

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

In the Matter of:
Ionia Post Office
Ionia, Missouri

Docket No. A2011-64

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

On September 6, 2011, the Postal Regulatory Commission (Commission) received an appeal from William Smart, Mayor of the City of Ionia, Missouri (Petitioner) objecting to the discontinuance of the Post Office at Ionia, Missouri.¹ On September 9, 2011, the Commission issued Order No. 847, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 847, the United States Postal Service (Postal Service) filed the administrative record on September 21, 2011. On October 12, 2011, the Commission posted a Form 61 in support of the petition that the Commission received from the Petitioner (Participant Statement)².

The appeal received by the Commission on September 6, 2011, raises four main issues: (1) the effect on postal services, (2) the impact upon the Ionia community, (3) the calculation of economic savings expected to result from discontinuing the Ionia Post Office, and (4) the impact upon postal employees. As reflected in the administrative record of this proceeding, consistent with the Postal Service's statutory obligations and

¹ Notice of Filing under 39 U.S.C. § 404(d), PRC Docket No. A2011-64, September 7, 2011. The initial petition included a letter dated August 24, 2011, from William Smart, Mayor, City of Ionia, Missouri to the Commission, as well as a four-page petition.

² Participant Statement Received from William Smart, PRC Docket No. A2011-64, October 12, 2011, which included a one-page PRC Form 61 and a one-page statement.

Commission precedent,³ the Postal Service gave these issues serious consideration. Accordingly, the determination to discontinue the Ionia Post Office should be affirmed.

Background

The Final Determination To Close the Ionia, MO Post Office and Continue to Provide Service by Highway Contract Route Service (FD), as well as the administrative record, indicate that the Ionia Post Office provides EAS-55 level service to retail customers “from 10:30 a.m. to 1:30 p.m. Monday – Friday, 10:30 a.m. to 12:30 p.m. Saturday and lobby hours of 10:30 a.m. to 1:30 p.m. on Monday – Friday and 10:30 a.m. to 12:30 p.m. on Saturday to 32 post office box or general delivery customers and no delivery customers.” FD at 1.⁴ The postmaster of the Ionia Post Office was promoted on May 9, 2008. Since the postmaster vacancy, a temporary officer-in-charge (OIC) has been installed to operate the office. Upon implementation of the final determination, the noncareer postmaster relief (PMR) may be separated from the Postal Service.⁵ The average number of daily retail window transactions at the Ionia Post Office is seven.⁶

³ See 39 U.S.C. 404(d)(2)(A).

⁴ Item No. 33, Proposal to Close the Ionia, MO Post Office and Continue to Provide Service by Rural Route Service (“Proposal”), at 1. In these comments, specific items in the administrative record, other than the FD, are referred to as “Item ____.”

⁵ FD, at 2, 6; Item No. 33, Proposal to Close the Ionia, MO Post Office and Continue to Provide Service by Rural Route Service (“Proposal”), at 1, 5.

⁶ FD, at 2; Item No. 33, Proposal, at 1. The Petitioner raises concerns about the timing of the collection of this information citing a large snowfall that apparently occurred in early February 2011. The Postal Service explained that many factors are weighed in determining the postal needs of a community. Data is gathered for the prior three years in an effort to determine the needs of an area. Although weather conditions may alter the days that transactions take place, customers often plan their postal visits around known weather events. FD, at 2; Item No. 23, Questionnaire Analysis, at 2; Item No. 33, Proposal, at 1. According to Item No. 10a, Item No. 10 Window Survey, Item No. 11 Survey of Incoming Mail, and Item No. 12 Survey of Dispatched Mail were scheduled to be conducted from January 22, 2011 to February 4, 2011 at the Ionia Post Office. The survey is just a snapshot at a point in time. Sometimes, such a survey will reflect normal activity, and sometimes it may reflect conditions that affect business traffic, such as extremes in weather conditions that may suppress the average. If a large gathering or event is held in a less populated area, that may increase the overall average. In any event, the daily number of

Revenue has generally been low and declining: \$10,769.00 in FY 2008 (28 revenue units); \$8,074.00 in FY 2009 (21 revenue units); and \$6,462.00 (17 revenue units) in FY 2010.⁷ The Ionia Post Office has no meter or permit customers. FD at 2; Item No. 18, Fact Sheet; Item No. 33, Proposal, at 1.

Upon implementation of the final determination, delivery and retail services will be provided by highway contract route service under the administrative responsibility of the Green Ridge Post Office, an EAS-16 level office located fourteen miles away, which has 58 available Post Office Boxes. FD at 2. 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 Ionia 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 Ionia Post Office. Questionnaires were also available over the counter for retail customers at Ionia Post Office. FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Ionia Post Office. A letter from the Manager of Post Office Operations, Saint Louis, Missouri, was also made available to postal customers, which advised customers that the Postal Service was evaluating

transactions is not the sole factor informing this final determination; it is merely one of many facts considered. Furthermore, the revenue trend at the Ionia Post Office, which shows a clear downward trend, despite increases in rates, enables management to assess customer demand and usage on an annualized basis.

⁷ FD, at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"); Item No. 33, Proposal, at 1.

whether to discontinue the operation of the Ionia Post Office, and that effective and regular service could be provided through rural route delivery emanating from the Green Ridge Post Office, and through retail services available at the Cole Camp Post Office, located 9.5 miles away. The letter invited customers to complete and return a customer questionnaire, and to express their opinions about the service they were receiving as well as 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 Ionia Post Office for a community meeting on February 24, 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 1.⁸ 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 Ionia Post Office, Cole Camp Post Office, and Green Ridge Post Office from March 18, 2011 to May 19, 2011. FD, at 2. The FD was posted at the same three Post Offices

⁸ Petitioner states that the community meeting was held on February 24, 2011, at 11:00 a.m. He states that many residents were at work when the meeting was held. The Postal Service notes that its internal regulations give local discontinuance coordinators flexibility in determining meeting times that encourage customer participation. See Handbook PO-101 § 251. No single time is ever consistent with all customer preferences. Hours within an office's normal hours of operation generally suit customers who routinely visit that office, while inconveniencing customers who only occasionally visit the office, thereby conflicting with their work hours in many cases. Evening hours may suit the occasional customers, while inconveniencing regular customers. That is one reason why a discontinuance study process provides customers with multiple avenues for providing their input, including questionnaires, community meeting, and written correspondence at any time. If those opportunities do not suffice, then formal comments on a proposal posted for 60 days provide another means for submission of customer input.

from July 29, 2011 to August 30, 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, declining office revenue,⁹ the variety of delivery and retail options (including the convenience of rural delivery and retail service),¹⁰ very little recent growth in the area,¹¹ minimal impact upon the community, and the expected financial savings,¹² the Postal Service issued the FD.¹³ Regular and effective postal services will continue to be provided to the Ionia community in an effective manner upon implementation of the final determination. FD at 1.

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

The Petitioner, in his letter of appeal and Participant Statement, raises the issue of the effect on postal services of the Ionia Post Office's closing, noting the convenience of the Ionia Post Office and requesting its retention. The Petitioner expresses particular

⁹ See note 7 and accompanying text,

¹⁰ FD, at 3-6, 8; Item No. 33, Proposal, at 2-5.

¹¹ Item No. 16, Community Survey Sheet; Item No. 33, Proposal, at 4.

¹² FD, at 6; Item No. 17a, Cost Analysis; Item No. 18, Fact Sheet; Item No. 29, Proposal Checklist, at 2; Item No. 33, Proposal, at 5.

¹³ FD, at 8.

concern about the sanctity of the mail and the risks involved when mail is handled by non-career employees, especially in relation to the sending of accountable mail and purchasing of postal money orders, and the receipt of accountable mail, including certified letters, registered letters, CODs. The Petitioner also expresses concern about customers' lack of access to computers, and states that the Ionia community should receive the same postal service as provided in urban areas. Each of these concerns was considered by the Postal Service.

As for Petitioner's concern about the sanctity of the mail, the Postal Service explained that a questionnaire was sent to the postal inspection service concerning mail theft and vandalism in the suspended Post Office area. Their records indicate that there has not been any report of mail theft or vandalism in the area. FD, at 3-4; Item No. 14, Vandalism Report; Item No. 25, Community Meeting Analysis, at 1; Item No. 33, Proposal, at 2. In addition, the Postal Service explained that customers may place a lock on their mailboxes. The mailbox must have a slot large enough to accommodate the customer's normal daily mail volume. The Postal Service does not open mailboxes which are locked and does not accept keys for this purpose.¹⁴

The Petitioner also expressed concern about the sending of accountable mail. The Postal Service explained that special services such as Certified, Registered, Express Mail, Delivery Confirmation, Signature Confirmation, and COD may be obtained from the carrier by leaving a note in the mailbox, along with the appropriate payment. The carrier will provide the services that day and leave a customer receipt in

¹⁴ FD, at 5; Item No. 23, Questionnaire Analysis, at 3; Item No. 40, Analysis of Comments.

the mailbox.¹⁵ The Postal Service also explained that customers may place a note in their mailboxes instructing the carrier to sound their horn when they arrive, in order to transact financial business. FD, at 3-4; Item No. 33, Proposal, at 2.

The Petitioner express concern about purchasing postal money orders. The Postal Service explained 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. Most customers provide the carrier with a stamped, self-addressed envelope in which the completed money order is mailed to its destination. If customers prefer, the completed money orders will be returned for verification on the next delivery day. Item No. 21, Cover Letter, Questionnaire, and Enclosures, at 4.

With respect to Petitioner's concern about the receipt of accountable mail, the Postal Service explained that if a customer lives less than one-half mile from the line of travel, the carrier will attempt delivery of accountable items to the customer's residence. If the customer lives over one-half mile away or is not home when delivery is attempted, a notice will be left in the mailbox. Attempted delivery items will be taken back to the administrative Post Office. Customers may pick up the item at the Post Office, request redelivery on another day or authorize delivery to another party.¹⁶

¹⁵ Item No. 21, Cover Letter, Questionnaire, and Enclosures, at 4.

¹⁶ FD, at 4; Item No. 25, Community Meeting Analysis, at 1; Item No. 33, Proposal, at 3.

The Petitioner expresses concern about the extent to which the Ionia community has computers that could be used to obtain online access to the Postal Service. The Postal Service explained that the Stamps by Mail program provides customers the opportunity to purchase stamps, envelopes and postal cards by using a form which is available from the Post Office or the carrier. The customer addresses the postage paid order from envelope, encloses payment by personal check or postal money order made payable to the United States Postal Service, and mails the form (postage-free) or leaves it in the mailbox for the carrier to pick up. Most orders are processed overnight, and some immediately. Item No. 21, Cover Letter, Questionnaire, and Enclosures, at 4.

As for Petitioner's statement that the Ionia community should receive the same postal service as provided in urban areas, the Postal Service explained that Post Offices are reviewed on a case-by-case basis. When there is a vacancy in a small office, it is customary to conduct a study of the business activity and investigate the feasibility of providing service by alternate means.¹⁷ Upon the implementation of the final determination, delivery and retail services will be provided by delivery services emanating from the Green Ridge Post Office.¹⁸ In addition, retail services will be available at the Green Ridge Post Office,¹⁹ and the Cole Camp Post Office is located nearby.²⁰ In addition, customers opting for carrier service will have 24-hour access to their mail. FD, at 4; Item No. 33, Proposal, at 4.

¹⁷ FD, at 3; Item No. 23, Analysis of Questionnaires, at 2; Item No. 33, Proposal, at 1; Item No. 40, Analysis of Comments.

¹⁸ FD, at 2; Item No. 21, Letter to Customer, at 1; Item No. 33, Proposal, at 1.

¹⁹ FD, at 2; Item No. 33, Proposal at 1.

²⁰ FD, at 4; Item 18, Fact Sheet; Item No. 21, Letter to Customer, at 1; Item No. 33, Proposal at 1.

The Postal Service has considered the impact of closing the Ionia Post Office upon the provision of postal services to Ionia customers. Upon the implementation of the Final Determination, services provided at the Post Office will be available from the carrier, and customers will not have to travel to another post office for service. Most transactions do not require meeting the carrier at the mailbox. Stamps by Mail and Money Order Application forms are available for customer convenience. Mail is already delivered by the Green Ridge Post Office. FD at 3; Item No. 33, Proposal, at 3. Carrier service provides similar access to retail service, alleviating the need to travel to the Post Office. FD at 3-4; Item No. 33, Proposal, at 2-5. Thus, the Postal Service has properly concluded that all Ionia customers will continue to receive regular and effective service by highway contract route service under the administrative responsibility of the Green Ridge Post Office.

Effect Upon the Ionia Community

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

Ionia is an incorporated community. Benton County provides police protection. The community is administered politically by the City of Ionia, with fire protection provided by the Ionia Volunteer Fire Department. FD, at 5; Item No. 33, Proposal at 4

The Petitioner's letter of appeal raised a number of issues concerning the effect of the closing of the Ionia Post Office upon the Ionia community. This issue was extensively considered by the Postal Service, as reflected in the administrative record. FD, at 3, 5-6; Item No. 33, Proposal, at 1, 4. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. The Postal Service is helping to preserve community identity by attempting to continue the use of the Post Office name and ZIP Code in addresses and in the National Five-Digit ZIP Code and Post Office Directory. FD, at 3, 6; Item No. 23, Questionnaire Analysis, at 2; Item No. 33, Proposal, at 1. Communities generally require regular and effective postal services and these will continue to be provided to the Ionia community.

In addition, the Postal Service has concluded that nonpostal services provided by the Ionia Post Office can be provided by the Green Ridge Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD, at 5; Item No. 33, Proposal, at 5.

The Petitioner claims that there may be some inaccuracies in the Final Determination, especially concerning which county Ionia is located in, the number of businesses in Ionia, and the individuals in the Ionia Community. In response to such comments, the Postal Service notes that Item No. 15, Post Office Survey Sheet, at 1, does mention the existence of at least one business. Also, Item No. 16, Community Survey Sheet does state that police protection is provided by Benton County.²¹

²¹ Even assuming that the county name was incorrectly identified elsewhere, this consists of a minor error

The FD, at 5, acknowledges that the community may include those who “may work in local businesses.” Furthermore, that some individuals in the Ionia community are retired or senior citizens is evident in the responses to the questionnaires (see Item No. 22, Returned Customer Questionnaires and Postal Service Responses), which the Postal Service noted in Item No. 23, Analysis of Questionnaires (see also Item No. 33, Proposal, at 2; Item No. 40, Analysis of Comments; FD, at 3).

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 Ionia Post Office on the community served by the Ionia 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 highway contract route carrier service under the administrative responsibility of the Green Ridge Post Office would cost the Postal Service substantially less than maintaining the Ionia 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 Ionia Post Office are \$9,563.00. FD at 6; Item No. 17 Cost Analysis; Item No. 29, Proposal Checklist, at 2; Item No. 33, Proposal, at 5.

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

that should not be consequential to the results of the FD.

U.S.C. § 404(d)(2)(A)(iv). FD, at 6; Item No. 33, Proposal, at 5. Petitioners in this appeal question the consistency of this proposal with the statutory authority in Title 39, which provides that no small Post Office may be closed solely for operating at a deficit. Here, however, a variety of factors inform the decision to discontinue the Ionia Post Office, including a postmaster vacancy, a minimal workload, declining office revenue,²² the variety of delivery and retail options (including the convenience of rural delivery and retail service),²³ very little recent growth in the area,²⁴ minimal impact upon the community, and the expected financial savings.²⁵ 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, among other factors, the Ionia Post Office’s workload and revenue. The consideration by the Postal Service of an office’s workload and revenue is not inconsistent with the policies of Title 39, because analysis of workload and revenue does not imply that a small Post Office is operating at a deficit. The Postal Service then analyzed in addition whether a maximum degree of effective and regular postal services to the area and community could be provided with highway contract route service under the administrative responsibility of the Green Ridge Post Office in the absence of the Ionia Post Office, and the answer was affirmative.

²² See note 7 and accompanying text,

²³ FD, at 3-6, 8; Item No. 33, Proposal, at 2-5.

²⁴ Item No. 16, Community Survey Sheet; Item No. 33, Proposal, at 4.

²⁵ FD, at 6; Item No. 17a, Cost Analysis; Item No. 18, Fact Sheet; Item No. 29, Proposal Checklist, at 2; Item No. 33, Proposal, at 5.

The Postal Service determined that highway contract route service under the administrative responsibility of the Green Ridge Post Office is more effective than maintaining the Ionia 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).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster was promoted on May 9, 2008. A temporary officer-in-charge (OIC) has been installed to operate the office. Upon implementation of the final determination, the noncareer postmaster relief (PMR) may be separated from the Postal Service.²⁶ The record shows that no other employee would be affected by this closing. FD, at 6, 8; Item No. 15, Post Office Survey Sheet, at 1; Item No. 33, Proposal, at 5. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Ionia Post Office, 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 Ionia Post Office on the provision of postal services and on the Ionia community, as well as

²⁶ FD, at 2, 6; Item No. 33, Proposal, at 1, 5.

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 Ionia 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 Ionia Post Office should, accordingly, be affirmed.

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

Respectfully submitted,

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