

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

Penobscot Finance Station
Detroit, Michigan

Docket No. A2011-5

COMMENTS OF THE PUBLIC REPRESENTATIVE

(March 25, 2011)

I. Summary of Proceedings

The Commission received a petition for review of the closing of the Penobscot Finance Station located in Detroit, Michigan. The petition, which was filed by Barbara Sherwood (Petitioner), is postmarked December 1, 2010, and was posted on the Commission's website on December 8, 2010.¹ In Order No. 604 the Commission instituted a proceeding under 39 U.S.C. 404(d)(5), designated the case as Docket No. A2011-5 to consider the Petitioner's appeal and designated the undersigned as Public Representative.²

The category of issues apparently raised include: Failure to consider the effect on the community. See 39 U.S.C. 404(d)(1) and 404(d)(2)(A)(i). Petitioner also requested a suspension of the closing/consolidation process pending the outcome of the appeal. The post office was scheduled to close January 3, 2010. The answer to the request for suspension was due December 16, 2010. See 39 CFR 3001.114(b). The deadline established for the Postal

¹ Letter Received from Barbara Sherwood Regarding Docket A2011-5, December 10, 2010 (Petition).

² Notice and Order Accepting Appeal and Establishing Procedural Schedule, December 10, 2010 (Order No. 604).

Service to file the administrative record with the Commission was December 21, 2010. 39 CFR 3001.113.

On December 21, 2010, the Postal Service filed its notice in response to Order No. 604, and responded that it did not have an administrative record supporting the discontinuance of the Penobscot Finance Station that complied with the 39 U.S.C. 404(d).³ Notice at 1. The Postal Service contends that the Penobscot Finance Station facility is not a post office and its closing does not require the development of a final administrative record supporting the discontinuance. It argues that the Commission does not have jurisdiction to review a station discontinuance under 39 U.S.C. 404(d). *Id.* at 1-2. Additionally, it also asserts that the procedural requirements for review under section 404(d) do not apply. The Postal Service maintains that Petitioner's claims do not qualify as a closure as contemplated by 39 U.S.C. 404(d) since the postal customers at the Penobscot Finance Station will not lose access to postal services in that retail service facilities are in close proximity to the discontinued station. *Id.* at 2-3. It supports this claim by citing the Commission's decision in Order No. 477, which found that access to an alternate postal facility location within 1.7 miles was deemed to be in close proximity for purposes of evaluating loss of postal services. *Id.* at 3.

The Postal Service provides the administrative record applicable to the Penobscot Finance Station. It includes a summary of the information related to the discontinuance. The Postal Service's records state that after closure of the Penobscot Finance Station customers will have access to retail and delivery services at the George W. Young, Main Post Office located approximately 1 mile away. *Id.* Exhibit 1 at 1. The summary states that retail transactions and revenue at the station have declined by approximately 16% since FY 2007. *Id.* at 2. Additionally, the records indicate that daily retail window transactions average 436 with office receipts in the amount of \$687,533 in FY-2007; \$651,701 in FY 2008 and \$ 577,905 in FY 2009. *Id.* The Postal Service maintains that the George W. Young Main Post Office will have service hours from 6:00 a.m. to 12 midnight, Monday through Saturday. The Penobscot Finance Station hours were 8:30 a.m. to 5:00 p.m., Monday through Friday and closed on Saturday.

The Postal Service states that questionnaires were given to delivery customers of the Penobscot Finance Station on November 6, 2009, regarding proposed postal service changes. *Id.* It relates that the tally from the questionnaires were 150 returned with sixteen favorable, 51

³ Notice of United States Postal Service, December 21, 2010 (Notice). Attached to the Notice is the Final Determination to close the Penobscot Finance Station and information regarding additional post offices located in the vicinity of the finance station.

unfavorable, and 83 with no opinion. *Id.* According to the Postal Service's summary of responses, customers raised a variety of concerns including the distance of the new location, requirements to change addresses, and the selection of the Penobscot location for discontinuance. *Id.* at 1-2. The Postal Service surmises that it has adequately addressed these customer concerns with options that provide carrier delivery to residences, additional capacity for post office box carousels in the George W. Young Main Post Office along with retention of post office box service with the same address, and stamp purchase available by telephone or on the Internet.⁴ *Id.*

The Postal Service also states that customers raised non-postal concerns about the effect of the discontinuance on senior citizens and persons with disabilities unable to go the alternate location. *Id.* at 3. The Postal Service response is that carrier delivery could address these issues or a request for hardship delivery may be submitted to the Detroit postmaster. An additional concern conveyed was mail security. The Postal Service did not explain the context in which this issue was raised. The response addresses the option for customers to use a lock on their mailbox.

Postal Service projected savings. The Postal Service mentions that postal clerks will be reassigned to the alternate location. It states further that annual savings amount to \$249,874. *Id.* at 4. It includes as "economic savings" the clerks' salary and fringe benefits that are being reassigned. The actual savings estimates should indicate that salaries and fringe benefits are being reassigned to the George W. Young Mail Post Office, with the expenses added to the expenses for the alternate location; not eliminated. The Postal Service states that costs of the change include a one-time expense of \$7,059 associated with building modification and buy-out of the existing lease. Ultimately, the savings estimate may be less than described, but there are savings associated with the closure of the Penobscot Finance Station facility.

The Postal Service concludes that the final determination to discontinue the Penobscot Finance Station is warranted and retail and delivery services will be provided by the George W. Young Main Post Office located a little over 1 mile away.

The Petitioner filed her participant statement on January 10, 2011.⁵ She contends that use of the Penobscot Finance Station allows her to combine shopping and other errands with

⁴ The Postal Service states that customers that choose city delivery service will be subject to an address change. It states that customers that choose the option of continuing post office box service at the alternate location will not have an experience a change of address.

⁵ Participant Statement, January 10, 2011.

postal service needs in a historic and centrally located facility in downtown Detroit. *Id.* at 3. She states that her home delivery is done by the Postal Service's Gratiot Branch facility. *Id.* She makes several assertions regarding the reliability of the Postal Service's administrative record. The Petitioner questions the accuracy of the number of responses and amount and value of cost savings versus the negative effect of loss of personal service at the Penobscot Finance Station and the location's benefits to the Detroit financial district. *Id.* at 4-6. Additionally, she laments the complexity of the review and appeal process which she has attempted to navigate. On February 15, 2011, the Petitioner filed additional comments summarizing her concerns about the loss of the Penobscot Finance Station.⁶

⁶ Concluding Written Comments of the Petitioner Barbara Sherwood, February 15, 2011.

II. Discussion

The Postal Service, in its summary of the discontinuance decision, states that, “the advantages outweigh the disadvantages and this final determination is warranted.” Notice, Exhibit 1 at 4. However, the primary advantage it has cited is the small economic savings associated with closing the location.

The Petitioner is quite passionate in her desire to retain the Penobscot Finance Station in the historic Penobscot building and considers the loss of an important location in Detroit’s financial district to be an unpleasant harbinger of dire circumstances that appear to have no viable solution. She has filed, both in her Participant Statement and concluding comments, that she opposes the closing of the Penobscot Finance Station and has attempted to traverse the regulatory landscape of the appeals process to respond to issues not raised by the Postal Service. The Petitioner’s desire is to save the facility and emphasize factors she believes are essential to make the Commission aware that customer’s do not recognize the “bureaucratic” classification of postal facilities as stations or offices, and such distinctions do not deter the public opposition of the process which functions at a bare minimum to provide notice and opportunity to comment.⁷

Nonetheless, the financial emergency of the Postal Service continues, and measures to address its financial situation are ongoing, including review of postal facilities for closure or consolidation.

In the instant case, the Petitioner and others she knew became aware of the Postal Service’s plans for possible discontinuance prior to the Postal Service’s formal notice. Petition at 2.⁸ The Penobscot Finance Station is on the list of stations and branches identified for possible discontinuance in PRC Docket No. N2009-1. The Postal Service’s records indicate that customers of the Penobscot Finance Station did receive questionnaires regarding the impact of the discontinuance. The Petitioner disputes the number of responses returned but is aware that questionnaires were distributed by the Postal Service. Notice of the Final

⁷ Concluding Written Comments of the Petitioner Barbara Sherwood, February 15, 2011, (Petitioner Comments).

⁸ The Petitioner notes that she became aware of the possible closing in the summer of 2009 and she phoned as well as wrote letters to various officials of the Postal Service and others regarding the closure.

Determination was placed at the Penobscot Finance Station. The Petitioner also filed a timely notice of appeal of the determination.

The Postal Service's records reflect that a disadvantage of the final determination is that the community is losing a retail outlet. Notice, Exhibit 1 at 2. Additionally, it maintains that customers choosing city delivery service will have to contend with an address change and customers needing services from a post office will have to travel more than a mile away to obtain those services. *Id.* However, the requirements of notice and opportunity to comment have been complied with in the instant case.

Effect on the community. The Postal Service has addressed the responses expressed by the community in a manner that focuses on availability of postal services within a reasonable distance from the Penobscot Finance Station, and by other means. The Postal Service has complied with consideration of the effect on the community. 39 U.S.C. 404(d)(2)(i).

The George W. Young Main Post Office will provide Monday through Saturday service which adds a day of service not provided by Penobscot Finance Station and longer window hours. Carrier service is available as an option for some customers. The Postal Service has complied with 39 U.S.C. 404(d)(2)(iii). Basically, the bottom line is the declining revenue and thwarted growth allows the Postal Service to realign postal services within a reasonable distance from the former location. The alternate service location will inconvenience some customers. However, the alternate location provides effective and regular service at the alternate location. The loss of the Penobscot Finance Station in the financial district is an anvil to the belly of the Detroit financial district. This is a city that is still in dire straits from a myriad of economic disasters due to multiple causes.

III. Conclusion

The record demonstrates that the Petitioner was afforded notice of the Postal Service's proposal to close the Penobscot Finance Station and had an opportunity to comment on that proposal at an early stage. The Postal Service has demonstrated that it may continue to provide regular and effective postal services to the community. With maintenance of the Postal Service as the goal the public is ultimately served by the resulting savings however small that cumulatively may assist in the Postal Service reducing its massive debt.

Respectfully Submitted,
/s/ Cassandra L. Hicks
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