

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

Before Commissioners:

Ruth Y. Goldway, Chairman;
Mark Acton, Vice Chairman;
Dan G. Blair;
Tony L. Hammond; and
Nanci E. Langley

Lancaster Post Office
Lancaster, Tennessee

Docket No. A2011-2

ORDER AFFIRMING POSTAL SERVICE DETERMINATION

(Issued March 4, 2011)

I. INTRODUCTION

On November 8, 2010, the Commission received a timely appeal seeking review of the Postal Service's final determination to close the Lancaster, Tennessee post office from Allen O. Mason (Petitioner).¹ The Postal Service indicated that it previously suspended service at this location on April 5, 2003. After review of the Administrative Record provided by the Postal Service, the Commission affirms the Final Determination of the Postal Service to close the Lancaster, Tennessee post office.

¹ Petition for Review Received from Allen O. Mason, November 10, 2010 (Petition). The Petition included the following: correspondence with the Postal Service dated June 30, 2009; Response to Proposal to Close Lancaster Post Office; correspondence with Highland Cove Condominiums dated June 23, 2009; MapQuest driving directions to two nearby post offices; a newspaper article; and a petition objecting to the closing. Pursuant to 404 U.S.C. (d)(6)(A), the appeal is deemed received as of the postmark date of the appeal.

II. PROCEDURAL HISTORY

In Order No. 586, the Commission established Docket No. A2011-2 to consider the appeal, designated a Public Representative, and directed the Postal Service to file the Administrative Record or otherwise file a responsive pleading to the appeal.²

On November 22, 2010, the Postal Service filed the Administrative Record with the Commission.³ In addition, the Postal Service filed comments which explain the process used in developing its Final Determination and requested that its determination to close the Lancaster post office be affirmed.⁴

The Petitioner filed a Participant Statement and a letter in response to the Postal Service's comments.⁵ The Public Representative filed comments in this docket.⁶

III. BACKGROUND

The Lancaster post office, classified as EAS-C level, provided service 24 hours per week from 9:30 a.m. to 1:30 p.m., Monday through Friday and 1:30 p.m. to 3:30 p.m. on Saturday. Final Determination at 1. In addition to providing retail services, e.g., sale of stamps, stamped paper, and money orders, it served 11 post office box customers.

On January 31, 2003, the Lancaster postmaster requested and was granted a transfer. A non-career employee was installed as temporary officer in charge. The

² Notice and Order Accepting Appeal and Establishing Procedural Schedule, November 15, 2010 (Order No. 586).

³ The Administrative Record is attached to United States Postal Service Notice of Filing, November 22, 2010 (Administrative Record). The Administrative Record includes a table of contents listing 50 items. Item No. 39 is the Final Determination to Close the Suspended Lancaster, TN Post Office and Continue to Provide Rural Route Service, October 13, 2010 (Final Determination).

⁴ United States Postal Service Comments Regarding Appeal, January 3, 2011 (Postal Service Comments).

⁵ Participant Statement, December 10, 2010 (Participant Statement); Letter in Response to Postal Service Comments Regarding Appeal of the Discontinuance of the Post Office at Lancaster, TN 38269, January 18, 2011 (Petitioner Response).

⁶ Comments of the Public Representative, February 28, 2011 (PR Comments).

Postal Service indicates that the post office facility suffered from severe safety and health code deficiencies. *Id.* at 6. The Postal Service asserts that no other suitable quarters were available. On April 5, 2003, service was suspended at this facility. *Id.* at 6; see also Administrative Record, Item No. 2 at 1. Since that time, customers have been receiving delivery and retail services via rural route delivery emanating from the Hickman post office.

The Postal Service indicates that customers may receive postal services that require a visit to a postal facility from two alternative locations. The Hickman post office, which is located 9 miles away, provides window service from 7:00 a.m. to 11:00 a.m. and 11:30 a.m. to 3:30 p.m. Monday through Friday, and 7 a.m. to 12 noon on Saturday. Final Determination at 1. Retail services also are available at the Gordonsville post office, which is located 5 miles away. *Id.*

On June 4, 2009, the Postal Service held a community meeting at the Hickman post office to discuss the possible closing of Lancaster. *Id.* at 1. The Community Meeting Roster indicates 26 customers in attendance. Administrative Record, Item No. 22. The following month, on July 6, 2009, the Postal Service received a petition with 203 signatures supporting retention of the Lancaster post office. Final Determination at 1.

With the permanent closure of the Lancaster post office, there will no longer be a retail outlet in the Lancaster community. The Postal Service provided customers the option to receive delivery service from cluster box units (CBUs) or roadside mailboxes installed by customers on the rural carrier's line of travel. The Postal Service estimates total savings of \$19,942.00 annually from the discontinuance of operations at the Lancaster post office. *Id.* at 6.

IV. PARTICIPANT PLEADINGS

Petitioner. The Petitioner explains that the town of Lancaster has had a post office since 1821. Petitioner Response at 3. Petitioner describes Lancaster as an active community, home to the Corp of Engineers, and two major campgrounds.

Petition at 1. Petitioner adds that there are 176 active mailboxes located in a condominium development within the town. Petitioner asserts that customers will have to make a 30- to 45-minute round trip to attain postal services if the Lancaster post office is permanently closed. Participant Statement at 2, No. 3.

Petitioner contends that the Postal Service violated its rules when it suspended services at the Lancaster post office in 2003 by failing to notify customers of or providing any explanation for the suspension. Petitioner Response at 2; Participant Statement at 2, No. 7.

Petitioner argues that the Postal Service has understated the impact that the closing will have on the town of Lancaster. Petitioner contends that the Postal Service has not fully considered the effect on the community in making its decision to close. Petitioner also argues that the cost savings of closing the post office estimated by the Postal Service in its Final Determination are inaccurate. Participant Statement at 2, No. 6.

Postal Service. The Postal Service's comments outline the considerations that it has taken in the closure process including the provision of notice, the effects on postal services, the effects upon the Lancaster community, economic savings, and the effect on postal employees. Postal Service Comments at 4-11. The Postal Service argues that its determination to close the Lancaster post office should be affirmed. *Id.* at 11.

The Postal Service contends that customers received formal notice of the Postal Service's actions through the Proposal to Close the Suspended Lancaster, TN Post Office and Continue to Provide Rural Route Service postings and the Final Determination postings at nearby facilities. *Id.* at 5. The formal notice was posted with an invitation for public comment at the Hickman and Gordonsville post offices from August 21, 2009 through October 23, 2009. *Id.* The Postal Service also indicates that the Final Determination was posted at the Hickman post office on October 8, 2010, and removed November 15, 2010. The Final Determination also was posted at the Gordonsville post office on October 13, 2010, and removed on November 17, 2010. *Id.*

On June 4, 2009, representatives from the Postal Service also held a community meeting to discuss the possible closing. *Id.* at 6.

The Postal Service argues that, as mandated by 39 U.S.C. 404(d)(2)(A)(ii), it has considered the effects of the closing. The Postal Service contends that the closing will not adversely affect the community. *Id.* at 9. Based on responses to customer questionnaires, the Postal Service states that residents of Lancaster travel outside the community to obtain supplies and services not offered in Lancaster. The Postal Service concludes that the nonpostal services which were offered at Lancaster can be provided by the neighboring Hickman and Gordonsville post offices. *Id.* at 8-9. The Postal Service indicates that in response to community concerns regarding the loss of identity, the community's name and ZIP Code will be retained. *Id.* at 9.

Public Representative. The Public Representative concludes that the Administrative Record demonstrates customers were provided proper notice and opportunity to present their views, and that the enumerated factors in 39 U.S.C. 404(d) were considered in arriving at the Final Determination. PR Comments at 8. The Public Representative notes that the Postal Service did not address a major concern of the Petitioner, namely, the provision of adequate notice of the initial suspension of service, but recognizes that the suspension issue is not before the Commission in a 39 U.S.C. 404(d) closing appeal. *Id.* at 4-5. She suggests that the Postal Service should strive to communicate its intentions clearly to continue to minimize any potential misunderstandings. *Id.* at 8.

V. COMMISSION ANALYSIS

Under 39 U.S.C. 404(d)(1), 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 close date to ensure that patrons have an opportunity to present their views regarding the closing. If the Postal Service decides to close the post office, it must make its Final Determination available to the public for 30 days, allowing patrons the opportunity to appeal the determination to the Commission. The Commission reviews the Postal Service's determination to close or consolidate a post office "on the basis of the record before the Postal Service in the making of such determination." See 39 U.S.C. 404(d)(5).

A. Notice to Customers

As part of its investigation, the Postal Service distributed questionnaires to customers with the Lancaster address. Questionnaires also were available over the counter for retail customers at the Hickman post office. Final Determination at 1. Fifty-two questionnaires were returned; 8 responses were favorable, 5 unfavorable, and 39 expressed no opinion regarding the proposed alternate service. *Id*; see also Administrative Record, Item No. 20. The Postal Service also held a community meeting on June 4, 2009, which was attended by 26 customers. Administrative Record, Item No. 22.

Notice of the Postal Service's proposal to close the suspended Lancaster post office and continue to provide rural route service was posted at the Hickman and Gordonsville post offices from August 21, 2009 through October 20, 2009. *Id*. Item No. 32 at 7, 14. The Final Determination to close the suspended Lancaster post office was posted at the Hickman post office from October 8, 2010 through November 15, 2010. It was also posted at the Gordonsville post office from October 13, 2010 through November 17, 2010. Postal Service Comments at 5.

Based on a review of the record, the Commission finds that the Postal Service has satisfied the notice requirements of 39 U.S.C. 404(d).

B. Other Statutory Considerations

Under section 404(d)(2)(A), in making a determination on whether or not 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. In response to the Postal Service's proposal to close the Lancaster post office, customers raised concerns regarding the effect of the change in postal services. The Postal Service responded to each customer individually. Administrative Record, Item No. 20. Their concerns and the Postal Service's responses are summarized in the Final Determination.

Effect on the community. Customers were concerned about loss of community identity. The Postal Service explains that it is helping to preserve Lancaster's identity by continuing to use the Lancaster name and ZIP Code. Final Determination at 5. Customers also expressed concern over losing a gathering place and information center. The Postal Service maintains that residents may continue to meet informally at the fire department and churches in town. *Id.*

Maximum degree of effective and regular service. Customers expressed concerns about senior citizens losing access to service. The Postal Service has provided rural route delivery service to customers since the suspension of the Lancaster post office in 2003. The Postal Service emphasizes that carrier service is beneficial to many senior citizens and those who face special challenges because carriers can provide delivery and retail services to roadside mailboxes or CBUs. *Id.* at 3. The Postal Service also addressed customer concerns regarding mail security, inconvenience of traveling to another post office, and delivery reliability. *Id.* at 1-3.

Economic savings. The Postal Service estimates total annual savings of \$19,942.00. This estimate is based on the postmaster's salary and rental costs. *Id.* at 6. Petitioner contends that the cost savings for closing the Lancaster post office projected by the Postal Service are inaccurate. Petitioner asserts that if the Lancaster post office were to reopen that an existing postal employee would be transferred to

Lancaster and therefore the postmaster's salary should be deducted from the projected savings. Petitioner Response at 3. The Commission finds no reason to find the Postal Service's estimate inaccurate.

The record reflects that the Postal Service has also considered the effect on employees. Final Determination at 6. Based on a review of the record, the Commission concludes that the Postal Service has satisfied the requirements of section 404(d)(2)(A).

C. Suspension of Service

Petitioner argues that the Postal Service offered no forewarning or explanation for the suspension of service in 2003. Petitioner Response at 1. Petitioner complains that he made many phone calls to postal officials in Nashville where no one could offer him an explanation for the suspension. *Id.*

The Public Representative notes the important role that effective communications play in the suspension and discontinuance process for preserving the trust and reliance that citizens place in the Postal Service. PR Comments at 8.

The Postal Service did not address the Petitioner's assertions.

The Postal Service has standard procedures for notifying customers of suspensions in its Handbook for Post Office Discontinuances.⁷ Section 613.3 states that when service at a post office is suspended, the affected customers should be notified immediately. However, in this docket, the suspension issue did not materially affect the Postal Service's compliance with the requirements of 39 U.S.C. 404(d) for post office closings. The Commission encourages the Postal Service to address its suspension notification requirements to keep customers fully informed about its actions.

⁷ United States Postal Service, Post Office Discontinuance Guide, Handbook PO-101, August 2004.

IV. CONCLUSION

Based on its review of the entire record before it, the Commission concludes that the Postal Service has adequately considered all requirements of 39 U.S.C. 404(d). Accordingly, its determination to close the Lancaster post office and provide rural route delivery is affirmed.

It is ordered:

The Postal Service's determination to close the Lancaster post office is affirmed.

By the Commission.

Shoshana M. Grove
Secretary

CONCURRING OPINION OF CHAIRMAN GOLDWAY

The practice of suspending operations at a retail facility without taking timely action to either reopen or permanently discontinue operations at the facility may be viewed by postal customers no differently than a permanent closure. The Commission highlighted this practice as an issue in the FY 2009 Annual Compliance Determination, at 58-59, because of a concern that affected customers may be denied access to post offices and their services. The status of the Lancaster post office remained in limbo for nearly 8 years. Furthermore, the record contains no evidence that the Postal Service ever notified customers of the suspension. Administrative Record, Item No. 3. Based on the Administrative Record, the Postal Service appears to have failed to follow its procedures for informing customers of the suspension.⁸ The Postal Service must take steps to ensure all customers receive timely notice of suspension actions.

As noted in the Order, the suspension of operations at the Lancaster post office did not materially affect the Postal Service's compliance with the requirements of 39 U.S.C. 404(d) for post office closings. This does not excuse the anxiety and confusion the Postal Service has created within the Lancaster community by not keeping the community informed.

⁸ United States Postal Service, Post Office Discontinuance Guide, Handbook PO-101, August 2004. Section 613.3 states that when service at a post office is suspended, the affected customers should be notified immediately.