

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

In the Matter of:

St. Olaf Post Office
St. Olaf, Iowa 52072

Docket No. A2012-27

COMMENTS OF UNITED STATES POSTAL SERVICE
(December 16, 2011)

On October 20, 2011, the Postal Regulatory Commission received petitions seeking review (Petition¹) of the Post Office discontinuance affecting the St. Olaf, Iowa Post Office. By means of its *Notice and Order Accepting Appeal and Establishing Procedural Schedule*, Order No. 932 (October 27, 2011), the Postal Regulatory Commission (PRC or Commission) docketed the Petition as an appeal of the final determination to discontinue the St. Olaf, Iowa Post Office, assigning PRC Docket No. A2012-27. That Order, at page 5, set December 15, 2011 as the date for filing of the Postal Service answering brief. This pleading responds to that directive.²

As the Final Determination to Close the Saint Olaf, IA Post Office and Establish Service by Rural Route Service (Final Determination or FD) observes,³ the St. Olaf Post Office is an EAS-55 level office open approximately 50 hours per week Monday through Saturday. Post Office Boxes can be accessed 12 hours per day Monday through

¹ The Commission received various copies of a single letter from customers seeking to appeal the Final Determination to discontinue the St. Olaf Post Office; for convenience consistent with their identical content, they are referred to herein collectively as "Petition".

² These Comments are accordingly late owing largely to the press of other business. The current wave of Post Office discontinuance appeals to the Commission presents something of a logistical challenge to both the Commission and the Postal Service.

³ Additional and pertinent supporting materials for this paragraph include the Post Office Closing or Consolidation Proposal Fact Sheets (Item 8), Analysis of 60-Day Posting Comments (Item 40), Proposal (Item 33), Community Survey Sheet (Item 16), Surveys of incoming and dispatched mail (Items 11 and 12, respectively), Window Transaction Survey (Item 10), and Form 150, Postmaster Workload Information together with Work Service Credit calculation (Items 8-9).

Saturday. The St. Olaf Post Office is located in an incorporated community, St. Olaf, with its own Mayor and Council. Police service is provided by Clayton County; St. Olaf has its own volunteer fire company. The former postmaster was reassigned In July 2005. The St. Olaf Post Office has seen recent declines in retail traffic (from a little above \$18.5 thousand in 2008 to over \$13.5 thousand in 2010). Retail workload averages about 15 transactions or 17 minutes per day for 57 P.O. Box customers and no rural route customers.

A discontinuance study was authorized on February 17, 2011 (Item 1). Proposed replacement service⁴ consists of expansion, as necessary, to accommodate those existing P.O. Box customers in St. Olaf (at least those who do not already have carrier delivery) with rural carrier route service (Dear Customer letter (Item 21)) emanating from the Elkader Post Office (9 miles away). Located only two miles away is the Farmersburg Post Office, which will continue providing access to retail services. Each of these nearby offices has enough vacant P.O. boxes for any customers who wish to transfer their service from the St. Olaf Post Office.

Estimated savings consist of an EAS-55 postmaster's salary, including fringe benefits, plus the avoided lease costs, for a total of \$31,936. See FD and Proposal, both at section IV. Since the discontinuance entails loss of the permanent postmaster position, that portion is evaluated appropriately. The lease has a 90-day termination clause and expires in any event at the end of November 2012 (Item 15), so annualizing

⁴ Record evidence supporting statements in this paragraph includes: Item 4 (My Post Office output showing nearby offices); 15 (Post Office fact sheet); 16 (Community fact sheet); 18 (Form 4920, *Post Office Closing or Consolidation Fact Sheet*); 21 (Dear Customer letter); and Item 33 (Proposal).

its avoided costs is also reasonable.⁵ Costs for replacement service are quantified based on the assumption that choices by all current P.O. box will require institution of a new delivery point for each. See Item 17 (Alternate service options cost analysis). This estimate is likely high since some customers will retain P.O. Box service at another location while others likely also live in locations already served by carrier delivery.

Given the previous transfer of the former postmaster in St. Olaf, the Final Determination will have no impact upon career postal employees. The noncareer postmaster relief employee installed as officer-in-charge (OIC) may be separated if the St. Olaf Post Office is formally discontinued. FD section III. However, postal practice is to attempt placement for noncareer employees whose office locations are discontinued; hence the OIC also may not be separated. *Accord*, Item 25 (Community Meeting Analysis, ¶ 3).

The Final Determination and administrative record identify various grounds to support the former's conclusion the discontinuance of the St. Olaf Post Office is warranted. These include the vacancy in the postmaster position, the decline in retail traffic, the low workload, the availability of service through rural carriers and nearby Post Offices, savings to the Postal Service, lack of impact upon career employees, and limited impact upon the community or its identity.

⁵ Quantification of every last dollar of savings has attracted considerable attention in some A-series dockets. Since cost savings are a projection, exactitude is not an entirely reasonable expectation. In this instance, as in others, use of the postmaster's salary—the cost associated with filling the position which would occur were the office kept open permanently—is a reasonable proxy. Use of the OIC/PMR's salary could also be reasonable, and it would show a lower amount; however, the long term pattern has been to fill permanent positions with career employees even though that practice has diminished in more recent, financially challenging years. In this instance, the savings from lease cost are also annualized, notwithstanding the fact that lease termination is unlikely to coincide exactly with any discontinuance date; again, this is a reasonable approach for the Postal Service to take. The sign and magnitude of the savings are essentially similar regardless of which approach is taken.

As previously noted, several copies of a single form letter were filed as the Petition in this docket. The Petition raises several points, including: 1) FD was issued despite customer protestations; 2) customers protest vigorously, especially in light of language in section 101(b) of title 39; 3) customers view the FD as raising questions about the sanctity of the mail and convenience of access to various postal services; and 4) customer assert an entitlement to “the same efficient postal service provided” to customers in urban areas together with a prayer that the Commission “order the Postal Service to give additional considerations to our service needs.” While responses to these are available within the administrative record and FD, none of them rise to the level of establishing that any of the statutory standards of review applied by the Commission warrant an outcome other than affirmation of the Final Determination.

The Postal Service, as reflected in the FD, is too aware that customers do not want the St. Olaf Post Office discontinued; it does not like to eliminate access options that customers would prefer to retain. However, the Postal Service is also obligated to manage its business efficiently; that obligation extends to how access to service is provided to customers throughout the nation. With respect to the St. Olaf Post Office, customers make quite little use of it for purposes of access as measured by the few average daily transactions and associated workload. Operating a Post Office approximately 50 hours per week to accommodate only about 17 minutes per day of workload is not, however, a good example of efficiency. Customers of the St. Olaf Post Office will retain regular and effective access to all postal services even if the discontinuance goes forward. With service available from rural carriers and nearby Post Offices, together with alternate access options, the Postal Service conclusion is thus

consistent with the statutory requirement that a maximum degree of regular and effective service be maintained to rural areas, communities and small towns where the Post Office is not self-sustaining.

Customer concerns about the sanctity of the mail and convenience of access to service were addressed throughout the administrative record, the Proposal and the Final Determination. Such concerns are reflected in the Community Meeting Analysis (Item 25), Analysis of Questionnaires (Item 23), and carried through to the FD. The Postal Service also is not implementing access to service measures that pose any particular threat to convenience or mail security beyond what customers experience in other locales. Access to services is available through a range of alternatives to brick and mortar buildings, especially including rural letter carriers. Mail security is of paramount concern to all postal officials, including contractors who may transport or handle mail. The Petition articulates nothing unusual, let alone matters not already considered in the administrative record, regarding access to service and security of the mail; as such, these concerns—while shared by postal officials—present no basis for any conclusion by the Commission other than an affirmation of the Final Determination.

The Petition's fourth articulated area of concern while apparently ardent, is also somewhat confused. The Postal Service makes no pretense that how service is made available to customers throughout the domestic service area is uniform; hence, how urban customers gain access is not identical to how rural ones do so. But nor does any legal mandate require otherwise. Options for access to service through brick and mortar facilities, as well as most alternate access options, are often more numerous to customers in more densely populated areas. (On the other hand, city carrier delivery

service more common in urban areas does not also encompass the “Post Office on Wheels” for which non-city delivery is famous.) But access to postal services is nonetheless maintained throughout the domestic service area, and the FD does so as well for St. Olaf customers.

The Commission should affirm the Final Determination to discontinue the St. Olaf Post Office.

Respectfully submitted,

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