

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

In the Matter of:
Ozan Post Office
Ozan, Arkansas 71855

Docket No. A2012-24

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(December 15, 2011)

On October 20, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked October 12, 2011, signed by 82 postal customers (“Petitioners”), objecting to the discontinuance of the Post Office at Ozan, Arkansas.¹ On October 26, 2011, the Commission issued Order No. 928, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). Postal customer Monroe Stuart filed a Participant Statement in support of the petition on November 21, 2011. In accordance with Order No. 928, the administrative record was filed with the Commission on November 4, 2011.

The appeal and the Participant Statement raise two main issues: (1) the impact on the provision of postal services, (2) the impact upon the Ozan community, and (3) economic savings. 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,² the Postal Service

¹ This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

² See 39 U.S.C. 404(d)(2)(A).

gave consideration to a number of other issues, including the impact of the discontinuance upon postal employees. Accordingly, the determination to discontinue the Ozan Post Office should be affirmed.

Background

The Final Determination To Close the Ozan Post Office and Continue to Provide Service by Rural Route Service (“Final Determination” or “FD”),³ as well as the administrative record, indicate that the Ozan Post Office provides EAS-11 level service to 222 carrier delivery customers and 131 Post Office Box customers.⁴ The postmaster of the Ozan Post Office was promoted on September 27, 2008.⁵ Since the postmaster vacancy arose, an employee from a neighboring office was installed as an officer-in-charge (“OIC”) to operate the office.⁶ The noncareer postmaster relief (“PMR”) serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility.⁷ The average number of daily retail window transactions at the Ozan Post Office is 22, accounting for 26 minutes of

³ The Final Determination can be found at Item 47 in the Administrative Record. All citations to the Final Determination will be to “FD at ___,” rather than to Item 47. The FD page number refers to the pages as marked on the upper right of the document. Other items in the administrative record are referred to as “Item ___.”

⁴ FD at 2; Item No. 18, Form 4920 - Post Office Closing or Consolidation Proposal Fact Sheet (“Post Office Fact Sheet”) at 1; Item No. 33, Proposal to Close the Ozan, AR Post Office and Continue to Provide Service by Rural Route Service (“Proposal”) at 2.

⁵ FD at 4.

⁶ *Id.*

⁷ FD at 4; Item No. 33, Proposal at 6.

workload daily.⁸ Revenue has fluctuated: \$18,371 in FY 2008 (48 revenue units); \$20,228 in FY 2009 (53 revenue units); and \$18,720 in FY 2010 (49 revenue units).⁹

Upon implementation of the Final Determination, delivery and retail services will be provided by rural route services under the administrative responsibility of the Nashville Post Office, an EAS-20 level office located 12 miles away, which has 187 available Post Office Boxes.¹⁰ Retail services will also be available at the Washington Post Office, an EAS-13 level office located six miles away, which has 88 available Post Office Boxes.¹¹ This service will continue upon implementation of the Final Determination.¹²

The Postal Service followed the proper procedures that led to the posting of the Final Determination.¹³ All issues raised by the customers of the Ozan Post Office were considered and properly addressed by the Postal Service. The Postal Service complied

⁸ FD at 2.

⁹ FD at 2; Item No. 18, Post Office Fact Sheet at 1; Item No. 33, Proposal at 2.

¹⁰ FD at 2; Item No. 18, Post Office Fact Sheet at 1; Item No. 33, Proposal at 2. The Nashville Post Office is not on the candidate list in the Retail Access Optimization Initiative (PRC Docket N2011-1).

¹¹ FD at 2; Item No. 18, Post Office Fact Sheet at 1; Item No. 33, Proposal at 2. The Washington Post Office was removed from the candidate list in the Retail Access Optimization Initiative (PRC Docket N2011-1) and is no longer being studied.

¹² FD at 1; Item No. 33, Proposal at 2.

¹³ Mr. Stuart points out that the Postal Service accidentally sent a letter to Congressman Mike Ross stating that the Ozan Post Office would close prior to the Postal Service issuing a Final Determination. Nov. 21, 2011 Participant Statement. Mr. Stuart further asserts the accidental mailing of this letter indicates that the customers' comments were not considered by the Postal Service. *Id.* However, as explained to Congressman Ross, and as laid out in the administrative record, the Postal Service subsequently discovered its error in its letter to Congressman Ross. Item No. 28, Congressional Inquiry and Postal Service Response Letter at 25-26. The Postal Service further explained that "[a]s soon as the error was discovered, one of our Consumer Affairs employees immediately emailed an apology, explanation and correction to the individual offices." *Id.* at 26. The Postal Service regrets any confusion that this technical error may have caused, but submits that, as reflected in the administrative record of this proceeding, the Postal Service gave the customers' comments serious consideration and the technical error does not have any substantive implications for this appeal.

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 all Post Office Box customers of the Ozan Post Office.¹⁴ Questionnaires were also available over the counter for retail customers at Ozan.¹⁵ A letter from the Manager of Post Office Operations, Little Rock, Arkansas, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Ozan Post Office was warranted.¹⁶ The letter invited customers to express their opinions about the service they were receiving and the effects of a possible change in the way postal services are provided.¹⁷ One hundred and one customers returned questionnaires, and the Postal Service responded.¹⁸ In addition, representatives from the Postal Service were available at the Ozan Fire Department for a community meeting on June 7, 2011 to answer questions and provide information to customers.¹⁹ Customers received formal notice of the Proposal and Final Determination through postings at the Ozan, Nashville, and Washington Post Offices.²⁰ The Proposal was posted with an invitation for public comment at these three Post

¹⁴ Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Ozan Post Office at 1; Item No. 21, Cover Letter at 1.

¹⁵ FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Ozan Post Office at 1.

¹⁶ Item No. 26, Community Meeting Letter at 1.

¹⁷ *Id.*

¹⁸ Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters.

¹⁹ FD at 2; Item No. 21, Cover Letter at 1; Item No. 24; Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 26, Letter to Customer at 1; Item No. 33, Proposal at 2.

²⁰ FD at 2; Item No. 33, Proposal at 1; Item No. 34, Comment Form Exhibit.

Offices for 60 days, beginning on June 22, 2011.²¹ Four customers returned a comment in response to the “Invitation for Comments” after the proposal was posted.²² The Postal Service responded to those concerns.²³ The Final Determination was posted at the Ozan, Nashville, and Washington Post Offices starting on September 29, 2011 as confirmed by the round-date stamped Final Determination cover sheets that appear in the administrative record.²⁴

In light of a postmaster vacancy; minimal workload; low office revenue;²⁵ the variety of delivery and retail options (including the convenience of rural delivery and retail service);²⁶ no projected population, residential, commercial, or business growth in the area;²⁷ minimal impact upon the community; and the expected financial savings,²⁸ the Postal Service issued the Final Determination.²⁹ Regular and effective postal services will continue to be provided to the Ozan community in a cost-effective manner upon implementation of the final determination.³⁰

²¹ FD at 2; Item No. 33, Proposal at 1; Item No. 34, Comment Form Exhibit.

²² Item No. 38, Proposal Comments and Postal Service Response Letters; Item No. 40, Analysis of Comments.

²³ FD at 2-3; Item No. 38, Proposal Comments and Postal Service Response Letters; Item No. 40, Analysis of Comments.

²⁴ Item No. 46, Headquarters Acknowledgement of Receipt of Official Record (containing copies of round date stamped Final Determination).

²⁵ FD at 2; Item No. 18, Post Office Fact Sheet at 1; Item No. 33, Proposal at 2.

²⁶ FD at 3; Item No. 33, Proposal at 4.

²⁷ Item No. 16, Community Fact Sheet at 1.

²⁸ FD at 4; Item No. 17, Alternate Service Options Cost Analysis at 2; Item No. 33, Proposal at 6.

²⁹ FD at 1.

³⁰ *Id.* at 2.

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

Upon the implementation of the Final Determination, delivery and retail services will be provided by rural route delivery to mailboxes emanating from the Nashville Post Office.³¹ In addition to rural delivery, which is the recommended alternate service, customers may also receive postal services at the Nashville Post Office, which is located 12 miles away, or the Washington Post Office, which is located 6 miles away. The window service hours of the Nashville Post Office are from 8:30 a.m. to 4:30 p.m., Monday through Friday, and 9:30 a.m. to 11:30 a.m. on Saturday.³² The window service hours of the Washington Post Office are from 8:00 a.m. to 4:00 p.m., Monday through Friday, and 7:30 a.m. to 9:00 a.m. on Saturday.³³ Furthermore, the special attention and assistance provided by the personnel at the Ozan Post Office will be provided by personnel at the Washington and Nashville Post Offices and from the carrier.³⁴

³¹ FD at 2; Item No. 33, Proposal at 2.

³² FD at 2; Item No. 33, Proposal at 2.

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

³⁴ FD at 2; Item No. 33, Proposal at 2.

The Petitioners raise the issue of the effect of the Ozan Post Office's closing on the provision of postal services, noting the convenience of the Ozan Post Office and requesting its retention. They contend that service through the Nashville and Washington Post Offices will not provide the maximum degree of effective postal services because 1) the Ozan Post Office is more convenient; 2) service in smaller post offices, like Ozan, is friendlier and of higher quality; and 3) senior citizens will have difficulty obtaining necessary services from the Nashville and Washington Post Offices.³⁵ Each of these concerns was considered by the Postal Service.³⁶

The Postal Service has considered the impact of closing the Ozan Post Office upon the provision of postal services to Ozan customers.³⁷ Rural route delivery to mailboxes installed on the carrier's line of travel provides similar access to retail service, alleviating the need to travel to the Post Office for most services.³⁸ As explained throughout the administrative record, carriers can perform many functions (at the same time that the carrier delivers the mail) that will prevent any need to go to a Post Office.³⁹ Carrier service is especially beneficial to many senior citizens and those who face

³⁵ Oct. 17, 2011 Petition and Letter of Appeal; Nov. 21, 2011 Participant Statement.

³⁶ See, e.g., FD at 2-3; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters at 1; Item No. 23, Analysis of Questionnaires at 2; Item No. 25, Community Meeting Analysis at 1; Item No. 33, Proposal at 2-3.

³⁷ FD at 2-3; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters at 1; Item No. 23, Analysis of Questionnaires at 2; Item No. 25, Community Meeting Analysis at 1; Item No. 33, Proposal at 2-3.

³⁸ FD at 3; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters at 1; Item No. 25, Community Meeting Analysis at 1; Item No. 33, Proposal at 3.

³⁹ FD at 3; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 2; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters at 1; Item No. 25, Community Meeting Analysis at 1; Item No. 33, Proposal at 3.

special challenges because the carrier can provide delivery and retail services, eliminating the need for customers to make a special trip to the Post Office for service.

Additionally, most transactions do not require meeting the carrier at the mailbox.⁴⁰ The Postal Service explained that it offers several convenient options that can save customers a trip to the Post Office and having to interact with a carrier for most postal transactions.⁴¹ Special provisions are made, on request, for hardship cases or special customer needs.⁴²

The Petitioners and Mr. Stuart also expressed concerns that rural delivery service creates inconvenience for purchasing money orders and stamps and for sending and receiving certain mail, such as certified or registered letters.⁴³ Contrary to Petitioners' and Mr. Stuart's assertions that it will be inconvenient for customers to receive these services, customer convenience may be enhanced upon implementation of the FD because, as explained above, the provision of rural carrier service will alleviate the need for customers to travel to the Post Office for retail services.⁴⁴ Further, rural carrier service will provide customers with 24-hour access to their mail.⁴⁵ The Postal Service has informed the Petitioners, and others customers, that they may

⁴⁰ FD at 6; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 2; Item No. 33, Proposal at 6.

⁴¹ FD at 6; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 2; Item No. 33, Proposal at 6.

⁴² FD at 3; Item No. 23, Analysis of Questionnaires at 2; Item No. 25, Community Meeting Analysis at 1; Item No. 33, Proposal at 2-3.

⁴³ Oct. 17, 2011 Petition and Letter of Appeal; Nov. 21, 2011 Participant Statement at 3.

⁴⁴ FD at 3; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 2; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters at 1; Item No. 25, Community Meeting Analysis at 1; Item No. 33, Proposal at 3.

⁴⁵ FD at 3; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 2; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters at 1; Item No. 25, Community Meeting Analysis at 1; Item No. 33, Proposal at 3.

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.⁴⁶ 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.⁴⁷ 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.⁴⁸ Additionally, 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.⁴⁹ The carrier will provide the service that day and leave a customer receipt in the mailbox on the next delivery day.⁵⁰ Finally, customers can leave a note for carriers to sound the horn upon arrival if they prefer to conduct financial transactions in person.

In addition to sharing many of the above concerns, Mr. Stuart also expressed his concern that rural route service is not secure against theft.⁵¹ The Postal Service also addressed customer concerns about heightened potential for theft of outgoing or

⁴⁶ FD at 3; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 2; Item No. 33, Proposal at 4.

⁴⁷ FD at 3; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 2; Item No. 33, Proposal at 4.

⁴⁸ FD at 3; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 2; Item No. 33, Proposal at 4.

⁴⁹ FD at 2-3; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 2; Item No. 33, Proposal at 3-4.

⁵⁰ FD at 2-3; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 2; Item No. 33, Proposal at 3-4.

⁵¹ Nov. 21, 2011 Participant Statement at 3.

incoming mail when switching to carrier delivery.⁵² Specifically, the Postal Service advised customers that they may place a lock on their mailboxes.⁵³ The mailbox must have a slot large enough to accommodate the customer's normal daily mail volume.⁵⁴ The Postal Service also sent a questionnaire to the Postal Inspection Service concerning mail theft and vandalism in the area.⁵⁵ Their records indicate that there has not been any report of mail theft or vandalism in the area.⁵⁶

Thus, the Postal Service has properly concluded that all Ozan customers will continue to receive regular and effective service via rural route delivery to mailboxes on the carrier's line of travel.

Effect Upon the Ozan Community

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

⁵² FD at 2; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters at 1; Item No. 23, Analysis of Questionnaires at 2; Item No. 33, Proposal at 2.

⁵³ FD at 2; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters at 1; Item No. 23, Analysis of Questionnaires at 2; Item No. 33, Proposal at 2.

⁵⁴ FD at 2; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters at 1; Item No. 23, Analysis of Questionnaires at 2; Item No. 33, Proposal at 2.

⁵⁵ Item No. 14, Inspection Service/Local Law Enforcement Vandalism Reports at 1.

⁵⁶ *Id.*

Ozan is an incorporated community located in Hempstead County.⁵⁷ The community is administered politically by the Mayor of Ozan.⁵⁸ Police protection is provided by the Hempstead County Sheriff.⁵⁹ Fire protection is provided by the Ozan Volunteer Fire Department.⁶⁰ The questionnaires completed by Ozan customers indicate that, in general, the retirees, commuters, and others who reside in Ozan must travel elsewhere for other supplies and services.⁶¹

As documented in the record, the Postal Service considered issues regarding the effect of its decision to close the Ozan Post Office upon the Ozan community. Specifically, the Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name.⁶² The record makes clear that the Postal Service is addressing this concern through preservation of the community identity by continuing the use of the Ozan name and ZIP Code in addresses.⁶³

Communities generally require regular and effective postal services and these will continue to be provided to the Ozan community. Rural carrier service is expected to be able to handle any future growth in the community.⁶⁴ In addition, the Postal Service

⁵⁷ FD at 4.

⁵⁸ *Id.*; Item No. 16, Community Survey Sheet at 1.

⁵⁹ FD at 4; Item No. 16, Community Survey Sheet at 1.

⁶⁰ FD at 4; Item No. 16, Community Survey Sheet at 1.

⁶¹ *See generally* Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters.

⁶² FD at 3-4; Item No. 23, Analysis of Questionnaires at 2; Item No. 25, Community Meeting Analysis at 1; Item No. 33, Proposal at 2-3.

⁶³ FD at 3-4; Item No. 23, Analysis of Questionnaires at 2; Item No. 25, Community Meeting Analysis at 1; Item No. 33, Proposal at 2-3.

⁶⁴ FD at 4; Item No. 33 at 4.

has concluded that nonpostal services provided by the Ozan Post Office can be provided by the Nashville and Washington Post Offices.⁶⁵ Government forms usually provided by the Post Office are also available by contacting local government agencies.

Additionally, as already explained above in response to Petitioner's concerns about whether effective service will be provided to senior citizens and those needing additional assistance, the Postal Service considered the impact of the closing of the Post Office on those individuals. The Postal Service explained that services provided at the Ozan Post Office will be available from the carrier and that carrier service is beneficial to many senior citizens and others because the carrier can provide delivery and retail service to roadside mailboxes.⁶⁶ Customers do not have to make a special trip to the Post Office for service. Most transactions do not require meeting the carrier at the mailbox. Special provisions are made, on request, for hardship cases or special customer needs. Stamps by Mail and Money Order Application forms are available for customer convenience.⁶⁷

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 Ozan Post Office on the community served by the Ozan Post Office.

⁶⁵ FD at 4; Item No. 33 at 4.

⁶⁶ FD at 3; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters at 1; Item No. 25, Community Meeting Analysis at 1; Item No. 33, Proposal at 3.

⁶⁷ FD at 3; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters at 1; Item No. 25, Community Meeting Analysis at 1; Item No. 33, Proposal at 3.

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 Ozan Post Office and would still provide regular and effective service.⁶⁸ The estimated annual savings associated with discontinuing the Ozan Post Office are \$38,004.00.⁶⁹ 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 and consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv).⁷⁰

Mr. Stuart contends that the Postal Service's savings estimates are incorrect because a career postmaster salary was used in the calculation, despite the office being vacant since September 2008.⁷¹ However, the economic savings calculation conducted as a part of a discontinuance study is forward-looking; that the Postal Service may have paid less in salary and benefits over the past years does not mean that it could count on

⁶⁸ FD at 3-4.

⁶⁹ *Id.* at 4; Item No. 17, Alternate Service Options Cost Analysis at 2; Item No. 33, Proposal at 6; Item No. 52, Corrected Version of Rural Route Cost Analysis Form and Memo to the Record. The administrative record indicates that the total annual cost of the Ozan Post Office is \$47,879, and the cost of replacement services is \$9,875, thus providing a total savings of \$38,004.

⁷⁰ See, e.g., FD at 4; Item No. 17, Alternate Service Options Cost Analysis at 2; Item No. 33, Proposal at 6; Item No. 52, Corrected Version of Rural Route Cost Analysis Form and Memo to the Record.

⁷¹ Nov. 21, 2011 Participant Statement at 4. Mr. Stuart also questions why a decision was made to study the Ozan Post Office on grounds of the postmaster vacancy. *Id.* at 2. Under regulations in Handbook PO-101 in effect at the time the discontinuance was commenced, it was common to initiate a study when the postmaster position became vacant. See former Handbook PO-101 § 213. The Postal Service further notes that changes made to Handbook PO-101 effective July 14, 2011, promote consistency of decision-making by allowing for the identification of candidate facilities for study based on factors such as workload, customer demand, and availability of alternatives.

those savings annually in the future. If the Ozan Post Office closes, one career slot will be eliminated. If the Post Office is not discontinued, that slot would have been filled with a career employee, and the salary and benefits to be paid would be as shown for a postmaster.

Mr. Stuart also expressed concern that the Postal Service is closing the Ozan Post Office solely because it is not profitable.⁷² Here, however, a variety of factors inform the decision to discontinue the Ozan Post Office, including postmaster vacancy,⁷³ minimal workload,⁷⁴ low office revenue,⁷⁵ the variety of delivery and retail options (including the convenience of rural delivery and retail service),⁷⁶ very little projected growth in the area,⁷⁷ minimal impact upon the community,⁷⁸ and the expected financial savings.⁷⁹ 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 Ozan Post Office’s workload and revenue. The consideration of an office’s workload and

⁷² Nov. 21, 2011 Participant Statement at 2.

⁷³ FD at 6; Item No. 18, Post Office Fact Sheet at 1.

⁷⁴ FD at 6; Item No. 18, Post Office Fact Sheet at 1.

⁷⁵ FD at 6; Item No. 18, Post Office Fact Sheet at 1.

⁷⁶ FD at 6.

⁷⁷ Item No. 16, Community Fact Sheet at 1.

⁷⁸ FD at 6.

⁷⁹ *Id.*; Item No. 17, Alternate Service Options Cost Analysis at 2; Item No. 33, Proposal at 6; Item No. 52, Corrected Version of Rural Route Cost Analysis Form and Memo to the Record.

revenue is not inconsistent with the policies of Title 39, however, because analysis of workload and revenue does not imply that a small Post Office is operating at a deficit. The Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

The Petitioners and Mr. Stuart also suggest various strategies that they think would further reduce costs for the Postal Service as a whole, rather than closing rural offices with small budgets, such as stopping Saturday delivery, cutting hours in the smaller offices rather than closing them, cutting marketing costs, promoting early retirement, and cutting salaries.⁸⁰ The Postal Service has broad experience with similar options. In fact the Postal Service has considered implementing some of those options and asking Congress for permission to implement others. However, the focus of this administrative action concerns whether service can be provided effectively and efficiently to the Ozan community.

The Postal Service determined that rural carrier service is more cost-effective than maintaining the Ozan postal facility and postmaster position.⁸¹ 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

⁸⁰ Oct. 17, 2011 Petition and Letter of Appeal; Nov. 21, 2011 Participant Statement at 3.

⁸¹ FD at 4; Item No. 17, Alternate Service Options Cost Analysis at 2; Item No. 33, Proposal at 6; Item No. 52, Corrected Version of Rural Route Cost Analysis Form and Memo to the Record.

economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent.⁸²

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster was promoted on September 27, 2008.⁸³ A noncareer employee from a neighboring office was installed as the temporary officer-in-charge (OIC).⁸⁴ The noncareer PMR serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility.⁸⁵ The record shows that no other employee would be affected by this closing. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Ozan Post Office, consistent with its statutory obligations.⁸⁶

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Ozan Post Office on the provision of postal services and on the Ozan 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

⁸² See 39 U.S.C. § 404(d)(2)(A)(iv).

⁸³ FD at 4.

⁸⁴ *Id.*

⁸⁵ *Id.*; Item No. 33, Proposal at 6.

⁸⁶ See 39 U.S.C. § 404(d)(2)(A)(ii).

Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Ozan customers. 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 Ozan Post Office should, accordingly, be affirmed.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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