

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

In the Matter of:
Odin Post Office
Odin, MN 56160

Docket No. A2012-93

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(January 24, 2012)

On November 30, 2011, the Postal Regulatory Commission (Commission) received two appeals, both postmarked November 19, 2012, from postal customers Paul S. Berg and Robert D. Harder (“Petitioners”) objecting to the discontinuance of the Post Office at Odin, Minnesota. On December 29, 2011, the Commission issued Order No. 1081, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order 1081, the administrative record was filed with the Commission on December 15, 2011.

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

¹ See 39 U.S.C. 404(d)(2)(A).

Background

The Final Determination To Close the Odin Post Office and Establish Service by Rural Route Service (“Final Determination” or “FD”)², as well as the administrative record, indicate that the Odin Post Office provides EAS-11 level service to 60 rural route carrier delivery customers, 48 Post Office Box customers, and retail customers 36 hours per week.³ The postmaster of the Odin Post Office retired on September 29, 2009. Since the postmaster vacancy arose, an employee from a neighboring office was installed as an officer-in-charge (“OIC”) to operate the office. The noncareer postmaster relief (“PMR”) serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility.⁴ The average number of daily retail window transactions at the Odin Post Office is 10, accounting for 10 minutes of workload daily. Revenue generally has been low: \$22,114 in FY 2008 (58 revenue units); \$23,021 in FY 2009 (60 revenue units); and \$19,087 (50 revenue units) in FY 2010.⁵

Upon implementation of the Final Determination, delivery and retail services will be provided by rural route delivery administered by the Butterfield Post Office⁶, an EAS-

² The Final Determination can be found at Item _____ 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 ____.” See Item No. 33, Proposal to Close the Odin, MN Post Office and to Establish Service by Rural Route Service (“Proposal”), at 2; Item No. 33, Proposal to Close the Odin, MN Post Office and Establish Service by Rural Route Service -Revised (“Revised Proposal”), at 2.

³ FD at 2; Item No.18 (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet (“Fact Sheet”), at 1; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

⁴ FD at 2, 9; Item No. 18, Form 4920, Post Office Fact Sheet (Post Office Fact Sheet), at 1; Item No. 33, Proposal, at 2, 8; Item No. 41, Revised Proposal, at 2, 9; Item No. 42, Updated Form 4920, at 1.

⁵ FD, at 2; Item No. 18, Post Office Fact Sheet, at 1; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

⁶ The Butterfield Post Office is not one of the candidate facilities under Retail Access Optimization (RAO)

13 level office located 9 miles away, which has 140 available Post Office Boxes. Retail services will also be available at the Ormsby Post Office⁷, an EAS-11 office located 3 miles away, which has 37 available Post Office Boxes.⁸ This service will continue upon implementation of the Final Determination.⁹

The Postal Service followed the proper procedures that led to the posting of the Final Determination. All issues raised by the customers of the Odin 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 all Post Office Box customers of the Odin Post Office. Questionnaires were also available over the counter for retail customers at the Odin Post Office.¹⁰ A letter from the Manager of Post Office Operations, Manakato, MN, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Odin Post Office was warranted, and that effective and regular service could be provided through rural delivery and retail services available at the Butterfield and Ormsby Post Offices. 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

Initiative. See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1

⁷ The Ormsby Post Office is one of the candidate facilities under RAO Initiative. See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1.

⁸FD, at 2; Item No. 18, Post Office Fact Sheet, at 1; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2; Item No. 42, Updated Form 4920, at 1.

⁹FD at 1, 2; Item No. 33, Proposal, at 1, 2; Item No. 41, Revised Proposal, at 1, 2.

¹⁰FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Prince Post Office, at 1; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

involving rural route delivery.¹¹ Forty-eight (48) customers returned questionnaires, and the Postal Service responded.¹² In addition, representatives from the Postal Service were available at the Odin Post Office for a community meeting on April 19, 2011,¹³ to answer questions and provide information to customers.¹⁴ 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 Odin Post Office and the Butterfield and Ormsby Post Offices for 60 days beginning July 12, 2011.¹⁵ The Postal Service subsequently revised the Proposal before finalizing the text of the Final Determination. See Item No. 38, Proposal Comments and Response Letters; Item No. 41, Revised Proposal. Thereafter, the Final Determination was posted at the same three Post Offices starting on October 27, 2011, as confirmed by the round-dated Final Determination cover sheets that appear in the administrative record as Item No. 49, Round-date Stamped Final Determination, at 1-3.

In light of the postmaster vacancy; minimal workload; low office revenue;¹⁶ the variety of delivery and retail options (including the convenience of rural delivery and retail service);¹⁷ no projected population, residential, commercial, or business growth in

¹¹ Item No. 21, Cover Letter, Questionnaire and Enclosure ("Letter to Customer"), at 1

¹² Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters; Item No. 23, Analysis of Questionnaires, at 1.

¹³ The present discontinuance action was processed under former Handbook PO-101 and 39 C.F.R. § 241.3, effective July 14, 2011.

¹⁴ FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster, at 1; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

¹⁵ FD at 2; No. 33, Proposal, at 8; Item No. 36, Round-date stamped Proposals and Invitations for Comments from Affected Offices, at 1, 3, 5.

¹⁶ See note 5 and accompanying text.

¹⁷ FD at 2, 9; Item No. 33, Proposal, at 2, 8; Item No. 41, Revised Proposal, at 6.

the area;¹⁸ minimal impact upon the community; and the expected financial savings,¹⁹ the Postal Service issued the Final Determination.²⁰ Regular and effective postal services will continue to be provided to the Odin community in a cost-effective manner upon implementation of the Final Determination.²¹

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

The Petitioners, in their letters of appeal, raise the issue of the effect on postal services of the Odin Post Office's closing. They express concern about obtaining services from the rural route carrier, and request the retention of the Odin Post Office. Petitioners express particular concern that the rural route carrier will deliver the mail late in the day. The record explains, however, that Postmasters monitor mail volume to determine and correct any delays in mail delivery. FD at 3, Concern # 5; Item No. 23, Analysis of Questionnaires, at 3, Concern # 9; Item No. 33, Proposal, at 3, Concern # 5; Item No. 41, Revised Proposal, at 3, Concern # 5. Further, the Postal Service took into

¹⁸ Item No. 16, Community Survey Sheet.

¹⁹ FD at 7-8; Item No. 18, Post Office Fact Sheet, at 1; Item No. 29, Proposal Checklist, at 1; Item No. 33, Proposal, at 6-8; Item No. 41, Revised Proposal, at 7-9; Item No. 42, Updated PS Form 4920, at 1.

²⁰ FD at 7.

²¹ FD at 1, 7.

consideration the additional work load for the carrier service and does not expect any delays in delivery times. See id.

Similarly, Petitioners contend that the rural route carrier would result in an early pick-up time, that they would miss the rural route carrier, and that they would have to drive to Butterfield Post Office for their mail services. However, as explained in the record, upon implementation of the Final Determination, customers will be able to obtain stamps, money orders, and special services such as certified, registered, Express Mail, delivery confirmation, signature confirmation, and COD through the rural carrier. FD at 3-4, Concern # 6; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters, at 4, 11, 32, 46; Item No. 23, Analysis of Questionnaires, at 2, 3, Concerns # 5 and # 10; Item No. 25, Community Meeting Analysis, at 2, Concern # 12; Item No. 33, Proposal, at 3; Concern # 6; Item No. 41, Revised Proposal, at 3, concern # 6. Rural carrier service will alleviate the need for customers to travel to the Post Office for retail services. FD at 9; Item No. 33, Proposal, at 8; Item No. 41, Revised Proposal, at 9.

Petitioners express concern about the services available from the carrier. Specifically, Petitioners state that the Postal Service response implies that residents must be at home to meet the carrier, which may impose a hardship on customers. The community survey indicates that the Odin community is mostly comprised of self-employed individuals, farmers, and retirees. FD at 4; Item No. 16, Community Survey, at 1. Thus, many customers should be within the Odin community when the carrier arrives, thereby enabling them to obtain services from the carrier. In the event

customers are not at home when the carrier arrives, the Postal Service explained that most transactions do not require meeting the carrier at the mailbox. FD at 3; Item No. 33, Proposal, at 3; Item No. 41, Revised Proposal, at 3. Stamps by Mail and Money Order Application forms are available for customer convenience. FD at 3; Item No. 33, Proposal, at 3; Item No. 41, Revised Proposal, at 3. Item No. 22, Returned Customer Questionnaires and USPS response letters, at 46; Item No. 23, Analysis of Questionnaires, at 2, Concern # 5; Item No. 25, Community Meeting Analysis, at 2, Concern # 12; Item No. 33, Proposal, at 3; Item No. 41, Revised Proposal, at 3. In addition, customers are not restricted to obtaining services from the carrier upon the closing of the Odin Post Office; customers are welcome to visit any Postal Service facility or alternate access location within their immediate vicinity to obtain services. FD at 2; Item No. 4, Highway Map with Community Highlighted, at 1; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

Additionally, the Postal Service has informed Petitioners and others that rural carriers strive to provide service at approximately the same time on a daily basis. FD at 5, Concern # 12; Item No. 33, Proposal, at 4, Concern # 9; Item No. 38, Proposal Comments and Postal Service Response Letters, at 4; Item No. 40, Proposal Analysis of Comments, at 1, Concern # 4; Item No. 41, Revised Proposal, at 5, Concern # 12. To ensure that the customers are notified when the carrier approaches the delivery location, the Postal Service has advised customers to provide written instructions to the carrier instructing the carrier to sound the horn when the carrier approaches the

customer's address. See id. This will enable the customer to know when he or she will be able to meet the carrier for the purpose of obtaining retail or special services.

In the event that the Petitioners or other postal customers miss the rural carrier, customers may also receive delivery and retail services at the Butterfield Post Office, which is located 9 miles away, and retail services from the Ormsby Post Office, which is located 3 miles away. FD at 2, 4, Concern # 8; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters, at 24; Item No. 23, Analysis of Questionnaires, at 3, Concern # 11; Item No. 33, Proposal, at 2, 4, Concern # 8; Item No. 41, Revised Proposal, at 2. The window service hours of the Butterfield Post Office are from 8:30 a.m to 11:00 a.m. and 12:30 p.m. to 4:30 p.m., Monday through Friday, and 8:30 a.m. to 9:00 a.m. on Saturday. FD, at 2; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2. The window service hours of the Ormsby Post Office are from 7:45am to 12:15 a.m. and 1:30 p.m. to 4:15pm, Monday through Friday, and 9:45 a.m. to 11:00 a.m. on Saturday. See id. On balance, the Postal Service maintains that rural carrier service will provide similar service for most transactions to customers currently served by the Odin Post Office.

Petitioners also contend that they will be unable to obtain retail services such as certified mail, registered mail, Express Mail, and signature confirmation services, when the rural carrier is unavailable. The Postal Service explained that special services such as certified, registered, Express Mail, delivery confirmation, signature confirmation, and COD services can be obtained by leaving a note in the mailbox along with appropriate payment. FD at 3-4, Concern # 6; Item No. 23, Analysis of Questionnaires, at 2,

Concern # 5; Item No. 33, Proposal, at 3; Concern # 6; Item No. 41, Revised Proposal, at 3, Concern # 6. The Postal Service explained that the carrier would provide the services the same day and leave a customer receipt in the mailbox on the next delivery day. See id.

With respect to the Petitioners' concerns about mail security, the Postal Service advised customers that they may place a lock on their mailboxes. FD at 6, Concern # 20; Item No. 25, Community Meeting Analysis, at 1, Concern # 1; Item No. 33, Proposal, at 5, Concern # 17; Item No. 41, Revised Proposal, at 6, Concern # 20. The mailbox must have a slot large enough to accommodate the customers' normal daily mail volume. See id. The Postal Service also sent a questionnaire to the Postal Inspection service concerning mail theft and vandalism in the area. Their records indicate that there has not been any report of mail theft or vandalism in the area. Item No 14, Inspection Service/Local Law Enforcement Vandalism Reports, at 2.

Petitioner Berg requests, that if the Postal Service must close the Odin Post Office, that it provide a collection box in the city of Odin wherefrom a highway contract route carrier could pick up mail in the evening. While not directly addressed in the record, the Postal Service notes that it conducted a cost analysis and determined that use of a rural route carrier would provide efficient replacement service. FD at 9; Item No. 17, Alternate Service Options/Cost Analysis, at 2; Item No. 33, Proposal, at 8; Item No. 41, Revised Proposal, at 9. The carrier can perform normal daily collection, thereby alleviating the need for duplicative installation and maintenance of a collection box. Additionally, customers have the option of utilizing the delivery services at the

Butterfield Post Office, which is 9 miles away and is open until 4:30 p.m. on weekdays, or the Ormsby Post Office, which is 3 miles away, and is open until 4:15 p.m. on weekdays. FD at 2; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal at 2.

Thus, the Postal Service has properly concluded that all Odin customers will continue to receive regular and effective service via rural route delivery.

Effect Upon the Odin Community

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

Odin is an unincorporated rural community located in Watonwan County. The community is administered politically by Odin City Council. Police protection is provided by the Watonwan Sheriff's Department, and fire protection is provided by the Odin Fire Department. FD at 7; Item No.16, Community Survey Fact Sheet, at 1; Item No. 33, Proposal at 6; Item No. 41, Revised Proposal, at 7. The questionnaires completed by Odin customers indicate that the Odin community is comprised of retirees, self-employed individuals, and farmers. FD at 5; Item No.16, Community Survey Fact Sheet, at 1; Item No. 33, Proposal at 5; Item No. 41, Revised Proposal, at 5; see generally Item No. 22 Returned Customer Questionnaires and Postal Service Response Letters.

Petitioner Berg states that the discontinuance action will have a negative effect on businesses in the community. The record shows, however, that the majority of the residents responding to the questionnaires would still patronize local businesses in the event that the Odin Post Office closed.²² Indeed, one of the respondents commented on how few local businesses are located in the community. Item No. 22, Returned customer Questionnaires and Postal Service Response Letters, at 1. Further, a number of respondents reported that they do not use local businesses now. Item No. 22, Returned Customer Questionnaire and Postal Service Response Letters, at 5, 6, 7, 13, 17, 20, 21, 29, 39, 44. Thus, the record supports the conclusion that many local residents who currently patronize local businesses in Odin responded that they will continue to do so.

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 Odin Post Office on the community served by the Odin 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 Odin Post Office and would still provide regular and effective service. FD at 8; Item No. 17, Rural Route Carrier Analysis, at 2; Item No. 33 Proposal, at 8; Item No. 41, Revised Proposal, at 9. The estimated annual savings

²² Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters, at 1, 2, 4, 8, 9, 10, 11, 15, 16, 18, 19, 22, 24, 25, 26, 27, 28, 31, 32, 33, 36, 37, 38, 40, 42, 43, 46.

associated with discontinuing the Odin Post Office are \$43,505.00. FD at 8; Item No. 33, Proposal, at 8; Item No. 41, Revised Proposal, at 9. 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). FD at 6; Item No. 33, Proposal, at 12-13.

The Petitioners state that the Postal Service has not sent them information about another alternative, specifically, the Village Post Office (“VPO”). The Postal Service discussed how a VPO operates, and stated that it may be a suitable option for the Odin community. FD at 4-5, Item No. 41, Revised Proposal, at 4-5. . Furthermore, the Postal Service has provided a telephone number for businesses interested in serving as a VPO operator. FD at 4, Concern # 11; Item No. 41, Revised Proposal, at 4, Concern # 11. In this case, the Postal Service has determined that carrier service, coupled with service at nearby Post Offices, is a reasonable solution that will yield economic savings. In so doing, the final determination still results in reasonable access to postal services, even though a VPO was not included in the replacement service options. In this case, the Postal Service’s estimates are supported by record evidence, in accordance with the Postal Service’s statutory obligations

The Postal Service determined that replacement service offered through the rural carrier and service at nearby Post Offices is more cost-effective than maintaining the Odin Post Office. 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 September 29, 2009. A noncareer employee from a neighboring office was installed as the temporary officer-in-charge (OIC). The noncareer PMR serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility. The record shows that no other employee would be affected by this closing. FD at 2, 7-8; Item No. 15, Post Office Survey Sheet, at 1; Item No. 33, Proposal, at 2, 8; Item No. 41, Revised Proposal, at 2, 9. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Odin 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 Odin Post Office on the provision of postal services and on the Odin 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 Odin customers. 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 Odin Post Office should, accordingly, be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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