon the provision of postal services to Lancaster customers. Rural route delivery to roadside mailboxes or CBUs provides similar access to retail service, alleviating the need to travel to the Post Office. FD at 4. Thus, the Postal Service has properly concluded that all Lancaster customers will continue to receive regular and effective service via rural route delivery to roadside mailboxes or CBUs.

Effect Upon the Lancaster Community

The Postal Service is obligated to consider the effect of its decision to close the Lancaster Post Office upon the Lancaster community. 39 U.S.C. § 404(d)(2)(A)(i). In essence, while the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Lancaster is an unincorporated rural community located in Smith County. The Smith County Sheriff's Department provides police protection. FD at 5. The community is administered politically by Smith County, with fire protection provided by the Lancaster Volunteer Fire Department. Lancaster has a church. The retirees, farmers, commuters, and others who reside in Lancaster must travel elsewhere for other

supplies and services. See generally FD at 5; Item No. 20, Returned Customer Questionnaires and Postal Service Response letters, at 1-141. The Community Survey Sheet notes no known special historical events related to the community. Item No. 14, Community Service Sheet.

The Postal Service has concluded that nonpostal services provided by the Lancaster Post Office can be provided by the Hickman Post Office or Gordonsville Post Office. FD at 5. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 5. Carrier service is expected to be able to handle any future growth. FD at 5. Moreover, community identity will be preserved through retention of the community name and ZIP Code in the mailing address. See FD at 5; Item No. 19, June 10, 2009, Letter from Manager, Post Office Operations to Lancaster Postal Customer at 1; Item No. 21, Postal Customer Questionnaire Analysis at 1.

The Participant Statement received by the Commission in this docket expresses a concern shared by the Postal Service that closing the Lancaster Post Office may negatively impact the community, or that community identity may be lost. As set forth above, the Postal Service has addressed these concerns, particularly through retention of the community name and ZIP Code. Thus, the Postal Service has met its burden by considering the impact of closing the Lancaster Post Office upon the Lancaster community and concluding that the closing will not adversely affect the community.

Economic Savings

Postal officials properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The estimated annual savings associated with discontinuing the Lancaster Post Office are \$19,942.00. FD at 5-6. The Participant Statement states that the rental cost of the facility would be \$900 per year, as documented in the Postal Service's savings estimate. FD at 6. This, however, does not provide a complete portrait of the costs of operating a retail unit in Lancaster. As set forth in the Final Determination, operating the facility would include much more than merely rental costs: the Postmaster's Salary and Fringe Benefits would also be expenditures that would be required should the facility be continued. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

The Participant Statement states that "In rec[e]nt correspondence a statement was made that the postmaster at the time asked for a transfer." Form 61 Participant Statement No. 7. The fact that the career postmaster requested a transfer constitutes historical background; it does not imply that a host of other factors underlie the FD. As documented in the record, the impact on postal employees is minimal. A noncareer employee from the local office was installed as temporary officer-in-charge (OIC), until

the office was suspended. FD at 6. The record shows that no career employees were adversely affected, and no other employees were affected by this closing. FD at 6. Therefore, the Postal Service considered the effect of the closing on the employees of the Postal Service employed at the Lancaster Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Lancaster Post Office upon the Lancaster community, the provision of postal services, economic savings, and postal employees and other factors consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance the Postal Service will continue to provide effective and regular service to Lancaster customers. FD at 6. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Lancaster Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Lancaster Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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