

NLPM-RT-1

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

Retail Access Optimization Initiative

Docket No. N2011-1

September 26, 2011

**Rebuttal Testimony
of Mark Strong
on behalf of the
National League of Postmasters
of the United States**

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Personal Background and Expertise

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My name is Mark Strong and I am the President of the National League of Postmasters of the United States (the "LEAGUE"). I am also the Postmaster of Sun City, Arizona, an unincorporated area in the northwest portion of the Phoenix, Arizona, metropolitan area. I have served in that capacity since 1992. In addition to Sun City, my post office includes Sun City West, and Surprise, Arizona.

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I am originally from Montana and have served in many small rural post offices. I started my postal career in a very rural level 15 office in eastern Montana in 1973, and worked in a number of small offices in that area until 1979. I have held numerous jobs across Montana from window clerk, distribution clerk, Supervisor of Mails, Director of Employee and Labor Relations, as well as a Tour Superintendent in a mail processing plant in Billings, Montana. During this time I also worked for the District Manager on a support team reviewing operations in Montana, Utah, and Idaho to improve overall efficiencies in collection and processing operations.

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In 1987, I moved to Arizona, and my career went from mail processing to customer service and delivery operations. My assignments in Arizona included managing level 21 and 22 stations and branches in Phoenix. During this time I headed up the team to decentralize flat operations from the Phoenix plant out to the delivery

1 operations to make room for letter sorting machines, due to high growth in volume and
2 deliveries in Arizona.

3 I have worked in a level 22 Postmaster position in Prescott, Arizona, a level 24
4 Postmaster position in Glendale, Arizona, and in 1992 was selected for a very large
5 level 24 Postmaster position in Sun City, Arizona. This office has three large retail and
6 delivery stations, a main office and numerous contract stations. At one time two of the
7 stations housed DBCS (letter sorting) machines and was one of the first offices to
8 receive walk sequence mail in Arizona. It has all modes of delivery: CDS (HCR), Rural
9 Route and City Delivery. Sun City had a growth rate of over 500 deliveries a month
10 during some of the peak growth years and has the largest fleet of letter carrier bicycle
11 routes in the country.

12 I earned a BS degree in Management from Western International University. I
13 am the fifth child of seven. My youngest brother is a letter carrier in Kalispell, Montana.
14 My wife Kelly is a Level 22 Postmaster in Avondale/Goodyear, Arizona. We have four
15 children, one of whom is a mail carrier in Tempe, Arizona.

16 I am confident that my experience in every facet of postal operations, mail
17 processing, customer service and delivery, coupled with the fact that I have worked in
18 everything from small rural offices to very large urban offices, gives me a very strong
19 background in postal operations.

1 **I. Purpose and Scope of Testimony**

2 **A. The context of this proceeding**

3 Mark Jamison, a Postmaster from North Carolina, has submitted Comments in
4 this Docket, which mirror my experience and which bear emphasizing.

5 First, in the context of other changes the Postal Service is planning, most of
6 which are not before this Commission, it is not merely the issue of shuttering thousands
7 of post offices in vulnerable communities, but the concept of universal service that is at
8 stake. Mr. Jamison pointed out that this case cannot stand alone as a simple argument
9 for a change in the nature of services in the face of financial challenges, but that it must
10 be examined in light of all the other presentations, actions, and plans offered by the
11 Postal Service. In this light, Mr. Jamison suggests that this case is really a request to
12 abandon the concept of universal service.

13 I agree with that statement, although I would add that the minimal imagined
14 “savings” to the Postal Service are a critical factor in evaluating a proposal that
15 essentially produces a drastic reduction in availability and service. I know that the
16 Postal Service has said that they will be able to serve rural America just as well if not
17 better once all these post offices are closed, but that is truly nonsense. I suggest that
18 the real proposition here is that the Postal Service is under financial stress and its
19 urban-based leadership wants to back off from providing rural America the type of
20 service it provides today, in order to concentrate its focus on providing service to large
21 urban and suburban areas.

1 Secondly, Mr. Jamison suggests that this case is about first principles, and about
2 the idea of a national infrastructure which provides universal service and opportunity.
3 He points out that so often we all return, when discussing postal policy, to the idea of
4 “binding the nation together” and from that concept we ultimately arrive at the notion of
5 Universal Service and the concept that a successful democracy relies on our ability to
6 provide equal access to all our citizens.

7 That is a truth which must not be forgotten in this proceeding and in the
8 Commission’s deliberations. The postal network we have developed over many
9 generations provides not only mail delivery but an essential governmental presence in
10 every community and corner of the nation. I am convinced that in rural areas this
11 federal presence goes as much to act of binding the nation together, as does the actual
12 delivery of mail, and has been a significant factor in the success of the American
13 system. As Mr. Jamison quite correctly points out, this network has truly served to bind
14 the nation together, and dissolving and dismantling this important piece of our national
15 infrastructure would be a tragic mistake. I would add that it could perhaps be a fatal
16 mistake. This proceeding is the first step in that process.

17 While this proceeding is technically only focused on the 3,650 post offices that
18 are currently on the chopping block, it is no secret that a much larger group—up to half
19 of the post offices in the country—are waiting in the wings for their turn. That includes
20 every small rural post office in the country. Whether they too will take their place on the

1 chopping block will, in large part, depend upon how the Commission reacts in this
2 Docket, and how clearly and strongly the Commission crafts its advisory opinion.

3 Consequently, I believe that the Commission must look to the larger picture in
4 this proceeding, and consider the effect on a community and its economy when it loses
5 its post office. Importantly, I also believe the Commission must look to the much larger
6 cumulative effect on rural America if many thousands of small rural communities lose
7 their post offices.

8 With that thought in mind, let me turn to the specifics of my testimony.

9 **B. The purpose and scope of my testimony**

10 My testimony starts from the premise that the Postal Service is charged by
11 Congress to provide universal service, and that the Commission is similarly charged to
12 ensure that it does so. In order to provide universal service, the Postal Service must
13 serve rural America by meeting the needs of rural America, as defined by rural America,
14 and not by distant postal officials in Washington. This includes providing full post office
15 services, for they are vital to rural America, cost practically nothing, and are viewed as
16 essential by rural Americans.

17 My testimony will show that the Retail Access Optimization (RAO) Initiative,
18 which proposes to review and potentially discontinue operations at over 3,650 post
19 offices, stations and branches, is detrimental to the level of services presently provided
20 to small and rural communities, will hurt their economies and social structure, and does
21 not even provide a corresponding benefit to the Postal Service. The Postal Service's

1 attempt to change the nature of postal services in this Docket is no less than a retreat
2 from serving rural America and, thus, from its obligation to provide Universal Service.
3 The implications of this retreat are significant, not only for rural citizens but for America
4 and its economy as a whole. The Postal Service is more than a business. It is here to
5 bind the nation together and to serve rural America by giving it the maximum degree of
6 effective and regular service. Congress made that perfectly clear—a fact the Postal
7 Service ignores— when it adopted the Postal Reorganization Act of 1970, the Postal
8 Reorganization Act Amendments of 1976, and the Postal Accountability and
9 Enhancement Act of 2006.

10 In my testimony, I will also show that the “processes” that the Postal Service is
11 using in this initiative to gather information from community meetings is seriously
12 flawed. I will show that that the existence of alternative access points is limited, and
13 that the limited nature of the Village Post Office concept does not satisfy a typical
14 community’s needs. The testimony of Donald Hobbs, which the League is also
15 submitting in this Docket, goes into more depth on this issue. Mr. Hobbs is the Mayor of
16 Lohrville, Iowa, a small rural town in Iowa.

17 Finally, the way in which the Postal Service is treating these community meetings
18 raises very serious questions about the integrity of the Postal Service’s effort in this
19 initiative, and whether the Postal Service is seriously conducting these meetings with
20 the goal of gathering information to understand and meet the needs and desires of
21 these communities. Widespread information from the field indicates that in too many

1 cases the “community meetings” are simply canned briefings designed for public
2 relations purposes, in order to create the illusion that the Postal Serviced is taking into
3 account the needs of these communities and is following both the spirit and letter of the
4 law. That truth of the matter is that the Postal Service is *not* taking into account the
5 needs of the communities, and thus is not honoring the spirit of the law nor, in many
6 cases, the letter of the law.

7 **II. Postal Service’s Retail Access Optimization Initiative Conflicts with “Basic”**
8 **Public Policy and the Public Interest**

9 **A. The basic function of the United States Post Office is to be a public service**
10 **which binds the nation together**

11 In times of national crisis, it is important to return to first principles, to return to
12 our roots, and to reinvigorate our belief in our fundamental system of government. The
13 very first section of our nation’s postal laws sets forth the postal policy of the United
14 States. It states that the “United States Postal Service shall be operated as a basic and
15 fundamental service provided to the People by the Government of the United States,
16 authorized by the Constitution, created by Act of Congress, and supported by the
17 People.” 39 U.S.C. §101(a). That section also says that “The Postal Service shall have
18 as its basic function the obligation to provide postal services to bind the nation together
19 through the personal, educational, literary and business correspondence of the people.
20 It shall provide prompt, reliable, and efficient services to patrons in all areas and shall
21 render postal services to all communities.” *Id.* In terms of rural America, the nation’s

1 postal policies go further: “The Postal Service shall provide a **maximum** degree of
2 effective and regular postal services to rural areas, communities, and small towns
3 where post offices are not self-sustaining.” 39 U.S.C. § 101(b) (emphasis added).
4 Regardless of whether top Postal Service management likes it or not, this is the mission
5 Congress has assigned to the Postal Service, and this is the mission that the Postal
6 Service is required by law to carry out. Moreover, this has been the United States Post
7 Office’s mission from the day that it was formed. In his book *Preserving the People’s*
8 *Post Office*, Christopher W. Shaw points out that the “Second Continental Congress
9 meeting in Philadelphia on July 26, 1775, concluded that a new American postal system
10 was needed.” They established a new postal system that was markedly different from
11 the English system and that had much different goals:

12 “The American postal system’s establishment entailed a break with the
13 Post Office’s colonial past that extended to its very mission. During the
14 Revolutionary War and the ensuing confederation period the American
15 Post Office emphasized service, whereas, under the English Crown, the
16 postal system was supposed to make a profit... The founders envisioned
17 a Post Office committed to uniting the nation and sustaining
18 democracy...[George Washington] believed that by disseminating
19 information throughout the land the Post Office would assure the
20 dispersed population’s loyalty to the national government.”
21

22 Christopher W. Shaw, *Preserving the People’s Post Office* 7-8 (Essential Books 2006).

23 George Washington was right. By disseminating information throughout the land,
24 the Post Office has been and still is a critical link in assuring that the dispersed rural
25 population of the United States is bound into the political, social, and economic fabric of
26 our country, in a way that that is lacking in many other countries. Moreover, as the

1 nation grew, so did the Postal Service, and its mission remained the same as “[t]he Post
2 Office helped ‘bind the nation together’ by providing a system of communication that
3 allowed for contact between the settled Atlantic seaboard and the frontier.” *Id.*

4 This is as true today as it was in colonial times, which is why both the Postal
5 Reorganization Act of 1970 and the Postal Accountability and Enhancement Act of 2006
6 maintained that mission. Binding the nation together is not a quaint, outmoded,
7 historical relic. Even today, in the “information age,” post offices:

8 “serve as a community anchor and hub, they give a place an identity, they
9 support small businesses by providing easy access and low mailing costs, they
10 bring foot-traffic into nearby stores and restaurants, they save countless miles of
11 driving time and fuel by serving as nodes on a vast network, they provide
12 services that no Wal-Mart postal counter can do (like passports and emergency
13 preparedness), they are often housed in beautiful historic buildings that are a
14 source of local pride, and they represent the presence of the federal government
15 in every community and remind people that the government is capable of doing
16 some things right.”

17 Save the Post Office, *Who gets hurt when the post office closes?* September 14,
18 2011, <http://savethepostoffice.com/who-gets-hurt-when-post-office-closes>.

19 **B. The Postal Service is more than just a business**

20 While the Postal Service should act in a businesslike manner—e.g., select
21 postmasters and other employees for their competence and merit, and not for other
22 reasons—its mission is not to be just a business, but also “a basic and fundamental
23 service provided to the people by the Government,” with a “basic function” and
24 “obligation...to bind the nation together,” and a special charge to “provide a maximum
25 degree of effective and regular postal services to rural areas...and small towns.” 39
26 U.S.C. §101(a) and (b). Those are very strong words, and this charge is a very strong
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1 charge—one of the strongest, most fundamental, and oldest in federal law.
2 Postmasters throughout the United States believe in that charge, take great pride in
3 carrying it out, and have done so for centuries.

4 Yet today the Postal Service is pulling back from that mandate to provide a
5 “maximum degree” of service. The 3,650 post offices on the chopping block today are
6 only part of the issue. Many small rural post offices have already closed, and the
7 Postmaster General has publicly declared that another 15,000 or more will likely be
8 closed in the next six years. This simply does not square with the clear policy and the
9 clear mandate that Congress has set for our Nation’s postal system, and it is this
10 Commission’s job to correct this.

11 Of the 3,650 post offices recommended for review as part of the RAO Initiative, a
12 significant portion are rural post offices. The primary purpose of the RAO Initiative is to
13 reduce costs. As the Postal Service finally acknowledged on the day of Witness Boldt’s
14 cross-examination, the closing of these 3,650 offices is not the billion dollars that the
15 Postal Service originally alleged, but estimated to save *less than \$200 million, or less*
16 *than 3/10s of one percent* of the Postal Service’s operating budget.¹ One could “save”
17 more than that by playing with the rounding functions in the Postal Service’s budget.

18 Yet, as we point out, it will do enormous damage to rural America and small
19 communities throughout the country. The recent tidal wave of post office closing

¹ The total net cost of the 10,000 smallest Post Offices—more than one-third of all Post Offices in the United States—is less than seven tenths of one percent (0.7%) of the total costs of the United States Postal Service.

1 appeals to this Commission and the alarm that is arising all throughout rural America
2 attests to that. The Postal Service has not taken into account the full extent of the costs
3 of extending delivery to those customers who will now receive their mail at their home,
4 nor the cost of servicing an NDCBU by the carrier if that is the chosen delivery mode.

5 No consideration has been given to the costs for the customer if they have to
6 drive to the next town to pick up their mail or to do business with the post office. The
7 Postal Service's direct testimony did not address the fossil fuel usage that would
8 increase because of this, nor the fact that many of the elderly in these communities do
9 not drive or have licenses enabling them to go to the nearest town.

10 Rural post offices currently provide the following services: stamps, First Class
11 Mail (domestic and international), Priority Mail, Priority Flat Rate Boxes/Envelopes,
12 Express Mail, Certified Mail, Registered Mail, return receipt, Insured Mail, Certificate of
13 Mailing, restricted delivery, collect on delivery, special handling, adult signature
14 required, media mail, parcel post, money orders, signature confirmation, delivery
15 confirmation, bulk mail acceptance, zip code information, international mail, customs
16 forms, file a change of address, stamped envelopes and postcards, Ready Post
17 products and supplies, Sure Money, mailing requirements, file an insurance claim and
18 safe and secure mail box services. Urban and suburban post offices generally provide
19 additional services such as passport services and greeting cards.

20 In contrast, the Village Post Offices will only provide access to the following three
21 services: stamps, Priority Flat Rate boxes/envelopes, and file a change of address.

1 There may be a rare exception where post office boxes served by a rural carrier are
2 available. A United States citizen in a rural town would not have reasonable access to
3 postal services enabling him or her to send a care package, or to purchase a money
4 order to pay a bill. Village Post Offices also lack the atmosphere of official government
5 authority that regular post offices, proudly flying the American flag, project: the Village
6 Post Office in Malone, Washington, for example, is more of a convenience store selling
7 such useful items as beef jerky, live worms, beer and cigarettes alongside fixed-rate
8 shipping boxes.²

9 In regard to Village Post Offices, there are already thousands of full-service post
10 offices located in general stores and gas stations. The difference between these post
11 offices and Village Post Offices is that they are real full-service post offices, offering a
12 full range of postal services, and are staffed by real trained postmasters. The Postal
13 Service's preferred substitute, where any local post office will even be provided, is only
14 a very limited-service retail outlet with three services sold by whoever happens to be
15 behind the counter.

16 Finally, with the new top-down approach and a Vice President from Headquarters
17 giving the directive to close offices, very few District Managers will ever push back to
18 challenge such a Headquarters decision. It just wouldn't be a good career move. In
19 fact, what used to be a District Manager-directed initiative now requires that any change

² Patrick Oppmann, *The new face of the U.S. post office*, CNN, Sept. 12, 2011, http://articles.cnn.com/2011-09-12/us/mini.mart.post.office_1_village-post-post-office-postal-options?_s=PM:US

1 to the top-down request requires a minimum of an Area Vice President’s approval
2 before a discontinuance is stopped. The problem with that is that Headquarters and
3 area VPs have absolutely no sense of local conditions. District Managers and
4 postmasters do. These are not large processing plants, where area and Headquarters
5 VPs can easily understand the ramifications of their decisions. Rather, there are very
6 small buildings with one or two rooms that affect communities in very complex and
7 subtle ways.

8 **III. Disproportionate Impact of Retail Access Optimization Initiative on Rural**
9 **Communities**

10 **A. This initiative disproportionately impacts rural communities**
11

12 While there are post offices, branches, and stations from all over the country in
13 the list of 3,650, including a number of branches in Manhattan, several post offices on
14 Capitol Hill, and even the Chevy Chase, Maryland, post office, the truth is that this
15 initiative is aimed at rural America, as the press has pointed out:

16
17 “[E]ven a cursory look at the closing maps and news items about impending
18 closures reveals that a large portion of the post offices slated for closure are in
19 rural areas. Three thousand of the 3,650 on the Retail Access Optimization
20 Initiative (RAOI) closing list have annual revenues of less than \$27,000, and
21 almost all of these are probably rural. And there are also many small rural post
22 offices on the non-RAOI list of 727 slated for closure.”
23

24 Save the Post Office, Who gets hurt when the post office closes? September 14, 2011,
25 <http://savethepostoffice.com/who-gets-hurt-when-post-office-closes>.
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1 **B. Post Offices are especially essential in rural and small communities**

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3 Rural post offices are the backbone of rural America and are an integral part of
4 the social, political, and economic fabric of small towns. They are the glue that holds
5 the nation’s rural communities together, as anyone who has lived in a small rural
6 community knows. If a rural post office disappears, the town often disappears. Rural
7 customers are not second-class citizens; they deserve access to the postal services
8 that citizens in big cities enjoy, and that includes post office services. Rural America
9 contains somewhere around 80% of the nation’s land and is home to somewhere
10 around 56 million people. Rural Americans are 26% of the population, and make up
11 34% of Americans with incomes below the official poverty line. It is thus no surprise that
12 Congress has shown special concern for rural and small towns by mandating
13 “maximum”—as contrasted to “minimum” or “subsistence”— service.

14 The importance of post offices in rural areas is not just because of the postal
15 service they provide, but because of the role they play and the non-postal services they
16 provide. Non-postal services vary from one community to another. Because small
17 towns tend to have the highest concentration of elderly people, the rural post office
18 often serves as a gathering point for retirees and acts as a source of information that
19 goes far beyond postal issues. The rural post office has an impact on local business
20 development, existing businesses, law enforcement, community jobs, and citizens
21 without bank accounts, computers and cars. Many customers make a daily visit to their
22 rural post office, walking to and from the building thanks to its convenient location, and

1 postal customers frequent other community businesses while they are in the area.
2 Local businesses also use the post office as part of their daily routine, a routine that will
3 be disrupted and negatively impacted by the need to travel significantly greater
4 distances to obtain the same services at another post office further away.

5 This phenomena is not just some story concocted by postmasters. It is a reality
6 in rural America. As one of our postmasters has noted about a typical community in
7 Odd, West Virginia:

8 The customers depend on the Postmaster for many different situations
9 that arise in the community. There are several families that cannot read,
10 write, or drive. The customers rely upon the Postmaster to fill out money
11 orders and read their mail to them. When these customers receive mail
12 from Social Security or other companies they depend on Postmasters to
13 read them the letter and explain it to them. They also need the
14 Postmasters to fill out forms if needed. There are customers that do not
15 drive who walk to the post office to purchase their money orders and pick
16 up mail (if the Odd Post Office closes the nearest post office will be seven
17 miles). Several customers receive medications through the mail, and the
18 Postmaster takes their medications to them because they do not drive or
19 they are shut in. Several handicapped customers pull up in the parking lot
20 and the Postmaster takes their mail (including their medications) to them
21 so they do not have to get out of the vehicle, to make it easier on them.

22
23 Odd, West Virginia, has very severe winters with significant snowfall. During the
24 bad winter months, if the Postmaster has not heard or seen from the customers,
25 the Postmaster calls to check on them and sometimes even delivers their mail
26 and medications to them. The Postmaster takes care of more than just the
27 postal needs of customers: "When death or sickness comes to a member of my
28 community, some customers come in the Post Office upset and/or crying and just
29 need someone to listen to them. I try to understand and let them talk about what
30 is bothering them."

31
32 As one who has worked in rural post offices throughout the West, I can
33 personally attest that this is an accurate description of thousands of typical small rural

1 post offices and of the services that their postmasters provide. The testimony of Mayor
2 Donald Hobbs that the League is submitting in this Docket gives the Commission
3 another first-hand account of this phenomena.

4 I would like to point out two specific communities that I know of that survived a
5 rural death spiral and ended up reinventing themselves. I personally know that they
6 were able to do this only because the community center, their Post Offices, stayed
7 intact. One was Jerome, Arizona, an old mining town that started to die as the copper
8 deposits in its mine reached unprofitable levels.³ Jerome turned itself around and today
9 is a thriving arts colony.⁴

10 The other is David, Kentucky,⁵ an abandoned coal mining village in the black hills
11 of Kentucky. It was in an advanced state of decay, but it had a post office and they
12 never closed it. As events unfolded, local residents started a campaign to revitalize
13 David and younger people decided to move in and rebuild David. The residents
14 attribute their ability to turn the community around to the presence of *their* post office
15 that kept the community alive and maintained their identity. Such Post Offices have
16 served many needs and play a vital role in binding their communities together and
17 binding those communities to the United States. This is just one of them. As we look to
18 re-structure the Postal Service to meet the changing needs of a technologically
19 advancing America, we need to look at more than just how many visits a post office has,

³ See David W. Miner & Scott Greet, *The Concept of Community: Readings with Interpretations* 266 (Aldine Publishing Company 1969).

⁴ See <http://www.azjerome.com/>

⁵ See http://en.wikipedia.org/wiki/David,_Kentucky

1 how many earned hours it may have, and what the total revenue is. The Postal Service
2 and leaders of America need to ensure that we do not pull the thread that unravels the
3 fabric of rural America, with an eye only on a balance sheet.

4 America is not the only country facing these decisions, as the following examples
5 from Ireland, Wales, and England demonstrate. These short video clips feature rural
6 members of the Irish and British parliaments, newscasters, and prominent rural British
7 residents discussing the harm that would be done to the fabric of rural society by the
8 Irish and British post offices as they consider closing small rural Irish and English post
9 offices.⁶

10 -- http://www.youtube.com/watch?v=9P3Jl_tI3ZY&feature=related

11 --<http://www.youtube.com/watch?v=9RI8Ht6cFFM&feature=related>

12 --<http://www.youtube.com/watch?v=2r3hl32AUiU&feature=related>.

13 --http://www.youtube.com/watch?v=VYDXQ-r_7il&feature=related

14 I urge the Commission to watch these clips. They demonstrate the universal
15 nature of this issue. Having said that, I must also add that the population densities of

⁶ See generally, Testimony of Charles Mapa on behalf of the National League of Postmasters in Docket PI 2008-1, Report on Universal Postal Services and the Postal Monopoly. See Also the British Publication “The Future of the Rural Post Office Network,” Final Report for the Commission for Rural Communities, May 2007:

Role of the Post Office.

The Post Office is seen as a central element in rural life, especially where other services are either non-existent or hard to reach. Its value is particularly high for vulnerable communities. In addition to the particular products and services it provides, the post office is seen as a social hub, disseminating local knowledge, helping to keep track of the wellbeing of local people, especially older people and in some cases helping to keep a village “alive.”

OPM at 1, www.ruralcommunities.gov.uk.

1 Western America and the isolation that many Western rural communities experience do
2 make the American rural post office experience unique, and I would suggest even more
3 important to our rural citizens than they would be to the rural citizens of smaller and
4 more densely populated countries, such as Great Britain.

5 This uniqueness and value of post offices is reinforced by data showing how
6 strongly American citizens feel about their Postal Service. Gallup poll data and
7 communication with members of Congress (and this Commission) show extremely
8 strong and very widespread support for small rural post offices. Indeed, closing post
9 offices to save money is not popular with the American public, and they would prefer
10 any number of other cost-saving measures, as polls have consistently shown, the most
11 recent of which was done by Gallup just about a year ago, in March, 2011. That poll
12 reported that 86% of Americans oppose closing post offices. This overwhelming
13 nationwide endorsement of post offices was consistent with a 2009 Gallup Poll which
14 showed that 88% of the public opposed closing post offices. Its findings are reproduced
15 below.⁷

⁷ The Gallup poll may be found at <http://www.gallup.com/poll/127013/americans-back-five-day-per-week-mail-delivery.aspx>.

As you may know, the U.S. Postal Service recently announced that it is anticipating billions of dollars in losses this year. Please tell me whether you would strongly favor, favor, oppose, or strongly oppose each of the following as a way to help the Postal Service solve its financial problems. How about ... ?

	Favor	Oppose
	%	%
Reduce the number of days your local post office is open from six days a week to five	71	28
Reduce the number of mail delivery days from six days a week to five	68	31
Have the federal government provide funding for the Postal Service	47	50
Raise stamp prices	39	60
Close your local post office branch	12	86

Gallup poll, March 16, 2010

GALLUP®

Support for rural post offices stems from the role these institutions play in their community and the cohesive function they serve. Some cynics—usually urbanites—find this difficult to understand. They often suggest that rural communities really don't depend upon their post offices that much, and can do without them if they just receive good mail service. That view is not consistent with my experience, the experiences of members of the National League of Postmasters from rural areas, and the experiences of people in Odd, West Virginia; Jerome, Arizona; and David, Kentucky.

C. Lack of alternative services available in rural communities

The Postal Service almost seems to suggest that electronics has opened up other communication sources for rural America, and that the role of post offices in rural

1 America has become passé. That is simply not accurate. As the article "*Who gets hurt*
2 *when the post office closes*" points out:

3 All you hear from the media is that the Postal Service is closing post
4 offices because everyone is doing email and paying bills online. But it's
5 not everyone.

6 According to the US Census for 2010, 31% of U.S. households have
7 incomes of less than \$30,000 a year. And according to Pew Internet, 60%
8 of these households do not have broadband at home, and almost half
9 don't use the Internet at all. That means 19% of the country's households
10 do not have home access to the Internet because they cannot afford it or
11 because they live in a low-income or rural area where there's no
12 broadband available. That number may actually be larger, since a third of
13 the households earning \$30,000 to \$50,000 don't have home broadband
14 either. That 19% means over 22 million households don't have home
15 Internet. If the Postal Service closes 4,000 post offices — one out of eight
16 — how many of those 22 million households will find themselves without a
17 nearby post office *and* without Internet? Given that many of the post
18 offices on the list are in low-density areas, let's just say one out of
19 twenty. So we're talking about over a million households near or below
20 the poverty level (\$22,000 for a family of four) with no Internet and no local
21 post office. Those are some of the people who will be hurt most by the
22 closing of thousands of post offices.

23
24 Poor people without Internet can't just go online for email, bill paying, and
25 news. These are the people who go to the post office to buy a money
26 order to pay the electric bill. These are the people who will feel it the most
27 when they have to put some extra gas in the tank to drive to a post office
28 three or five or ten miles away, or who have to take an extra bus ride
29 across town to the post office that's still open. These are the people who
30 experience the post office as a real place in the real world, not just an
31 abstraction they read about in the virtual world of Internet news.

32
33 Save the Post Office, *Who gets hurt when the post office closes?* September 14, 2011,
34 <http://savethepostoffice.com/who-gets-hurt-when-post-office-closes>.

1 As further examples, the League has determined that Saint Francis, Arkansas,
2 has 104 rented boxes; 67 of these residents do not have internet. New Hope,
3 Arkansas, has 81 rented boxes; 22 do not have internet. Three towns in Iowa—Gravity,
4 Grant, and Beaver—have limited internet access and elderly communities without
5 computers. In the mountains of West Virginia, I would think the situation is even more
6 drastic.

7 **D. Failure to consider services and unique needs of communities**

8 I have received many specific examples where the Postal Service has not
9 adequately taken into account the unique needs of a community. While the purpose of
10 this proceeding is not to consider specific instances, I do think that a showing of a
11 variety of cases where important local concerns were ignored is indicative of how the
12 local processes are failing.

13 In most cases, no consideration is given to the cost for the customer if they have
14 to drive to the next town to pick up their mail and do business with the post office. For
15 example, closing the Owensburg, Indiana, Post Office will force customers to drive 19
16 miles for full service at Bloomfield, Indiana. Williams, Indiana, customers will be driving
17 18 miles to Bedford, Indiana. In Iowa, Marathon customers will be driving 25 miles to
18 Pocahontas, Iowa. There are many more examples across the country where offices
19 are being reviewed and the miles our customers are going to be required to drive if their
20 post office closes are excessive.

1 The Hawaii branch of the League reports to me that the Postal Service is
2 considering closing the Kalaupapa Post Office on Molokai in Hawaii. They have told me
3 that people in isolated Kalaupapa receive mail by airplane. There is no cell phone
4 service, and when internet is available, it is through dial-up service. There is no access
5 to other retail services. Rent for this post office in isolated Kalaupapa is reportedly \$1
6 per year.⁸

7 Other League branches have provided the following information about other
8 typical communities.

9 Dewitt, KY

10 Dewitt, Kentucky, is very remote and poses many challenges for its residents.
11 The only establishments which provide an identity for the Dewitt community are the Post
12 Office, the Elementary School, and the Baptist Church.

13 The Dewitt Post Office has been around since 1894, and is on the main travel
14 route for a large rural area; some of its customers already drive up to 40 minutes just to
15 reach this post office. It stays open from 7:00 AM to 7:00 PM seven days a week. Its
16 population of approximately 2,100 people consists of many senior citizens and disabled
17 people, as well as customers who cannot read or write. The average income is below
18 the poverty level at \$15,393. The main source of employment and business is logging,
19 and the unemployment rate is 13.7%.

⁸ See also, Maggie Cassidy, *Kalaupapa Post Office Seeks a Contractor*, Aug. 15, 2011, <http://www.themolokaidispatch.com/kalaupapa-post-office-seeks-contractor>

1 Customers rent at least 228 post office boxes and parcel lockers, and at least
2 135 of these customers have no home computers or access internet services. Cell
3 phone service is sporadic at best, and beyond about 4 miles from the interstate road
4 there is no cell phone service. Two post offices, in the Bimble and Walker communities,
5 have already been closed, requiring those communities to travel to Flat Lick, Kentucky,
6 for their postal needs. The route to Flat Lick from DeWitt is unsuitable for senior
7 citizens, and they would have to travel even further to Barbourville to access their mail.

8 McHenry, KY

9 The small community of McHenry, Kentucky, serves 84 post office box
10 customers in an area where there is very little cell phone service available and
11 any computer service is mostly dial up. A survey of the 84 customers reveals
12 that only 20 have a computer at home and internet access, so very few of them
13 could benefit from online postal services.

14 Many of the senior citizens in this town do not drive automobiles and must
15 hire someone to take them to the next largest town for groceries and needs once
16 a month. If their Post Office is closed this will cause another burden as they will
17 not be able to pay their bills when they are due because they cannot afford to
18 hire someone a second time for a second trip to town. Many of them do not read
19 nor write well and depend on the Postmaster to assist in bill paying. Purchasing

1 a money order from the rural carrier requires a customer to fill out an application
2 to pay a bill. If the customer cannot read or write, they cannot do this.

3 Switchback, WV

4 The community of Switchback, West Virginia, has 47 boxes serving mostly
5 retired and disabled citizens. Out of the 47 customers, only two have computers or
6 internet in their home. Due to the remote location, there is no cell phone service in
7 Switchback. Many customers are dependent on the Postmaster to help them purchase
8 and fill out their monthly Money Orders for their bills. Several customers are disabled
9 and need assistance getting packages and their mail in and out of the office. This Post
10 Office is a vital part of the community. A number of customers have no transportation
11 and no way to travel to get their mail daily from a different office over six miles away.

12 The Postal Service's testimony did not address the fossil fuel usage, which would
13 increase due to this initiative, nor the fact that many of the elderly in these communities
14 do not drive or have licenses enabling them to go to the nearest town. One
15 commentator has tried to estimate the costs:

16
17 Say 3,000 small rural post offices close, and say these post offices serve
18 towns with an average population of a thousand people—about 400
19 households (the census says the average household is 2.6 people). When
20 their post office closes, those 400 households will need to drive to a post
21 office in another town. Since we're talking rural, the nearest post office
22 could easily be five, ten, or twenty miles away, but to be conservative, let's
23 say five. It's hard to figure how often each household will need to go to the
24 post office, and how many of those trips will be an extra trip as opposed to
25 'we were going to Optimo anyway.' But let's say that each household

1 needs to make an extra ten-mile round trip twice a month.

2 If you do the math, it comes to nearly 300 million miles, and \$50 million in
3 fuel costs — over \$40 a year per household. In other words, the Postal
4 Service, in its efforts to save \$200 million, is just transferring a large
5 portion of its cost savings to rural Americans, who are going to dig deeper
6 into their wallets to buy gas.

7 Of course, extra driving time and fuel costs are just part of the impact of a
8 post office closure on a small town. What hurts even more is the thing that
9 can't be quantified — the way a post office serves a social function in the
10 community. It's a social hub and a source of community pride and
11 identity. That's why in so many news reports about post office closings,
12 the people in small towns say that if you close the post office, you're
13 putting a nail in the coffin of the town. And they mourn the loss of the post
14 office as if were a member of the family.”

15

16 Save the Post Office, *Who gets hurt when the post office closes?* September 14,
17 2011, <http://savethepostoffice.com/who-gets-hurt-when-post-office-closes>.

18

19 **IV. Problems with the Postal Service's Implementation of the Retail Access**

20 **Optimization Initiative**

21 **A. Flawed earned hours formulas**

22

23 A fundamental problem exists with the earned hours formulas the Postal Service
24 is using. That is because the distribution productivities that Postal Service sets are truly
25 impossible to meet. Indeed, they are higher than the productivities set for letter and flat
26 sorting machines. Yet, as the Postal Service pointed out, they are being met. What is
27 going on here?

28 The reason they are being met is not because postmasters are working faster
29 than the machines, but rather because 1) some of the hours that a postmaster works

1 are not even being captured by the data systems and 2) the fact that the methodology
2 used to calculate other hours is fundamentally flawed, resulting in the data being
3 skewed. The bottom line of this is that the output from the formulas is highly unreliable
4 and should not be used for the type of evaluative purposes that they are being used for
5 here. As the old saying goes, garbage in, garbage out.

6 Originally, those formulas were intended to be used for staffing purposes, just to
7 get a very rough idea of the number of people need to staff a facility. They were
8 adequate for that purpose, but they are not adequate for the purposes they are being
9 used for here. I would be happy to elaborate on this if the Commission has any
10 questions on this. I do not want to go into a great deal of detail about this in my
11 testimony since this testimony is not intended to be technical testimony, but policy
12 testimony, and I believe the technical issues are secondary or even tertiary issues
13 compared to the main issues that should be the central focus of this docket, which are
14 policy issues. Nevertheless, I am an expert in this area and could not let this glaring
15 error pass without comment.

16 All in all, we continue to hear that the closing of rural offices is occurring because
17 of the lack of use and earned hours. Really this point equates to post offices that are
18 not profitable. The law specifically forbids the Postal Service to close Post Offices
19 because they are not profitable. The reason for this provision in the law is the fact that
20 small rural post offices usually play a significant social and economical role in rural
21 America that urban post office simply do not play.

1 We also have to remember that the Postal Service has said less than 18% of all
2 offices that make money. Offices like my own in Sun City Arizona that service over
3 100,000 delivers has lost over 2 million a year for the last three years is not studied for
4 closure.

5 Is there a double standard on profitability for urban vs. rural? I think so.

6 **B. Flawed implementation policy already in effect**

7 The League notes that, despite the asserted opportunity for communities to
8 provide input for the Postal Service's consideration *prior* to deciding to close a post
9 office, the Postal Service has been taking steps that both hinder meaningful community
10 input, while simultaneously cutting off post offices as though the decision to close them
11 has already been made. Postmasters are not the only ones to have observed this
12 difficulty. See, e.g., the emails from Congressman Jerry Costello's office to the
13 Gateway District's Discontinuance Coordinator, attached to the Postal Service's
14 response to NLP/USPS-16:

15 "I don't think it's fair for you all to give us one date and then send letters with a
16 totally different date. The dates you originally provided to us – we contacted all
17 the Mayors and provided them with those date. ...And on top of that, you did not
18 feel the need to notify us that the date were being changed – OMG, how
19 unorganized!!!

20
21 I'm really dissatisfied with the way these community meetings dates are being
22 scheduled and more dissatisfied with the way you all chose to keep us in the
23 dark when I specifically asked that we know before any letter goes out to the
24 cities in our district."

25
26 (Emphasis original).
27

1 Postmasters have reported several instances of meetings being held in joint
2 locations that require travel for some communities. Post Office Review Investigators
3 are struggling to conduct community meetings on a short schedule (i.e., 165 meetings in
4 85 days), and as a result, they have been authorized to hold multiple meetings in a
5 single location. (For example, in the Hawkeye District 41 post offices are being
6 considered in 20 meetings.) The Postal Service is preparing their customers for post
7 office closings by requiring them to drive to distant towns to even speak out about their
8 Post Offices closing. People in small towns who are not mobile for any reason (no car,
9 disability, etc.) will not be able to be present at these meetings, and these are the same
10 people with the most desperate need for a local Post Office. This reduces the value of
11 even holding a community meeting.

12 Additionally, the timing of the meetings will make community participation difficult
13 or impossible for working members of the community. Section 101 of the Handbook
14 PO-101, Post Office Discontinuance Guide, states: "Be sure to schedule the meeting at
15 a time that encourages customer participation, such as during an evening or weekend."
16 Postmasters have reported several instances of meetings being held in the middle of
17 the day, when postal customers are more likely to be working.

18 The Westphalia and Edwardsport communities in Indiana are both on the RAO
19 Initiative list of post offices recommended for review. The Edwardsport post office was
20 suspended from receiving support services in August. The members of the Westphalia
21 community are required to go to Edwardsport for their community meeting, which is

1 approximately a five-mile drive, and both meetings are scheduled back-to-back in the
2 middle of the morning on a weekday. The members of a community are not even
3 permitted the dignity of meeting within their own community to discuss the needs and
4 concerns of that community.

5 In Holland, Kentucky, the meeting was held at 10:00 AM; Austin, Kentucky, at
6 11:30 AM; and in Knob Lick, Kentucky, at 1:30 PM.

7 Alleene, Arkansas

8 The community meeting in Alleene, Arkansas, is another illustrative example of a
9 flawed system of review. Handbook 101 states that the questions/concerns raised at
10 the community meetings will be part of the record to be considered in the feasibility
11 study. However, the Discontinuance Coordinator did not take any notes or document
12 the questions and comments at the community meetings. Worse, the Coordinator told
13 the attendees that nothing they said will go into the record and that the only way it will
14 be in the record will be if they send a letter to the address in the survey. The
15 Discontinuance Coordinator also announced that the meeting would end promptly after
16 one hour and that each customer was limited to 2 minutes for comments and questions.

17 Handbook 101 states that information regarding VPO and Contract Units will be
18 provided before the community meeting to be able to evaluate whether it is cost
19 effective to open either one. But, the Coordinator did not check to see if there was
20 anyone interested in opening a VPO or Contract Unit, but told the attendees that it was

1 their responsibility to find someone that is interested if that is what the community
2 wants.

3 The Coordinator emphasized many times that this is not the only office being
4 studied for closure, naming stations and branches in Little Rock and Fayetteville,
5 Arkansas, that have already been closed. The Coordinator also told the customers that
6 there is no law stating that the USPS can't close a Post Office for financial reasons only.
7 She said that the law was changed in Handbook 101. When a customer talked about
8 the requirement for maximum service and so forth, the Coordinator told him that the
9 "Reorganization does not say that about maximum service." She then stated that the
10 maximum degree of service for Alleene is the 9 mile drive to Winthrop, Arkansas, and
11 that satisfies that requirement.

12 One customer asked the Coordinator what the options they had to save their
13 Post Office. The Coordinator responded with: "I can't answer that. It is not my job. I
14 can't do that and keep my job. My job is not to help you." Then she talked about how
15 many hours she works a day, but only gets paid for 8 hrs.

16 Fisher, Arkansas

17 At one meeting in Fisher, Arkansas, on August 8, 2011, the community meeting
18 was held by administrative personnel other than the District Manager and the
19 community members were told at the start of the meeting that the meeting would start at
20 5:30 PM and would end promptly at 6:30 PM. They were also told that this was the last
21 day for comments or questions for the record to be given, even though the 60-day

1 comment period had not expired. Additionally, no one was taking notes for the
2 record. The Discontinuance Coordinator said she had been told not to take any
3 notes. When asked if writing Congressman would help save their office, the
4 customers were told that it probably wouldn't do any good. They were told that
5 the Congressman had already sent a letter supporting the communities and that
6 no further contact was warranted. The community was also told that the modular
7 facility that housed the Post Office will be sold to the highest bidder.

8 Gepp and Wright Post Offices

9 In another situation, both the Gepp and Wright Post Offices in Arkansas have
10 been classified as Emergency Suspension and are on the list to review for closing. The
11 only reasoning provided for closing the Gepp Post Office was that no one could be
12 found to cover a 5-day break for the current Officer in Charge, despite the fact that at
13 least one Postmaster and his PSE [Postal Support Employee] volunteered. The need
14 for the short-term break in service was known well in advance. The postmaster of the
15 gaining post office received the first notice the same day that everything was moved
16 from the Gepp office to his post office. Gepp was on the list to be closed, then
17 emergency suspended because of “no available help” and then moved to another town
18 the next weekend. The need for a replacement OIC at the Wright Post Office was also
19 known far in advance, since the day the current Postmaster began the retirement
20 process.

1 Handbook 101 states that when a feasibility study is initiated due to an
2 emergency suspension, the discontinuance process should be started sufficiently
3 in advance to “allow a meaningful opportunity for public input to be taken into
4 account before services are suspended.” Handbook 101, Section 212.21. The
5 Wright and Gepp Post Offices are not receiving the benefit of the Postal Service
6 policies and procedures.

7 The Postal Service’s actions in both these situations does not serve the citizens
8 of those communities.

9 **C. Failure to consider service and unique needs of communities**

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It is clear the Postal Services RAO initiative is failing in far too many cases to consider unique community needs. I would suggest that beside the criteria of walk in revenue, the following criteria also need to be considered.

1. Does the community have a geographic center, and is the post office it?

Do people live within walking distance of this center?

2. Do residents regularly gather at the post office, not only to pick up their mail but also to renew social ties and exchange local news?

3. Are any of the following groups – the elderly, the poor, the disabled – disproportionately represented in this community population, and does the post office serve the members of such groups in socially significant ways

1 as well as postal office service beyond the normal service given, i.e., filling
2 out money orders for them.

3 4. Could the same be said of minority-group members who reside or work in
4 the town?

5 5. Is the community working to survive or grow? Do they care?

6 6. Do the customers identify with the town's name?

7 7. Are there small businesses in town? Are they located near the Post
8 Office?

9 8. Have additional business been started in recent years?

10 9. Do citizens ever unite in order to solve a civic problem, such as organizing
11 a fire department, or deal with a local crisis and is the Post Office that
12 center for unification?

13 10. Is the village population disproportionately illiterate? Do local Postmasters
14 go out of their way to meet their special needs?

15 **Conclusion**

16 The Postal Service is charged with providing universal service, including a
17 maximum degree of regular and effective service to rural America. This Commission is
18 charged with enforcing that mandate. The Postal Service is not doing that, and is not
19 even trying to seriously perform its duty to gather information about the needs and
20 desires of local communities and factor that information into its decisions.

1 I believe every participant in this proceeding wishes and wants in their heart the
2 best for our nation's Postal Service. But the more important issue before the
3 Commission in this docket is what is best for America and all of its citizens, especially
4 those most vulnerable and dependant on their Post Offices.