

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

In the Matter of:
Grant Post Office
Grant, Iowa

Docket No. A2011-44

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(October 5, 2011)

On August 11, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked August 5, 2011, from postal customer Laurenda Mifflin (Petitioner) objecting to the discontinuance of the Post Office at Grant, Iowa. On August 12, 2011, the Commission issued Order No. 800, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). Petitioner Mifflin filed a Participant Statement, (Form 61), on September 2, 2011. Postal Customer Robert Molnar filed an appeal on August 19, 2011, objecting to the Grant Post Office's discontinuance. He filed a Participant Statement on September 19, 2011. Postal Customer Nancy Taylor filed an appeal on August 25, 2011. She filed a Participant Statement on September 20, 2011. In accordance with Order No. 800, the administrative record was filed with the Commission on August 24, 2011.

According to Order No. 800, the appeal apparently raises two main issues: (1) the impact upon the Grant community, and (2) the calculation of economic savings expected to result from discontinuing the Grant Post Office. The Petitioners have apparently raised a third issue, (3) the effect on postal services. 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,¹ the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Grant Post Office should be affirmed.

Background

The Final Determination To Close the Grant, IA Post Office and Extend Rural Route Service (FD), as well as the administrative record, indicate that the Grant Post Office provides EAS-C level service to 44 Post Office Box customers, 0 general delivery customers, and retail customers 24 hours per week. Item No. 47, Final Determination, (hereinafter referred to as "FD"), at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.² The postmaster of the Grant, Iowa Post Office retired on July 10, 2010. An Officer-in-Charge (OIC) has been installed to operate the office. When the Post Office closes, she will return to her home office and continue employment.³ The average number of daily retail window transactions at the Grant Post Office is twelve. Revenue has generally been low: \$11,740.00 in FY 2008, (31 revenue units); \$11,757.00 in FY 2009, (31 revenue units); and \$9,034.00 in FY 2010, (31 revenue units). FD, at 2; Item No. 18, Fact Sheet; Item

¹ See 39 U.S.C. 404(d)(2)(A).

² In these comments, specific items in the administrative record are referred to as "Item ___." Many of the documents in the administrative record, including the (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), state at the top of the page "Page Nbr. ___" instead of "Item No. ___". However, the documents are referred to in the Official Record Index as "Item No. ___". For the sake of consistency, these comments refer to the documents, as "Item No. ___".

³ FD, at 2, 8; Item No. 21a, Letter to Postal Customer from Manager, Post Office Operations ("Letter to Customer"); Item No. 33, Proposal to Close the Grant, IA Post Office and Continue to Provide Rural Route Service ("Proposal"), at 2, 6. (Item No. 33 includes two pages numbered 6. Unless otherwise indicated, the citation to page 6 refers to the first page numbered 6. This reference is to the second page 6).

No. 33, Proposal, at 2, 7. The Grant Post Office has no meter or permit customers. Post Office Survey Sheet, at Item 15, p.1, no.6; FD at 2; Item No. 18, Fact Sheet; Item No. 33, Proposal, at 2, 7.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Villisca Post Office, an EAS-16 level office located seventeen miles away, which has 100 available Post Office Boxes. FD at 2; Item No. 18, Fact Sheet, at 19; Item No. 33, Proposal, at 2, 7. This service will continue upon implementation of the FD. FD at 2.

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Grant 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 Post Office Box customers of the Grant Post Office. Questionnaires were also available over the counter for retail customers at Grant. FD at 2; Item No. 20 Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Grant Post Office. A letter from the Manager of Post Office Operations, Des Moines, IA was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Grant Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Villisca 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. 21a, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at the Grant Post Office for a community meeting on February 23, 2011, to answer questions and provide information to customers. FD at 2; Item No. 21a, Letter to Customer; 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 Grant Post Office and the Villisca Post Office from March 22, 2011 to May 23, 2011. FD, at 2; Item No. 33, Proposal, at 1, 7; Item No. 36 at 1-4. The FD was posted at the same two Post Offices starting on August 1, 2011, as confirmed by the round-dated FD cover sheet that appears in the administrative record, (Villisca), and the one that appears in the Participant Statement, Laurenda Mifflin, Item No. 47, p.1, (Grant).

. In light of the postmaster retirement, a minimal workload, low office revenue,⁴ the need for more operational efficiency, the variety of delivery and retail options (including the convenience of rural delivery and retail service),⁵ minimal impact upon the community, and the expected financial savings,⁶ the Postal Service issued the FD.⁷

Regular and effective postal services will continue to be provided to the Grant

⁴ FD, at 2; Item No. 33, Proposal, at 1.

⁵ FD, at 2-7; Item No. 33, Proposal, at 1-7.

⁶ FD, at 2, 4, 6, 7; Item No. 17a, Cost Analysis; Item No. 18, Fact Sheet; Item No. 29b, Proposal Checklist; Item No. 33, Proposal, at 2, 6, 7.

⁷ FD, at 2, 7-9.

community in a cost-effective manner upon implementation of the final determination.
FD at 2.

Each of the issues raised by the Petitioners is addressed in the paragraphs that 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 Grant Post Office on postal services provided to Grant customers. The closing is premised upon providing regular and effective postal services to Grant customers.

Petitioners, in their letters of appeal, raise the issue of the effect on postal services of the Grant Post Office's closing, noting the convenience of the Grant Post Office and requesting its retention. Each of these concerns was considered by the Postal Service.

The effect of the closing of the Grant Post Office on the availability of postal services to Grant residents was considered extensively by the Postal Service. FD at 2; Item No. 33, Proposal, at 1, 3, 6-7. 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 be available from the carrier via roadside cluster box units (CBUs). FD at 2-4, 6-7; Item No. 33, Proposal, at 2-5. In hardship cases, delivery can be made to the home of a customer. FD at 5.

In addition to carrier service, customers may opt for Post Office Box service at the nearby Villisca Post Office. There are 100 Post Office Boxes available. FD at 2; Item No. 33, Proposal, at 1. The Villisca Post Office also provides retail services that cannot be provided by the carrier. FD at 2-5; Item No. 33, Proposal at 1-2. The Villisca Post Office also provides nonpostal services, such as the distribution of government forms. FD at 7.

Other concerns raised in this appeal include provisions for the sale of money orders. The record explains that customers may purchase money orders by meeting the carrier at the mailbox, completing an application, and paying the carrier, (in cash), the price of the money order, plus the fee. The carrier gives the customer a receipt for the application. The money order is completed when the carrier returns to the post office, and a money order receipt is left in the customer's mailbox on the next delivery day. If the customer wants the money order mailed out, the customer may give the carrier a stamped, addressed envelope in which the completed money is mailed to its destination. If the customer prefers, the completed money order will be returned for verification on the next delivery day. Item 23a; FD at 4-5. If customers prefer not to purchase money orders from the carrier at the CBU, the customers can, instead, go to the Elliot Post Office, located 10 miles away, or the Villisca Post Office, located 17 miles away. FD, at 2; Item No. 33, Proposal at 2.

Another concern raised was that of customers who suffer from arthritis having difficulty manipulating the key in the lock. This was addressed in the record through explanation that if a customer is unable to operate the key and lock, special provisions

can be made for such a hardship case. FD, at 5; Item No. 33, Proposal at 3. A further concern been raised in this docket is that there is no set time for the postman to arrive at the boxes. However, the record explains that most transactions do not require meeting the carrier at the box. FD, at 3; Item No. 33, Proposal at 3. Customers may leave packages or stamp orders in their mailbox for the carrier. FD, at 3; Item No. 33, Proposal at 3. The Petitioners in this docket also question the security of leaving cash in the CBU. The Postal Service investigated this matter, however, and a report of recent mail theft or vandalism in the area revealed only three minor incidents since 2002. See Item No. 14a. Also, the CBU is a secure unit. Item 21b.

In sum, the Postal Service has considered the impact of closing the Grant Post Office upon the provision of postal services to Grant customers. Rural route delivery provides regular and effective delivery and retail service. FD at 3-7; Item No. 23a-b, Postal Customer Questionnaire Analysis; Item No. 25a-b, Community Meeting Analysis; Item No. 33, Proposal, at 2-5, 7. P.O. Box service will still be available at the Villisca Post Office, 17 miles away. FD at 2; Item No. 33, Proposal, at 2. Thus, the Postal Service has properly concluded that all Grant customers will continue to receive regular and effective service.

Effect Upon the Grant Community

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

Grant is an incorporated rural community located in Montgomery County. The Montgomery County Sheriff's Department provides police protection. The community is administered politically by a mayor and council form of government, with fire protection provided by the Grant Fire Department. A Methodist Church is located in the Grant community. FD, at 7; Item No. 33, Proposal at 6. The questionnaires completed by Grant customers indicate that, in general, the retirees, the self-employed, commuters, and others who reside in Grant must travel elsewhere for other supplies and services. See generally FD at 7; Item No. 22, Returned customer questionnaires and Postal Service response letters, at 22b, 22e, 22h, 22n, 22q, 22t, 22w, 22ab, 22ae, 22ah, 22ak, 22an, 22aq, 22at, 22aw, 22az, 22bc, 22bf, 22bi, 22bl, 22bo, 22br, 22bu, 22cf.

Petitioner Taylor's letter of appeal raises the issue of the effect of the closing of the Grant Post Office upon the Grant community. This issue was extensively considered by the Postal Service, as reflected in the administrative record. FD, at 7; Item No. 33, Proposal, at 6-6.⁸ 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 7; Item No. 33, Proposal, at 6. The record makes clear that the Postal Service is addressing this concern through preservation of the community identity by continuing the use of the Grant name and ZIP Code in addresses. FD at 7; Item No. 33, Proposal,

⁸ Cite references both pages 6.

at 6; Item No. 38, Returned Optional Comment Forms and USPS Response letters, at 1,2; Item No. 40, Analysis of 60-Day Posting Comments, at 1. The Postal Service noted that residents may continue to meet informally, socialize, and share information at the other businesses, churches and residences in town. FD, at 7, 8; Item No, 33, Proposal, at 4, 6.

Petitioner Taylor questions the effect of closing the Grant Post Office on local businesses. The questionnaires completed by Grant customers indicate that customers who currently patronize local businesses will continue to do so if the Post Office is discontinued. Item No. 22, Returned customer questionnaires and Postal Service response letters, at 22b, 22e, 22h, 22n, 22q, 22t, 22w, 22ak, 22an, 22aq, 22at, 22aw, 22az, 22bc, 22bf, 22bi, 22bo, 22cf. In fact, no customer who currently patronizes local businesses stated that he or she would not continue to do so if the Post Office were closed. See Item 22, Returned customer questionnaires and Postal Service response letters.

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 Grant Post Office on the community served by the Grant Post Office.

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 Grant Post Office and would still provide regular

and effective service. Item No. 21a, Letter to Customer. The estimated annual savings associated with discontinuing the Grant Post Office are \$18,957.00. FD at 8. The costs the Postal Service will save are the Postmaster's salary, (\$15,350), the Postmaster's benefits, (\$5,142), and the annual lease costs, (\$3,400). The Postal Service will incur the annual cost of replacement service of \$4,935. FD at 8.⁹ The calculation of the cost of replacement service is set forth at Item 17a. Briefly, the record documents that the rural carrier will spend 182.66 extra hours annually to deliver to the CBUs. At the rural carrier's hourly rate of \$33.74, the total annual cost for the alternate service is \$4,934.76. Item 17a.

Petitioner Taylor questions the accuracy of the above-stated savings in her Participant Statement. The figures set forth above show that the cost of operating the Grant Post Office to be \$23,892, based on a comparison of the cost of replacement service and the sum of the labor and lease costs.

Petitioner Mifflin, in her Participant Statement, questions why the Postal Service did not look at the specific cost of delivering to the homes of the customers of the Grant Post Office. Based on Item 17a, it is evident that the Postal Service would incur significant increased costs if home delivery were offered in this instance. This mode of delivery service would be significantly more costly than delivery to the CBUs.¹⁰

Petitioner Taylor, in her letter of appeal, suggests various strategies that she thinks would reduce of the costs of the USPS. The Postal Service appreciates these

⁹ As set forth in the Final Decision, the Postal Service will also incur a one-time expense of \$2077.

¹⁰ However, in hardship cases, humanitarian considerations may result in changes in the mode of delivery for affected delivery points. See Postal Operations Manual (POM) § 631.42.

suggestions. It has broad experience with efficiency improvements, and has considered similar options; however, the Postal Service has determined that rural route service is the most effective solution for providing regular and effective service to the Grant community.

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 8; Item No. 33, Proposal, at 7.

The Postal Service determined that carrier service is more effective than maintaining the Grant postal facility and postmaster position. FD, at 8. 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 Grant Post Office on the provision of postal services and on the Grant 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 Grant customers. FD, at 9. 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 Grant Post Office should, accordingly, be affirmed.

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

Respectfully submitted,

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