

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

In the Matter of:

Fort Meade Post Office
Fort Meade, South Dakota 57741

Docket No. A2012-63

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(January 3, 2012)

On November 8, 2011, the Postal Regulatory Commission (“Commission”) received an appeal postmarked October 27, 2011, filed by Darla Burge and Glenda Hildebrand, objecting to the discontinuance of the Post Office at Fort Meade, South Dakota.¹ On November 10, 2011 and November 30, 2011, the Commission posted letters in opposition to the discontinuance from seventeen additional Fort Meade postal customers (collectively, with Ms. Burge and Ms. Hildebrand, “Petitioners”). On November 28, 2011, the Commission issued Order No. 1004, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 1004, the administrative record was filed with the Commission on November 23, 2011. On December 5, 2011, the Public Representative filed comments in this docket. The Public Representative concluded that “the Postal Service had adequately considered all requirements of 39 U.S.C. § 404(d), and advise[d] that the determination to close the Fort Meade post office be affirmed.”²

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

² Public Representative Comments (“Comments”) at 1.

The appeal and the Petitioners' letters raise two main issues: (1) the impact of the discontinuance on the provision of postal services, primarily to veterans utilizing the Fort Meade Campus of the Veterans Administration Black Hills Health Care System; and (2) the impact of the discontinuance on the Fort Meade community. 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,³ the Postal Service gave consideration to a number of other issues, including the economic savings from the discontinuance and the impact of the discontinuance upon postal employees. Accordingly, the determination to discontinue the Fort Meade Post Office should be affirmed.

Background

The Final Determination To Close the Fort Meade Post Office and Continue to Provide Service by Highway Contract Route Service ("Final Determination" or "FD"),⁴ as well as the administrative record, indicate that the Fort Meade Post Office provides EAS-11 level service to 71 Post Office Box customers and no carrier delivery customers.⁵ The postmaster of the Fort Meade Post Office retired on January 2, 2009.⁶ Since the postmaster vacancy arose, an officer-in-charge ("OIC") was installed to

³ See 39 U.S.C. 404(d)(2)(A).

⁴ 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 ____."

⁵ FD at 2; Item No. 18, Form 4920 - Post Office Closing or Consolidation Proposal Fact Sheet ("Post Office Fact Sheet") at 1; Item No. 41, Proposal to Close the Fort Meade, SD Post Office and Establish Service by Highway Contract Route Service (Revised) ("Revised Proposal") at 2.

⁶ FD at 2.

operate the office.⁷ The noncareer postmaster relief (“PMR”) serving as the OIC may be separated from the Postal Service; however, attempts will be made to reassign the OIC to a nearby facility.⁸ The average number of daily retail window transactions at the Fort Meade Post Office is 22, accounting for 25 minutes of workload daily.⁹ Revenue has declined: \$28,037 in FY 2008 (73 revenue units); \$25,809 in FY 2009 (67 revenue units); and \$23,191 in FY 2010 (60 revenue units).¹⁰

Upon implementation of the Final Determination, delivery and retail services will be provided by highway contract route service under the administrative responsibility of the Sturgis Post Office,¹¹ an EAS-20 level office located 2.5 miles away, which has 425 available Post Office Boxes.¹²

The Postal Service followed the proper procedures that led to the posting of the Final Determination. All issues raised by the customers of the Fort Meade 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

⁷ *Id.*

⁸ FD at 6; Item No. 41, Revised Proposal at 6.

⁹ FD at 2.

¹⁰ FD at 2; Item No. 18, Post Office Fact Sheet at 1; Item No. 41, Revised Proposal at 2.

¹¹ The Sturgis Post Office is not on the candidate list in the Retail Access Optimization Initiative (PRC Docket N2011-1).

¹² FD at 2; Item No. 18, Post Office Fact Sheet at 1; Item No. 41, Revised Proposal at 2. The administrative record indicates that the Sturgis Post Office is located one mile away from the Fort Meade Post Office (see, e.g., FD at 2), however, the Public Representative identified that the Sturgis Post Office is located 2.5 miles from the Fort Meade Post Office (Comments at 1).

were distributed to Post Office Box customers of the Fort Meade Post Office.¹³ Questionnaires were also available over the counter for retail customers at Fort Meade.¹⁴ A letter from the Manager of Post Office Operations, Sioux Falls, South Dakota, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Fort Meade Post Office was warranted.¹⁵ 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.¹⁶ Seventeen customers returned questionnaires, and the Postal Service responded.¹⁷ In addition, representatives from the Postal Service were available at the Fort Meade Veterans Administration Hospital Building for a community meeting on June 2, 2011 to answer questions and provide information to customers.¹⁸ Customers received formal notice of the Proposal and Final Determination through postings at the Fort Meade and Sturgis Post Offices.¹⁹ The Proposal was posted with an invitation for public comment at these Post Offices for 60 days, beginning on June 29, 2011.²⁰ No comments were received in response to the “Invitation for Comments”

¹³ FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Fort Meade Post Office at 1; Item No. 21, Cover Letter at 1.

¹⁴ FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Fort Meade Post Office at 1.

¹⁵ Item No. 26, Community Meeting Letter at 1.

¹⁶ *Id.*

¹⁷ FD at 2; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters.

¹⁸ 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. 41, Revised Proposal at 2.

¹⁹ FD at 2.

²⁰ *Id.*

after the proposal was posted.²¹ The Final Determination was posted at the Fort Meade Post Office starting on October 21, 2011 and the Sturgis Post Office starting on October 23, 2011 as confirmed by the round-date stamped Final Determination cover sheets that appear in the administrative record.²²

The Postal Service issued the Final Determination in light of a postmaster vacancy; minimal workload; low office revenue;²³ the variety of delivery and retail options (including the convenience of highway contract route delivery and retail service);²⁴ no projected population, residential, commercial, or business growth in the area;²⁵ minimal impact upon the community; and the expected financial savings.²⁶ Regular and effective postal services will continue to be provided to the Fort Meade community in a cost-effective manner upon implementation of the final determination.²⁷

Each of the issues raised by the Petitioners is addressed in the paragraphs which follow.

²¹ Item No. 38, Proposal Comments and Postal Service Response Letters; Item No. 40, Analysis of Comments.

²² Item No. 49, Round-date Stamped Final Determination Cover Sheets at 1-2.

²³ FD at 2; Item No. 18, Post Office Fact Sheet at 1; Item No. 41, Revised Proposal at 2.

²⁴ FD at 3; Item No. 41, Revised Proposal at 5.

²⁵ Item No. 16, Community Fact Sheet at 1.

²⁶ FD at 4; Item No. 17, Highway Contract Route Cost Analysis Form at 1; Item No. 41, Revised Proposal at 6.

²⁷ FD. at 2.

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

Upon the implementation of the Final Determination, delivery and retail services will be provided by highway contract route service to mailboxes emanating from the Sturgis Post Office.²⁸ In addition to highway contract route delivery, which is the recommended alternate service, customers may also receive postal services at the Sturgis Post Office, which is located 2.5 miles away.²⁹ The window service hours of the Sturgis Post Office are from 9:00 a.m. to 2:30 p.m., Monday through Friday, and 9:00 a.m. to 11:00 a.m. on Saturday.³⁰ Furthermore, the special attention and assistance provided by the personnel at the Fort Meade Post Office will be provided by personnel at the Sturgis Post Office and from the carrier.³¹

The Petitioners raise the issue of the effect of the Fort Meade Post Office's closing on the provision of postal services, noting the convenience of the Fort Meade Post Office and requesting its retention. Specifically, the Petitioners contend that

²⁸ FD at 2; Item No. 41, Revised Proposal at 2.

²⁹ As explained earlier, the administrative record indicates that the Sturgis Post Office is located one mile away from the Fort Meade Post Office (see, e.g., FD at 2), however, the Public Representative identified that the Sturgis Post Office is located 2.5 miles from the Fort Meade Post Office (Comments at 1).

³⁰ FD at 2; Item No. 41, Revised Proposal at 2.

³¹ FD at 2; Item No. 41, Revised Proposal at 2.

service through the Sturgis Post Office will not provide the maximum degree of effective postal services because the Fort Meade Post Office is more convenient to the veterans utilizing the Fort Meade Campus of the Veterans Administration Black Hills Health Care System.³² This concern, among many others, was considered by the Postal Service.³³

The Postal Service has considered the impact of closing the Fort Meade Post Office upon the provision of postal services to Fort Meade customers.³⁴ Highway contract route service 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.³⁵ 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.³⁶ Carrier service is especially beneficial to many senior citizens and those who face 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, the administrative record reflects the Postal Service's consideration of the provision of services to the community affiliated with the Fort Meade Campus of the Veterans Administration Black Hills Health Care System. Specifically, the Postal

³² Nov. 8, 2011 Petition and Letter of Appeal; Nov. 11, 2011 Letters of Appeal; Nov. 30, 2011 Letter of Appeal.

³³ See, e.g., FD at 2-5; Item No. 23, Analysis of Questionnaires at 2-3; Item No. 25, Community Meeting Analysis at 1-2; Item No. 41, Revised Proposal at 2-4.

³⁴ See, e.g., FD at 2-5; Item No. 23, Analysis of Questionnaires at 2-3; Item No. 25, Community Meeting Analysis at 1-2; Item No. 41, Revised Proposal at 2-4.

³⁵ FD at 4; Item No. 41, Revised Proposal at 5.

³⁶ FD at 4; Item No. 41, Revised Proposal at 5.

Service explained that the veterans on campus will still receive the necessary postal services through delivery service.³⁷ The Postal Service also explained that it can meet the medical dispatch needs of the medical facility, including pharmaceutical dispatch, through a carrier, which would save a trip to the Post Office.³⁸

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

Effect Upon the Fort Meade Community

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

Fort Meade is an unincorporated community located in Meade County.³⁹ The community is administered politically by Sturgis and Meade Counties.⁴⁰ Police protection is provided by the Fort Meade Police.⁴¹ Fire protection is provided by the Fort Meade Fire Department.⁴² The questionnaires completed by Fort Meade

³⁷ FD at 3; Item No. 25, Community Meeting Analysis at 1; Item No. 41, Revised Proposal at 3.

³⁸ FD at 3; Item No. 25, Community Meeting Analysis at 1; Item No. 41, Revised Proposal at 3.

³⁹ FD at 4.

⁴⁰ *Id.*; Item No. 16, Community Survey Sheet at 1.

⁴¹ FD at 4; Item No. 16, Community Survey Sheet at 1.

⁴² FD at 4; Item No. 16, Community Survey Sheet at 1.

customers indicate that, in general, the retirees, commuters, Fort Meade Campus employees of the Veterans Administration Black Hills Health Care System, and others who reside in Fort Meade must travel elsewhere for other supplies and services.⁴³

As documented in the record, the Postal Service considered issues regarding the effect of its decision to close the Fort Meade Post Office upon the Fort Meade community. Communities generally require regular and effective postal services and these will continue to be provided to the Fort Meade community. The Postal Service has concluded that nonpostal services provided by the Fort Meade Post Office can be provided by the Sturgis Post Office.⁴⁴ Government forms usually provided by the Post Office are also available by contacting local government agencies.⁴⁵ The Postal Service also explained that closure of the Fort Meade Post Office will not adversely affect local businesses.⁴⁶

The Petitioners each stated that the Fort Meade Post Office is located in one of the many historical buildings on the grounds.⁴⁷ The closing of the Fort Meade Post Office, however, does not alter the history of Fort Meade, nor does it diminish the importance of the building that houses the Post Office. The presence or absence of postal retail and delivery operations in a building does not fundamentally alter the building's historical significance.

⁴³ See *generally* Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters.

⁴⁴ FD at 4-5; Item No. 41, Revised Proposal at 5.

⁴⁵ FD at 5; Item No. 41, Revised Proposal at 5.

⁴⁶ FD at 4-5; Item No. 41, Revised Proposal at 5.

⁴⁷ Nov. 8, 2011 Petition and Letter of Appeal; Nov. 11, 2011 Letters of Appeal; Nov. 30, 2011 Letter of Appeal.

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 Fort Meade Post Office on the community served by the Fort Meade 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 highway contract route carrier service would cost the Postal Service substantially less than maintaining the Fort Meade Post Office and would still provide regular and effective service.⁴⁸ The estimated annual savings associated with discontinuing the Fort Meade Post Office are \$38,863.00.⁴⁹ 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).⁵⁰

Petitioner Nancy Wilson questions the actual economic savings behind closing the Fort Meade Post Office because the Veterans Administration covers the costs associated with the building in which the Post Office resides.⁵¹ As shown in the administrative record, however, the Postal Service's calculations of cost savings took into account the fact that there is no charge to the Postal Service for use of the facility.⁵²

⁴⁸ FD at 5.

⁴⁹ *Id.*

⁵⁰ See, e.g., FD at 5; Item No. 17, Alternate Service Options Cost Analysis at 1; Item No. 41, Revised Proposal at 6.

⁵¹ Nov. 11, 2011 Letters of Appeal at 7.

⁵² FD at 5; Item No. 15, Post Office Survey Sheet at 1; Item No. 41, Revised Proposal at 6.

When calculating an annual lease cost of \$0.00, the Postal Service still estimates a total annual savings of \$38,863.⁵³

The Postal Service determined that highway contract route carrier service is more cost-effective than maintaining the Fort Meade postal facility and postmaster position.⁵⁴ 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.⁵⁵

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster of the Fort Meade Post Office retired on January 2, 2009.⁵⁶ Since the postmaster vacancy arose, an OIC was installed to operate the office.⁵⁷ The PMR serving as the OIC may be separated from the Postal Service; however, attempts will be made to reassign the OIC to a nearby facility.⁵⁸ Further, the record shows that no other Postal Service employee will be adversely affected.⁵⁹ Therefore, in making the

⁵³ FD at 5; Item No. 41, Revised Proposal at 6.

⁵⁴ See, e.g., FD at 5; Item No. 17, Alternate Service Options Cost Analysis at 1; Item No. 41, Revised Proposal at 6.

⁵⁵ See 39 U.S.C. § 404(d)(2)(A)(iv).

⁵⁶ FD at 2.

⁵⁷ *Id.*

⁵⁸ FD at 6; Item No. 41, Revised Proposal at 6.

⁵⁹ FD at 5; Item No. 41, Revised Proposal at 6.

determination, the Postal Service considered the effect of the closing on the employees at the Fort Meade Post Office, consistent with its statutory obligations.⁶⁰

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Fort Meade Post Office on the provision of postal services and on the Fort Meade 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 Fort Meade 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 Fort Meade Post Office should, accordingly, be affirmed.

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

⁶⁰ See 39 U.S.C. § 404(d)(2)(A)(ii).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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