

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

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*In the Matter of:*  
Kettlersville Post Office  
Kettlersville, Ohio 45336

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Docket No. A2012-39

UNITED STATES POSTAL SERVICE  
COMMENTS REGARDING APPEAL  
(December 21, 2011)

On October 27, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked October 19, 2011, from postal customer Eric S. Kaminsky ("Petitioner Kaminsky") objecting to the discontinuance of the Post Office at Kettlersville, Ohio.<sup>1</sup> On November 3, 2011, the Commission received another appeal from postal customer Linda R. Miller ("Petitioner Miller") who also objected to the discontinuance of Kettlersville Post Office. Also on November 3, 2011, the Commission issued Order No. 945, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). On November 8, 2011, the Commission issued an Erratum correcting the deadline for reply briefs in Order No. 945 to January 3, 2012. In accordance with Order No. 945, the administrative record was filed with the Commission on November 14, 2011. Also, on November 14, 2011, the Commission issued another Erratum correcting the deadline for reply briefs in Order No. 945 to January 5, 2012. On December 2, 2011, the Petitioner filed a Participant Statement in support of his petition. The following is the Postal Service's brief in support of its decision to discontinue the Kettlersville Post Office.

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

The appeals received by the Commission, raises three main issues: (1) the effect on postal services, (2) the impact upon the Kettlersville community, and (3) the calculation of economic savings expected to result from discontinuing the Kettlersville 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>2</sup> the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Kettlersville Post Office should be affirmed.

### **Background**

The Final Determination To Close the Kettlersville, OH Post Office and Extend Rural Route Service (FD), as well as the administrative record, indicate that the Kettlersville Post Office provides EAS-11 level service to 69 Post Office Box customers, no general delivery customers, and retail customers 44 hours per week. FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.<sup>3</sup> The postmaster of the Kettlersville Post Office retired July 31, 2009.<sup>4</sup> A noncareer employee from a neighboring office was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, the non-career employee may be separated from the Postal Service; however, attempts will be made to reassign

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

<sup>3</sup> 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 left of the document. Other items in the administrative record are referred to as "Item No. \_\_."

<sup>4</sup> FD at 2; Item No. 18, Form 4920; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

the employee to a nearby facility.<sup>5</sup> The average number of daily retail window transactions at the Kettlersville Post Office is 27.<sup>6</sup> Revenue has generally been low: \$32,026.00 in FY 2008; \$28,215.00 in FY 2009; and \$32,205.00 in FY 2010.<sup>7</sup> The Kettlersville Post Office has no meter and no permit customers.<sup>8</sup>

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Anna Post Office; a 16 level office located 8 miles away, which has 254 available Post Office Boxes.<sup>9</sup> In addition retail services will also be available at the Botkins Post Office; a level 15 office located 6 miles away; which has 62 Post Office Boxes available.<sup>10</sup> These services will continue upon implementation of the Final Determination.<sup>11</sup>

The Postal Service followed the proper procedures which led to the posting of the Final Determination. All issues raised by the customers of the Kettlersville 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 Kettlersville Post Office. Questionnaires were also available over the counter for retail customers at Kettlersville.<sup>12</sup> A letter from the Manager of Post Office Operations, Cincinnati, Ohio, was also made available to

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<sup>5</sup> FD at 10; Item No. 33, Proposal, at 9; Item No. 41, Revised Proposal, at 10.

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

<sup>7</sup> FD at 2; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, 2.

<sup>8</sup> Id.

<sup>9</sup> Id.

<sup>10</sup> Id.

<sup>11</sup> FD at 2.

<sup>12</sup> FD at 2; Item No. 21, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Kettlersville Post Office, at 1.

postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Kettlersville Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Anna Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery.<sup>13</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 Kettlersville Post Office for a community meeting on June 30, 2011, to answer questions and provide information to customers.<sup>14</sup> 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 Kettlersville, the Botkins<sup>15</sup>, and the Anna Post Offices<sup>16</sup> from July 22, 2011 to September 22, 2011.<sup>17</sup> The Final Determination was posted at the same Post Offices starting on October 14, 2011 and ending on November 15, 2011, as confirmed by the

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<sup>13</sup> Item No. 21, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Kettlersville Post Office, at 1.

<sup>14</sup> Item No. 24, Community Meeting Roster, at 1.

<sup>15</sup> The Botkins Post is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at <http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971&docType=Library%20References&attrID=&attrName=>

<sup>16</sup> The Anna Post Office will be the administrative office for the Kettlersville, Ohio Post Office. The Anna Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at <http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971&docType=Library%20References&attrID=&attrName=>

<sup>17</sup> Item No. 36, Round-date stamped Proposal and Invitation, at 2-3. A copy of the round-date stamped Proposal and Invitation for Comments posted at the Botkins and Anna Post Office were not included in the Administrative Record filed on November 14, 2011. These documents are being filed with the Commission under separate cover.

round-dated Final Determination cover sheets that appear in the administrative record.<sup>18</sup>

In light of the postmaster vacancy, a minimal workload, low office revenue,<sup>19</sup> the variety of delivery and retail options (including the convenience of rural delivery and retail service),<sup>20</sup> very little recent growth in the area,<sup>21</sup> minimal impact upon the community, and the expected financial savings,<sup>22</sup> the Postal Service issued the Final Determination.<sup>23</sup> Regular and effective postal services will continue to be provided to the Kettlersville community in a cost-effective manner upon implementation of the final determination.

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

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<sup>18</sup> A copy of the round-date stamped Final Determinations posted at the Botkins and Anna Post Office were not included in the Administrative Record filed on November 14, 2011. These documents are being filed with the Commission under separate cover.

<sup>19</sup> Item No. 18, Form 4920: Fact Sheet.

<sup>20</sup> FD at 2; Item No. 33, Proposal, at 2; Item No. 44, Revised Proposal, at 2.

<sup>21</sup> Item No. 16, Community Survey Sheet.

<sup>22</sup> FD at 9; Item No. 33, Proposal, at 9, Item No. 41, Revised Proposal, at 10.

<sup>23</sup> FD at 2-10.

Petitioner Kaminsky, in his letter of appeal, raises the issue of the effect on postal services of the Kettlersville Post Office's closing, noting the convenience of the Kettlersville Post Office and requesting its retention. The effect of the closing of the Kettlersville Post Office on the availability of postal services to Kettlersville residents was considered extensively by the Postal Service. FD at 2-10; Item No. 33, Proposal, at 2-9; Item No. 41, Revised Proposal, at 2-10. Upon 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 be available from the carrier to a roadside mailbox located close to customer residences. FD at 4, Item No. 21, Notice to Customers, at 5; Item No. 33, Proposal, at 4; Item No. 41, Revised Proposal, at 4. Customers opting for carrier service will not have to pay post office box fees and will receive a pro-rated refund on fees already paid. FD at 2 and 7.

Most transactions do not require meeting the carrier at the mailbox. Stamps by Mail and Money Order Application forms are available for customer convenience. FD at 4; Item No. 33, Proposal, at 4; Item No. 41, Revised Proposal, at 4. Stamps are also available at many stores and gas stations where customers may already shop, online at usps.com, or by calling 1-800-STAMP-24. FD at 4; Item No. 33, Proposal, at 4; Item No. 41, Revised Proposal, at 4.

The Postal Service explained that carrier service is even beneficial for senior citizens and those who face special challenges. FD at 4-5, Item No. 41, Revised Proposal, at 4-5. Customers will have access to their mail receptacles near their

residences. Special provisions can be made for hardship cases or special customer needs. FD at 5, Item No. 41, Revised Proposal, at 5.

Petitioner Kaminsky raises the issue of the Kettlersville community not being suitable for rural mailbox delivery. The Postal Service explained that in order for a road to be approved for delivery, the road traveled must be maintained at all times of the year, it cannot be a dead end in a private driveway, and there must be a suitable turning point for the carrier preferably without backing. FD at 6; Item 33, Proposal, at 5; Item No. 41, Revised Proposal, at 6. While there are several guidelines which must be met prior to a road being approved for delivery<sup>24</sup>, there is nothing in the record to the effect that the entire Kettlersville community is unsuitable for mailbox delivery, or that the Postal Service will be compelled to install CBUs to accommodate the change in service.<sup>25</sup>

With respect to the Petitioner's mail security concerns, the Postal Service explained that customers may place a lock on their mailboxes. However, the mailbox must have a slot large enough to accommodate the customer's normal daily mail volume. FD at 4; Item No. 33, Proposal, at 4; Item No. 41, Revised Proposal, at 4. For purposes of protecting customer's security, the Postal Service will not open mailboxes which are locked nor will it accept keys. FD at 4; Item No. 33, Proposal, at 4; Item No. 41, at 4. The Postal Service also undertook to query law enforcement about security risks. Specifically, a questionnaire was sent to the Postal Inspection service concerning mail theft and vandalism. Postal Inspection Service records indicate that there has been

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<sup>24</sup> FD at 6

<sup>25</sup> The discontinuance coordinator advises that the Kettlersville community is suitable for mailbox delivery.

no report of mail theft or vandalism in the area. Item No. 14, Inspection Service/local law enforcement vandalism reports.

Petitioner Kaminsky also raises concerns about the effect that carrier service will have on the delivery time of mail. According to the Petitioner, the carrier will have to service delivery points that are not on the main route. The Postal Service is required to provide each community with regular and effective service, using the most cost efficient means possible. FD at 3; Item No. 33, Proposal, at 3; Item No. 41, Revised Proposal, at 4. Careful thought goes into structure of each route. FD at 4; Item No. 41, Revised Proposal, at 4. Carriers strive to provide service at approximately the same time on a daily basis; however, mail volume and weather conditions often affect delivery times. FD at 2; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2. Therefore, when structuring a route, the Postal Service will balance its goal of delivering as much mail as possible, as early as possible, with the need to minimize travel distance a route must cover. FD at 4; Item No. 41, Revised Proposal, at 4. If customers desire special services from the rural carrier, they may leave a note in their mailbox instructing the carrier to sound his horn, and then meet the carrier to receive services. FD at 2; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

The Postal Service has considered the impact of closing the Kettlersville Post Office upon the provision of postal services to Kettlersville customers. Rural route delivery to mailboxes installed on the carrier's line of travel provides similar access to retail service, thereby alleviating the need to travel to the Post Office for most

transactions.<sup>26</sup> Thus, the Postal Service properly concluded that all Kettlersville 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 Kettlersville Community**

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

Kettlersville is an incorporated rural community located in Shelby County. The Sidney County Sheriff's Department provides police protection. The community is administered politically by Kettlersville Village Council, with fire protection provided by the Van Buren Township Fire Department. The questionnaires completed by Kettlersville customers indicate that, in general, the retirees, self-employed, commuters, and others who reside in Kettlersville must travel elsewhere for other supplies and services. See generally FD at 7; Item No. 22, Returned customer questionnaires and Postal Service response letters.

The Petitioner's letter of appeal raises the issue of the effect of the closing of the Kettlersville Post Office upon the Kettlersville community. This issue was extensively considered by the Postal Service, as reflected in the administrative record. FD at 7-9;

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<sup>26</sup> FD at 10; Item No. 33, Proposal, at 9; Item No. 41, Revised Proposal, at 10.

Item No. 33, Proposal, at 7-8; Item No. 41, Revised Proposal, at 8-9. 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 8; Item No. 33, Proposal, at 8; Item No. 41, Revised Proposal, at 9. The Postal Service is helping to preserve community identity by continuing the use of the Community name and ZIP Code in addresses. FD at 8; Item No. 33, Proposal, at 8; Item No. 41, Revised Proposal, at 9. Additionally, the Postal Service noted that residents may continue to meet informally, socialize, and share information at the other businesses, churches and residences in town. FD, at 8; Item No. 33, Proposal, at 8; Item No. 41, Revised Proposal, at 9.

Communities generally require regular and effective postal services and these will continue to be provided to the Kettlersville community. Given the fact that minimal population growth is expected, carrier service is expected to accommodate any future growth of the Kettlersville community. Item No. 16, Community Fact Sheet. In addition, the Postal Service has concluded that nonpostal services provided by the Kettlersville Post Office can be provided by the Anna Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 8; Item No. 33, Proposal, at 7; Item No. 41, Revised Proposal, at 8.

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 Kettlersville Post Office on the community served by the Kettlersville 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 rural route carrier service would cost the Postal Service substantially less than maintaining the Kettlersville Post Office and would still provide regular and effective service.<sup>27</sup> The estimated annual savings associated with discontinuing the Kettlersville Post Office are \$40,645.00.<sup>28</sup>

Petitioner questions the replacement costs. The Postal Service appropriately applied its standard financial analysis which takes into account the following cost drivers: the number of additional boxes to be added to the rural route; the additional volume that may be expected per additional box; the number of additional miles to be added to the route; and the total additional annual hours that will be required to service the route. Item No. 17, Alternative Service Options/Cost Analysis. The Postal Service concluded that no additional CBUs or parcel lockers will be needed to extend carrier service. Item No. 15, Post Office Survey Sheet, at 2.<sup>29</sup> The Postal Service's approach is both defensible and reasonable; moreover it is efficient while adding comparability across discontinuance studies.

Petitioner states that the numbers used for the salary figure of the Postmaster in are incorrect. Petitioner contends that if the Postal Service used the actual wages paid

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<sup>27</sup> Item No. 21, Letter to Customer.

<sup>28</sup> FD at 9, Item No. 33, Proposal at 9; Item No. 41, Revised Proposal, at 10.

<sup>29</sup> The coordinator explains that if customers prefer cluster box units (CBUs), they would be installed at the Postal Service's expense; however, the working assumption in the analysis of replacement costs was that mailboxes would be sufficient. Thus, the Rural Route Cost Analysis Form assumes that CBUs will not be purchased. To the extent that CBUs are installed, the expense would be minimal, and would not outweigh the savings associated with the FD.

to the Officer in Charge (OIC) instead of the national average, the financial figure for wages and benefits would be much lower. 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 those savings annually in the future. If the Kettlersville 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.

Petitioner alludes to legal requirements prohibiting the closure of small Post Offices on grounds of deficit operations. Here, however, a variety of factors inform the decision to discontinue the Kettlersville Post Office, including a postmaster vacancy, minimal workload, declining office revenue,<sup>30</sup> the variety of delivery and retail options (including the convenience of rural delivery and retail service),<sup>31</sup> very little projected growth in the area,<sup>32</sup> minimal impact upon the community, and the expected financial savings.<sup>33</sup> 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 Kettlersville Post Office’s workload and revenue. The consideration of an office’s

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<sup>30</sup> Item No.18, Form 4920: Fact Sheet.

<sup>31</sup> FD at 2; Item No. 33, Proposal, at 2; Item No. 44, Revised Proposal, at 2.

<sup>32</sup> Item 16, Community Survey Sheet.

<sup>33</sup> FD, at 9; Item 33, Proposal, at 9; Item No. 41, Revised Proposal, at 10. .

workload and 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.

Lastly, both Petitioners contend that the building which houses the Kettlersville Post Office is only 10 years old, and to abandon it now would be a poor use of funding. Although the Postal Service does own the building in which the Post Office is located, it is leasing the land at a cost of \$2,400.00 annually. FD at 9; Item No. 33, Proposal, at 9; Item No. 41, Revised Proposal, at 10. By implementing carrier service, the Postal Service will reduce its lease expenses. While this is only a fraction of the annual savings the Postal Service estimates to gain, the long term savings promote sustainability of the Postal Service.

In conclusion, the Postal Service determined that carrier service is more cost-effective than maintaining the Kettlersville postal facility and postmaster position.<sup>34</sup> 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).

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<sup>34</sup> FD at 8; Item No. 33, Proposal, at 8; Item No. 41, Revised Proposal, at 9.

## **Effect on Employees**

As documented in the record, the impact on postal employees is minimal. The postmaster retired on July 31, 2009. A noncareer employee from a neighboring office was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, attempts will be made to reassign the employee to a nearby post facility. The record shows that no other employee would be affected by this closing.<sup>35</sup> Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Kettlersville 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 Kettlersville Post Office on the provision of postal services and on the Kettlersville 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 Kettlersville customers.<sup>36</sup> The Postal Service respectfully submits that this conclusion is consistent with and supported by the

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<sup>35</sup> FD at 9; Item No. 33, Proposal, at 9; Item No. 41, Revised Proposal, at 10.

<sup>36</sup> FD at 10.

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 Kettlersville Post Office should, accordingly, be affirmed.

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

Respectfully submitted,

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