

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

In the Matter of:
Mount Union Post Office
Mount Union, Iowa 52644

Docket No. A2012-84

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(January 23, 2012)

On November 29, 2011, the Postal Regulatory Commission (Commission) received two appeals, from postal customers Ben B. Johnson (“Petitioner Johnson”) and Amanda Mullin (“Petitioner Mullin”) objecting to the discontinuance of the Post Office at Mount Union, Iowa.¹ (Collectively, the Postal Service shall refer to Petitioner Johnson and Petitioner Mullin as “Petitioners.”) The earliest appeal was postmarked November 17, 2011. On December 13, 2011, the Commission issued Order No. 1040, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 1040, the Postal Service filed the administrative record with the Commission on December 14, 2011. On January 4, 2012, Petitioner Johnson filed a Participant Statement in support of his petition. The following is the Postal Service’s answering brief in support of its decision to discontinue the Mount Union Post Office.

The appeals and the Participant Statement received by the Commission raise three main issues: (1) the effect on postal services, (2) the impact upon the Mount Union community, and (3) the calculation of economic savings expected to result from discontinuing the Mount Union Post Office. As reflected in the administrative record of

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

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 Mount Union Post Office should be affirmed.

Background

The Final Determination To Close the Mount Union, IA Post Office and Establish Service by Rural Route Service ("Final Determination" or "FD")³, as well as the administrative record, indicate that the Mount Union Post Office provides EAS-11 level service to 44 Post Office Box customers, 250 delivery customers, and retail customers 33.5 hours per week.⁴ The postmaster of the Mount Union Post Office retired on October 31, 2007. Since the postmaster vacancy, a noncareer officer-in-charge (OIC) has been installed to operate the office. Upon implementation of the final determination, the noncareer postmaster relief may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility.⁵ The average number of daily retail window transactions at the Mount Union Post Office is 22, accounting for 24 minutes of workload daily. Revenue has generally been low: \$29,441.00 in FY 2008 (77 revenue units); \$28,254.00 in FY 2009 (74 revenue units);

² See 39 U.S.C. 404(d)(2)(A).

³ The Final Determination can be found at Item No. 47 in the Administrative Record. All citations to the Final Determination will be to "FD at ____," Rather than to Item 47. The FD is not paginated however the Round-date cover sheets will serve as page number 1. Other Items in the administrative record are referred to as "Item No. ____."

⁴ FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1

⁵ FD at 8.

and \$36,899 in FY 2010 (96 revenue units).⁶ The Mount Union Post Office has two postage meter customers and one permit mailer customer. FD at 2; Item No. 18, Fact Sheet, at 1.

Upon implementation of the final determination, delivery and retail services will be provided by rural route service administered by the Winfield Post Office, an EAS-16 level office located six miles away, which has 282 available Post Office Boxes. FD at 2; Item No. 18, Fact Sheet, at 1.

The Postal Service followed the proper procedures which led to the posting of the Final Determination. All issues raised by the customers of the Mount Union 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 Mount Union Post Office. Questionnaires were also available over the counter for retail customers at Mount Union. FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Mount Union Post Office, at 1. A letter from the Manager of Post Office Operations, Cedar Rapids, Iowa, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Mount Union Post Office was warranted, and that effective and regular service could be provided through carrier delivery and retail services available at the Winfield Post Office. The letter invited customers to complete and return a customer questionnaire wherein they could express their opinions about the service they were

⁶ FD at 2; Item No. 18, Fact Sheet, at 1.

receiving and the effects of a possible change involving carrier delivery. Item No. 21, Letter to Customer, at 1. 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 Mount Union Community Center for a community meeting on June 20, 2011, to answer questions and provide information to customers.⁷ FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis. 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 Mount Union and Winfield Post Offices⁸ from July 29, 2011 to September 29, 2011. FD at 2; Item No. 36, Round-date stamped Proposals and Invitations for comments from affected offices. The Final Determination was posted at the same two Post Offices beginning on October 27, 2011, as confirmed by the round-dated Final Determination cover sheets.⁹

In light of a postmaster vacancy, minimal workload, low office revenue,¹⁰ the variety of delivery and retail options (including the convenience of carrier delivery and retail service),¹¹ very little recent growth in the area,¹² minimal impact upon the

⁷ Petitioner Mullin suggests that the closing was predetermined and that the community meeting was a “technicality”. However, local field personnel could not predetermine the outcome, because the final determination was approved at Headquarters upon review of the information compiled in the administrative record.

⁸ The Winfield 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=.](http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971&docType=Library%20References&attrID=&attrName=)

⁹ Item No. 49, Round-date stamped Final Determination cover sheets.

¹⁰ See note 6 and accompanying text,

¹¹ FD at 2-10.

¹² Item No. 16, Community Survey Sheet, at 1-2.

community, and the expected financial savings,¹³ the Postal Service issued the Final Determination.¹⁴ Regular and effective postal services will continue to be provided to the Mount Union community in a cost-effective manner upon implementation of the final determination. FD at 7.

Each of the 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 Mount Union Post Office on postal services provided to Mount Union customers. The closing is premised upon providing regular and effective postal services to Mount Union customers.

The Petitioners, in their letters of appeal, raise the issue of the effect on postal services of the Mount Union Post Office's closing, noting the convenience of the Mount Union Post Office and requesting its retention. Petitioner Johnson states that Mount Union Post Office was convenient for the members of the community who frequently purchased stamps and mailed parcels. As explained throughout the record, upon implementation of the Final Determination most retail services provided at the Post Office will be available through the carrier. FD at 3. Customers will not have to travel to another Post Office for most services. Many retail services, such as purchase of stamps, money orders, and special services (such as certified, registered, Express Mail,

¹³ FD at 7-9; Item No. 29, Proposal Checklist, at 2.

¹⁴ FD at 10.

delivery confirmation, signature confirmation, and COD) can be obtained from the carrier. FD at 3-4; Item No. 21, Letter to Customers, at 5. Most transactions do not require meeting the carrier at the mailbox. FD at 6. Stamps by Mail and Money Order Application forms are available for customer convenience. In addition, stamps are 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 6.

Carrier service is particularly convenient to senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes which alleviates the need to go to the Post Office. FD at 4. Moreover, in hardship cases, delivery can be made to the home of a customer.¹⁵ FD at 4.

As a secretary at the United Methodist Church, Petitioner Mullin expresses concern regarding the bulk mailing permit that the church uses to mail newsletters. She mentions that she will now have to travel 7 miles one way in order to mail the letters. While the administrative responsibility for permit accounts will be transferred to the Winfield Post Office, permit account customers are not restricted to using the Winfield Post Office to do their mailing. Petitioner Mullin is welcome to use any convenient Post Office location to mail the church newsletters. As the record reflects, the majority of customers already travel out of town to meet their personal, shopping, and social needs, and can thereby combine trips with other out of town business activity. See generally Item No. 22, Returned Customer Questionnaires.

¹⁵ The current OIC at the Mount Union Post Office takes parcels to a disabled woman who lives next to the Post Office. Item No. 15, Post Office Survey Sheet, at 2.

With regard to Petitioner Johnson's concerns about the mailing and receiving of packages, the Postal Service explained that rural carriers will deliver packages that fit in customer's rural mailboxes. However, if they do not fit in the mailbox the carrier will deliver the package up to ½ mile off the carrier's line of travel, at a designated place (such as a porch or carport).¹⁶ FD at 4. Customers may contact the administrative Post Office if they have packages for pick up by the carrier. The carrier will accept letters, flats, or packages up to 13 ounces for mailing. FD at 4. The carrier will estimate the cost and provide a receipt for any money received. FD at 4. On the following delivery day, the carrier will provide change or a bill for the amount over the estimate. FD at 4. Packages over 13 ounces may be picked up if the postage is printed online or with a traceable meter.¹⁷ FD at 4. Petitioner Johnson also mentions that leaving perishable packages in a mailbox during adverse weather conditions can damage merchandise. However, the Postal Service offers senders a variety of special and accountable mail services to ensure that packages are delivered in a manner to ensure the safe handling of their contents.

Petitioner Mullin requests that if the Mount Union Post Office closes, her mail should be delivered to her residence. As explained in the record, mail will be delivered to rural mailboxes close to customer residences. Item No. 15, Post Office Survey Sheet,

¹⁶ To make alternative delivery arrangements in advance, customers can complete a PS Form 4232 entitled "Rural Customer Delivery Instructions," which allows customers to designate alternative locations for delivery of parcels. This form is available at the local Post Office or online at <http://about.usps.com/forms/ps4232.pdf>.

¹⁷ A rural carrier is permitted to pick up a package weighing 13 ounces or more if the package is shipped by a known customer, does not have stamps applied, and includes a return address that matches the pick-up point. It is not necessary for customers to meet the carrier to utilize this service, as customers have the option of placing the package and payment in their delivery receptacle for pick-up by the carrier.

at 2; Item No. 17, Rural Route Cost Analysis Form, at 2; Item No. 29, Proposal Checklist, at 2.¹⁸

The Postal Service has considered the impact of closing the Mount Union Post Office upon the provision of postal services to Mount Union customers. The carrier can provide similar access to many retail services, alleviating the need to travel to the Post Office. FD at 2-4; Item No. 23, Postal Customer Questionnaire Analysis, at 2-3; Item No. 25, Community Meeting Analysis, at 1. Thus, the Postal Service has properly concluded that all Mount Union customers will continue to receive regular and effective service.

Effect Upon the Mount Union Community

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

Mount Union is an unincorporated rural community located in Henry County. The Henry County Sheriff's Department provides police protection. The community is administered politically by the Mayor and City Council, with fire protection provided by the Mount Fire Department. The questionnaires completed by Mount Union customers indicate that, in general, the retirees, farmers, commuters, and others who reside in

¹⁸ In addition, the undersigned counsel has confirmed with local officials that most of the Post Office Box customers have already erected mailboxes.

Mount Union must travel elsewhere for other supplies and services. See generally FD at 5; Item No. 22, Returned customer questionnaires and Postal Service response letters.

While Petitioner Mullin contends that the Postal Service did not consider how this closing would affect the Mount Union community, the record reflects thoughtful consideration of this issue. FD at 7-8; Item No. 16, Community Survey Sheet, at 1. 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. The Postal Service is helping to preserve community identity by continuing the use of the Mount Union Post Office name and ZIP code in addresses. FD at 8.

The Postal Service also explained that residents of the Mount Union community may continue to meet informally, socialize, and share information at the other businesses, churches and residences in town. FD at 8. Although the community will no longer have use of the bulletin board at the Mount Union Post Office, there are other retail outlets and grocery stores that offer information exchange. FD at 7. Also, the Winfield Post Office may have a public bulletin board available which may be used to post information. FD at 7. Communities generally require regular and effective postal services and these will continue to be provided to the Mount Union community.

In addition, the Postal Service has concluded that nonpostal services provided by the Mount Union Post Office can be provided by the Winfield Post Office. FD at 7. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 6. Local officials also determined that there has

been minimal growth in the area in the recent years, and that carrier service will be able to accommodate any future growth in the community. FD 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 Mount Union Post Office on the community served by the Mount Union 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 carrier service would cost the Postal Service substantially less than maintaining the Mount Union Post Office and would still provide regular and effective service. Item No. 21, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Mount Union Post Office are \$40,010.00. FD at 9.

Petitioner Johnson contends in his letter of appeal (as well as his Participant statement) that the Postal Service's savings estimates are incorrect because a career Postmaster's salary was used in the calculation, in lieu of the lower income earned by the OIC. 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 Mount Union Post Office closes, one career slot will be eliminated. If the Post Office is not discontinued, that slot would eventually have been filled with a career employee, and the salary and benefits to be paid would be as shown for a Postmaster.

Petitioner Johnson also suggested various strategies that might reduce costs or increase revenue at the Mount Union Post Office. These strategies include renegotiating the wages and benefits for Postal Service employees, reducing the days of delivery, and offering email submission of letters to be mailed across the country. The Postal Service has broad experience with similar options. However, in this case, it has determined that carrier service, coupled with service at the nearby Winfield Post Office, is a more cost-effective solution than maintaining the Mount Union postal facility and career position. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations.

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, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD at 8-9.

The Postal Service determined that carrier service is more cost-effective than maintaining the Mount Union postal facility and postmaster position. FD at 8. 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 31, 2007. Since the postmaster vacancy, a noncareer

OIC was installed to operate the office. Upon implementation of the Final Determination the noncareer OIC may be separated from the Postal Service, although attempts will be made to reassign the noncareer OIC to a nearby office. The record shows that no other employee would be adversely affected by this closing. FD at 10; Item No. 15, Post Office Survey Sheet, at 1. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Mount Union 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 Mount Union Post Office on the provision of postal services and on the Mount Union 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 Mount Union customers through carrier service. FD at 7. 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 Mount Union Post Office should, accordingly, be affirmed.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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