

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

In the Matter of:
Elmo Post Office
Elmo, Missouri 64445

Docket No. A2012-48

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(December 23, 2011)

On November 2, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked October 26, 2011, from postal customer Joyce Ecker objecting to the discontinuance of the Post Office at Elmo, Missouri. On November 16, 2011, the Commission issued Order No. 971, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). On December 6, 2011, Ms. Ecker filed a Participant Statement in support of the petition; on December 7, 2011, postal customer and retired postmaster Beverly Kent filed a Participant Statement in support of the petition; and on December 8, 2011, postal customer Wilma Bayless filed a Notice of Intervention.¹ (Collectively, the Postal Service shall refer to Ms. Ecker, Ms. Kent, and Ms. Bayless as "Petitioners."). Postal customers Larry and Sharron Ecker filed a Letter in this appeal on December 21, 2011. The administrative record was filed with the Commission on November 18, 2011.

The appeal received by the Commission raises four issues concerning the discontinuance: (1) an allegation of factual errors contained in the Final Determination,

¹ The filing by Wilma Bayless was docketed as a Notice of Intervention on December 8, 2011, one day after Participant Statements were due in this appeal. However, this filing raises the same issues identified by the Participant Statements in support of the petition and functions as a Participant Statement in this appeal.

(2) the impact on the provision of postal services, (3) the impact on the community, and (4) the calculation of economic savings expected to result from discontinuing the Elmo 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,² the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Elmo Post Office should be affirmed.

Background

The Final Determination To Close the Elmo, MO, Post Office and Extend Rural Route Service (FD), as well as the administrative record, indicate that the Elmo Post Office provides EAS-53 level service to 38 Post Office Box customers, no general delivery customers, and retail customers 22 hours per week. FD at 1; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.³ The postmaster of the Elmo Post Office retired on October 4, 2008.⁴ A noncareer employee from a neighboring office was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, the noncareer OIC will be offered a similar position in another Post Office if available.⁵ The average number of daily retail window transactions at the Elmo Post Office is 11. Revenue has generally

² See 39 U.S.C. 404(d)(2)(A).

³ In these comments, specific items in the administrative record are referred to as "Item No. ____."

⁴ Item No. 18.

⁵ Item No. 15.

been low: \$9294 in FY 2008; \$9816 in FY 2009; and \$9295 in FY 2010.⁶ The Elmo Post Office has no meter and no permit customers.⁷

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Burlington Junction Post Office,⁸ an EAS-13 level office located 12.5 miles away, which has 86 available Post Office Boxes.⁹ This service will continue upon implementation of the FD.¹⁰

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Elmo 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 FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Elmo Post Office. Questionnaires were also available over the counter for retail customers at Elmo.¹¹ A letter from the Manager of Post Office Operations, Kansas City, MO, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Elmo Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Burlington Junction Post Office. The letter invited customers to complete and return a customer questionnaire and to express

⁶ Item No. 18.

⁷ Id.

⁸ The Burlington Junction 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=>.

⁹ Item No. 18.

¹⁰ FD at 1.

¹¹ FD at 1; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Elmo Post Office, at 1.

their opinions about the service they were receiving and the effects of a possible change involving rural route delivery.¹² 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 Elmo Post Office for a community meeting on June 21, 2011,¹³ to answer questions and provide information to customers.¹⁴ Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Elmo Post Office, the Clearmont Post Office,¹⁵ and the Burlington Junction Post Office from July 20, 2011, to September 20, 2011.¹⁶ The FD was posted at the same Post Offices starting on October 12, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.¹⁷

In light of the postmaster vacancy, a minimal workload, low office revenue,¹⁸ the variety of delivery and retail options (including the convenience of rural delivery and retail service),¹⁹ no projected growth in the area,²⁰ minimal impact upon the community, and the expected financial savings,²¹ the Postal Service issued the FD.²² Regular and

¹² Item No. 21.

¹³ This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

¹⁴ Item No. 24.

¹⁵ The Clearmont Post Office is 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=>

¹⁶ Item No. 32.

¹⁷ Item No. 38 at 2-4.

¹⁸ Item No. 18.

¹⁹ Item No. 33.

²⁰ Item No. 16.

²¹ Item Nos. 17 and 33.

²² FD at 5-7.

effective postal services will continue to be provided to the Elmo community in a cost-effective manner upon implementation of the final determination.²³

As an initial matter, the claim by Petitioners that the Postal Service made factual errors regarding the number of nearby post offices listed in the Proposal and Final Determination is unsupported. See Item 33 at 2 (“There are 8 other post offices within a 12.5 mile radius.”); FD at 2 (same). Although some nearby post offices are located across state lines in Iowa, the Post Office Locations near 64445 support the claim that 8 other post offices are located within 12.5 miles of the Elmo Post Office. See Item 4, Post Office Locations, at 1 (showing map listing Clearmont, Burlington Junction, Braddyville, College Springs, Blanchard, Shambaugh, Westboro, and Coin post offices within 12.5 miles of the Elmo Post Office).

Each of the remaining issues raised by the Petitioners 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 Elmo Post Office on postal services provided to Elmo customers. The closing is premised upon providing regular and effective postal services to Elmo customers. Upon implementation of the Final Determination, service will be extended to all postal customers on the rural carrier’s line of travel, so that customers do not have to make a special trip to the Post Office for service. Various options exist for the shipping of

²³ FD at 1.

packages, which are explained on www.usps.com. If internet access is available, the Postal Service's Click-N-Ship service enables customers to print shipping labels with postage for Express Mail and Priority Mail. Carrier pickup is available, which allows for scheduling the pickup of packages at the same time the carrier delivers the mail. In addition, the Burlington Junction Post Office can provide answers to questions about possible options for the shipping of packages from an Elmo address.

The Petitioners raise the issue of the effect on postal services of the Elmo Post Office's closing, noting the convenience of the Elmo Post Office and requesting its retention. Petitioners expressed particular concern about later delivery of mail by rural carrier service and having to travel to other post offices for retail services. Each of these concerns was considered by the Postal Service.

The Elmo Post Office has reduced hours because of the lack of mail volume and window transactions at the Elmo Post Office.²⁴ The Postal Service determines postmaster level and Post Office service hours by analyzing the workload of a Post Office. The Elmo office qualifies for 22 hours of service weekly to 38 Post Office Box and no general delivery customers.²⁵ The Elmo Post Office has an average of 11 daily retail window transactions.²⁶ Upon the implementation of the final determination, delivery and retail services will be provided by rural route delivery emanating from the Burlington Junction Post Office. The window service hours of the Burlington Junction Post Office are from 8:00 a.m. to 11:30 a.m. and 1:00 p.m. to 4:15 p.m., Monday

²⁴ Item No. 36.

²⁵ Item Nos. 9 & 15.

²⁶ Item No. 18.

through Friday, and 8:00 a.m. to 9:30 a.m. on Saturday.²⁷ In addition, customers opting for carrier service will have 24-hour access to their mail.²⁸

Petitioners in this appeal question whether the rural route carrier will deliver late in the day. The effect of the closing of the Elmo Post Office on delivery times was considered extensively by the Postal Service as explained in the FD itself.²⁹ Postmasters monitor mail volume to determine and correct any delays in mail delivery. Further, the Postal Service took into consideration the additional work load for the carrier service and does not expect any delays in delivery times.³⁰ Petitioners also contend that the discontinuance of the Elmo Post Office will cause a hardship for senior citizens, requiring them to travel greater distances to obtain postal services. Carrier service is beneficial to many senior citizens and those who face special challenges because it allows them to obtain some postal services without having to travel to the Post Office for service.³¹ In hardship cases, delivery can be made to the home of a customer.³²

Services are also available for those customers who do not have computers, an additional concern identified by Petitioners. Stamps by Mail and Money Order Application forms are available for customer convenience, and stamps are also available at many stores and gas stations, or by calling 1-800-STAMP-24.³³ Customers can also request special services, such as certified, registered, or Express mail, delivery

²⁷ Id.

²⁸ FD at 6.

²⁹ FD; Item No. 33.

³⁰ Item No. 23 at 3-4; Item No. 40 at 3; FD at 3-4.

³¹ Item No. 33 at 3-5.

³² Id.

³³ FD at 3; Item No. 33 at 3.

confirmation, signature confirmation, and COD, from the carrier, who will estimate cost, provide a receipt, and bring change or a bill for the remaining amount the next delivery day (or the customer may leave a note with the appropriate payment and the carrier will leave a receipt the next day).³⁴

The Postal Service has considered the impact of closing the Elmo Post Office upon the provision of postal services to Elmo customers. Rural route delivery provides similar access to retail service, while alleviating the need to travel to the Post Office.³⁵ Thus, the Postal Service properly concluded that all Elmo customers will continue to receive regular and effective service via extended rural route delivery.

Effect Upon the Elmo Community

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

Elmo is an unincorporated rural community located in Nodaway County. The Nodaway County Sheriff's Department provides police protection. The community is administered politically by the City of Elmo, with fire protection provided by the Elmo Fire Department.³⁶ Two churches and a number of businesses are located in the Elmo

³⁴ FD at 2 & 4; Item No. 33 at 2 & 4.

³⁵ Item No. 33.

³⁶ Item 16.

community.³⁷ The questionnaires completed by Elmo customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Elmo must travel elsewhere for other supplies and services.³⁸

The Petitioner's letter of appeal raises the issue of the effect of the closing of the Elmo Post Office upon the Elmo community. This issue was extensively considered by the Postal Service, as reflected in the administrative record.³⁹ Communities generally require regular and effective postal services and these will continue to be provided to the Elmo community. The Postal Service noted that residents may continue to meet informally, socialize, and share information at the other businesses, churches and residences in town.⁴⁰ Furthermore, Petitioner Ecker's returned customer questionnaire provides record evidence supporting the vitality of the Elmo community separate and apart from the Elmo Post Office.⁴¹

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 Elmo Post Office on the community served by the Elmo 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). Economic

³⁷ Item No. 18.

³⁸ See generally FD at 7; Item Nos. 22 & 38, Returned customer questionnaires and Postal Service response letters.

³⁹ FD at 7-9; Item No. 33 at 6-8.

⁴⁰ FD at 7; Item No. 33 at 7.

⁴¹ See generally Item No. 22 at 48 (noting monthly events at the recently refurbished Elmo Community Center and an annual town Independence Day parade drawing attendance from nearby communities).

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. The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Elmo Post Office and would still provide regular and effective service.⁴² The estimated annual savings associated with discontinuing the Elmo Post Office are \$15,984.00.⁴³

The Petitioners suggest various strategies to increase business or reduce cost at the Elmo Post Office. In particular, Petitioner Ecker, as lessor of the facility occupied by the Elmo Post Office, offered to forgo the collection of annual rent from the Postal Service; however, as the Postal Service explained in the Proposal and Final Determination, this option is not feasible because the Postal Service could not lease the facility if it were not paying rent. See FD at 2; Item 33 at 2. Furthermore, even assuming the Postal Service could discount the annual cost of rent (\$3,000) in its calculation of economic savings, the Postal Service would still realize a total annual savings of \$12,964. See FD at 10; Item 33 at 9.

Petitioners also question the use of a career employee's salary in the economic savings calculation. 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 Elmo Post Office closes, one career slot will be eliminated. If the Post Office is not discontinued, that slot would have been filled with a

⁴² Item No. 21.

⁴³ Item No. 33 at 9.

career employee, and the salary and benefits to be paid would be as shown for a postmaster.

Petitioners also criticize the Postal Service for failing to account for costs borne by customers to travel to other Post Offices. Such costs are not, however, required to be included in the economic savings calculation. In this case, the Postal Service appropriately applied its financial analysis to calculate the economic savings, as the pertinent statute requires that the “economic savings *to the Postal Service*” be factored in the savings calculation. See 39 USC 404(d)(2)(A)(iv) (emphasis supplied). The Postal Service determined that carrier service is more cost-effective than maintaining the Elmo postal facility and postmaster position.⁴⁴ 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 October 4, 2008. A noncareer employee from a neighboring office was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, the noncareer OIC will be offered the same position at a nearby Post Office if available. The record shows that no other employee would be affected by

⁴⁴ FD at 5.

this closing.⁴⁵ Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Elmo 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 Elmo Post Office on the provision of postal services and on the Elmo 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 Elmo customers.⁴⁶ 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 Elmo Post Office should, accordingly, be affirmed.

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

Respectfully submitted,

⁴⁵ Item No. 15.

⁴⁶ FD at 7.

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December 23, 2011