

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

In the Matter of:
Sharpsburg Post Office
Sharpsburg, Iowa

Docket No. A2011-65

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(October 31, 2011)

On September 6, 2011, the Postal Regulatory Commission (Commission) received a petition for review postmarked August 29, 2011, from postal customers Dean and Flossie Breach (Petitioners), objecting to the discontinuance of the Post Office at Sharpsburg, Iowa. On September 9, 2011, the Commission issued Order No. 848, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 848, the administrative record was filed with the Commission on September 21, 2011. The Petitioners filed a Form 61, Participant Statement, on October 18. The following is the Postal Service's answering brief in support of its decision to discontinue the Sharpsburg Post Office.

The appeal received by the Commission raises the impact upon postal services, the effect on community, the effect on employees, and economic savings. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Accordingly, the determination to discontinue the Sharpsburg Post Office should be affirmed.

Background

The Final Determination to Close the Sharpsburg, Iowa Post Office and Establish Service by Rural Route Service (FD), as well as the administrative record, indicate that the Sharpsburg Post Office provides EAS-53 level service to 22 Post Office Box or general delivery customers and 47 delivery customers, and retail customers 24 hours per week. Item No. 33, Proposal, at 2; item 15, Post Office Survey Sheet, at 1.¹ The Postmaster of the Sharpsburg Post Office became vacant when the postmaster was promoted on March 20, 1993. A noncareer employee has been installed as the temporary officer-in-charge (OIC)² to operate the office. Upon implementation of the Final Determination, the noncareer OIC may be separated from the Postal Service; however, attempts will be made to reassign the employee to a nearby facility.³ The average number of daily retail window transactions at the Sharpsburg Post Office is 17, accounting for 21 minutes of retail work daily. Revenue for the last 3 years is low: \$5,610.00 in FY 2008 (15 revenue units); \$5,792.00 in FY 2009 (15 revenue units); and \$5,145.00 in FY 2010 (13 revenue units). The Sharpsburg Post Office has no meter or permit customers. FD at 2; Item No. 18, Form 4920, 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 Lenox Post Office, an EAS-16 level office, which has 45 available Post Office Boxes and is located seven miles away. Retail service is also available at the Gravity Post Office, an EAS-11 level office, located

¹ In these comments, specific items in the administrative record are referred to as "Item ____."

² FD, at 2.

³ FD, at 12 and 13.

eight miles away. FD at 2; Item No. 18, Form 4920, at 1. Rural route 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 Sharpsburg 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 Sharpsburg Post Office. Questionnaires were also available over the counter for retail customers at Sharpsburg. FD at 2; Item No. 20, Questionnaire Instruction Letter to Postmaster/OIC at Sharpsburg Post Office, at 1. A letter from the Manager, Post Office Operations, 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 Sharpsburg Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services by the Lenox and Gravity Post Offices. 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 Sharpsburg City Hall/Community Building for a community meeting on April 27, 2011, to answer questions and provide information to customers. FD at 2; 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 Sharpsburg Post Office, Gravity Post Office, and Lenox Post Office from May 23, 2011 to July 24, 2011. FD, at 2. The FD was posted at the Sharpsburg, Lenox, and Gravity Post Offices starting on August 25, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.

In light of the postmaster vacancy, minimal workload, low office revenue,⁴ the variety of delivery and retail options (including the convenience of rural delivery and retail service),⁵ very little recent growth in the area,⁶ minimal impact upon the community, and the expected financial savings,⁷ the Postal Service issued the FD.⁸ Regular and effective postal services will continue to be provided to the Sharpsburg community in a cost-effective manner upon implementation of the Final Determination. FD at 2.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

⁴ See note 2 and accompanying text.

⁵ FD, at 2; Item No. 33, Proposal, at 2.

⁶ Item No. 16, Community Survey Sheet.

⁷ FD, at 12; Item No. 29, Proposal Checklist at 2; Item No. 33, Proposal, at 7.

⁸ FD, at 2-13.

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

The Petitioners, in their letter of appeal, raise the effect that the Post Office's closing will have on postal services offered to the Sharpsburg community. They state that the FD is "unnecessary" and request retention of the Sharpsburg Post Office. These concerns were considered by the Postal Service in the course of the discontinuance process.

The effect of closing of the Sharpsburg Post Office on the availability of postal services to Sharpsburg residents was considered extensively by the Postal Service. FD at 2-13; Item No. 33, Proposal, at 2-7. 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 also be available from the carrier to a roadside mailbox located close to customers' residences. FD at 2-13; Item No. 33, Proposal, at 2-7; Item No. 21, Notice to Customers at 1. In addition to carrier service, customers may opt for Post Office Box service at the nearby Lenox Post Office (there are 45 Post Office Boxes available) or at the Gravity Post Office (there are 97 Post Office Boxes available). FD at 2; Item No. 33, Proposal, at 2. The Lenox Post Office

also provides nonpostal services, such as the distribution of government forms. Item No. 33, Proposal, at 6.

Because of concerns for senior citizens and residents unable to drive to nearby communities, the record explains that carrier service 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 4. When packages do not fit in the customers' mail box, the carrier will deliver the package up to ½ mile off the line of travel, at a designated place, such as the customer's porch or under carport. FD at 8. In hardship cases, delivery can be made to the home of a customer. FD at 6.

The Postal Service has considered the impact of closing the Sharpsburg Post Office upon the provision of postal services to Sharpsburg 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 2-9; Item No. 23, Postal Customer Questionnaire Analysis; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal, at 2-6. PO Box service will still be available at the nearby Lenox and Gravity Post Offices. FD at 2; Item No. 33, Proposal, at 2. Thus, the Postal Service has properly concluded that all Sharpsburg customers will continue to receive regular and effective service.

Effect Upon the Sharpsburg Community

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

Sharpsburg is an unincorporated community located in Taylor County. The community is administered politically by a Mayor and City Council. Police protection is provided by the Taylor County Sheriff Department and fire protection is provided by the Sharpsburg Volunteer Fire Department. The community is comprised of retirees, self-employed, farmers/ranchers and those who commute to work at nearby communities and may work in local businesses. FD, at 10; Item No. 33, Proposal at 6. The questionnaires completed by Sharpsburg customers indicate that, in general, the commuters and others who reside in Sharpsburg must travel elsewhere for other supplies and services (including banking in Lenox for most customers). See generally Item No. 22, Returned customer questionnaires and Postal Service responses.

The Petitioners' submissions raise the issue of the effect of the closing of the Sharpsburg Post Office upon the Sharpsburg community. This issue also was considered by the Postal Service, as reflected in the administrative record. FD, at 8 and 10-11; Item No. 33, Proposal, at 5 and 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. FD, at 8, and 11; Item No. 33, Proposal, at 5. Communities generally require regular and effective postal services and these will continue to be provided to the Sharpsburg community. The Postal Service is helping to preserve community identity by continuing the use of the Sharpsburg Post Office name and ZIP Code in addresses

and in the National Five-Digit ZIP Code and Post Office Directory. FD, at 8 and 11; Item No. 33, Proposal, at 5.

In addition, the Postal Service has concluded that nonpostal services provided by the Sharpsburg Post Office can be provided by the Lenox and Gravity Post Offices. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 10; Item No. 33, 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 Sharpsburg Post Office on the community served by the Sharpsburg Post Office.

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The Sharpsburg postmaster position became vacant when the postmaster was promoted on March 20, 1993. Upon implementation of the Final Determination, the noncareer postmaster relief (PMR) may be separated from the Postal Service; however attempts will be made to reassign the employee to a nearby facility. The record shows that no other employee would be adversely affected by this closing. FD, at 12 and 13; Item No. 33 at 7.

The Petitioner states that the Postal Service was “negligent” in not appointing the OIC as a Postmaster. The Postal Service notes, however, that the OIC is a noncareer position, and the employee accepts the terms of employment on that basis. Further, filling that position with a career vacancy might not have been an optimal solution in this case, particularly since the Post Office was later reviewed for possible discontinuance.

Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Sharpsburg 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 Sharpsburg 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 Sharpsburg Post Office are \$19,316.00. FD at 12; Item No. 33, Proposal, at 7.

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

The Postal Service determined that carrier service is more effective than maintaining the Sharpsburg postal facility and postmaster position. FD, at 13. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations.

Petitioners state that the Postal Service's estimates are incorrect because a career Postmaster salary was used in the calculation, in lieu of the lower income earned by the OIC. The Postal Service notes, however, that it is appropriate to use a career

Postmaster's salary in the calculation because that is the value of a career position had it ultimately been filled were the Sharpsburg Post Office not discontinued.

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 Sharpsburg Post Office on the provision of postal services and on the Sharpsburg 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 Sharpsburg customers. FD, at 13. 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 Sharpsburg Post Office should, accordingly, be affirmed.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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