

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

*In the Matter of:*  
Rhodell Post Office  
Rhodell, West Virginia 25915

Docket No. A2012-8

UNITED STATES POSTAL SERVICE  
COMMENTS REGARDING APPEAL  
(November 30, 2011)

On October 6, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked September 27, 2011, from postal customer Alvin Lambert, Jr. (Petitioner) objecting to the discontinuance of the Post Office at Rhodell, West Virginia. On October 13, 2011, the Commission issued Order No. 905, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). Two additional petitions objecting to the discontinuance were received by the Commission: one from Carl Vass on October 13, 2011 and another from Pat Farruggia on October 19, 2011. In accordance with Order No. 905, the administrative record was filed with the Commission on October 21, 2011.

The correspondence received by the Commission on raises three main issues: (1) the effect on postal services, (2) the impact upon the Rhodell community, and (3) the calculation of economic savings expected to result from discontinuing the Rhodell Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, 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 impact upon postal employees.

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

Accordingly, the determination to discontinue the Rhodell Post Office should be affirmed.

### **Background**

The Final Determination To Close the Rhodell, WV Post Office and Establish Service by Highway Contract Route Service (Final Determination), as well as the administrative record, indicate that the Rhodell Post Office provides EAS-11 level service to 107 Post Office Box customers, 52 delivery customers, and retail customers 43.5 hours per week. Item No. 47, FD, at 2; Item No. 42, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet (“Fact Sheet”), at 1.<sup>2</sup> The postmaster of the Rhodell Post Office retired on January 1, 2010. Since the postmaster vacancy, a noncareer officer-in-charge (OIC) has been installed to operate the office. Upon implementation of the final determination, the noncareer postmaster relief will be separated from the Postal Service.<sup>3</sup> The average number of daily retail window transactions at the Rhodell Post Office is 14. Revenue has generally been low and declining: \$18,076 in FY 2008 (47 revenue units); \$16,304 in FY 2009 (43 revenue units); and \$14,152 in FY 2010 (37 revenue units).<sup>4</sup> The Rhodell Post Office has no meter or permit customers. FD at 2; Item No. 18, Fact Sheet, at 1; Item No. 33, Proposal, at 2, 7.

Upon implementation of the final determination, delivery and retail services will be provided by highway contract route (HCR) service administered by the Stephenson

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<sup>2</sup> The Final Determination can be found at Item No. 47 in the Administrative Record. All citations to the Final Determination will be to “FD at \_\_\_\_\_,” Rather than to Item 47. The FD is not paginated however the Round-date cover sheets will serve as page number 1. Other Items in the administrative record are referred to as “Item No. \_\_\_.”

<sup>3</sup> FD, at 6.

<sup>4</sup> FD, at 2; Item No. 18, Form 4920 Post Office Fact Sheet, at 1; Item No. 33, Proposal, at 2.

Post Office, an EAS-11 level office located three miles away, which has 104 available Post Office Boxes.<sup>5</sup> FD at 2; Item No. 18, Form 4920 Post Office Fact Sheet, at 1; Item No. 33, Proposal, at 2. This service will continue upon implementation of the Final Determination. FD at 2.

The Postal Service followed the proper procedures which led to the posting of the Final Determination. All issues raised by the customers of the Rhodell 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 Final Determination, customers received notice through other means. Questionnaires were distributed to delivery customers of the Rhodell Post Office. Questionnaires were also available over the counter for retail customers at Rhodell. FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Rhodell Post Office, at 1. A letter from the Manager of Post Office Operations, Charleston, WV, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Rhodell Post Office was warranted, and that effective and regular service could be provided through carrier delivery and retail services available at the Stephenson Post Office. The letter invited customers to complete and return a customer questionnaire wherein they could express their opinions about the service they were receiving and the effects of a possible change involving carrier delivery. Item No. 21, Letter to Customer,

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<sup>5</sup> In his letter of appeal, Petitioner Lambert raises concern that the Stephenson Post Office is under review for possible closure. While a community meeting was held in Stephenson last week, no final decision has been made to close the Stephenson Post Office. In addition, before any decision is made to discontinue the Stephenson Post Office at a future time, the customers of the Rhodell Post Office would have an opportunity to comment on that closing before a final determination would be made.

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 Rhodell Post Office for a community meeting on April 13, 2011, to answer questions and provide information to customers. FD at 1; 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 Final Determination through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Rhodell Post Office and the Stephenson Post Office from June 8, 2011 to August 9, 2011. FD, at 2; Item No. 36, Round-date stamped Proposals and Invitations for comments from affected offices, at 2-5. The Final Determination was posted at the same two Post Offices starting on September 9, 2011, as confirmed by the round-dated Final Determination cover sheets that appear in the administrative record.

In light of a postmaster vacancy, minimal workload, low office revenue,<sup>6</sup> the variety of delivery and retail options (including the convenience of carrier delivery and retail service),<sup>7</sup> very little recent growth in the area,<sup>8</sup> minimal impact upon the community, and the expected financial savings,<sup>9</sup> the Postal Service issued the Final Determination.<sup>10</sup> Regular and effective postal services will continue to be provided to the Rhodell community in a cost-effective manner upon implementation of the final determination. FD at 1.

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<sup>6</sup> See note 4 and accompanying text,

<sup>7</sup> FD, at 2-7; Item No. 33, Proposal, at 2-7.

<sup>8</sup> FD, at 2; Item No. 16, Community Survey Sheet, at 1-2; Item No. 33, Proposal, at 2.

<sup>9</sup> FD, at 6-7; Item No. 17, Cost Analysis; Item No. 18, Fact Sheet, at 1; Item No. 29, Proposal Checklist, at 2; Item No. 33, Proposal, at 7.

<sup>10</sup> FD, at 2-7.

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

The Petitioners, in their letters of appeal, raise the issue of the effect on postal services of the Rhodell Post Office's closing, noting the convenience of the Rhodell Post Office and requesting its retention. The effect of the closing of the Rhodell Post Office on the availability of postal services to Rhodell residents was considered extensively by the Postal Service. FD at 2-5; Item No. 33, Proposal, at 2-6.

As the record reflects, upon the implementation of the Final Determination, customers will be able to obtain retail services, such as purchase of stamps, money orders, and special services such as certified, registered, Express Mail, delivery confirmation, signature confirmation, and COD through the carrier. FD at 2-5; Item No. 33, Proposal, at 2-6. Item No. 21, Notice to Customers, at 5. Customers opting for carrier service will not have to pay post office box fees. FD at 4; Item No. 33, Proposal at 6. Contrary to the Petitioners' assertions that it will be unrealistic for customers to request and receive special services from the carrier, customer convenience will be enhanced upon implementation of the Final Determination. Most transactions do not even require meeting the carrier at the mailbox. FD at 3; Item No. 33, Proposal, at 3. Stamps by mail and money order application forms are also available for customer

convenience. FD at 3; Item No. 33, Proposal, at 3. The provision of carrier service will alleviate the need for customers to travel to the Post Office for retail services and will provide them with 24-hour access to their mail. FD at 5, Item 33, Proposal at 6.

Petitioner Lambert expresses concern about purchasing money orders. The Postal Service explained that customers may purchase money orders by meeting the carrier at the mailbox, completing an application (which can be provided by the carrier), and paying the carrier the price of the money order, plus the fee.<sup>11</sup> The carrier gives the customer a receipt for the application, completes the money order upon his or her return to the Post Office, and leaves a money order receipt in the customer's mailbox on the next delivery day.<sup>11</sup> Customers can provide the carrier with a stamped, self-addressed envelope in which the completed money order is mailed to its destination, and can request return of completed money orders for verification on the next delivery day.<sup>11</sup> As described above, customers can leave a note for carriers to sound the horn upon arrival if they prefer to conduct financial transactions in person.

Petitioner Lambert also states that computer and telephone access is unavailable. Customers without computer and telephone access may obtain services provided at the Post Office from the carrier. As previously mentioned, Stamps by Mail and Money Order Application forms are available for customer convenience. Customers can also request special services, such as certified, registered, or Express mail, delivery confirmation, signature confirmation, and COD from the carrier. FD at 4; Item No. 33, Proposal, at 4. The carrier will provide the services that day and leave a

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<sup>11</sup> FD at 4. Item No. 33, Proposal, at 4.

customer receipt in the mailbox on the next delivery day (or the customer may leave a note in the mailbox with the appropriate payment and the carrier will leave a receipt the next day). FD at 4; Item No. 33, Proposal, at 4.

Petitioner Carl Vass expresses concern for senior citizens due to their inability to travel to another post office for service. As explained in the record, customers will not be required to travel to another post office to receive mail or obtain retail services. FD at 1, 3; Item No. 33, Proposal, at 2. Senior citizens and disabled customers will no longer have to travel to the Post Office to conduct postal business. Instead, they may conduct such business with carriers at their mailboxes. Moreover, the Postal Service makes special provisions for hardship cases by providing delivery to the home of the customer. FD at 2-3; Item No. 33, Proposal at 2-3.

The Postal Service has considered the impact of closing the Rhodell Post Office upon the provision of postal services to Rhodell customers. The carrier can provide similar access to retail service, alleviating the need to travel to the Post Office. FD at 2-4; Item No. 23, Postal Customer Questionnaire Analysis, at 2-3; Item No. 25, Community Meeting Analysis, at 1. Item No. 33, Proposal, at 6. Thus, the Postal Service has properly concluded that all Rhodell customers will continue to receive regular and effective service.

### **Effect Upon the Rhodell Community**

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

Rhodell is an incorporated rural community located in Raleigh County. The Rhodell Police Department provides police protection. The community is administered politically by Rhodell City Hall, with fire protection provided by the Rhodell Fire Department. A number of churches are located in the Rhodell community. FD, at 5; Item No. 33, Proposal at 6. The questionnaires completed by Rhodell customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Rhodell must travel elsewhere for other supplies and services. See generally FD at 5; Item No. 22, Returned customer questionnaires and Postal Service response letters, at 1-65.

The correspondence received in this appeal raises the issue of the effect of the closing of the Rhodell Post Office upon the Rhodell community. Petitioner Farragut specifically expresses concern that the Rhodell Post Office has historical significance, not only for its residents, but also for the coal mining that occurs in the state of West Virginia. While the Postal Service is sympathetic to these concerns, research by the Postal Service revealed that the Rhodell Post Office is neither a state nor national landmark. Item No. 16, Community Survey Sheet, at 1. 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 4; Item No. 33, Proposal, at 6. The Postal Service is helping to preserve community identity by continuing the use of the Rhodell Post Office name and ZIP code. FD at 5; and Item No. 33, Proposal at 6. Communities generally require

regular and effective postal services and these will continue to be provided to the Rhodell community.

In addition, the Postal Service has concluded that nonpostal services provided by the Rhodell Post Office can be provided by the Stephenson Post Office, which is 2.9 miles away. FD at 5, Item No. 33, Proposal at 6. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 5, 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 Rhodell Post Office on the community served by the Rhodell 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 carrier service would cost the Postal Service substantially less than maintaining the Rhodell 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 Rhodell Post Office are \$38,320.00. FD at 6; Item No. 33, Proposal, at 7.

The Petitioners suggest combining surrounding Post Offices that are scheduled to close and maintaining Rhodell as the main Post Office. The Petitioners believe this would be the most cost effective solution because the Postal Service owns the building which houses the Rhodell Post Office. The Postal Service has broad experience with and has considered similar options. Post Offices are reviewed on a case-by-case basis.

FD at 3; Item No. 33, Proposal, at 3. In this case, the Postal Service explained that 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 alternative means. FD at 3; Item No. 33, Proposal, at 3. The annual cost of maintaining the Rhodell Post Office is \$44,279.00, which far outweighs the estimated cost of replacement service at \$5,959.00. FD at 6; Item No. 33, Proposal at 7. Thus, the Postal Service has determined that carrier service is the most cost-effective solution for providing regular and effective service to the Rhodell community.

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 6; Item No. 29, Proposal, at 7.

The Postal Service determined that carrier service is more cost-effective than maintaining the Rhodell postal facility and postmaster position. FD at 6. 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 retired on January 1, 2010. Since the postmaster vacancy, a noncareer officer-in-charge (OIC) was installed to operate the office. Upon implementation of the

Final Determination, attempts will be made to reassign the noncareer OIC to a nearby office. The record shows that no other employee would be adversely affected by this closing. FD, at 6; Item No. 15, Post Office Survey Sheet, at 1; Item No. 29, Proposal, at 7. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Rhodell 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 Rhodell Post Office on the provision of postal services and on the Rhodell 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 Rhodell customers through carrier service. FD at 7. 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 Rhodell Post Office should, accordingly, be affirmed.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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