

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

In the Matter of:

Sublime Post Office
Sublime, Texas

Docket No. A2011-45

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

On August 11, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked August 6, 2011, from postal customer Betty Bunch on behalf of the Save the Sublime Post Office Committee (Petitioner) objecting to the discontinuance of the Post Office at Sublime, Texas. On August 12, 2011, the Commission issued Order No. 801, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). The Commission received no additional written communications from customers of the Sublime Post Office. On September 16, 2011, Petitioner filed a Form 61 in support of the petition. In accordance with Order No. 801, the administrative record was filed with the Commission on August 26, 2011.

In the appeal received by the Commission on August 11, 2011, Petitioner contends the Postal Service failed to consider whether or not it will continue to provide a maximum degree of effective and regular postal services to the community. As reflected in the administrative record of this proceeding, the Postal Service gave this issue serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,¹ the Postal Service gave consideration to a

¹ See 39 U.S.C. 404(d)(2)(A).

number of other issues, including the impact upon the community and the economic savings to the Postal Service. Accordingly, the determination to discontinue the Sublime Post Office should be affirmed.

Background

The Final Determination To Close the Sublime, TX Post Office and Continue to Provide Service by Rural Route Service, as well as the administrative record, indicate that the Sublime, TX Post Office provides EAS-53 level service from 09:15 to 12:45 Monday – Friday, 09:15 to 12:45 on Saturday, and lobby hours of 24 hours on Monday – Friday and 24 hours on Saturday to 48 Post Office Box customers and no delivery customers. Item No. 47, Final Determination to Close the Sublime, TX Post Office and Continue to Provide Service by Rural Route Service (“FD”), at 2; Item No. 42 (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet (“Fact Sheet”), at 1.² The postmaster of the Sublime Post Office was promoted on January 12, 2010. An employee was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, the noncareer postmaster relief (PMR) may be separated from the Postal Service.³ The average number of daily retail window transactions at the Sublime Post Office is nine. Revenue has generally been declining: \$19,611.00 (51 revenue units) in FY 2008; \$15,137.00 (39 revenue units) in FY 2009; and \$9,196.00 (24 revenue units) in FY 2010.⁴ The Sublime Post Office has no permit mailers or

² In these comments, specific items in the administrative record are referred to as “Item No. ____.”

³ Item No. 47, FD, at 5, 7; Item No. 41, Proposal to Close the Sublime, TX Post Office and Continue to Provide Service by Rural Route Service (Revised) (“Proposal”), at 2, 7.

⁴ Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal, at 2.

postage meter customers. Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal, at 2, 7.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Hallettsville Post Office, an EAS-18 level office located ten miles away, which has 54 Post Office Boxes available. Service will be provided to cluster box units (CBUs). Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 29, Proposal, at 2, 7.

The Postal Service followed proper procedures leading to the posting of the final determination. All issues raised by the customers of the Sublime 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 final determination, customers received notice through other means. Questionnaires were distributed to Post Office Box customers of the Sublime Post Office. Questionnaires were also available over the counter for retail customers at Sublime. Item No. 47, FD, at 1; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Sublime Post Office, at 1. A letter from the Manager of Post Office Operations, San Antonio, Texas, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Sublime Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Hallettsville 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. In addition, representatives from the Postal Service were available at the Sublime Post Office for a community meeting on March 16, 2011, to answer questions and provide information (13 people attended the meeting). Item No. 47, FD, at 1; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster, at 2; Item No. 25, Community Meeting Analysis, at 1; Item No. 41, Proposal, at 2. Customers received formal notice of the proposal and final determination through postings at nearby facilities. The proposal was posted with an invitation for public comment at the Sublime Post Office and the Hallettsville Post Office from April 18, 2011 through June 19, 2011. Item No. 47, FD at 2; Item No. 31, Instructions to Postmaster/OIC to Post Proposal, at 1; Item No. 32, Invitation for Comments, at 1; Item No. 33, Original Proposal, at 1; Item No. 34, Optional Comment Form, at 1; Item 35, Instructions for Postmaster/OIC to Remove Proposal, at 1; Item No. 36, Round-Date Stamped Proposal; Item No. 37, Notice of Taking Proposal and Comments Under Internal Consideration, at 1. The final determination was posted at the same two post offices starting on July 13, 2011, as confirmed by the round-dated final determination cover sheets that appear in the administrative record. Item No. 47, FD, at 1; Item No. 48, Letter of Instructions Regarding Posting of the Sublime Post Office Final Determination, at 1; Item No. 49, Round-Date Stamped Final Determination Cover Sheets.

In light of the postmaster vacancy, a minimal workload, declining office revenue,⁵ the variety of delivery and retail options (including the convenience of rural delivery and retail service),⁶ minimal impact upon the community, and the expected financial savings,⁷ the Postal Service issued the final determination.⁸ Regular and effective postal services will continue to be provided to the Sublime community in a cost-effective manner upon implementation of the final determination. Item No. 47, FD, at 2-7.

Each of the issues relevant to the closing of the Sublime Post Office 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 Sublime Post Office on postal services provided to Sublime customers. The closing is premised upon providing *regular and effective* postal services to Sublime customers.

In Petitioner's letter of appeal, Petitioner does not dispute that the Sublime Post Office earns less than 1.55 hours daily. However, Petitioner argues that consideration of a post office's workload is prohibited by 39 U.S.C. § 101(b), which states, in pertinent part, that "[no] small post office shall be closed solely for operating at a deficit."

Petitioner's argument is incorrect.

⁵ See note 4 and accompanying text.

⁶ Item No. 47, FD, at 2-5; Item No. 41, Proposal, at 2-6.

⁷ Item No. 47, FD, at 5-7; Item No. 17, Cost Analysis, at 2; Item No. 42, Fact Sheet, at 1; Item No. 29, Proposal Checklist, at 2; Item No. 41, Proposal, at 7.

⁸ Item No. 47, FD, at 2-7.

Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a post office must consider whether such closing is consistent with the policy that the Postal Service provide "a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining." In this case, the Postal Service analyzed the Sublime Post Office's workload and revenue. The consideration of an office's workload and revenue is not inconsistent with the policies of Title 39, however, because analysis of workload and revenue does not imply that a small Post Office is operating at a deficit. The Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided in the absence of the Post Office, and the answer was affirmative.

As detailed above, the Sublime Post Office has limited hours and an average of nine daily window transactions, accounting for 10 minutes of retail workload daily. Item No. 41, Proposal, at 2; Item No. 10, Window Transaction Survey, at 2. Upon the implementation of the final determination, delivery and retail services will be provided by rural route delivery emanating from the Hallettsville Post Office. The window service hours of the Hallettsville Post Office are longer than the service hours of Sublime, from 08:00 to 16:00, Monday through Friday and 09:00 to 11:00 on Saturday. Item No. 47, FD, at 2. In addition, customers opting for carrier service will have 24-hour access to their mail. Item No. 47, FD, at 5. Service will be provided to cluster box units (CBUs) installed on the carrier's line of travel, so that customers do not have to make a special trip to the Post Office for service. Item No. 47, FD at 2. CBUs provide the security of

individually locked mail compartments and are installed and maintained by the Postal Service at no cost to the customer. Parcel lockers may also be installed, in order to provide convenient parcel delivery for customers. Item No. 47, FD, at 2. Services provided at the Sublime Post Office will therefore be available from the carrier, and most transactions do not require meeting the carrier at the mailbox. Item No. 47, FD, at 4. Further, Stamps by Mail and Money Order Application forms are available for customer convenience, and stamps are also available at many stores and gas stations where customers may already shop, online at usps.com, or by calling 1-800-STAMP-24. Item No. 47, FD, at 4.

Petitioner also argues that the Postal Service in noting the lack of running water or restroom facilities at the Sublime Post Office improperly considered compliance with the Occupational Safety and Health Act of 1970 (OSHA), in violation of 39 U.S.C. § 404(d)(4). Again, Petitioner's argument is misguided. The Postal Service noted the condition of the Sublime Post Office only as background information in considering the effect of closing the Sublime Post Office on postal services provided to Sublime customers. This, however, does not imply that the Sublime Post Office's condition is inconsistent with OSHA standards. The record does not contain any evidence that a study for OSHA compliance was conducted, and the Postal Service did not consider this factor in contravention of 39 U.S.C. § 404(d)(4).

For the reasons stated above, the Postal Service has considered the impact of closing the Sublime Post Office upon the provision of postal services to Sublime customers and has properly concluded that all Sublime customers will continue to

receive regular and effective service via rural route delivery to CBUs installed on the carrier's line of travel.

Effect Upon the Sublime Community

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

Sublime is an unincorporated rural community located in Lavaca County. The Lavaca County Sheriff's Department provides police protection. The community is administered politically by Lavaca County, with fire protection provided by the Hallettsville Fire Department. The community is comprised of farmers, ranchers, senior citizens, and those who commute to work at nearby communities and work in local business. Businesses and organizations include: Zion Lutheran Church, Sublime Baptist Church, and Oakgrove Church. Item No. 47, FD, at 5; Item No. 41, Proposal, at 6. The questionnaires completed by Sublime customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Sublime must travel elsewhere for other supplies and services. See generally Item No. 47, FD, at 5; Item No. 22, Returned Customer Questionnaires and Postal Service response letters, at 20, 22, 24, 26, 28, 30, 32, 35, 39A, 41, 43, 45, 47, 49, 53, 55, 57, and 59.

The effect of the closing of the Sublime Post Office upon the Sublime community was considered extensively by the Postal Service, as reflected in the administrative record. Item No. 23, Customer Questionnaire Analysis, at 2; Item 47, FD, at 5; Item No. 41, Proposal, at 2-6. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. Item No. 22, *Returned Customer Questionnaires and USPS Response Letters*, at 4, 11; Item No. 23, Questionnaire Analysis, at 2; Item No. 41, Proposal, at 2. The Postal Service further explained that the Postal Service is helping to preserve community identity by continuing the use of the Sublime Post Office name and ZIP Code in addresses and in the National Five-Digit ZIP Code and Post Office Directory. Item No. 22, *Returned Customer Questionnaires and USPS Response Letters*, at 4, 11; Item No. 23, Questionnaire Analysis, at 2; Item No. 41, Proposal, at 2, 6. Communities generally require regular and effective postal services and these will continue to be provided to the Sublime community. In addition, the Postal Service has concluded that nonpostal services provided by the Sublime Post Office can be provided by the Hallettsville Post Office. Item No. 47, FD, at 5; Item No. 41, Proposal, at 6. Further, Government forms usually provided by the Post Office are also available by contacting local government agencies. Item No. 47, FD, at 5; Item No. 41, Proposal, at 6. 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 Sublime Post Office on the community served by the Sublime 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 Sublime 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 Sublime Post Office are \$16,152.00. Item No. 47, FD, at 5-6; Item No. 41, Proposal, at 7.

Petitioner does not dispute the Postal Service's savings calculation. Instead, Petitioner (i) asserts only that there have been five new business Post Office box rentals since December 2010, (ii) states that the vacancy of the Sublime Postmaster position is "[n]ot the community's fault", and (iii) suggests that the Postal Service cut costs in other ways, such as ceasing to pay the health insurance premiums of its executives, ceasing to award non-competitive contracts to former executives, and consolidating area and district field offices in Texas. First, the rental of five new Post Office boxes in Sublime does not demonstrate significant growth in the community. In fact, according to the administrative record, no growth is expected. Item No. 16, Community Survey Sheet, at 1. Moreover, the Postal Service, in making its determination, appropriately considered the full extent of the services provided and revenue generated by the Sublime Post Office. Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal, at 2. The Postal Service has determined that rural route service is the most cost-effective solution for providing regular and effective service to the Sublime community, and

Petitioner's unsupported, general assertions of Postal Service abuse, waste, and fraud in no way undermine that determination. Economic factors are one of several factors that the Postal Service considered in making its determination, and as noted throughout the administrative record, economic savings have been calculated as required for discontinuance studies, 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 of the Sublime Post Office closing on postal employees is minimal. The postmaster of the Sublime Post Office was promoted on January 12, 2010, and an employee was installed as the temporary officer-in-charge (OIC). Item No. 47, FD, at 5, 7; Item No. 41, Proposal, at 2, 7. Upon implementation of the final determination, the noncareer postmaster relief (PMR) may be separated from the Postal Service. However, no other Postal Service employee will be adversely affected. Item No. 47, FD, at 7; Item No. 41, Proposal, at 2, 7. Therefore, in making the determination, the Postal Service considered the effect of the closing on Postal Service employees, 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 Sublime Post Office on the provision of postal services and on the Sublime community, as well as the economic savings that would result from the proposed closing, the effect

on Postal Service 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 Sublime customers. Item No. 47, FD, at 7. 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). Therefore, the Postal Service's decision to close the Sublime Post Office should be affirmed.

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

Respectfully submitted,

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