

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

*In the Matter of:*  
Holmes Mill Post Office  
Holmes Mill, Kentucky

Docket No. A2011-6

UNITED STATES POSTAL SERVICE  
COMMENTS REGARDING APPEAL  
(January 31, 2011)

On December 7, 2010, the Postal Regulatory Commission (Commission) received an appeal postmarked December 2, 2010, from postal customer Dovie Hamblin (Petitioner) objecting to the discontinuance of the Post Office at Holmes Mill, Kentucky. The appeal was also signed by the pastor of Huff Settlement Baptist Church and nineteen other individuals. On December 10, 2010, the Commission issued Order No. 605, 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 Holmes Mill Post Office. The Participant Statement, which included a two-page PRC Form 61, was filed on January 10, 2011. In accordance with Order No. 605, the administrative record was filed with the Commission on December 22, 2010.

The Participant Statement filed on January 10, 2011, and the appeal received by the Commission on December 7, 2010, raise two main issues: (1) the effect on postal services and (2) the impact upon the Holmes Mill community. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and

Commission precedent,<sup>1</sup> the Postal Service gave consideration to a number of other issues, including the calculation of economic savings expected to result from discontinuing the Holmes Mill Post Office, and the impact upon postal employees. Accordingly, the determination to discontinue the Holmes Mill Post Office should be affirmed.

### **Background**

The Final Determination To Close the Holmes Mill, KY Post Office and Extend Rural Route Service (FD), as well as the administrative record, indicate that the Holmes Mill Post Office provided EAS-C level service to 34 Post Office box customers. The Holmes Mill Post Office also provided service to retail customers 24 hours per week. FD at 1; Item No. 25, (Form 4920) Closing or Consolidation Proposal Fact Sheet (“Fact Sheet”), at 1. The postmaster of the Holmes Mill Post Office retired on May 24, 2007. Upon implementation of the final determination, the noncareer OIC/postmaster relief (PMR) will be provided with an opportunity for reassignment to a nearby office.<sup>2</sup> The average number of daily transactions of the Holmes Mill Post Office was nine. Revenue was low: \$12,755.00 in FY 2007 (37 revenue units); \$17,127.00 in FY 2008 (47 revenue units); and \$9,569.00 in FY 2009 (25 revenue units).<sup>3</sup> The Holmes Mill Post Office has no meter or permit customers. FD at 1; Item No. 25, Fact Sheet, at 1.

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<sup>1</sup> See 39 U.S.C. 404(d)(2)(A).

<sup>2</sup> FD at 7; Item No. 22, Post Office Survey Sheet, at 1; Item No. 25, Fact Sheet, at 1; Item No. 28, Letter from P.O. Review Coordinator to Manager, Post Office Operations, at 1; Item No. 33, Proposal, at 9; Item No. 39, Analysis of 60-Day Posting Comments, at 1

<sup>3</sup> FD at 1; Item No. 25, Fact Sheet, at 1; Item No. 28, Letter from P.O. Review Coordinator to Manager, Post Office Operations, at 1; Item No. 33, Proposal to Close the Holmes Mill, KY Post Office and Continue to Provide Rural Route Service (“Proposal”), at 4.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Evarts, KY Post Office, an EAS-15 level office located eighteen miles away, which has 200 available Post Office boxes. The Closplint, KY Post Office, an EAS-11 level office, located 5.5 miles away, also provides retail service and delivery service in the form of 150 available Post Office boxes. FD at 1; Item No. 1, Post Office Info, at 6, 9; Item No. 4, Letter from Manager, Post Office Operations, Lexington, KY to Holmes Mill Postal Customer (“Notice to customers”), at 1; Item No. 28, Letter from P.O. Review Coordinator to Manager, Post Office Operations, at 1. This service will continue upon implementation of the FD. FD at 1.

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Holmes Mill Post Office were considered and properly addressed by the Postal Service. As demonstrated by the extensive documentation contained in the administrative record, the Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Holmes Mill Post Office. Questionnaires were also available over the counter for retail customers at Holmes Mill. FD at 1; Item No. 3, Questionnaire Instruction Letter, at 1. A Letter from Manager, Post Office Operations, Lexington, KY (Item No. 4) was made available to postal customers. The letter advised customers that the Postal Service considers that the continued operation of the Holmes Mill Post Office may not be warranted, and that effective and regular service could be provided through

rural route delivery administered by the Evarts Post Office. The letter invited customers to return a customer questionnaire and to express their opinions about the service currently received. The letter also invited customers to express their opinions about the effect of a possible change involving rural route delivery emanating from Evarts delivery service or the use of Post Office box service at the Closplint Post Office. Item No. 4, Notice to customers, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 5. In addition, representatives from the Postal Service were available at the Holmes Mill Post Office for a community meeting on December 17, 2009 to answer questions and provide information to customers. FD at 1; Item Nos. 26-27. Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Holmes Mill Post Office, the Closplint Post Office, and the Evarts Post Office from January 11, 2010 to March 15, 2010. FD at 5; Item No. 36, Round-dated Proposals and invitations for comments. The FD was posted at the same three post offices from November 8, 2010 to December 10, 2010, as confirmed by their Round-dated FD cover sheets.

In light of the postmaster's retirement, a minimal workload, low office revenue,<sup>4</sup> the variety of delivery and retail options (including the convenience of rural delivery and retail service, plus its avoidance of box fees),<sup>5</sup> minimal recent growth in the area,<sup>6</sup>

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<sup>4</sup> See note 3.

<sup>5</sup> FD at 5; Item No. 33, Proposal, at 8.

<sup>6</sup> FD at 7; Item No. 21, Zip Code Demographic Report; Item No. 23, Community Service Sheet; Item No. 33, Proposal, at 9; Item No. 38, Returned Optional Comment Forms and USPS response letters, at 1; Item No. 39, Analysis of 60-Day Posting Comments, at 2.

minimal impact upon the community, and the expected financial savings,<sup>7</sup> the Postal Service issued the FD.<sup>8</sup> Regular and effective postal services continue to be provided in a cost-effective manner. Upon implementation of the final determination, regular and effective postal services will continue to be provided in a cost-effective manner to the Holmes Mill community. FD at 1.

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

### **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 Holmes Mill Post Office on postal services provided to Holmes Mill customers. The closing is premised upon providing regular and effective postal services to Holmes Mill customers.

The Participant Statement received by the Postal Service in PRC Docket No. A2011-6 and the Petitioner's letter of appeal dated November 24, 2010, raise the issue of the effect on postal services. The Participant Statement notes the convenience of the Holmes Mill Post Office and requests its retention. The Petitioner also expresses concern about the need to travel to neighboring offices, the need for postal services for the disabled, that weather conditions can make travel hazardous, and the need for a place to send and receive packages without driving long distances. Each of these concerns is addressed below.

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<sup>7</sup> FD at 7; Item No. 25, Fact Sheet, at 1; Item No. 33, Proposal, at 9.

<sup>8</sup> FD at 7-8.

The need to travel to a neighboring post office was extensively considered by the Postal Service. FD at 1, 5-6; Item No. 4, Notice to customers, at 1; Item No. 5, Returned customer questionnaires and USPS response letters, at 2, 6, 9, 19; Item No. 6, Postal Customer Questionnaire Analysis, at 1; Item No. 7, Notice to State Congressman, at 2; Item No. 27, Community Meeting Analysis, at 1; Item No. 33, Proposal, at 4, 8; Item No. 38, Returned Optional Comment Forms and USPS response letters, at 1, 3, 6, 8; Item No. 39, Analysis of 60-Day Posting Comments, at 1. Carrier service provides delivery and retail services to roadside mailboxes installed by customers on the carrier's line of travel, so that customers do not have to make a special trip to the Post Office for service. FD at 1-3. Most transactions do not require meeting the carrier at the mailbox. FD at 4. Some of the services available from the carrier include mailing certain packages, purchasing postal money orders, and special services. Id. Delivery and retail services will be available from the carrier, alleviating the need to travel to a Post Office for service. FD at 1, 4, 8; Item No. 4, Notice to customers, at 5; Item No. 6, Postal Customer Questionnaire Analysis, at 1; Item No. 27, Community Meeting Analysis, at 1; Item No. 33, Proposal, at 4. Service will be provided to roadside mailboxes installed by customers on the carrier's line of travel. FD at 1; Item No, 33, Proposal, at 4. In addition to rural delivery, which is the recommended alternate service, customers may also receive postal services at the Closplint Post Office, which is 5.5 miles away. Also, the Postal Service has developed several convenient offerings which can save customers a trip to the Post Office. Stamps can be purchased by phone via a toll-free number, or by mail. If internet access is available,

customers can purchase stamps online through the Postal Service's website at [www.usps.com](http://www.usps.com) and can print shipping labels with postage for Express Mail and Priority Mail using the Postal Service's Click-N-Ship service available at [www.usps.com](http://www.usps.com). FD at 6; Item No. 38, Returned Optional Comment Forms and USPS response letters, at 6, 8, 10; Item No. 39, Analysis of 60-Day Posting Comments, at 1. In addition, customers can place their mail on hold, or file a change of address order, by calling a toll free number or visiting the Postal Service's website.

Concerns about providing postal services for the disabled were also directly addressed by the Postal Service, as documented in the record. FD at 2, 3, 5; Item No. 4, Notice to customers, at 1; Item No. 5, Returned customer questionnaires and USPS response letters, at 2, 9, 13, 16; Item No. 6, Postal Customer Questionnaire Analysis, at 1; Item No. 33, Proposal, at 4, 7, 8; Item No. 38, Returned Optional Comment Forms and USPS response letters, at 1, 3; Item No. 39, Analysis of 60-Day Posting Comments, at 2. The Postal Service explained that for a customer to receive mail or to obtain retail services, it is not required that the customer travel to another post office. The record makes clear that these services will be provided by the carrier to a roadside mailbox that is located close to customers' residences. In certain situations where existing methods of service impose an extreme physical hardship on an individual customer, delivery can be made to the home of a customer. Customers were advised that a request for a change in delivery method must be submitted in writing to the Evarts postmaster. FD at 3; Item No. 33, Proposal, at 7.

The Postal Service further considered that weather conditions can make travel hazardous, as documented in the administrative record. The carrier is required to provide a vehicle of adequate size, equipped with necessary equipment (chains or snow tires, warning lights or signs, etc.) to serve the route safely and efficiently and in accordance with federal, state, and local motor vehicle laws and regulations. FD at 2; Item No. 5, Response Letter to Postal Customer, at 1; Item No. 6, Postal Customer Questionnaire Analysis, at 2; Item No. 33, Proposal, at 5.

The need for customers to send and receive packages without driving long distances was also extensively addressed by the Postal Service, as documented in the administrative record. FD at 2, 4; Item No. 4, Notice to customers, at 5; Item No. 5, Returned customer questionnaires and USPS response letters, at 1; Item No. 6, Postal Customer Questionnaire Analysis, at 2; Item No. 27, Community Meeting Analysis, at 1; Item No. 33, Proposal, at 5, 6.

The Postal Service has considered the impact of closing the Holmes Mill Post Office upon the provision of postal services to Holmes Mill customers. Rural route delivery to roadside mailboxes provides similar access to retail service, alleviating the need to travel to the Post Office. FD at 5. Thus, the Postal Service has properly concluded that all Holmes Mill customers will continue to receive regular and effective service via rural route delivery to roadside mailboxes installed by customers on the carrier's line of travel.

## **Effect Upon the Holmes Mill Community**

The Postal Service is obligated to consider the effect of its decision to close the Holmes Mill Post Office upon the Holmes Mill 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.

Holmes Mill is an unincorporated rural community located in Harlan County. The Harlan County Sheriff's Department provides police protection. FD at 6. The community is administered politically by the Harlan County Fiscal Court, with fire protection provided by the Upper Clover Fork Volunteer Fire Department. A number of churches are located in the Holmes Mill community. FD at 6. The questionnaires completed by Holmes Mill customers indicate that the retirees, farmers, commuters, and others who reside in Holmes Mill must travel elsewhere for other supplies and services. See generally FD at 6; Item No. 5, Returned customer questionnaires and USPS response letters, at 1-45.

The Participant Statement received by the Postal Service in PRC Docket No. A2011-6 and the Petitioner's November 24, 2010, letter of appeal raise the issue of the effect upon the Holmes Mill community. The Petitioner expresses concern that the Holmes Mill Post Office is a landmark, and that every community should have a post office. Each of these concerns is addressed below.

That the Holmes Mill Post Office is perceived as a landmark, and plays a role in the community other than just providing postal services, was considered by the Postal Service. FD at 6-7. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of a community name. The record makes clear that the Postal Service is addressing this concern through preservation of the community identity by continuing the use of the Holmes Mill name and ZIP Code in addresses. FD at 6; Item No. 27, Community Meeting Analysis, at 3; Item No. 28, Letter from P.O. Review Coordinator to Manager, Post Office Operations, at 2; Item No. 33, Proposal, at 9; Item No. 38, Returned Optional Comment Forms and USPS response letters, at 4; Item No. 39, Analysis of 60-Day Posting Comments, at 2. In addition, the Postal Service explained that residents may continue to meet informally, socialize, and share information at the other businesses, churches and residences in town. FD, at 6-7. In response to concerns about the loss of the community bulletin board at the Holmes Mill Post Office, the Postal Service stated that many retail outlets and grocery stores now display a public bulletin board. In addition, the Evarts and Closplint Post Offices also have a public bulletin board which may be used to post the same information. Item No. 5, Returned Customer Questionnaires and USPS response letters, at 2, 6, 31; Item No. 6, Postal Customer Questionnaire Analysis, at 2; Item No. 33, Proposal, at 9.

In response to Petitioner's concern that every community should have a post office, the Postal Service explained to customers that while a post office may play a role in a community, not every community has a post office. The growth of a community

does not depend on the location of a post office. As the Postal Service explained to Holmes Mill customers, the Postal Service is required to provide customers with regular and effective service, which can be done via the rural carrier that serves the community. Item No. 38, Returned Optional Comment Forms and USPS response letters, at 1, 3, 6; Item No. 39, Analysis of 60-Day Posting Comments, at 2.

In addition, as discussed above in the section concerning the effect on postal services, the Postal Service responded to concerns that some people in the community do not have transportation, FD at 5-6. The Postal Service noted that it has developed various convenient means for accessing retail service that can save customers a trip to the post office.

The Postal Service has concluded that nonpostal services provided by the Holmes Mill Post Office can be provided by the Evarts Post Office or Closplint Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 6. Carrier service is expected to be able to handle any future growth. FD at 7.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering, in making its determination whether to close the Holmes Mill Post Office, the effect of closing the Holmes Mill Post Office on the community served by the Holmes Mill Post Office.

### **Economic Savings**

In addition, 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 Holmes Mill Post Office are \$21,042.00. FD at 7. 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**

As documented in the record, the impact on postal employees is minimal. The postmaster retired on May 24, 2007. Upon implementation of the final determination, the noncareer OIC/postmaster relief (PMR) will be given an opportunity for reassignment to a nearby office. The record shows that no career employees would be adversely affected, and no other employees would be affected by this closing. FD at 7; Item No. 33, Proposal, at 9. Therefore, the Postal Service considered the effect of the closing on the employees at the Holmes Mill 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 Holmes Mill Post Office on the provision of postal services, and on the Holmes Mill community, 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 Holmes Mill customers. FD at 8. 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 Holmes Mill Post Office should, accordingly, be affirmed.

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

Respectfully submitted,

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