

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

*In the Matter of:*  
Chillicothe Iowa Post Office  
Chillicothe, Iowa

Docket No. A2011-32

UNITED STATES POSTAL SERVICE  
COMMENTS REGARDING APPEAL  
(September 19, 2011)

On July 26, 2011, the Postal Regulatory Commission (Commission) received a petition for review postmarked July 25, 2011, from postal customer Jason Van der Veer (Petitioner), objecting to the discontinuance of the Post Office at Chillicothe, Iowa. On July 27, 2011, the Commission issued Order No. 775, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 775, the administrative record was filed with the Commission on August 10, 2011. Outside of the initial petition for review, the Commission received no additional written communication from other customers of the Chillicothe Post Office. The Petitioner did not file a Form 61, Participant Statement nor did the Public Representative file a reply brief. The following is the Postal Service's answering brief in support of its decision to discontinue the Chillicothe Post Office.

The appeal received by the Commission on July 26, 2011, raises two main issues: (1) the impact upon the Chillicothe community and (2) the impact on postal services expected to result from discontinuing the Chillicothe Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues

serious consideration. Additionally, 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 impact upon postal employees. Accordingly, the determination to discontinue the Chillicothe Post Office should be affirmed.

### **Background**

The Final Determination to Close the Chillicothe, Iowa Post Office and Establish Service by Rural Route Service (FD), as well as the administrative record, indicate that the Chillicothe Post Office provides EAS-53 level service to 32 Post Office Box customers, 16 delivery customers, and retail customers 24 hours per week. Item No. 33, Proposal, at 2; item 15, Post Office Survey Sheet, at 1.<sup>2</sup> The postmaster of the Chillicothe Post Office retired on April 30, 1999. A noncareer employee from a neighboring office may have been installed as the temporary officer-in-charge (OIC)<sup>3</sup>. Upon implementation of the Final Determination, the noncareer OIC may be separated from the Postal Service.<sup>4</sup> The average number of daily retail window transactions at the Chillicothe Post Office is 4 accounting for four minutes of retail work daily. Revenue has generally been low: \$8,423.00 in FY 2008 (22 revenue units); \$7,726.00 in FY 2009 (20 revenue units); and \$10,120.00 in FY 2010 (26 revenue units).<sup>5</sup> The Chillicothe Post Office has no meter or permit customers. FD at 2; Item No. 18, Form 4920, at 1; Item No. 33, Proposal, at 2.

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

<sup>2</sup> In these comments, specific items in the administrative record are referred to as "Item \_\_\_\_."

<sup>3</sup> FD, at 2.

<sup>4</sup> FD, at 8.

<sup>5</sup> FD, at 2; Item No. 18, Form 4920, Post Office Closing or Consolidation Proposal - Fact Sheet, at 1; Item No. 33, Proposal, at 2.

Upon implementation of the Final Determination, delivery and retail services will be provided by rural route delivery administered by the Ottumwa Post Office, an EAS-21 level office, which has 390 available Post Office Boxes. Retail service is also available at the Kirksville Post Office, an EAS-53 level office, located four miles away. FD at 1; Item No. 18, Form 4920, 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 Chillicothe Post Office were considered and properly addressed by the Postal Service. 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 Chillicothe Post Office. Questionnaires were also available over the counter for retail customers at Chillicothe. FD at 2; Item No. 20, Questionnaire Instruction Letter to Postmaster/OIC at Chillicothe Post Office, at 1. A letter from the Manager of Consumer Affairs & Claims, Cedar Rapids, Iowa was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Chillicothe Post Office was warranted, and that effective and regular service could be provided through rural route delivery emanating from the Ottumwa Post Office and retail services available at the Kirksville Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. Item No. 21, Letter to Customer, at 1.

The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. Also, representatives from the Postal Service were available at the Chillicothe Post Office for a community meeting on March 28, 2011, to answer questions and provide information to customers. FD at 1; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal, at 2. 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 Chillicothe Post Office the Kirksville Post Office and the Ottumwa Post Office from April 18, 2011 to June 19, 2011. FD, at 6; Item No. 33, Proposal, at 1 and 9. The FD was posted at the same three Post Offices starting on July 7, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.

In light of the postmaster vacancy, a minimal workload, low office revenue,<sup>6</sup> the variety of delivery and retail options (including the convenience of rural delivery and retail service),<sup>7</sup> very little recent growth in the area,<sup>8</sup> minimal impact upon the community, and the expected financial savings,<sup>9</sup> the Postal Service issued the FD.<sup>10</sup> Regular and effective postal services will continue to be provided to the Chillicothe community in a cost-effective manner upon implementation of the Final Determination. FD at 2.

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<sup>6</sup> See note 5 and accompanying text,

<sup>7</sup> FD, at 2-6; Item No, 33, Proposal, at 2-6.

<sup>8</sup> Item No. 16, Community Survey Sheet; Item No. 33, Proposal, at 8.

<sup>9</sup> FD, at 8; Item No. 29, Proposal Checklist at 2; Item No. 33, Proposal, at 9.

<sup>10</sup> FD, at 2-8.

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 Chillicothe Post Office on postal services provided to Chillicothe customers. The closing is premised upon providing regular and effective postal services to Chillicothe customers.

The Petitioner, in his letter of appeal, raises the issue of whether the Postal Service can continue to provide a maximum degree of effective and regular postal services to the Chillicothe community, noting the convenience of the Chillicothe Post Office and requesting its retention. The Petitioner expresses particular concern about the reliability of services provided by the Ottumwa Post Office. Each of these concerns was considered by the Postal Service.

The effect of the closing of the Chillicothe Post Office on the availability of postal services to Chillicothe residents was considered extensively by the Postal Service. FD at 2-8; Item No. 33, Proposal, at 2-9. Upon the implementation of the Final Determination, services provided at the post office, such as the sale of stamps, envelopes, postal cards, and money orders, will also be available from the carrier to a roadside mailbox located close to customers' residences. FD at 3-6; Item No. 33, Proposal, at 2-6; Item No. 21, Notice to Customers. Carrier service also is beneficial to many senior citizens and those who face special challenges because they do not have

to travel to the Post Office for service. FD at 3. In hardship cases, delivery can be made to the home of a customer. FD at 4.

Petitioner expressed a concern that the customer lines were extremely long at the Ottumwa Post Office, and that employees at that installation were not customer oriented. This concern was addressed in the record. The Postal Service explained that this concern was brought to the Ottumwa Postmaster so that she can monitor window operations and ensure that the customers do not have an unreasonable wait to obtain services. Further, the Postal Service explained that Postal Service employees receive periodic instructions regarding employee courtesy. FD at 3-4; Item No. 33, Proposal, at 3; Item 22 at 4 and 9; Item 23 at 2; Item 25 at 2-3;

In addition to carrier service, customers may opt for Post Office Box service at the nearby Ottumwa Post Office (there are 390 Post Office Boxes available) or at the nearby Kirksville Post Office (there are 67 Post Office Boxes available). FD at 2; Item No. 33, Proposal, at 2. The Ottumwa Post Office also provides nonpostal services, such as the distribution of government forms. Item No. 33, Proposal, at 7.

The Postal Service has considered the impact of closing the Chillicothe Post Office upon the provision of postal services to Chillicothe customers. A highway contract or rural delivery carrier can provide similar access to retail service, alleviating the need to travel to the Post Office. FD at 2-6 and 8; Item No. 23, Postal Customer Questionnaire Analysis, at 1-2; Item No. 25, Community Meeting Analysis, at 1-3; Item No. 33, Proposal, at 2-6. PO Box service will still be available at the nearby Ottumwa and Kirksville Post Offices. FD at 2; Item No. 33, Proposal, at 2. Thus, the Postal

Service has properly concluded that all Chillicothe customers will continue to receive regular and effective service.

### **Effect Upon the Chillicothe Community**

The Postal Service is obligated to consider the effect of its decision to close the Chillicothe Post Office upon the Chillicothe community. 39 U.S.C. § 404(d)(2)(A)(i). 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.

Chillicothe is an incorporated community located in Wapello County. The community is administered politically by a Mayor and council. Police protection is provided by the Wapello County Sheriff Department and fire protection is provided by the Wapello County Fire Department. The community is comprised of retired people, farmers/ranchers, and those who commute to work at nearby communities and work in local businesses. FD, at 7; Item No. 33, Proposal at 7. The questionnaires completed by Chillicothe customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Chillicothe must travel elsewhere for other supplies and services. See generally FD at 2; Item No. 22, Returned customer questionnaires and Postal Service response letters 1-21.

The Petitioner's letter of appeal raises the issue of the effect of the closing of the Chillicothe Post Office upon the Chillicothe community. This issue also was considered by the Postal Service, as reflected in the administrative record. FD, at 2; Item No. 33,

Proposal, at 2. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. FD, at 3; Item No. 33, Proposal, at 2. Communities generally require regular and effective postal services and these will continue to be provided to the Chillicothe community. The Postal Service is helping to preserve community identity by continuing the use of the Chillicothe Post Office name and ZIP Code in addresses and in the National Five-Digit ZIP Code and Post Office Directory. FD, at 3; Item No. 33, Proposal, at 2 and 5.

In addition, the Postal Service has concluded that nonpostal services provided by the Chillicothe Post Office can be provided by the Ottumwa Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 7; Item No. 33, Proposal, 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 the effect of closing the Chillicothe Post Office on the community served by the Chillicothe Post Office.

### **Effect on Employees**

As documented in the record, the impact on postal employees is minimal. The Chillicothe postmaster position became vacant when the postmaster retired on April 30, 1999. However, upon implementation of the Final Determination, the noncareer postmaster relief (PMR) may be separated from the Postal Service. The record shows that no other employee would be adversely affected by this closing. FD, at 2 and 8; Item No. 15, Post Office Survey Sheet, at 1. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the



Chillicothe Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

### **Economic Savings**

Postal officials also 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 Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Chillicothe Post Office and would still provide regular and effective service. Item No. 21, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Chillicothe Post Office are \$19,423.00. FD at 8; Item No. 33, Proposal, at 9.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD, at 6 and 8; Item No. 33, Proposal, at 9.

The Postal Service determined that carrier service is more cost-effective than maintaining the Chillicothe postal facility and postmaster position. FD, at 9. 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).

## Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Chillicothe Post Office on the provision of postal services and on the Chillicothe community, as well as the economic savings that would result from the proposed closing, the effect on 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 Chillicothe customers. FD, at 8. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Chillicothe Post Office should, accordingly, be affirmed.

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

Respectfully submitted,

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