

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

In the Matter of:
LaFayette Post Office
LaFayette, Kentucky 42254

Docket No. A2012-51

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(December 27, 2011)

On November 3, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked October 17, 2011, from Ellin Francis, Mayor of the LaFayette ("Petitioner"), objecting to the discontinuance of the Post Office at LaFayette, Kentucky. On November 18, 2011, the Commission issued Order No. 980, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Notice of Filing and Order No. 980, the administrative record was filed with the Commission on November 18, 2011. Petitioner filed supplemental comments in support of the petition on December 8, 2011.

The appeal received by the Commission on November 3, 2011, and the supplemental comments filed on December 8, 2011, raise two main issues: (1) impact on effective and regular postal services to the community, and 2) factual errors in the Final Determination. As reflected in the administrative record of this proceeding, the Postal Service gave serious consideration to the impact on effective and regular postal services. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,¹ the Postal Service gave consideration to a number of other

¹ See 39 U.S.C. 404(d)(2)(A).

issues, including the impact upon the community and upon postal employees. Furthermore, only one factual error was identified and it is not significant to the factors the Postal Service is required to consider in a discontinuance action. Accordingly, the determination to discontinue the LaFayette Post Office should be affirmed.

Background

The Final Determination to Close the LaFayette, Kentucky Post Office and Continue to Provide Service by Rural Route Service ("FD"), see Item 47², as well as the administrative record, indicate that the LaFayette Post Office provides EAS-55 level service to 91 Post Office Box customers and 91 delivery customers. Item 47, FD at 2, 9; Item 9, Workload Service Credit Worksheet; Item 13, OIC Response to Request for numbers; Item 18, Form 4920, Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet") at boxes 11.c. and 13; Item 42, Revised Fact Sheet at boxes 11.c. and 13. The postmaster of the LaFayette Post Office retired on August 29, 2009. Item 47, FD at 2, 8-9; Item 18, Fact Sheet at box 11.a.; Item 42, Revised Fact Sheet at box 11.a. Since then, a non-career employee was installed as the temporary officer-in-charge (OIC). Item 47, FD at 2, 8-9. Upon implementation of the final determination, the noncareer employee serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby postal facility. Item 47, FD at 8-9. The average number of daily retail window transactions at the LaFayette Post Office is five, accounting for approximately five minutes of work each day. Item 47, FD at 2; Item 10, Window Transaction Survey; Item 18, Fact Sheet at box 13.h.; Item 42, Revised Fact Sheet at box 13.h. Revenue has generally been low:

² In these comments, specific items in the administrative record are referred to as "Item ____."

\$11,966.00 in FY 2008 (31 revenue units); \$11,764.00 in FY 2009 (31 revenue units); and \$11,810.00 in FY 2010 (31 revenue units). Item 47, FD at 2; Item 18, Fact Sheet; Item 42, Revised Fact Sheet. The LaFayette Post Office has no permit or meter customers. Item 47, FD at 2, 9; Item 15, Post Office Survey Sheet at No. 6; Item 18, Fact Sheet at boxes 14. f. and g.; Item 42, Revised Fact Sheet at boxes 14. f. and g. The projected annual household growth rate is 1.41%. Item 16, Community Survey Sheet. The Postal Service estimates annual savings through closure of the LaFayette Post Office in the amount of \$26,945.00. Item 47, FD at 8; Item 33, Proposal at 9; Item 41, Revised Proposal at 9. This savings amount includes the annual cost of \$1,925 based on the current Ground Lease for the premises. Item 47, FD at 8; Item 33, Proposal at 9; Item 41, Revised Proposal at 9. The Ground Lease, which expires in August 2014, allows the Postal Service to terminate the Lease on thirty days' notice. Item 15, Post Office Survey Sheet; Item 18, Fact Sheet at box 16.a; Item 42, Revised Fact Sheet at box 16.a.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered³ by the Hopkinsville Post Office³, an EAS-21 level office located approximately eighteen miles away, which has forty available Post Office Boxes. Item 47, FD at 2, 9; Item No. 18, Fact Sheet at box 19; Item 33, Proposal at 2, 9; Item 41, Revised Proposal at 2, 9; Item 42, Revised Fact Sheet at box 19. Customers will receive delivery to rural boxes or CBUs at their 911 assigned addresses. Item 47, FD at 26, 9; Item 33, Proposal at 2-6, 9; Item 41, Revised Proposal at 2-6, 9. This service will begin upon implementation of the FD. Item 47, FD

³ The Hopkinsville Post Office is not under consideration for discontinuance at this time.

at 2, 5. In addition, customers can also opt to receive Post Office Box service at the Hopkinsville Post Office, or at the Herndon Post Office,⁴ which is located seven miles away and has 28 Post Office boxes available. Item 47, FD at 2; Item 33, Proposal at 2; Item 41, Revised Proposal at 2. Retail service is available at the Hopkinsville Post Office from 9 a.m. to 5:00 p.m., Monday through Friday, and from 9 a.m. to noon on Saturday. Item 47, FD at 2; Item No. 18, Fact Sheet at box 19; Item 33, Proposal at 2; Item 41, Revised Proposal at 2; Item 42, Revised Fact Sheet at box 19. Retail service is also available at the Herndon Post Office from 7:30 a.m. to 4:00 p.m. Monday through Friday, and from 7:30 a.m. to 9:30 a.m. on Saturday. Item 47, FD at 2; Item No. 18, Fact Sheet at box 20; Item 33, Proposal at 2; Item 41, Revised Proposal at 2; Item 42, Revised Fact Sheet at box 20.

The Postal Service followed the proper procedures, which led to the posting of the FD. All issues raised by the customers of the LaFayette Post Office were considered and properly addressed by the Postal Service. See Item 47, FD at 2-7. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. First, notice and questionnaires were distributed to delivery customers of the LaFayette Post Office. Item 47, FD at 2; Item 20, Letter to OIC; Item 21, Letter and Questionnaire to Customer; Item No. 22, Returned Questionnaires. Questionnaires were also available over the counter for retail customers at the LaFayette Post Office. Item 47, FD at 2; Item No. 20, Letter to OIC. In the letter from the Manager, Post Office Operations, which was mailed and made available to postal customers, customers were advised that the Postal

⁴ The Herndon Post Office is not under consideration for discontinuance at this time.

Service was evaluating whether the continued operation of the LaFayette Post Office was warranted, and that effective and regular service could be provided through highway contract and rural route delivery administered by the Hopkinsville Post Office and retail services available at the Hopkinsville and Herndon Post Offices. Item 21, Letter. The letter invited customers to attend the community meeting, complete and return a customer questionnaire, and express their opinions about the service that they were receiving and the effects of a possible change involving highway contract and rural route delivery. Id. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item 22.

Representatives from the Postal Service were available at the LaFayette Baptist Church for a community meeting on June 9, 2011, to answer questions and provide information to customers.⁵ Item 47, FD at 2; Item 21, Letter to Customers; Item 24, Community Meeting Roster; Item 25, Community Meeting Analysis; Item 26, Letter to Customer; Item 33, Proposal at 2; Item 41, Revised Proposal at 2. Fifty-nine customers attended the meeting. Item 24, Community Meeting Roster; Item 47, FD at 2. At the community meeting and in response to the returned customer questionnaires, the Postal Service also indicated that it was actively seeking a partnership with a local business to operate a Village Post Office (“VPO”). Item 22, Returned Questionnaires and responses; Item 25, Customer Community Meeting Analysis. The current OIC identified the local hardware store as a potential location for the VPO. Item 13, OIC Response to Request for numbers; Item 15, Post Office Survey Sheet at 11.

⁵ The LaFayette, Kentucky discontinuance action was processed under former Handbook PO-101.

Customers received formal notice of the Proposal and FD through postings at nearby facilities. Item 31, Letter to OIC on posting Proposal; Item 32, Invitation for Comments; Item 36, Round-date stamped Proposals ; Item 48, Letter to OIC on posting FD; Item 49, Round-date stamped FDs. The Proposal was posted with an invitation for public comment at the LaFayette Post Office, the Hopkinsville Post Office, and the Herndon Post Office from June 24, 2011 to August 25, 2011. Item 47, FD at 2; Item 32, Invitation for Comments; Item 36, Round-date stamped Proposals. The FD was posted at the same Post Offices from October 7, 2011 to November 8, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record. Item 48, Letter to OIC on posting FD; Item 49, Round-date stamped FDs.

In light of the facts that were discovered during the investigation and which are cited above, including the postmaster vacancy, minimal workload, low office revenue, the variety of delivery and retail options (including the convenience of rural delivery and retail service), the potential for a Village Post Office, very little recent growth in the area, minimal impact upon the community, and the expected financial savings, the Postal Service issued the FD, concluding that the LaFayette Post Office would be closed. See Item 47, FD. Regular and effective postal services will continue to be provided to the LaFayette community in a cost-effective manner upon implementation of the final determination. Item 47, FD at 2, 9.

Each of the issues raised by the Petitioner is addressed in the paragraphs that 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 LaFayette Post Office on postal services provided to LaFayette, Kentucky customers. The closing is premised upon providing regular and effective postal services to LaFayette customers through alternate means.

The Petitioner, in the letter of appeal and supplemental comments, raises the issue of the effect of the LaFayette Post Office's closing on postal services and requests its retention. The Petitioner expresses particular concern that no business in town has agreed to set up a Village Post Office, and the inconvenience of traveling seven miles to the next nearest Post Office to obtain postal services.

In the Proposal and FD, the Postal Service indicated that it was actively looking for a partnership with a business in the LaFayette community to operate a Village Post Office. Item 47, FD at 2; Item 33, Proposal at 2; Item 41, Revised Proposal at 2. A Village Post Office could provide retail services, such as stamp sales and Priority shipping, as well as delivery service by serving as a location for Post Office boxes. Item 47, FD at 2, 5; Item 33, Proposal at 2, 5; Item 41, Revised Proposal at 2, 5. The Postal Service continues to pursue this option.

The Proposal and FD demonstrate that even without a Village Post Office, the customers in LaFayette, Kentucky will still have access to regular and effective postal services. With respect to incoming mail delivery, customers will receive delivery to rural boxes or CBUs at their 911 assigned address. Item 47, FD at 2-6, 9; Item 33, Proposal at 2-6, 9; Item 41, Revised Proposal at 2-6, 9. This service will begin upon

implementation of the FD. Item 47, FD at 2, 9. The Postal Service explained that roadside rural mailboxes may be beneficial and convenient for senior citizens or other customers who face challenges picking up their mail. Item 47, FD at 2-5, 9; Item 33, Proposal at 2-3; Item 41, Revised Proposal at 2-3. Customers concerned about the security of their mail delivered to rural boxes may place a lock on the mailbox so long as the mailbox has a slot large enough to accommodate the customers' mail.⁶ Item 47, FD at 5. In addition, customers may also opt to receive Post Office Box service at the Hopkinsville Post Office, located approximately eighteen miles away, which has forty available Post Office Boxes, or at the Herndon Post Office, located seven miles away, which has 28 Post Office boxes available. Item 47, FD at 2; Item No. 18, Fact Sheet at box 19; Item 33, Proposal at 2; Item 41, Revised Proposal at 2; Item 42, Revised Fact Sheet at box 19. Therefore, LaFayette customers will have regular and effective delivery options.

With respect to retail services and outgoing mail, the Postal Service considered and addressed the alternatives for purchasing stamps, money orders, and special services. Item 47, FD at 2-6; Item 33, Proposal at 2-5; Item 41, Revised Proposal at 2-5. In the Letter to Customers that accompanied the initial investigation questionnaires, as well as in the Proposal and FD, the Postal Service explained that with respect to retail services currently provided at the LaFayette Post Office, such services will be available from the rural carrier, so that customers will not have to travel to another post office for service. Item 21 at 2; Item 47, FD at 2-6, 9; Item 33, Proposal at 2-6, 9; Item

⁶ The record demonstrates that there are currently 91 delivery customers and there have been no reports of mail theft or vandalism in the LaFayette area. Item 47, FD at 2; Item 14, Response to Request for reports of mail theft or vandalism.

41, Revised Proposal at 2-6, 9. Most transactions do not require meeting the carrier at the mailbox. Id. For example, special services such as certified, registered, Express Mail, delivery confirmation, signature confirmation, and COD may be handled by the carrier by leaving a note in the mailbox, along with the appropriate payment. Id. The carrier will provide the services that day and leave a customer receipt in the mailbox on the next delivery day. Id. In addition, Stamps by Mail and Money Order Application forms are available for customer convenience. Id. Through the Stamps by Mail program, customers have the ability to purchase stamps (including commemorative and collectibles), envelopes and postal cards by addressing the postage paid order form, enclosing payment by personal check or money order, and mailing it or leaving it in their mailbox for carrier pick up. Id. Most Stamp by Mail orders are processed overnight, and some are processed immediately. Id. The Postal Service further explained that stamps are available at many stores and gas stations where customers may already shop, and by calling 1-800-STAMP-24. Id. Finally, the customers of LaFayette will have access to the Hopkinsville Post Office, which is located approximately eighteen miles away, and the Herndon Post Office, which is approximately seven miles away, if they prefer to conduct their postal business in person at a Post Office. Item 4, Highway map; Item 47, FD at 2, 9; Item 33, Proposal at 2, 9; Item 41, Revised Proposal at 2, 9.

To summarize, the Postal Service has considered the impact of closing the LaFayette Post Office upon the provision of regular and effective postal services, including the delivery and security of incoming mail and the access to services, on LaFayette customers. Customers will receive incoming mail at a rural mailbox or CBUs, both of which provide a secure receptacle for mail delivery. Customers may also opt to

have Post Office box service at a nearby Post Office. Customers will have a variety of retail options for outgoing mail through the rural carrier, by phone, on-line, and at nearby Post Offices. As a result, the Postal Service has properly concluded that the LaFayette customers will continue to receive regular and effective service, including for outgoing packages and incoming mail, via rural route delivery and nearby Post Office locations upon the closure of the LaFayette Post Office.

Effect upon the LaFayette Community

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

LaFayette is an incorporated community located in Christian County, Kentucky. Item 47, FD at 7. Police protection is provided by the Christian County Sheriff. Id. Fire protection is provided by the LaFayette Volunteer Fire Department. Id. The community is comprised of retirees, commuters, the self-employed, farmers, and those who commute to work at nearby communities and may work in local businesses. Id. The questionnaires completed by LaFayette Post Office customers indicate that, in general, those who reside in LaFayette must travel elsewhere for other supplies and services. See generally Item 22, Returned customer questionnaires.

While the decision to close the LaFayette Post Office was under consideration and in the Petitioner's letter of appeal and supplemental comments, Petitioner and other

customers raised the issue that the Postal Service had mistakenly identified the community as “unincorporated,” when in fact it is incorporated. Item 47, FD at 6-7. The Postal Service explained that the incorporated status of a town has no bearing on its requirements for postal services. Id. Rather, in making a determination whether or not to close a post office, the Postal Service considers the factors set forth in 39 U.S.C. §404(d)(2), which are addressed in the administrative record and in these comments.

While the decision to close the LaFayette Post Office was under consideration, customers also raised the issue of the effect of the closing upon their community identity and community services. The effect on the community was considered by the Postal Service, as reflected in the administrative record. Item 47, FD, at 6-8. The Postal Service acknowledged that while customers require regular and effective postal services, such services will always be provided to the community, whether through the rural carrier or the neighboring Post Office. Id. The Postal Service further explained that a community’s identity derives from the interest and vitality of its residents and their use of its name. Id. The Postal Service is helping to preserve this community’s identity by continuing to use the community name and ZIP Code in addresses. Id. The Postal Service explained that it is not supported by tax dollars and must meet expenses by revenue it generates. Id. The Postal Service expressed understanding with respect to concerns about the potential loss of a bus stop and community bulletin board, but noted that alternatives existed for such amenities. Id.

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 LaFayette Post Office on the community currently served by the LaFayette 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 LaFayette Post Office and would still provide regular and effective service. Item 47, FD at 8-9. The estimated annual savings associated with discontinuing the LaFayette Post Office are \$26,945. Item 47, FD at 8. This includes the annual cost of the Ground Lease for the premises of \$1,925. Id. The Ground Lease, which expires in August 2014, allows the Postal Service to terminate the Lease on thirty days' notice. Item 15, Post Office Survey Sheet; Item 18, Fact Sheet at box 16.a.

While the decision to close the LaFayette Post Office was under consideration, customers questioned the economic savings of the proposed discontinuance. Item 33, Proposal at 5; Item 41, Revised Proposal at 5; Item 47, FD at 5-6. The Postal Service explained that carrier service is more cost-effective than maintaining a postal facility and a postmaster position, and referred to its estimate of a positive annual savings. Id.

The economic savings have been calculated as required for discontinuance studies consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). Item 47, FD at 8. In the end, the Postal Service determined that rural carrier service is more effective than maintaining the LaFayette postal facility and postmaster position. Item 47, FD at 5-6, 8-9. The Postal Service's estimates are supported by record evidence, and are 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 August 29, 2009. Item 47, FD at 2, 8-9; Item 18, Fact Sheet at box 11.a.; Item 42, Revised Fact Sheet at box 11.a. Since then, a non-career employee was installed as the temporary officer-in-charge (OIC). Item 47, FD at 2, 8-9; Item 33, Proposal at 9; Item 41, Revised Proposal at 9. Upon implementation of the final determination, the noncareer employee serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby postal facility. Item 47, FD at 8-9. However, no other Postal Service employees will be adversely affected. Id. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the LaFayette 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 LaFayette Post Office on the provision of postal services and on the LaFayette 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 LaFayette customers. Item 47, FD at 9. 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 LaFayette Post Office should, accordingly, be affirmed.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel, Global Business & Service
Development
475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1135

Barbara H. Cioffi
Attorney

USPS Law Department
1720 Market Street, Room 2400
St. Louis, MO 63155-9948
(314) 345-5820
barbara.h.cioffi@usps.gov
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