

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Nanci E. Langley, Vice Chairman;  
Mark Acton; and  
Robert G. Taub

Holman Post Office  
Holman, New Mexico

Docket No. A2012-18

ORDER AFFIRMING DETERMINATION

(Issued February 1, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012.”<sup>1</sup> The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly,

---

<sup>1</sup> United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011, at 1 (Notice).

the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

The Postal Service’s Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service’s request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On October 18, 2011, Alex Medina filed a petition with the Commission seeking review of the Postal Service’s Final Determination to close the Holman, New Mexico post office (Holman post office).<sup>2</sup> Nine additional petitions for review were received.<sup>3</sup> The Final Determination to close the Holman post office is affirmed.

## II. PROCEDURAL HISTORY

On October 24, 2011, the Commission established Docket No. A2012-18 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.<sup>4</sup> On November 2, 2011, the Postal Service filed the Administrative Record with the Commission.<sup>5</sup>

---

<sup>2</sup> Petition for Review received from Alex Medina regarding the Holman, New Mexico post office 87723, October 18, 2011 (A. Medina Petition).

<sup>3</sup> Petition for Review received from Susie Maestas, October 19, 2011 (Maestas Petition); Petition for Review received from Dorcas Gloria Ellen Medina, October 19, 2011 (D. Medina Petition); Petition for Review received from Mark Montoya, October 19, 2011 (Montoya Petition); Petition for Review received from Jerry Cruz, October 19, 2011 (Cruz Petition); Petition for Review received from Helen Olivas, October 19, 2011 (Olivas Petition); Petition for Review received from Vicki Harvey, October 19, 2011 (Harvey Petition); Petition for Review received from Ed Cossin, October 19, 2011 (Cossin Petition). See also Petition for Review received from the Holman Community, October 26, 2011 (Community Petition); Petition for Review received from Jack A. Rains, November 1 (Rains Petition). Collectively, the authors of these petitions are referred to as “Petitioners.”

<sup>4</sup> Order No. 922, Notice and Order Accepting Appeal and Establishing Procedural Schedule, October 24, 2011.

<sup>5</sup> The Administrative Record is attached to the United States Postal Service Notice of Filing, November 2, 2011 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the Holman, New Mexico Post Office and Establish Service by Highway Contract Route Service (Final Determination).

Petitioners Rains, Harvey, and the Holman Community each filed a participant statement supporting their petition.<sup>6</sup> On December 20, 2011, the Postal Service filed a motion requesting an extension of time to file its comments.<sup>7</sup> On December 22, 2011, the Commission granted the Motion and modified the procedural schedule.<sup>8</sup>

The Postal Service filed comments requesting that the Commission affirm its Final Determination.<sup>9</sup> On January 9, 2012, Petitioners Rains and the Holman Community filed reply briefs.<sup>10</sup> The Public Representative also filed a reply brief.<sup>11</sup>

### III. BACKGROUND

The Holman post office provides retail postal services and service to 156 post office box or general delivery customers. Final Determination at 2. No delivery customers are served through this post office. The Holman post office, an EAS-11 level facility, provides retail service from 8:00 a.m. to 12:30 p.m. and 1:00 p.m. to 4:30 p.m., Monday through Friday, and 9:00 a.m. to 12:00 p.m. on Saturday. Lobby access hours are 8:30 a.m. to 4:30 p.m., Monday through Friday, and 9:00 a.m. to 12:00 p.m. on Saturday. *Id.*

---

<sup>6</sup> Participant Statement received from Jack Rains, November 22, 2011 (Rains Participant Statement); Participant Statement received from the Holman Community, November 22, 2011 (Community Participant Statement); Participant Statement received from Vicki L. Harvey, November 28, 2011 (Harvey Participant Statement).

<sup>7</sup> Motion of United States Postal Service for Extension of Time to File Comments in Response to Petitioners' Submissions, December 20, 2011.

<sup>8</sup> Order No. 1070, Order Granting Motion for Extension of Time and Modifying the Procedural Schedule, December 22, 2011.

<sup>9</sup> United States Postal Service Comments Regarding Appeal, December 23, 2011; United States Postal Service Notice of Filing Revision to Comments Regarding Appeal [Erratum], December 27, 2011 (Postal Service Comments).

<sup>10</sup> Reply Comments of Jack A. Rains, January 9, 2012 (Rains Reply Brief). Holman Community Response to United States Postal Service Notice of Filing Revision to Comments (December 27, 2011), January 9, 2012 (Community Reply Brief).

<sup>11</sup> Reply Brief of the Public Representative, January 9, 2012 (PR Reply Brief).

The postmaster position became vacant on August 26, 2010, when the postmaster passed away. A non-career officer-in-charge (OIC) was installed to operate the post office. *Id.* at 2, 14. Retail transactions average 56 transactions daily (56 minutes of retail workload). *Id.* at 2. Post office receipts for the last 3 years were \$26,880 in FY 2008; \$25,213 in FY 2009; and \$25,510 in FY 2010. There are no permit or postage meter customers. *Id.* By closing this post office, the Postal Service anticipates savings of \$39,398 annually. *Id.* at 14.

After the closure, retail services will be provided by the Las Vegas post office located approximately 37 miles away.<sup>12</sup> *Id.* at 2. Delivery service will be provided by highway contract route (HCR) service to cluster box units (CBUs) through the Las Vegas post office. The Las Vegas post office is an EAS-21 level post office, with retail hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, and 9:00 a.m. to 12:00 p.m. on Saturday. *Id.* There are 2,152 post office boxes available.

Retail services will also be available at the Cleveland post office, located approximately 3 miles away.<sup>13</sup> The Cleveland post office is an EAS-13 level post office, with retail hours of 7:30 a.m. to 4:00 p.m., Monday through Friday, and 9:00 a.m. to 12:00 p.m. on Saturday. Four-hundred-six (406) post office boxes are available. *Id.* The Postal Service will continue to use the Holman name and ZIP Code. *Id.* at 14, Concern No. 5.

#### IV. PARTICIPANT PLEADINGS

*Petitioners.* Petitioners oppose the closure of the Holman post office. They argue that (1) the Postal Service did not adequately consider the effect of the closing on the Holman community; (2) Holman residents will no longer receive regular and effective postal services after the closure; (3) the postmaster vacancy is not a

---

<sup>12</sup> MapQuest estimates the driving distance between the Holman and Las Vegas post offices to be approximately 37.6 miles (52 minutes driving time).

<sup>13</sup> MapQuest estimates the driving distance between the Holman and Cleveland post offices to be approximately 3.4 miles (5 minutes driving time).

reasonable justification for considering the Holman post office for closure; (4) the Postal Service did not adequately consider alternatives to closure that were presented by the community at the public meeting; and (5) the Postal Service's economic savings were incorrectly calculated. See, e.g., A. Medina Petition; Maestas Petition; D. Medina Petition; Olivas Petition; Community Petition; Rains Participant Statement; Community Participant Statement; Harvey Participant Statement. They also contend that the Postal Service is closing the Holman post office solely for economic reasons. See, e.g., A. Medina Petition; Olivas Petition.

*Postal Service.* The Postal Service argues that the Commission should affirm its determination to close the Holman post office. Postal Service Comments at 2. The Postal Service believes the appeal raises four main issues: (1) the effect on postal services; (2) the impact on the Holman community; (3) the economic savings expected to result from discontinuing the Holman post office; and (4) the impact on employees. *Id.* at 1-2. The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes that the determination to discontinue the Holman post office should be affirmed. *Id.* at 2.

The Postal Service explains that its decision to close the Holman post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and low office revenue;
- a variety of other delivery and retail options (including the convenience of contract route deliver to CBUs and retail service);
- very little recent growth in the area;
- minimal impact on the community; and
- expected financial savings.

*Id.* at 5. The Postal Service contends that it will continue to provide regular and effective postal services to the Holman community when the Final Determination is implemented. *Id.*

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioners regarding the effect on postal services, the effect on the Holman community, economic savings, and the effect on postal employees. *Id.* at 5-15.

*Reply briefs.* Petitioners Rains and the Holman Community filed reply briefs reiterating their opposition to the closure. Petitioner Rains asserts that the carrier was unable to deliver mail during a modest snow fall and that a home-based business will also close if the Holman post office is discontinued. Rains Reply Brief at 1. In their reply brief, the Holman Community highlights errors and responds to specific statements made in the Postal Service's comments. Community Reply Brief.

The Public Representative concluded that the Postal Service followed applicable procedures. PR Reply Brief at 5. However, he contends the Postal Service's decision to close the Holman post office was arbitrary, capricious, and unsupported by substantial evidence. *Id.* at 5-9. In addition, the Public Representative believes the economic savings were not properly considered. *Id.* at 9-10.

## V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal

Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

The Administrative Record indicates the Postal Service took the following steps in providing notice of its intent to close. On April 5, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Holman post office. Final Determination at 2. A total of 161 questionnaires were distributed to delivery customers. Other questionnaires were made available at the retail counter. A total of 102 questionnaires were returned. On April 19, 2011, the Postal Service held a community meeting at the Mora post office to address customer concerns. There were 116 customers attending the meeting. *Id.* On July 20, 2011, the Postal Service conducted a second community meeting. Postal Service Comments at 4.

The Postal Service posted the proposal to close the Holman post office with an invitation for comments at the Holman, Cleveland, and Las Vegas post offices from May 9, 2011 through July 10, 2011. Final Determination at 2. The Final Determination was posted at the same three post offices from September 26, 2011 through October 28, 2011. Administrative Record, Item Nos. 44, 48.

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

## B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A). The Postal Service must also comply with the provisions of 39 U.S.C. § 101(b), which prohibits closing any small post office solely for operating at a deficit.

*Effect on the community.* Holman, New Mexico is an unincorporated community located in Mora County, New Mexico. Administrative Record, Item No. 16. The community is administered politically by the Mora County Commission. Police protection is provided by the Mora County Sheriff's Department. Fire protection is provided by C.H.E.T. Volunteer Fire Department. The community is comprised of retirees, commuters, and the self-employed. *Id.* Residents may travel to nearby communities for other supplies and services. *See generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Holman community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the Holman post office, customers raised concerns regarding the effect of the closure on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 13-14.

Petitioners contend that closing the Holman post office will adversely affect the Holman community. *See, e.g.,* Community Petition at 6; Harvey Participant Statement. They are concerned that their community will be harmed due to the lack of a meeting place in the town, as well as the loss of the community bulletin board. *See, e.g.,* Community Participant Statement.

The Postal Service responds that a community's identity derives from the interest and vitality of its residents and their use of its name, which is addressed by the Postal

Service keeping the Holman name and ZIP Code. Postal Service Comments at 10. It asserts that alternative places exist to house the town's bulletin board and that residents can meet informally in other locations within Holman, such as businesses, churches and residences. *Id.* at 11.

Petitioners also argued that they would not be able to easily procure nonpostal services. The Postal Service responds that nonpostal services currently provided by the Holman post office can be provided by the Las Vegas post office. The Postal Service also notes that government forms usually provided by the Holman post office are also available by contacting local government agencies. *Id.*

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

*Effect on employees.* The Postal Service states that the Holman postmaster passed away on August 26, 2010 and that an OIC has operated the Holman post office since then. Final Determination at 2. It asserts that after the Final Determination is implemented, the temporary OIC may be separated, and no other Postal Service employee will be adversely affected. *Id.* at 14.

Petitioners and the Public Representative contend that the postmaster vacancy was the sole criterion for closing the Holman post office. Community Participant Statement at 2; Harvey Participant Statement; PR Reply Brief at 6. The Postal Service explains that under regulations in effect when the discontinuance began, it was common to initiate a discontinuance study when the postmaster position became vacant. Postal Service Comments at 9. It maintains that its decision to close the Holman post office was based on other factors, such as workload, customer demand, and availability of alternatives. *Id.*

The Postal Service has considered the possible effects of the post office closing on the OIC and has satisfied its obligation to consider the effect of the closing on employees at the Holman post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

*Effective and regular service.* The Postal Service contends that it has considered the effect the closing will have on postal services provided to Holman customers.

Postal Service Comments at 5-9. It asserts that customers of the closed Holman post office may obtain retail services at the Las Vegas post office located 37 miles away or the Cleveland post office located 3 miles away. Final Determination at 2. Delivery service will be provided by HCR service through the Las Vegas post office. The Holman post office box customers may obtain Post Office Box service at the Las Vegas post office, which has 2,152 post office boxes available. The Cleveland post office also has 406 post office boxes available. *Id.*

For customers choosing not to travel to the Las Vegas post office, the Postal Service explains that carrier and retail services will be available from the carrier. Postal Service Comments at 6-7. The Postal Service adds that it is not necessary to meet the carrier for service since most transactions do not require meeting the carrier at the mailbox. *Id.* at 7.

Petitioners contend they will not receive regular and effective postal services. See *e.g.*, Montoya Petition at 1-2. They express concern about the closing's effect on Holman's senior citizens, persons with disabilities, and economically disadvantaged residents. See, *e.g.*, A. Medina Petition; Maestas Petition; D. Medina Petition.

The Postal Service responds that it will continue to provide the Holman community with regular and effective service. Postal Service Comments at 6. With regard to senior citizens, the Postal Service asserts that services currently being provided at the Holman post office will be available through the carrier or to CBUs after the closing. The Postal Service notes the benefits of the carrier providing delivery and retail services to CBUs. *Id.*

Petitioners also raise concerns about the safety and security of mail delivery. See, *e.g.*, Olivas Petition; Community Petition at 4. The Postal Service responds that service to CBUs allows for safe, secure access to mail and mailing services 24 hours a day. Postal Service Comments at 6. It contends that CBUs will provide the security of individually locked mail compartments and are constructed to withstand vandalism. *Id.*

Petitioners raised issues about having to travel to the Las Vegas post office for postal services. Community Petition at 5; Harvey Participant Statement. The Postal

Service responds that HCR service will enable customers to conduct most transactions currently available at the Holman post office, which do not require meeting the carrier at the mailbox. Postal Service Comments at 6-7. Retail services will also be available at the Cleveland post office located 3 miles away. Final Determination at 2. In addition, the Administrative Record indicates that a large number of Holman questionnaire respondents travel to the Las Vegas community when shopping or traveling to or from work. See *generally* Administrative Record, Item 22.

The Postal Service has considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

*Economic savings.* The Postal Service estimates total annual savings of \$39,398. Final Determination at 14. It derives this figure by summing the following costs: postmaster salary and benefits (\$44,279) and annual lease costs (\$2,500), minus the cost of replacement service (\$7,381). *Id.* It includes a one-time expense of \$10,000 for moving the facility. *Id.* at 15.

Petitioners and the Public Representative argue that the Postal Service's estimated savings from closing the Holman post office are inaccurate. They contend that the Postal Service should have considered foregone revenue generated from post office box rentals and retail transactions. A. Medina Petition; Olivas Petition; Community Petition; PR Reply Brief at 9. The Postal Service responds that revenue from Post Office Box service is a relatively small proportion of a post office's total revenue, and the impact of such revenue would be trivial in relation to total savings. Postal Service Comments at 12-13. It asserts that calculations of such revenue impacts are inherently imprecise because it has no way of predicting whether customers will obtain Post Office Box service at nearby locations or select carrier delivery service. *Id.* at 13.

The Holman Community asserts that the Postal Service failed to consider alternatives to closing, such as reduced hours or a part-time post office. Community Petition at 2. The Postal Service responds that it has broad experience with similar options, but has determined that carrier service, coupled with service at the Cleveland

post office, is a more cost-effective yet sufficient solution. Postal Service Comments at 12. It contends that its estimates are supported by the Administrative Record in accordance with its statutory obligations. *Id.*

The Commission has previously observed that the Postal Service should include in its estimate of savings those costs likely to be eliminated by the closing. The Holman post office postmaster passed away on August 26, 2010. Final Determination at 2. The post office has since been staffed by a non-career OIC who, upon discontinuance of the post office, may be separated from the Postal Service. The postmaster position and the corresponding salary will be eliminated. Postal Service Comments at 13-14. Furthermore, notwithstanding that the Holman post office has been staffed by an OIC for approximately one year, even assuming the use of the presumably lower OIC salary, the Postal Service would have satisfied the requirements of section 404(d)(2)(A)(iv).

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

*Section 101(b).* Section 101(b) prohibits closing any small post office solely for operating at a deficit. Petitioners allege that the Postal Service is closing the Holman post office solely for economic reasons. *See, e.g.,* A. Medina Petition; Olivas Petition.

The Commission does recognize that economics may play a role in the Postal Service's decision. However, the Commission is not prepared to conclude that the Postal Service's determination violates section 101(b). In addition to considering workload at the Holman post office (revenues declining and averaging only 56 retail transactions per day), the Postal Service took into account other factors such as the postmaster vacancy, the minimal impact on the community, and expected financial savings. In addition, it considered the alternate delivery and retail options available to customers. Final Determination at 2-16.

The Postal Service did not violate the prohibition in section 101(b) on closing the Holman post office solely for operating at a deficit.

VI. CONCLUSION

The Postal Service has adequately considered the requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Holman post office is affirmed.

*It is ordered:*

The Postal Service's determination to close the Holman, New Mexico post office is affirmed.

By the Commission.

Ruth Ann Abrams  
Acting Secretary

## DISSENTING OPINION OF CHAIRMAN GOLDWAY

The Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

The Postal Service argues that savings should be calculated based on a full-time postmaster's salary. Yet the Holman post office has been operated by a non-career officer-in-charge (OIC) since the former postmaster passed away on August 26, 2010. On the one hand, the Postal Service argues that the effect on employees of this closing will be minimal because only a non-career OIC will be eliminated; yet on the other hand, it argues that the savings should be calculated using a full-time postmaster position.

The Postal Service already claims billions of dollars in savings from reducing labor costs. I believe the savings from substituting OICs in postmaster positions throughout the nation have already been included in those billions. There are inherent and blatant contradictions in the Administrative Record that must be corrected on remand.

It is not the statutory responsibility of the Commission to correct the Administrative Record for the Postal Service and certainly not to make its own surmise about what and/or whether there would be savings if accurate data was in the Administrative Record. Therefore, the decision to close should be remanded to the Postal Service to correct the Administrative Record and present a more considered evaluation of potential savings.

I am also concerned that the Postal Service has designated the administrative receiving post office for Holman postal customers as Las Vegas, New Mexico, more than 37 driving miles from the Holman post office. The Administrative Record does not adequately demonstrate that the Postal Service considered alternatives such as the designation of Cleveland post office as the administrative office for Holman residents.

See PR Reply Brief at 8-9. The Cleveland post office is approximately 3 driving miles away and has 406 post office boxes, and persons who wish to take a post office box at Cleveland could retain their Holman mailing address.

Several members of Congress have publicly expressed concern that post offices that are more than 10 miles apart should be maintained. The Postmaster General has said the Postal Service is reviewing other alternatives to serving rural areas that involve keeping post offices open at least part of the week.

Moreover, the Postal Service recently announced a moratorium on post office closings. It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 to gather evidence and pursue an appeal to the Commission, while others whose post offices were in the review process, but had not yet received a discontinuance notice by December 12, 2011 have the respite of a 5-month moratorium and the opportunity to have further consideration of alternatives by the Postal Service.

The citizens of Holman, New Mexico and their concerns regarding the loss of a neighborhood post office should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium.

Ruth Y. Goldway

## DISSENTING OPINION OF VICE CHAIRMAN LANGLEY

The Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service should take into consideration that a non-career postmaster relief (PMR) has been in charge of this facility since August 2010, not an EAS-11 postmaster, and reflect the PMR's salary and benefits in its cost savings analysis. As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings.

I find that the Administrative Record evidence does not support the Postal Service's decision to discontinue operations at the Holman post office and should be remanded.

Nanci E. Langley