

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

*In the Matter of:*  
Coyote Post Office  
Coyote, New Mexico

Docket No. A2011-74

UNITED STATES POSTAL SERVICE  
COMMENTS REGARDING APPEAL  
(November 9, 2011)

On September 15, 2011, the Postal Regulatory Commission (Commission) received an appeals from several postal customers (Petitioners), objecting to the discontinuance of the Post Office at Coyote, New Mexico. On September 16, 2011, the Commission issued a Form 56, Notice of Filing under 39 U.S.C. § 404(d). On September 20, 2011, the Commission issued Order No. 861, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). Additional Petitioners filed comments along with a petition on September 22, 2011. In accordance with Order No. 861, the administrative record was filed with the Commission on September 30, 2011. Petitioners did not file a Form 61. The following is the Postal Service's answering brief in support of its decision to discontinue the Coyote Post Office.

The appeal received by the Commission on September 15, 2011, raises two main issues: (1) the effect on postal services and (2) the impact upon the Coyote community. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Additionally, consistent with the

Postal Service's statutory obligations and Commission precedent,<sup>1</sup> the Postal Service gave consideration to a number of other issues, including the calculation of economic savings expected to result from discontinuing the Coyote Post Office and the impact on employees. Accordingly, the determination to discontinue the Coyote Post Office should be affirmed.

### **Background**

The Final Determination to Close the Coyote, NM Post Office and Establish Service by Highway Contract Route Service (FD), as well as the administrative record, indicate that the Coyote Post Office provides EAS-11 level service to 91 Post Office Box and general delivery customers, 0 delivery customers, and retail customers. The office is open for 42 hours per week.<sup>2</sup> The Postmaster of the Coyote Post Office retired on March 1, 2009. A noncareer postmaster relief (PMR) was installed as the temporary officer-in-charge (OIC) in addition to another PMR.<sup>3</sup> Upon implementation of the Final Determination, the noncareer OIC and PMR may be separated from the Postal Service; however, attempts will be made to reassign them to a nearby facility.<sup>4</sup> The average number of daily retail window transactions at the Coyote Post Office is seven. Revenue has declined: \$17,358.00 in FY 2008 (45 revenue units); \$14,284.00 in FY 2009 (37 revenue units); and \$12,353.00 in FY 2010 (32 revenue units).<sup>5</sup> The Coyote Post Office has no meter or permit customers.<sup>6</sup>

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<sup>1</sup> See 39 U.S.C. 404(d)(2)(A).

<sup>2</sup> In these comments, specific items in the administrative record are referred to as "Item \_\_\_\_." FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1

<sup>3</sup> Item No. 15, Post Office Survey Sheet, at 1.

<sup>4</sup> FD at 2 and 6-7.

<sup>5</sup> FD at 2; Item No. 18, Fact Sheet, at 1; Item No. 36, Proposal, at 2.

<sup>6</sup> FD at 2; Item No. 18, Fact Sheet, at 1; Proposal at 2.

Upon implementation of the final determination, delivery and retail services will be provided by highway contract route service under the administrative responsibility of the La Jara Post Office, an EAS-11 level office located approximately 32 miles away, which has 254 available P.O. Boxes. Service will be provided to Cluster Box Units (CBUs) installed on the carrier's line of travel.<sup>7</sup> Retail services are also available at the Youngsville Post Office, an EAS-11 level office located approximately 4 miles away, which has 76 available P.O. Boxes.<sup>8</sup>

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Coyote 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 P.O. Box customers of the Coyote Post Office. Questionnaires were also available over the counter for retail customers at Coyote.<sup>9</sup> A letter from the Manager of Post Office Operations, Albuquerque, NM was also made available to postal customers. The letter advised customers that the Postal Service was evaluating whether the continued operation of the Coyote Post Office was warranted, and that effective and regular service could be provided through highway contract route service and retail services available at the Youngsville Post Office.<sup>10</sup> The letter invited customers to complete and return a

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<sup>7</sup> FD at 2 and 7; Item No. 18, Fact Sheet, at 1; Item No. 41, Proposal, at 2.

<sup>8</sup> Item No. 18, Fact Sheet, at 1; Item No. 21, Letter to Customer, at 1.

<sup>9</sup> FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Coyote Post Office, at 1.

<sup>10</sup> Upon implementation of the FD, delivery and retail services will be provided by the La Jara Post Office. The administrative Post Office for the Coyote community was changed from the Youngsville Post Office to the La Jara Post Office when a discontinuance study was initiated for the Youngsville Post Office. The

customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving highway contract route service delivery.<sup>11</sup> 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 Coyote Post Office for a community meeting on March 10, 2011, to answer questions and provide information to customers.<sup>12</sup> 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 Coyote Post Office, Youngsville Post Office, and the La Jara Post Office from March 25, 2011 to May 26, 2011.<sup>13</sup> The FD was posted at the same three Post Offices beginning on August 9, 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 volume, low revenue,<sup>14</sup> the variety of delivery and retail options (including the convenience of highway contract route service delivery and retail service),<sup>15</sup> no recent growth in the area,<sup>16</sup> minimal impact upon the community, and the expected financial savings,<sup>17</sup> the Postal Service issued the FD.<sup>18</sup> Regular and effective postal services will continue to be provided to

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community meeting for the Youngsville Post Office was held on November 4, 2011. However, it is currently open for business.

<sup>11</sup> Item No. 21, Letter to Customer, at 1.

<sup>12</sup> FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Proposal, at 2.

<sup>13</sup> FD at 2; Proposal at 6.

<sup>14</sup> See note 5 and accompanying text.

<sup>15</sup> FD at 2-7; Proposal, at 2-6.

<sup>16</sup> Item No. 16, Community Survey Sheet.

<sup>17</sup> FD at 2 and 5-7; Item No. 17, Highway Contract Route Cost Analysis; Item No. 18, Fact Sheet, at 1; Item No. 29, Proposal Checklist, at 1-2; Proposal at 2 and 5-6.

<sup>18</sup> FD at 2-7.

the Coyote community in an effective manner upon implementation of the Final Determination.<sup>19</sup>

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

The Petitioners, in their letter of appeal, raise the issue of whether the Postal Service can continue to provide a maximum degree of effective and regular postal services to the Coyote community, noting the convenience of the Coyote Post Office and requesting its retention. The Petitioner expresses particular concern about Coyote losing its community identity, as well as the impact closing the Coyote Post Office would have on access for seniors, citizens with literacy or English competency difficulties, and those without transportation. Each of these concerns was considered by the Postal Service.

The effect of the closing of the Coyote Post Office on the availability of postal services to Coyote residents was considered extensively by the Postal Service.<sup>20</sup> 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

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<sup>19</sup> FD at 2.

<sup>20</sup> FD at 2-7; Proposal at 2-6.

be available from the carrier.<sup>21</sup> Customers opting for carrier service will not have to pay post office box fees.<sup>22</sup> Carrier service also is beneficial to many senior citizens, citizens lacking transportation, and those who face special challenges because they do not have to travel to the Post Office for service.<sup>23</sup> They have the option of meeting the carrier at the CBU to transact business although it is not always necessary to be present to conduct most Postal Service transactions.<sup>24</sup>

The issue of mail security, including a concern about leaving money in the mailbox, was raised during the feasibility study and addressed as demonstrated by the administrative record.<sup>25</sup> The Postal Service researched this risk and found that there only has been one report of vandalism in the area.<sup>26</sup> Further, Cluster Box Units (CBUs) can offer the security of individually locked mail compartments.<sup>27</sup>

Thus, the Postal Service has considered the impact of closing the Coyote Post Office upon the provision of postal services to Coyote customers. Highway contract route service delivery to CBUs installed on the carrier's line of travel provides similar access to retail service, alleviating the need to travel to the Post Office.<sup>28</sup> In addition to carrier service, customers may opt for P.O. Box service at the La Jara Post Office. There are 254 P.O. Boxes available for rent.<sup>29</sup> The La Jara Post Office also provides

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<sup>21</sup> FD at 2-6; Proposal at 2-5; Item No. 21, Notice to Customers, at 2.

<sup>22</sup> FD at 5; Proposal at 5.

<sup>23</sup> FD at 2-4; Proposal at 2-4.

<sup>24</sup> FD at 6; Proposal at 6.

<sup>25</sup> FD at 3 and 5; Proposal at 4.

<sup>26</sup> Item No. 14, Inspection Service/local law enforcement vandalism reports.

<sup>27</sup> FD at 5; Proposal, at 5.

<sup>28</sup> FD at 2-7; Item No. 23, Postal Customer Questionnaire Analysis, at 2-3; Proposal, at 2-5.

<sup>29</sup> FD at 2; Proposal, at 2.

nonpostal services, such as the distribution of government forms.<sup>30</sup> Thus, the Postal Service has properly concluded that all Coyote customers will continue to receive regular and effective service via highway contract route services delivery to CBUs installed on the carrier's line of travel.

### **Effect Upon the Coyote Community**

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

Coyote is an unincorporated rural community located in Rio Arriba County. The community is administered politically the Rio Arriba County Commission. Police protection is provided by the Rio Arriba County Sheriff and fire protection is provided by the Coyote Volunteer Fire Department. The community is comprised of retired people, farmers/ranchers, and those who commute to work at nearby communities and work in local businesses.<sup>31</sup> The questionnaires completed by Coyote customers indicate that, in general, they may travel elsewhere for some supplies and services.<sup>32</sup>

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<sup>30</sup> FD at 6; Proposal at 5.

<sup>31</sup> FD at 6; Proposal at 5.

<sup>32</sup> See generally FD at 6; Item No. 22, Returned customer questionnaires and Postal Service response letters, at 1-120.

The Petitioners' letters raise the issue of the effect of the closing of the Coyote Post Office upon the identity of the Coyote community. This issue was considered by the Postal Service, as reflected in the administrative record.<sup>33</sup>

The Postal Service recognizes 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 continuing the use of the Post Office name and ZIP Code in street addresses and in the National Five-Digit Zip Code and Post Office Directory.<sup>34</sup> Communities generally require regular and effective postal services and these will continue to be provided to the Coyote community. In addition, the Postal Service has concluded that nonpostal services provided by the Coyote Post Office can be provided by the La Jara Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies.<sup>35</sup>

Customers were concerned about having to make an address change on their bank checks and stationery. Customers that choose to receive their mail in a CBU will be assigned a 911 address, but they can continue to use the community name, Coyote, and ZIP Code in the last line of the address.<sup>36</sup>

Customers also expressed a concern that the loss of the Post Office would have a detrimental effect on the business community. There is no indication that the Coyote business community will be adversely affected. Businesses generally require regular

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<sup>33</sup> FD at 2 and 6; Item No. 41, Proposal, at 2 and 5.

<sup>34</sup> FD, at 2; Item No. 41, Proposal, at 2.

<sup>35</sup> FD at 6; Proposal at 5.

<sup>36</sup> FD at 5; Proposal at 5.

and effective postal services and these will continue to be provided to the Coyote business community.<sup>37</sup>

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 Coyote Post Office on the community served by the Coyote 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 service would cost the Postal Service substantially less than maintaining the Coyote Post Office and would still provide regular and effective service.<sup>38</sup> The estimated annual savings associated with discontinuing the Coyote Post Office are \$43,408.00, less a one time expense of \$6,000 to install the CBUs.<sup>39</sup>

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).<sup>40</sup>

The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations.

See 39 U.S.C. § 404(d)(2)(A)(iv).

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<sup>37</sup> FD at 5; Proposal, at 4.

<sup>38</sup> Item No. 21, Letter to Customer, at 1.

<sup>39</sup> Item No. 15, Postal Office Survey Sheet, at 2. FD at 6; Proposal, at 6.

<sup>40</sup> FD at 6; Proposal at 6.

## Effect on Employees

As documented in the record, the impact on postal employees is minimal. The Postmaster retired on March 1, 2009. A noncareer postmaster relief (PMR) was installed as the temporary officer-in-charge (OIC) in addition to another PMR.<sup>41</sup> Upon implementation of the Final Determination, the noncareer OIC and PMR may be separated from the Postal Service; however, attempts will be made to reassign them to a nearby facility.<sup>42</sup> The record shows that no other employee would be adversely affected by this closing.<sup>43</sup> Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Coyote 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 Coyote Post Office on the provision of postal services and on the Coyote 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 Coyote customers.<sup>44</sup> The Postal Service

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<sup>41</sup> Item No. 15, Post Office Survey Sheet, at 1.

<sup>42</sup> FD at 2 and 6-7; Proposal 2 and 6.

<sup>43</sup> FD, at 2 and 6; Item No. 15, Post Office Survey Sheet, at 1; Proposal, at 2 and 6.

<sup>44</sup> FD at 7.

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 Coyote Post Office should, accordingly, be affirmed.

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

Respectfully submitted,

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November 9, 2011