

ORDER NO. 976

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Mark Acton, Vice Chairman;  
Nanci E. Langley; and  
Robert G. Taub

Thayer Post Office  
Thayer, Iowa

Docket No. A2011-37

ORDER AFFIRMING DETERMINATION

(Issued November 17, 2011)

I. INTRODUCTION

On July 29, 2011, Mike Tonelli (Petitioner) filed a petition with the Commission seeking review of the post office discontinuance affecting the Thayer, Iowa post office (Thayer post office).<sup>1</sup> After reviewing the record in this proceeding, the Commission affirms the Final Determination to close the Thayer post office.

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<sup>1</sup> Petition for Review received from Mike Tonelli, Thayer, IA Post Office 50254, July 29, 2011 (Petition).

## II. PROCEDURAL HISTORY

On August 2, 2011, the Commission established Docket No. A2011-37 to consider the appeal, designated a Public Representative, and directed the Postal Service to file the Administrative Record and any responsive pleadings.<sup>2</sup>

On August 15, 2011, the Postal Service filed the Administrative Record with the Commission.<sup>3</sup> The Postal Service also filed comments requesting that the determination to close the Thayer post office be affirmed.<sup>4</sup> The Public Representative filed reply comments on October 7, 2011.<sup>5</sup> Petitioner did not file any documents other than his petition for review. There were no interventions.

## III. BACKGROUND

The Thayer post office is an EAS-53 level post office providing window service 24 hours a week from 9:00 a.m. to 1:30 p.m., Monday through Friday, and 10:00 a.m. through 11:30 p.m. on Saturday. Final Determination at 2. Lobby hours are the same as window hours. *Id.* In addition to providing retail services, e.g., sale of stamps, stamped paper, and money orders, it provides service to 16 post office box customers. *Id.* There are no permit mailers or postage meter customers. *Id.*

The retail workload at the Thayer post office is low, averaging two transactions amounting to two minutes of workload per day. Revenue has declined by approximately 19 percent since 2008.<sup>6</sup> *Id.*

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<sup>2</sup> Order No. 788, Notice and Order Accepting Appeal and Establishing Procedural Schedule, August 2, 2011.

<sup>3</sup> United States Postal Service Notice of Filing, August 15, 2011 (Administrative Record). The Administrative Record includes the Final Determination to Close the Thayer, IA Post Office and Establish Service by Rural Route Service (Final Determination).

<sup>4</sup> Comments of United States Postal Service, September 22, 2011 (Postal Service Comments).

<sup>5</sup> Reply Comments of the Public Representative, October 7, 2011 (PR Reply Comments).

<sup>6</sup> Office receipts for the past 3 years were: \$5,973 in FY 2008; \$5,203 in FY 2009; and \$4,810 in FY 2010. *Id.*

The Postal Service has determined to close the Thayer post office and provide delivery and retail services by rural route delivery administered by the Afton post office, an EAS-16 level post office, located 9 miles away.<sup>7</sup> *Id.* Post office box customers will be provided the option of obtaining Post Office Box service at the Afton post office. *Id.* There are 104 post office boxes available. *Id.* Window service hours at the Afton post office are from 8:30 a.m. to 4:30 p.m., Monday through Friday, and 8:30 a.m. to 9:30 a.m. on Saturday. The Postal Service will continue to use the Thayer name and ZIP Code. Final Determination at 3.

Retail service is also available at the Murray post office, an EAS-13 level post office, located 7 miles away.<sup>8</sup> Final Determination at 2. Window service is available at the Murray post office from 8:30 a.m. to 3:45 p.m., Monday through Friday, and 8:30 a.m. to 10:00 a.m. on Saturday. *Id.* The lobby is open 24 hours a day Monday through Friday, and from 12:00 p.m. through 3:00 p.m. on Saturday. Administrative Record, Item No. 18 at 1. There are 148 post office boxes available for rent. Final Determination at 2.

On August 3, 1993, the Thayer postmaster retired. A non-career postmaster relief (PMR) was installed as the temporary officer-in-charge (OIC). Administrative Record, Item No. 15.

On January 27, 2011, the Postal Service distributed questionnaires regarding the possible change in service at the Thayer post office to post office box customers. Final Determination at 2. Questionnaires were also available over the counter for retail customers. *Id.* A total of 20 questionnaires were distributed and 5 were returned. *Id.* On February 9, 2011, the Postal Service held a community meeting at Thayer City Hall to address customer concerns. Seven customers attended. *Id.*

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<sup>7</sup> "Mapquest estimates the driving distance between the Thayer and Afton post offices to be approximately 8.5 minutes (11 minutes driving time)."

<sup>8</sup> "Mapquest estimates the driving distance between the Thayer and Murray post offices to be approximately 6.4 miles (10 minutes driving time)."

#### IV. PARTICIPANT PLEADINGS

*Petitioner.* Petitioner contends that the Thayer post office should not be closed. Petitioner asserts that closing the Thayer post office will inconvenience him and many others in the community. Petition at 1.

*Postal Service.* The Postal Service argues that the Commission should affirm its determination to discontinue the Thayer post office. Postal Service Comments at 10. The Postal Service maintains that it has followed the closing procedures of 39 U.S.C. § 404(d). *Id.* at 4.

The Postal Service states that its decision to close the Thayer post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload generating low and declining revenue;
- the variety of delivery and retail options available;
- minimal impact upon the community;
- minimal recent growth in the area; and
- expected financial savings.

*Id.* The Postal Service asserts that it has addressed the concerns raised by Petitioner. *Id.* at 1.

*Public Representative.* The Public Representative concludes that the Postal Service appears to have adequately considered, and has met, the requirements of section 404(d)(2)(A) with regard to: (1) the effect of the closing on the community served; and (2) whether the closing is consistent with the Postal Service's provision of "a maximum degree of effective and regular postal service's to rural areas, communities and small towns where post offices are not self sustaining." PR Comments at 7.

However, the Public Representative also concludes that the Postal Service has not adequately taken into account (1) the effect on the Postal Service employee at the Thayer post office, or (2) the economic savings due to the closing. He suggests that the matter be remanded for a fuller evaluation of the impact on the employee and the actual cost saving, if any, by termination of the OIC position at Thayer. *Id.* at 11-12. He also believes remand is necessary to better account in a reasonable manner for any offsetting losses in revenue and other community expenses incurred by the closing of the Thayer post office. *Id.* at 12.

## V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

### A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons

served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

Notice of the Postal Service's proposal to close the Thayer post office and provide rural route service was posted at the Thayer and Afton post offices from March 15, 2011 through May 16, 2011. Administrative Record, Item No. 36.

The Postal Service received no comments during the 60-day posting period. Final Determination at 3. The Final Determination to close the Thayer post office was posted at the Thayer, Afton, and Murray post offices from June 20, 2011 through July 22, 2011. Administrative Record, Item No. 49.

Based on review of the record, the Commission finds that the Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

#### B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service.

*Effect on the community.* As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. Consistent with its general practice when deciding whether to close a post office, the Postal Service solicited input from the community of Thayer by distributing questionnaires to customers and holding a community meeting. Final Determination at 2. The Postal Service met with 7 members of the community and used questionnaires to solicit their input. *Id.* The Postal Service responded to each customer individually. Administrative Record, Item No. 22. During the 60-day period, the proposal to close was posted, and no additional comments were received. *Id.* Item No. 38. The Postal Service's responses to customer concerns are summarized in the Final Determination. Final Determination at 2.

Petitioner raises a concern about the convenience of postal services after closure of the Thayer post office. Petition at 1. The Postal Service addressed Petitioner's concerns by stating that delivery and retail services, including the delivery of accountable items and large packages, will be provided by a rural carrier, and customers will be able to obtain stamps, money orders, and special services also through the rural carrier. Postal Service Comments at 7. The Postal Service also considered the effect on the Thayer community stating that it informed the customers of the Thayer post office that they would be able to continue using their city name and ZIP Code in their mailing address. *Id.* at 8.

The Public Representative submits that the Postal Service appears to have adequately addressed the effect of the closing on the community. PR Comments at 7. He nevertheless suggests that in future cases the Postal Service give consideration to maintaining a collection box at or near the location of the closed post office. *Id.* at 10.

Upon review of the record in this proceeding, the Commission concludes that the Postal Service has satisfied the requirement that it consider the effect of closing on the community. 39 U.S.C. § 404(d)(2)(i).

*Effective and regular service.* The Postal Service examined how best to provide effective and regular services to the community. Replacement services are available through the Afton post office located 9 miles away, the Murray post office located 7 miles away, and the extension of rural carrier delivery service. Final Determination at 2-5.

The Public Representative concludes that the Postal Service appears to have adequately addressed whether the closing is consistent with the Postal Service's obligation to provide effective and regular postal services. PR Comments at 7.

Upon review of the record in this proceeding, the Commission concludes that the Postal Service has adequately considered its ability to provide a maximum degree of effective and regular service to the citizens of Thayer. 39 U.S.C. § 404(d)(2)(A)(iii).

*Effect on employees.* In the Final Determination, the Postal Service concludes that the non-career PMR may be separated from the Postal Service and that no other

Postal Service employee will be adversely affected. Final Determination at 5. The Public Representative argues that the Postal Service has an obligation under section 404(d)(2)(A)(ii) to consider the actual alternatives available to employees, the cost to the Postal Service of those alternatives, and the views of employees regarding their preferences to work at other Postal Service locations or to leave the Postal Service. PR Comments at 11. The Public Representative states that the record does not address whether the Postal Service considered employee views. *Id.*

The Commission agrees that section 404(d)(2)(A)(ii) requires the Postal Service to consider the effect of a post office closing on employees. In this case, the Postal Service considered the possible effects of the closing on the PMR when it stated that, as a non-career employee, the PMR may be terminated. The Commission concludes that this satisfies the Postal Service's obligation under section 404(d)(2)(A)(ii).

*Economic savings.* The Postal Service estimates total annual savings of \$21,559. Final Determination at 5. It derives this figure by summing the following costs: postmaster salary and benefits \$20,492; and annual lease costs \$2,400, minus the cost of replacement service \$1,333. *Id.*

The Public Representative asserts that the estimated savings are inflated. PR Comments at 11-12. He notes that following the postmaster's retirement in 1993, the Thayer post office has been managed by an OIC, a non-career PMR clerk. *Id.* Upon discontinuance of the Thayer post office, the OIC may be separated from the service. Final Determination at 5.

The Commission has previously stated that the Postal Service should not compute savings based on compensation costs that are not eliminated by the discontinuance of a post office.<sup>9</sup> That does not appear to have happened in this instance. The Thayer postmaster retired in August 1993. Final Determination at 5. The office has since been run by a non-career PMR who, upon discontinuance of the post

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<sup>9</sup> See, e.g., Docket No. A2011-16, Order No. 843, Order Affirming Determination, September 8, 2011.

office, may be separated from the Postal Service. *Id.* On paper, the postmaster position and the corresponding salary will be eliminated. However, even if the presumably lower salary of the PMR were substituted, it appears that closing would still provide a net financial benefit to the Postal Service.

The Public Representative also suggests that the Postal Service has improperly failed to consider potentially offsetting costs, such as the possible loss of post office box rental revenue. PR Comments at 12. The Commission agrees that consideration should be given to offsets to projected savings. However, in this case, it appears that even if all revenue from the Thayer post office were assumed to be lost due to the closing, the likelihood of projected savings would still exist.

Upon review of the record, the Commission concludes that the Postal Service has adequately considered the economic impact of its decision. 39 U.S.C. § 404(d)(2)(A)(iv).

## VI. CONCLUSION

Based on the review of the record, the Commission concludes that the Postal Service has adequately considered all requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Thayer post office is affirmed.

*It is ordered:*

The Postal Service's determination to close the Thayer, Iowa post office is affirmed.

By the Commission.

Ruth Ann Abrams  
Acting Secretary