

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

IN THE MATTER OF:

FERNANDINA BEACH DOWNTOWN STATION
FERNANDINA BEACH, FLORIDA 32034

DOCKET NO. A2013-7

NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING ERRATA
(September 10, 2013)

The Postal Service hereby gives Notice of Filing Errata to its Supplement to the Administrative Record. On September 4, 2013, Petitioner Granger filed an Initial Brief in Support of Petition, in which he stated that the Final Determination posted in Fernandina Beach Downtown Station was materially different from Item No. 35.¹ Upon investigation, the undersigned counsel learned that Item No. 35, submitted on August 9, 2013, was an earlier draft of the Final Determination and that the only revisions were to the economic savings section. The Postal Service posted the revised Final Determination, attached to this notice as Item No. 35A, in the Fernandina Beach Downtown Station on July 9, 2013. This Final Determination remains posted and available to the public. The inadvertent submission of the earlier draft of the Final Determination is inconsequential to the arguments presented in the Motion to Dismiss Proceedings. The Postal Service regrets the inconvenience, but does not believe any party is prejudiced.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel, Global Business and Service
Development

Laura Zuber

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-6036; Fax -5329
September 10, 2013

¹ Petitioner's Initial Brief in Support of Petition (September 4, 2013), at 1.

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FINAL DETERMINATION TO CLOSE
THE FERNANDINA BEACH DOWNTOWN, FL STATION
AND CONTINUE TO PROVIDE
SERVICE BY CONTRACT POSTAL UNIT

DOCKET NUMBER 1363326 - 32034

I. RESPONSIVENESS TO COMMUNITY POSTAL NEEDS

The Postal Service is issuing the final determination to close the Fernandina Beach Downtown, FL Station and provide delivery and retail services by contract postal unit under the administrative responsibility of the Fernandina Beach Post Office, located three miles away.

Postmaster level and office service hours are determined by a workload analysis which includes the number of deliveries and revenue.

The office is being studied for possible closing or consolidation due to the following reasons; Over the past several years, this office has experienced a steady decline in revenue and/or volume. The current community that this office resides in is going to incorporate with the neighboring city and the Postal Service is determining the needs of the new community structure.

The Fernandina Beach Downtown Post Office provides retail service from 900 to 1300 - 1400 to 1700 Monday through Friday and closed on Saturday.

The revenue trend for the office during the last several years is as follows:

FY 08 \$ 319,435
FY 09 \$ 283,674
FY 10 \$ 277,520
FY 11 \$ 270,459
FY 12 \$ 261,747.

On November 18, 2011, representatives from the Postal Service were available at First Baptist Church located at 416 Alachua St. to answer questions and provide information to customers. 128 customer(s) attended the meeting.

On October 28, 2011, 634 questionnaires were distributed to delivery customers of the Fernandina Beach Downtown Station. Questionnaires were also available over the counter for retail customers at the Fernandina Beach Downtown Station. 229 questionnaires were returned. Responses regarding the proposed alternate service were as follows: 1 favorable, 81 unfavorable, and 147 expressed no opinion.

One congressional inquiry was received on December 22, 2011.

A petition supporting the retention of the Fernandina Beach Downtown Station was received on November 05, 2011, with 58 signatures.

When this final determination is implemented, delivery and retail services will be provided by the Fernandina Beach Post Office. Window service hours at the Fernandina Beach Post Office are from 830 to 1700, Monday through Friday, and 900 to 1200 on Saturday.

Retail service is also available at the Yulee Post Office an EAS-20 level office, located seven miles away. Window service hours at Yulee Post Office are from 830 to 1700, Monday through Friday and 830 to 1200 on Saturday.

The proposal to close the Fernandina Beach Downtown Station was posted with an invitation for comment at the Fernandina Beach Downtown Station, Yulee Post Office and Fernandina Beach Post Office from November 19, 2011 to January 20, 2012.

The following additional concerns were received during the proposal posting period:

1. **Concern:** Customer expressed a concern about the length of time it took to forward your mail.

Response: Customers may change their address online at usps.com or pick up address change packets at the Post Office. As correspondents use their correct mailing address there will no longer be a requirement that your mail goes through our forwarding system.
2. **Concern:** Customers expressed concern for those customers with disabilities who are not able to go to administrative Post Office to pick up their mail.

Response: Customers are not required to travel to another Post Office to receive mail or obtain retail services. These services will be provided by the carrier to a roadside mailbox located close to customers' residences. In hardship cases, delivery can be made to the home of a customer. Changes in the type of delivery are considered where service by existing methods would impose an extreme physical hardship for an individual customer. Any request for a change in delivery method must be submitted in writing to the administrative postmaster.
3. **Concern:** Customers expressed concern over the apparent lack of interest by the Postal Service for the needs of the community.

Response: The Postal Service is required to provide each community with regular and effective service, using the most cost efficient means possible. The proposed alternate delivery service will meet the mailing and service needs of the community in a more cost effective manner.
4. **Concern:** Customers felt the cost of postage was increasing while service was decreasing.

Response: The Postal Service is not immune to rising costs affecting every family and business. We do not receive tax dollars to cover the cost of operations and must adjust our prices to cover our costs. The Postal Service Governors are responsible for approving prices for all Postal Service products and services. For mailing services prices, such as stamp prices, the Postal Service announces the new prices each February and they become effective each May. The Postal Regulatory Commission (PRC) reviews the new pricing for compliance with the price cap and other provisions of the Postal Act of 2006.
5. **Concern:** Customers were concerned about later delivery of mail.

Response:

The top priority of the Postal Service is to provide mail service in the most efficient manner possible because all of our costs are reflected in postage rates customers must pay. Delivery costs are one of our biggest expenses, so you can be assured that careful thought is given to the structure of each route. A customer's location on a carrier's line of travel determines the time of day mail is delivered. This, of course, precludes providing early delivery of mail to every customer because, no matter how we structure a route, somebody must be last. We do, however, carefully consider the volume of mail for each route so that we can deliver the greatest amount of mail at the earliest possible hour. With the largest fleet of delivery vehicles in the world, to minimize vehicle and fuel expenses we must also pay special attention to energy conservation measures. When the price of gasoline goes up one cent per gallon our total gasoline cost rises more than \$1 million. Therefore, when structuring a route, we must balance our goal to deliver as much mail as possible as early as possible with the need to minimize the travel distance a route must cover. We do regret the inconvenience to customers who would like, but cannot receive, early mail delivery. For those customers we offer alternative delivery services, such as Post Office box service that provide access to their mail earlier and throughout the day.

The following concerns were expressed from questionnaires, the community meeting, on the petition, and on the congressional inquiry:

1. **Concern:** Customer expressed a concern about the cost savings obtained by the Postal Service from the closure of Post Offices. Quoting the PRC which said if the Postal Service closed 1000 Post Offices, it would only save 0.7% of the postal budget.
Response: The Postal Service has developed and begun implementing a range of cost-reducing initiatives. These include: consolidating operations, adjusting delivery routes, restructuring administrative and processing functions and closing district offices. We also have introduced several new products and services, including Priority Mail Flat Rate boxes and Adult Signature service, in an effort to grow revenue.
2. **Concern:** Customers asked why their Post Office was being discontinued while others were retained.
Response: Post Offices are reviewed on a case-by-case basis. When there is a vacancy in a small office, it is customary to conduct a study of the business activity and investigate the feasibility of providing service by alternate means.
3. **Concern:** Customers expressed concern about how the loss of the Post Office would negatively impact the historical dimension of the community.
Response: The Postal Service is helping to preserve the community name by continuing the use of the Community name in addresses.
4. **Concern:** Customers expressed concern about misdelivered mail.
Response: The concern about misdelivery has been brought to the attention of the administrative postmaster. The Postal Service regrets any inconvenience that customers have experienced because of misdelivery. We consider misdelivered mail a very serious problem and appreciate when customers report this to us since it provides an opportunity to take corrective action.
5. **Concern:** Customers expressed concern that postal employees at the administrative Post Office are rude.
Response: Employee courtesy is always a concern of postal managers. Postal employees receive periodic instructions regarding employee courtesy. We do not condone our employees' execution of their duties in an unprofessional or discourteous manner. This concern will be conveyed to the postmaster by the Manager, Post Office Operations.
6. **Concern:** Customers questioned whether the facility was inadequate.

Response: A building inspection revealed serious deficiencies, and no suitable alternate quarters are available in the community.

7. **Concern:** Customers said they would miss the special attention and assistance provided by the personnel at the Post Office.

Response: Courteous and helpful service will be provided by personnel at the administrative Post Office and from the carrier. Special assistance will be provided as needed.

8. **Concern:** Customers wanted to know why the customer lines were so long at the administrative Post Office.

Response: The administrative Post Office serves a much larger community and has a heavier retail window workload. This concern has been brought to the attention of the administrative postmaster, window operations will be monitored to ensure that customers do not have an unreasonable wait to obtain services. The carrier can provide retail services, alleviating the need for customers to go to the Post Office for service.

9. **Concern:** Customers were concerned about a possible address change.

Response: There will be no change in customer addresses.

10. **Concern:** Customers were concerned about having to make an address change on their bank checks and stationery.

Response: Customers will be assigned a carrier route address. The new address will continue to use the community name and ZIP Code. Mail will be forwarded in accordance with postal regulations, and change of address forms are available online at usps.com or from the Postal Service to assist customers in notifying correspondents of the change. Customers may deplete their current supply of checks and stationery and make the address corrections when ordering new supplies.

11. **Concern:** Customers were concerned about having to travel to another Post Office for service.

Response: Services provided at the Post Office will be available from the carrier, and customers will not have to travel to another Post Office for service. Most transactions do not require meeting the carrier at the mailbox. Stamps by Mail and Money Order Application forms are available for customer convenience. Stamps are also available at many stores and gas stations where customers may already shop, online at usps.com, or by calling 1-800-STAMP-24.

12. **Concern:** Customers were concerned about mail security.

Response: Customers may place a lock on their mailboxes. The mailbox must have a slot large enough to accommodate the customer's normal daily mail volume. The Postal Service does not open mailboxes which are locked and does not accept keys for this purpose.

13. **Concern:** Customers were concerned about obtaining services from the carrier.

Response: The rural carrier provides all the services that are available at the Post Office with the exception of PO Box service and bulk mail acceptance. This includes stamp sales, package pick up, special services and money order sales.

14. **Concern:** Customers were concerned about senior citizens.

Response: Carrier service is beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes or Centralized Box Units. Customers do not have to make a special trip to the Post Office for service. Special provisions are made for hardship cases or special customer needs. To request an exception for hardship delivery, customers may contact the administrative postmaster for more information

15. **Concern:** Customers expressed concern over the dependability of rural route service.
- Response:** Rural letter carriers perform a vital function in the United States Postal Service serving thousands of families and businesses in rural and suburban areas while traveling millions of miles daily. Rural letter carriers are highly respected by the American public. This respect has been earned by many years of dedication to the Postal Service and to postal customers. During national and local emergencies, including prolonged periods of extreme weather conditions, rural carriers have demonstrated great responsibility in providing mail service to postal customers. Rural carriers are required to serve the route expeditiously each day.
16. **Concern:** Customers questioned the economic savings of the proposed discontinuance.
- Response:** Economic savings are only one of several factors considered. Economic savings have been calculated as required for discontinuance studies. The estimated cost of the CPO is based on price comparisons with other contracts providing similar services. A CPO is often located in an existing business and can operate more cost-effectively.

Some advantages of the proposal are:

1. Stamps by Mail order forms are provided for customer convenience.
2. Customers opting for carrier service will have 24-hour access to their mail.
3. Savings for the Postal Service contribute in the long run to stable postage rates and savings for customers.
4. Customers opting for carrier service will not have to pay post office box fees.
5. Saves time and energy for customers who drive to the post office to pick up mail.

Some disadvantages of the proposal are:

1. The loss of a retail outlet.
2. Potential of some to have to travel additional distance.
3. A change in the mailing address. The community name will continue to be used in the new address. A carrier route address will be assigned.

II. EFFECT ON COMMUNITY

Fernandina Beach Downtown is an incorporated community located in Nassau County. The community is administered politically by City of Fernandina Beach. Police protection is provided by the Fernandina Beach Police Department. Fire protection is provided by the Fernandina Beach Fire Department. The community is comprised of The Fernandina Beach Downtown Station is located in the center of a business district in the downtown Fernandina Beach community. The community is a mix of local businesses such as shrimp boat owners as well as a large group of seasonal residences on Amelia Plantation. In addition, the economic makeup of the community consist of retirees and commuters. and those who commute to work at nearby communities and may work in local businesses.

Businesses and organizations include: Rock-Tenn Paper mill, Smuritt papermill, Elizabeth Point Lodge, B&B Hout House, Pompeo's Restaurant, Crab Trap Restaurant, Happy Tomayo, Florida House, Barnabos Center, Newcomers Club, and Chamber of Commerce . Residents may travel to nearby communities for other supplies and services.

Nonpostal services provided at the Fernandina Beach Downtown Station will be available at the Fernandina Beach Post Office. Government forms normally provided by the Post Office will also be available at the Fernandina Beach Post Office or by contacting your local government agency.

This Fernandina Beach Downtown Station is not listed as a historic landmark.

The community name will be maintained for customer addressing, and the Zip Code is not expected to change.

The following nonpostal concerns were expressed from questionnaires, the community meeting, on the petition, and on the congressional inquiry:

1. **Concern:** Customers expressed concern for loss of community identity.

Response: A community's identity derives from the interest and vitality of its residents and their use of its name. The Postal Service is helping to preserve community identity by continuing the use of the Community name and ZIP Code in addresses.

2. **Concern:** Customers felt the loss of a Post Office would have a detrimental effect on the business community.

Response: Businesses generally require regular and effective postal services, and these will always be provided to the community. Since the suspension of service, there has been no indication that the business community has been adversely affected. Questionnaire responses revealed that customers will continue to use local businesses if the Post Office is discontinued.

3. **Concern:** Customers questioned the economic savings of the proposed discontinuance. Concern was also expressed that too much money was spent in the larger cities.

Response: Carrier service can be and, in this case, is more cost-effective than maintaining a postal facility and a postmaster position. The Postal Service estimates an annual savings with this change. Additional funds are necessary in larger cities because of a greater workload. Larger cities often realize greater revenue which can offset their greater expenses.

4. **Concern:** Customers were concerned about growth in the community.

Response: The growth of a community does not depend on the location of a Post Office. Based on information obtained by the Postal Service, it was determined that there has been minimal growth in the area in recent years. Carrier service will be able to accommodate future growth.

5. **Concern:** Customers were concerned about the loss of a gathering place and an information center.

Response: Residents may continue to meet informally, socialize, and share information at the other businesses, churches and residences in town.

6. **Concern:** Customer expressed a concern about the loss of the community bulletin board at the Post Office.

Response: Many retail outlets and grocery stores are now displaying a public bulletin board in which items can be posted for sale, and/or lost and found items can be posted, and a variety of other information. The administrative Post Office may have a public bulletin board which may be used to post the same information.

Based on the information obtained in the course of this discontinuance study, the Postal Service concludes this final determination will not adversely affect the community.

III. EFFECT ON EMPLOYEES

Currently only 1 employee works at the Downtown Station. Employee would be relocated to Main Post Office approximately 3 miles away.

IV. ECONOMIC SAVINGS

The Postal Service estimates a ten year savings of \$ 315,359, which is based in part, of having to fill a vacant position:

Building Maintenance	\$ 0
Utilities	\$ 244,286
Transportation	\$ 156,909
EAS Craft & Labor	\$ 0
Contracts	\$ 0
Rent	\$ 0
Relocation One-Time Cost	\$ 0
Total Ten Year Savings	\$ 315,359

V. OTHER FACTORS

The building has deteriorating over the past several years and all other operations have been relocated to new facility located 3 miles away.

VI. SUMMARY

This is the final determination to close the Fernandina Beach Downtown, FL Station and provide delivery and retail services by contract postal unit under the administrative responsibility of the Fernandina Beach Post Office, located three miles away.

The Fernandina Beach Downtown Station provided delivery and retail service to 548 PO Box or general delivery customers and no delivery route customers.

The Postal Service will save an estimated \$ 315,359 over the next ten years.

Taking all available information into consideration, the Postal Service has determined that the advantages outweigh the disadvantages and this final determination is warranted.



Edward F. Phelan, Jr.
Vice President of Delivery and Post Office Operations

07/03/2013

Date