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SIERRA COUNTY

Board of Supervisors
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POSTAL REGULATORY COMMISSION
OFFICE OF THE SECRETARY

Postal Regulatory Commission
Office of the Chief Admin. Officer

OCT 27 2011

October 24, 2011

Postal Regulatory Commission
901 New York Avenue NW
Suite 200
Washington, DC 20268-0001

RE: Appeal of Postal Service Determination
Calpine-Sattley Post Office
Sierra County, California

Dear Members of the Commission and Staff:

The Sierra County Board of Supervisors on October 18, 2011 unanimously directed that a formal appeal be filed on behalf of the citizens of Sierra County over a decision of the Postal Service to close the Calpine-Sattley Post Office located in Calpine, Sierra County, California. This decision or final determination of the Postal Service was officially posted on September 26, 2011 and this formal appeal has been timely filed in response thereto and is being transmitted via registered mail; via facsimile transmission, and by email.

The Board of Supervisors is both stunned and outraged at the decision of the Postal Service to close this community postal center and is requesting that the Postal Regulatory Commission terminate any further proceedings to implement the proposed closure. The reasons supporting this request stem from the following actions and/or findings:

1) The action is inconsistent with HR 2309-The Oversight Committee Postal Reform Act of 2011 as proposed by the very committee that exercises policy and implementation oversight of the Postal Service within the United States.
2) The process implemented to date by Postal Service representatives has been disingenuous, incompetent, and has disenfranchised the community and this Board of Supervisors from a process that is intended to be public, responsive, honest, and sensitive to the needs of a particular community.
3) The decision to close the postal facility at Calpine-Sattley unfairly targets this rural postal center and completely fails to account for community impact and individual injury, causes a severe loss of community identity, and has been indifferent to community postal needs.
4) The Postal Service has presented no evidence of cost savings, has failed to provide a cost/benefit analysis showing the range of costs and options for postal services, has ignored all inquires made by the County of Sierra which has requested factual data, studies, assumptions, and the policy framework that is being directed at the rural postal centers, in particular the Calpine-Sattley Post Office. This includes a formal offer to significantly reduce rental (Sierra County leases a portion of its community center to the Postal Service) charged by the County which was ignored and which was never the subject of any response from the Postal Service to date.

First, please find attached (attachment 1) a two page summary of the status of the HR 2309-The Oversight Committee Postal Reform Act of 2011. This is a current (October 13, 2011) report from Committee Chairman-Representative Darrell Issa. It is abundantly clear from this "committee" status report that the Postal Service action to close this rural postal center at Calpine-Sattley is directly contradictory to the purpose of HR 2309. The report concludes that "the legislation ensures that small post offices that do not cost much to operate but serve isolated areas are maintained in order to preserve universal service". The report goes on to state "under current closure rules rural post offices are unfairly targeted by strict formulas on foot traffic that fail to account for community impact". This bill allows for discontinuance of Saturday delivery, restructures the Postal Service to allow it to pursue new forms of revenue, and empanels a task force to look at consolidation of redundant post offices. Therefore, any action to close the Calpine-Sattley facility is premature, is contradictory to the proposed legislation, and is defiant of the very opinions expressed by the Committee on Oversight and Government Reform.

Secondly, the first notice of any proposed closure was dated April 18, 2011 when the residents of the service area of the Calpine-Sattley Post Office received a notice that the Postal Service was conducting a study and review of rural post offices. Then, following on May 5, 2011 a community meeting was conducted in the community of Calpine with Postal Service representatives present. The public turnout was very positive with over 50% of the community in attendance. The Postal Service representatives made if very clear at the beginning of the meeting that they were present only to hear concerns and represent the Postal Service and they emphasized that they had no role in the decision making process. The community asked questions and offered statements for nearly two hours when the Postal Service representatives determined it was appropriate to end the meeting. They requested that the community members provide written comments in addition to any oral testimony and assured those in attendance that there would be replies and exchanges of information from the Postal Service. With no further interaction or communication, on June 29, 2011 a proposed decision to close the Calpine-Sattley Post Office was posted in the post office indicating that Calpine-Sattley would be served through the Sierraville Post Office and established an August 30, 2011 deadline for written comments on the proposed closure. Then without notice, a second notice was posted at the Sierraville Post Office indicating that it too would be closed, trumping any possibility for the community of Calpine-Sattley to be served from Sierraville but further exacerbating the situation by also announcing that the communities (Sierraville, Calpine, Sattley) would now be served from Clio, Plumas County, which is 20 miles north and reached by crossing a treacherous Sierra pass only to be located in an adjacent county. On September 15, 2011 a commuity meeting was conducted in Sierraville and many of those in attendance were from the Calpine-Sattley Post Office-service area. All present were stunned to learn that all of the former letters generated by the community of Calpine-Sattley, including those comments formally provided by the County Board of Supervisors (attachment 2) had been received, run through a scanner, and all responses were computer generated. This announcement by the Postal Service representatives that were in attendance caused a complete disenfranchisement of the community from this process and displayed a level of insensitivity to the concerns of the community. Touting this process as "public" and falsely portraying that the Postal Service would consider public comments when the only reviewing entity was a computer is in the opinion of this Board of Supervisors an egregious violation of the public trust. This unfortunate story does not end here. Now the Postal Service on September 26, 2011 posts a notice in Calpine-Sattley Post Office that a final determination had been made and Calpine-Sattley was to close. Not only was this notice verbatim the same notice that was posted in June but on October 3, 2011 a Postal Service representative instructed the postal employee in Calpine-Sattley Post Office to hand cross out the community of "Clio" and insert the community of "Portola" to the notice just posted eight (8) days earlier. This Board of

Supervisors can only assume that the Postal Service employee chose to actually drive the distance and road system between Calpine-Sattley and Clio and determined for herself that the suggested use of Clio verged on being ridiculous. As if this is not an indication of the incompetence administered in this process, we then learn that on October 18, 2011 that a Postal Service employee from Nevada sent a new notice to the Calpine-Sattley Post Office asking that the hand scratched version be removed and then demanded that the notice be post-dated back to September 26, 2011. We can only conclude that the process engaged to date has become somewhat of a farce and has no legitimacy in assisting in making any decision as to the future of the Calpine-Sattley post office.

Third, please find attached, the initial comment provided to the Postal Service by this Board of Supervisors dated May 3, 2011 (attachment 2). There has never been any reply to this letter and there has been an outright rejection and indifference to requests that the County be able to meet and discuss the full array of issues outlined throughout this process. Further, the County and Postal Service have a lease agreement for the Calpine-Sattley Post Office since the County is the owner of the community center that also houses the post office. The County Board of Supervisors formally notified the Postal Service of a desire to meet and discuss the reduction of lease payments made by the Postal Service as just one measure of support for reducing costs and supporting the continued existence and operation of the Calpine-Sattley Post Office. Astoundingly, the County never received a response. Also attached hereto is a copy of the letter-appeal filed by County Supervisor Bill Nunes of Calpine dated October 3, 2011 (attachment 3). The issues raised in this letter when combined with those outlined in the May 3, 2011 letter confirm the significance of the proposed action that the Postal Service is considering and the direct impact and injury that will occur to the community being served.

Fourth, there has been no exchange of information requested from the Postal Service. We have requested goals of the process; we have requested the basis for the initial decision to consider closure of rural postal centers; we have requested cost-benefit analyses; we have requested an itemization of the comparable costs to close the facility over implementing a new system; we have demonstrated a significant and severe impact to the community and have received no response nor any offer to meet and discuss issues; and we have offered formally to reduce rent as a measure to reduce annual costs. We have proposed no delivery on Saturdays, reduced hours of operation, charging for postal boxes, and many other cost-saving or revenue enhancement concepts. None of this has been the subject of any response from the Postal Service. We have made phone calls to the District Manager and Senior Plant Manager located in Las Vegas, Nevada-no reply and no return calls.

It would be unconscionable for the Postal Regulatory Commission to allow a process undertaken by your regional staff to be validated when the record is full of examples where the process engaged is riddled with flaws and inconsistencies and which contains such wide gaps in credible information from which a decision was to be advanced on the proposed closure of the Calpine-Sattley Post Office. Add the alterations to public notices, demands made by your district staff to field employees to backdate an official notice, and other such blatant irregularities that have permeated this process and the decision as it currently stands and this Board of Supervisors is of the opinion that the Postal Regulatory Commission has a genuine problem and potential injustice to those involved. This process demands oversight and the public expects and should receive fair, honest, and objective information from the Postal Service.

In summary, if this process has any legitimacy at all, we can only respectfully request that the Postal Regulatory Commission either terminate any further consideration of the final determination to close the Calpine-Sattley Post Office or suspend this process pending the

outcome of an investigation and re-commencing this entire process from the beginning. This request is based on the contents of this letter as well as the volumes of input that has been provided to your district staff during the course of this process. Fairness, objectivity, and the public trust all rest with your review and favorable consideration of this appeal.

Thank you and we would be more than willing to meet and discuss this appeal in greater detail. We look forward to your written response.

Sincerely,

Sierra County
Board of Supervisors

Lee Adams
Chairman of the Board

US Senator Dianne Feinstein
US Senator Barbara Boxer
US Representative Tom McClintock
US Representative Wally Herger
US Postmaster General-Patrick Donahoe
US House Committee on Oversight and Government Reform
US Representative Darrell Issa, Committee Chairman
US Representative Dennis Ross, Committee Member
US Senator John McCain
Governor Edmund G. Brown, Jr.
California Senator Ted Gaines
California Assemblymember Dan Logue
Regional Council of Rural Counties
Mountain Messenger
Sierra Booster
Sierra County Prospect

OVERSIGHT COMMITTEE APPROVES ISSA-ROSS POSTAL REFORM BILL

10/13/2011

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WASHINGTON D.C. – The House Committee on Oversight and Government Reform today approved H.R. 2309, the Oversight Committee Postal Reform Act of 2011 which will return the United States Postal Service (USPS) to sustainability and profitability without a taxpayer bailout. The Issa-Ross bill is the only postal reform proposal that has been successfully acted on this Congress.

"The United States Postal Service cannot become a taxpayer subsidized make-work program. To save the Postal Service, we must enact meaningful and immediate reform so we can maintain service to the American people and return it to financial solvency," said Rep. Darrell Issa (R-CA), Chairman of the House Committee on Oversight and Government Reform. "The postal service is on the brink of collapse. Today, we have acted to pass a bill and provide an immediate and viable path forward to make the postal service more efficient, protect its workforce and ultimately return it to being a profitable enterprise. The reality is that failure to act now on the Issa-Ross bill will result in an automatic taxpayer-funded bailout."

"We can no longer afford to postpone the Postal Service's day of reckoning by putting our collective heads in the sand and wishing the problem away," said Rep. Dennis A. Ross (R-FL), Chairman of the Oversight subcommittee on postal reform. "Members here today are faced with a stark choice: Are we willing to make the hard decisions necessary to save the Postal Service or will we let it crumble on our watch and potentially put this venerable institution at risk – along with the jobs of the 8 million Americans who work in the mailing industry?"

You can watch Chairman Issa's opening remarks here. You can watch Subcommittee Chairman Ross' comments here.

The Oversight Committee Postal Reform Act of 2011 was approved on a 22-18 vote. Senator John McCain (R-AZ) has introduced a companion bill in the Senate. For more information visit www.SavingThePostalService.com.

Below, you'll find a summary of the provisions in the bill as amended.

Summary of the H.R. 2309, the Postal Reform Act, as Amended

Prevents Taxpayer Bailouts: plan delivers an efficient, effective Postal Service without the thinly-veiled taxpayer bailout proposed by other bills and thoroughly denounced by the Government Accountability Office.

Modernizes Delivery Standards: the Postal Reform Act saves an estimated $3 billion a year by giving the Postal Service the option of eliminating Saturday delivery six months after the enactment of the legislation. According to polling by Quinnipiac University, 79% of the American people favor moving to 5 day delivery in order to restore the Postal Service to solvency.

Normalizes Rates: phases out many special rates for certain customers that force the Postal Service to actually charge certain customers less than the true cost of delivery, while preserving the ability for non-profits to fundraise and communicate with a mass audience in an economical manner.

Ends Special Treatment for Political Parties: the legislation eliminates the ability of the

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Attachment 1

national and state political committees to use the non-profit mail rate.

Shares Sacrifice in Post Office Consolidations: Empanels a BRAC-style two-year task force, directed to recommend a plan to consolidate redundant post offices - saving at least $1 billion a year, excess mail processing facillites - saving at least $2 billion per year - and the 30% of management facilities. The legislation ensures that small post offices that do not cost much to operate but serve isolated areas are maintained in order to preserve universal service. Under current closure rules, rural post offices are unfairly targeted by strict formulas on foot traffic that fail to account for community impact. The legislation also preserves appeal rights for citizens affected by post office consolidation.

Normalizes Pay & Benefits: mandates that postal workers pay at least the same health and life insurance premiums federal workers do, and clarifies that compensation parity with the private sector is maintained.

Establishes a Restructuring Authority to Turnaround Postal Defaults: when the Postal Service fails to pay its bills for more than 30 days, a receivership-style authority takes over for USPS management with an explicit mandate to cut costs while maintaining universal service. Management is replaced if they cannot successfully restructure Postal Service finances. Restructuring will be financed with an up to $10 billion line of credit that must be fully collaterialized by postal facilities. The restrucutring authority will have the ability to make policy changes to cut costs as well- for instance- by moving from expensive door delivery to curb or clusterboxes in neighborhoods, the Postal Service will save $3.5 billion annually, while maintaining to the greatest extent possible door service in poor, densely populated, and historic neighborhoods. The solvency authority will also have the ability to remove postal workers from the expensive federal workers compensation system to be placed in their own.

Enables Postal Service to Pursue New Revenue: even though the Postal Service is supposed to act like a private business, it can't make money from selling advertisements. The Issa-Ross Postal Reform Act allows USPS to sell advertising space on vehicles and facilities, as long as the ads respect the Postal Service's integrity.

Offers an Affordable Payment Plan for Retiree Health Care Benefits: Allows the Postal Service to make the retiree health care funding payment they can make this year, roughly $1 billion, and pay the balance in equal installments in Fiscal Year 2015 and Fiscal Year 2016.

Surpluses in Pension Accounts to Facilitate Workforce Rightsizing: Provides for consideration of using a net surplus in all Postal Service pension accounts to fund the cost of reducing the size of the postal workforce. This provision protects taxpayers by ensuring that surplus funds are only accessible if there is an actual net surplus in all accounts.

No-More No-Layoff Clauses: No-layoff clauses are prospectively barred in Postal Service collective bargaining agreements. For employees who might lose their job, they will receive a hiring preference at Postal Service contractors. Postal employees would be subject to the same Reduction-in-Force authority as the rest of the federal workforce.

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SIERRA COUNTY

Board of Supervisors
P.O. Drawer D
Downieville, California 95936
Telephone (530) 289-3295
Fax (530) 289-2830

May 3, 2011

United States Postal Service
Division of Post Office Operations
2000 Vassar Street
Reno, Nevada 89510-9998

Attn: Mr. Doug Watson
Manager of Post Office Operations

The Sierra County Board of Supervisors has received notification that the United States Postal Service is contemplating a reduction in rural postal centers and this may include the Sattley-Calpine Post Office located in the community of Calpine. The Board of Supervisors adopted this letter at its regular meeting of May 3, 2011 expressing its strong opposition to any proposed closure.

Sierra County is one of the most rural counties in California and is categorized within state law as a "frontier county" which applies considerable significance to the importance of governmental services and infrastructure to the most rural regions of California. The economic condition that is being experienced in most of the rural counties in this State reflects the downturn in the national and state economies. It should present a clear and present priority to maintain and preserve local private business opportunities, various governmental services, and community infrastructure in these rural communities. The Sattley-Calpine Post Office is an anchor service and critical component of the community of Calpine and to a greater extent, eastern Sierra County. Any loss of services, particularly the existing postal service and the employment that it provides, would have a considerable and negative social and fiscal impact on the health of this small community.

The existing Sattley-Calpine Post Office is housed within a County community hall building and within a park and recreation complex that has become the "hub" of the community. This "hub" includes a community hall complete with meeting rooms, kitchen and interior restrooms; includes a community information center; includes a public park and visitor center complete with many recreational facilities and a public restroom for the traveling public; and, includes the Calpine Fire Department. The County and a local non-profit named Calpine Improvement Association maintain the structure and exterior parking and loading facilities which serve to benefit the facility and the County recently invested over $500,000 in improvements to the park and surrounding buildings. The minimal rent that is paid by the postal service is directly reinvested into the Calpine Improvement Association for ongoing operation and maintenance of the

community hall, park, and grounds-including the postal center. This facility has become a source of community identity and a social focal point for people to gather, converse, and conduct business. It is a school bus stop and has evolved into a drop off point and numerous community meetings are held at the community hall facility for the benefit of the area population. The community has a large senior population and a number of in-home businesses that depend on broadband internet access and a postal center. The loss of this postal center would create cumulative and negative economic impacts. Also and as you likely understand, this community and the region it serves receives significant snowfall during winter months and the safety factors alone that are served by having a local postal center removes persons from being required to travel to some distant regional postal center in treacherous and difficult driving conditions. The County of Sierra as a direct benefit to the postal center and community, assigns highest priority snow removal for the community building and post office and there has never been a time when access or loading/unloading has been compromised due to storms.

In summary, the Board of Supervisors for the reasons stated herein, strongly opposes any contemplated closure or relocation of postal services. To propose merging of facilities, relocation of the postal center, or the construction of exterior mail boxes makes absolutely no sense under these circumstances and offers little, if any, financial incentive to the US Postal Service. It also makes no sense to target the remote, efficient postal centers, as a potential budget saving effort when the overall costs provide such direct benefits with low overhead and the overall cost is likely the equivalent amount to a rounding error in comparison to the costs of operating the more suburban or urban postal centers. This is not the area of service to propose for budget reductions for the US Postal Service.

The County has enjoyed a long-standing cooperative relationship with the US Postal Service regarding the Sattley-Calpine Post Office and we urge you to strongly consider this relationship as well as the overwhelming evidence in support of terminating further consideration of any closure or relocation of the facility. We will look forward to your written reply and would ask that you provide any proposed timeline and details of your procedure that will be implemented to complete your decision-making process, including any review under NEPA.

Thank you for the opportunity to comment and thank you for traveling to Calpine to conduct a community meeting.

Sincerely,

Sierra County
Board of Supervisors

Lee Adams
Chairman of the Board

October 3, 2011

Postal Regulatory Commission
901 New York Ave. NW, Suite 200
Washington, DC, 20268-0001

Members of the Commission:

I am appealing the final determination of the United States Postal Service, dated September 26, 2011, to close the Sattley/Calpine Post Office located in Calpine, California. The following are my reasons for filing this appeal.

After an initial survey in April, 2011, and a community meeting in Calpine on May 5, 2011, the USPS posted its proposal to close the Post Office on June 29, 2011. Residents were notified they had 60 days to comment on the proposal. In Section I, "Responsiveness to Community Postal Needs," the proposal said "We will continue to provide effective service through the Sierraville Main Post Office." In Section IV, "Summary," the proposal said "provide delivery and retail services by highway contract route service under the administrative responsibility of the Sierraville Post Office, located 13 miles away."

The Sierraville Post Office was subsequently placed on the Study to Close list and a community meeting was held there September 15, 2011. That proposal now states that mail service to Calpine and Sierraville will be provided out of the Clio Post Office. For residents of Calpine, who were commenting on a proposal to provide their mail services out of Sierraville, the change to Clio is significant. Looking at a flat road map of our region, it may appear there is little difference between driving to Sierraville and driving to Clio. Highway and weather conditions, topography and the driving/commuting needs of Calpine residents make Sierraville an entirely different destination than Clio.

David Rupert at USPS Corporate Communications said in an email to me on August 19, 2011, "I also understand how the discontinuance of Sierraville changes the Calpine situation...We had a number of these situations...All of this will be considered as we ourselves digest the information and impact." In order to digest that impact, another meeting and comment period for residents of Calpine is necessary so that USPS officials making the decision can receive input on this final, altered proposal.

The Post Office in Calpine is located in a building owned by Sierra County and operated under a lease agreement with the county. In a letter to Terry Felix, USPS Facilities Requirements Specialist, dated August 17, 2011, I proposed, on behalf of Sierra County, to meet with postal officials "to discuss a possible rent reduction and other alternatives to a complete closure of that site." At the expressed request of USPS officials, I followed up on September 23, 2011, with a formal proposal from Sierra County to Yvette Berry at the USPS in Denver (copy included), offering to lower the rent from $1,000 per month to $600 per month. I also raised other points for possible discussion between Sierra County and the USPS.

In an email I received on August 18, 2011, David Rupert at USPS Communications wrote "If a decision is made to close the Calpine office, we will consult with you and local leaders to determine the best location for boxes to maximize convenience and to minimize security risk and snow removal issues." That would have been a good meeting to have prior to making the final determination. The meeting should still occur as we believe there are viable alternatives to a complete closure.

Despite the proposal from Sierra County, the final determination document still states in Section IV "Economic Savings," that the USPS will realize an annual savings of $12,000 from lease costs, ignoring the county's offer to reduce the annual lease amount to $7,200. In the same section, the document lists the

annual cost of replacement services as $0. Is there no cost to purchase, install and maintain cluster boxes? Is there no cost to providing route carrier service and putting the mail in the boxes? Is there no cost to providing lighting? Is there no cost to providing snow removal, which is now provided by Sierra County at no additional cost? I would like to see these costs addressed in my appeal.

The final determination document is remarkably similar – and mostly verbatim -- to the original proposal to close. It's as if the 60-day comment period didn't matter at all. The USPS officials in charge of the documents failed to acknowledge the county's offer, failed to list the replacement costs and failed to acknowledge the change in proposal from Sierraville to Clio.

In addition, the proposal in June said "A petition supporting the retention of the Sattley Post Office was received on June 24, 2011, with 59 signatures." The exact same language was included in the final determination document in September, ignoring the fact that petitions with 274 signatures opposed to closing the Post Office were sent to Consumer Affairs Manager Loretta Kirkpatrick on August 24, 2011. Ms. Kirkpatrick has since returned a copy of the letter and signatures on the petitions to Calpine, but there is no indication in the final determination that the decision-makers read that letter or saw the signatures on the petitions. There was no acknowledgement in the document.

It seems to me that the USPS may have decided to close the Post Office in Calpine even before its initial community meeting in Calpine. It may have been trying to satisfy regulations by having the meeting and offering the comment period. Even beyond the points raised in this letter, postal service representatives provided generic answers to serious concerns raised by residents regarding the effect the closure will have on home businesses in Calpine which are a large part of our rural economy.

I understand the difficult financial situation facing the United States Postal Service. I am aware of the changes and impacts brought about by the internet. I am not asking for "business as usual." I understand that changes to our postal service are necessary. I am asking that you uphold this appeal and require USPS officials to return to Calpine and seriously discuss alternatives to a complete closure -- alternatives that will provide savings to the USPS and the best possible postal services to the residents of Calpine, Sattley and the surrounding area.

P.S. After finishing this letter, I have learned that the postal service has now changed our mail service from Clio to Portola, CA. This was done with a handwritten change in the notice of final determination hanging in the Post Office. This change was made nine days after the notice was originally posted and with no notification to the residents of Calpine/Sattley.

Sincerely,

Bill Nunes
Sierra County Supervisor
P.O. Box 118
Calpine, CA 96124