

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

ANNUAL COMPLIANCE REVIEW

2019 Docket No. ACR2019

MOTION FOR ISSUANCE OF INFORMATION REQUEST  
STEVE HUTKINS  
(January 15, 2020)

Pursuant to 39 C.F.R. § 3001.21(a), I respectfully request that the Presiding Officer issue an Information Request to obtain responses to the questions stated in this motion. I believe the responses would be beneficial to the Commission's important annual evaluation of the Postal Service's compliance with the provisions of 39 U.S.C. § 3652, and with the related regulations regarding Customer Access to Postal Services as set forth in 39 C.F.R. § 3055.91. The information elicited will assist the Commission and its staff in conducting core regulatory analysis and improve staff efficiency in conducting the analysis. It will also aid potential commenters in understanding and assessing customer access during the Annual Compliance Determination review. The information requested here focuses on three topics, all of which have been addressed and noted as important by the Commission in previous ACD reviews: Emergency suspensions and discontinuances, contract facilities, and mail collection points.<sup>1</sup>

---

<sup>1</sup> See, for example, Annual Compliance Determination Report, Fiscal Year 2018 (April 12, 2019), pp. 195-204.

[https://www.prc.gov/docs/108/108781/2018\\_ACD.pdf](https://www.prc.gov/docs/108/108781/2018_ACD.pdf)

## RATIONALE FOR PROPOSED REQUESTS

Most of the material that would be elicited by the proposed information requests has been provided by the Postal Service in previous years and thus should not present a significant burden. If it has become difficult for the Postal Service to provide this information on an annual basis, providing it every two or three years would be beneficial. Given that the Postal Service will be transitioning to a new Postmaster General in 2020, more information about customer access to postal services is particularly important now, as it will be helpful in assessing changes that occurred during PMG Brennan's tenure and in providing a baseline for changes that occur during the tenure of her successor.

Providing more information about customer access to postal services is also important at this time given that the new Postmaster General is likely to be guided, to one extent or another, by the 2018 Report from the Task Force on the United States Postal System.<sup>2</sup> This report makes several points and recommendations that involve the Universal Service Obligation, retail offices, and collection boxes. For example, the Report makes this point: "The Task Force believes that there should be a clearly defined USO standard for access. The USPS should have the flexibility to determine the number of post offices and collection boxes as long as it meets the defined standard of access and is consistent with a financially sustainable business model." (p. 42) More specifically, the Task Force makes this recommendation: "The USPS could also capture additional value from its existing retail offices by converting post offices into contract post offices or by co-locating with or renting space to complementary retail establishments." (p. 6)

---

<sup>2</sup> "United States Postal Service: A Sustainable Path Forward, Report from the Task Force on the United States Postal System" Dec. 4, 2018  
[https://home.treasury.gov/system/files/136/USPS\\_A\\_Sustainable\\_Path\\_Forward\\_report\\_12-04-2018.pdf](https://home.treasury.gov/system/files/136/USPS_A_Sustainable_Path_Forward_report_12-04-2018.pdf)

In order to evaluate such comments and recommendations, it would be useful for the Commission and the public to have a current baseline of the retail infrastructure and a clear understanding of the matters referenced in the information requests suggested in this motion. While there have been many changes in the postal landscape over recent years, consumer access continues to be a significant concern not just for the Postal Service but for the communities it serves. As the Task Force observes in its report, “Despite the closing of many post offices in the last decade that have disproportionately affected rural areas, the USPS continues to play a vital role in connecting urban and rural communities in the United States.” (p. 15)

None of the information requests proposed below would generate responses containing information of a highly sensitive commercial nature that would be harmful to the Postal Service or its operations if they were made public. Rather, the Commission’s past information requests suggest that such information is routine and valuable regulatory data that imposes no material burden and causes no harm. By obtaining this information, it is included in the Annual Compliance Determination docket record, and it is available to the Commission and its staff as they do their analysis. Moreover, omitting questions that have been asked in previous years may handicap Commission staff and could preclude the Commission from conducting due diligence on the customer access portion of the compliance review. As a result, while there is articulable harm in *not* asking the questions, there is no harm in asking them.

The information being requested here is already in the Postal Service’s hands, as sound business practice would dictate, and the Postal Service has ready access to it. As far as I have been able to determine in reviewing previous dockets, it does not appear that the Postal Service has ever indicated that responding to these questions was burdensome. In 2016, I filed a motion

similar to the current motion, and the Chairman subsequently requested nearly all of the information suggested in the motion.<sup>3</sup>

As noted above, the proposed requests involve three areas: Emergency suspensions and discontinuances, contract facilities, and collection points.

### **Emergency suspensions and discontinuances**

Since the FY 2015 ACD, the Commission has repeatedly expressed concerns about the large backlog of unresolved emergency suspensions.<sup>4</sup> The Postal Service has repeatedly expressed concern about the challenges of addressing unresolved emergency suspensions.<sup>5</sup> In January 2017, as part of the 2016 ACR, the Postal Service updated the Commission about the status of suspensions at the end of FY 2016 by providing a spreadsheet with 662 offices then under suspension.<sup>6</sup> This informative spreadsheet showed the dates when the proposal to close had been posted, when the community meeting was held, and when a final determination to discontinue was made. Since 2017, the Postal Service has provided several updates on the emergency suspensions, including, most recently, Library Reference USPS-FY19-33 as part of the 2019 ACD. But these updates have been less thorough than the January 2017 report: They typically

---

<sup>3</sup> Steve Hutkins, Motion for Issuance of Information Request (January 20, 2016)  
[https://www.prc.gov/docs/94/94734/Hutkins\\_Motion\\_for\\_CHIR.pdf](https://www.prc.gov/docs/94/94734/Hutkins_Motion_for_CHIR.pdf)

<sup>4</sup> See FY 2019 ACDR, p. 198, for background on this issue.  
[https://www.prc.gov/docs/108/108781/2018\\_ACD.pdf](https://www.prc.gov/docs/108/108781/2018_ACD.pdf)

<sup>5</sup> See, for example, the Postal Service's Annual Compliance Report for FY 2019, pp. 59-61  
<https://www.prc.gov/docs/111/111623/FY.19.ACR.FINAL.pdf>

<sup>6</sup> Library Reference USPS-FY16-45, Excel file "Suspended\_EOY16.xls," Jan. 23, 2017  
<https://www.prc.gov/dockets/document/98763>

Available on Google Docs:

<https://docs.google.com/spreadsheets/d/1mwBLRvLACpZicwEM9iNUvwx3jZrXbdumXQDc5UqFICA/edit#gid=144000587>

just list the offices, usually without identifying location addresses and always without the dates when important steps in the process occurred. During this time (2017-2019), hundreds of post offices under suspension were discontinued, and there are still a couple hundred more that will be discontinued over the coming year or two. Aside from asking about numerical discrepancies in different reports about the total numbers, the Commission has not yet sought much information about these discontinuances. Given the Commission's responsibilities under PAEA, it would be useful to have data on *how* these discontinuances have been conducted.

While the process for discontinuing a post office is described in considerable detail in PO-101, the Postal Service has thus far not provided the Commission with records demonstrating that it has followed this process when discontinuing post offices on the backlog list. There are reasons to doubt that it has. In 2018, the USPS OIG issued an audit report on various problems with the suspension process. The OIG found that “district personnel did not consistently comply with policies and procedures to ensure suspension decisions had an independent review, customers were appropriately notified, required approvals were obtained, or action plans were developed.... The procedures should also include communication requirements, such as informing the public of suspension status throughout the process.”<sup>7</sup> It is possible, perhaps probable, that there are similar problems with how the Postal Service has been discontinuing the 662 post offices on the backlog list.

---

<sup>7</sup> USPS OIG Audit Report SM-AR-18-007, “U.S. Postal Service Emergency Suspension Process” September 24, 2018. The quoted passage is from the OIG’s summary.  
<https://www.uspsoig.gov/document/us-postal-service-emergency-suspension-process>  
<https://www.uspsoig.gov/sites/default/files/document-library-files/2018/SM-AR-18-007.pdf>

For example, the January 2017 spreadsheet of 662 suspensions shows that in many cases a public meeting was held *before* the proposal for a discontinuance was posted, often around the time of the suspension, but many months, even years, before the discontinuance proposal date. In the case of the Quaker Street post office in Schenectady, New York (12141), the spreadsheet indicates that a community meeting was held on December 16, 2008, the post office was suspended over a lease issue on March 27, 2009, and the discontinuance proposal was posted on November 7, 2013. (The discontinuance was eventually announced in *Postal Bulletin* with a discontinuance date of March 12, 2018.<sup>8</sup>) How could a meeting in 2008 have been about a discontinuance that would not even be proposed for another five years? The meeting was probably about the possibility of a suspension. In that case, was a second meeting — the meeting required by the discontinuance procedure — ever held?

To cite a more recent example, a December 8, 2019, news article reports on a controversy over the closure of the Marshall University Station in Huntington, WV (25703).<sup>9</sup> According to the January 2017 list, this post office was suspended in July 2010 due to safety and health concerns. The article says that the Postal Service posted a notice at the Huntington Post Office stating that on Dec. 11, 2019, there would be a meeting at that office with a discontinuance coordinator to discuss the status of the Marshall University station. A local union representative said that the Postal Service had not given proper legal notice for the permanent closure of the location. A USPS representative said that the meeting was only an informational session, not a

---

<sup>8</sup> *Postal Bulletin*, No. 22496, June 21, 2018, p. 10

<https://about.usps.com/postal-bulletin/2018/pb22496/pb22496.pdf>

<sup>9</sup> “Postal workers union official takes issue on permanent closure of Marshall postal station,” Huntington Herald-Dispatch, Dec. 8, 2019

[https://www.herald-dispatch.com/news/postal-workers-union-official-takes-issue-on-permanent-closure-of/article\\_3958ea04-00d9-518b-b9b5-a5a7b42e4247.html](https://www.herald-dispatch.com/news/postal-workers-union-official-takes-issue-on-permanent-closure-of/article_3958ea04-00d9-518b-b9b5-a5a7b42e4247.html)

public hearing, and that the rules for closure of a branch office or substation were not the same as those for closing a post office. “A finance branch or station is not a post office,” the spokesperson said. “There are stringent regulations when determining the closing of a post office, and USPS follows them to the letter. A finance branch or station does not fall under these same regulations.”

As the Commission has noted on many occasions, the Postal Service claims that the regulations for closing an independent post office do not apply to stations and branches, while the Commission says that they do. Despite the disagreement, the Postal Service nonetheless follows the PO-101 procedures for all types of USPS-operated facilities — including stations and branches. In commenting on Marshall University station discontinuance, the USPS spokesperson may have misspoken, misunderstood the policies and regulations, or been misquoted. Or perhaps he was indicating that the Postal Service is in fact not following the PO-101 procedures for all of the postal facilities under suspension. In any case, this is another example of why it is important for the Commission to inquire into how the Postal Service has been conducting the discontinuance process on the 662 offices under suspension when FY 2017 began.

Many questions inevitably arise about these discontinuances: Once a proposal to discontinue had been made by management, did the Postal Service distribute customer questionnaires and were patrons invited to submit written comments? Was a public meeting about the proposed discontinuance — as distinct from a meeting about the suspension — ever held? After a final determination to discontinue had been made, were notices sent to customers and posted at the post office informing customers that they had a right to appeal the decision to

the PRC? Such questions can be addressed with a spreadsheet showing the dates and locations where these steps in the process took place.

### **Contract facilities**

Contract postal units (CPUs), community post offices (CPOs), and “village post offices” (VPOs) represent a significant portion of the Postal Service’s retail network. In FY 2018, retail revenues from contract units were over \$141 million.<sup>10</sup> Many customers receive all their mail and conduct all of their Postal Service transactions in one of those locations, and for many towns, the contract unit is a center of community life, indistinguishable from a USPS-operated post office. Moreover, as noted above, the Task Force has recommended that the Postal Service should convert post offices into contract post offices.

In CHIR No. 1 for the 2019 ACR, the Chairman requested information about the total number of CPUs, CPOs, and VPOs in existence at the beginning and end of the fiscal year as well as the number that opened and closed during the year. This summary is helpful, but a complete list of CPUs, CPOs and VPOs would be more helpful. In 2016, the Postal Service provided complete lists of CPUs, CPOs, and VPOs, but as far as I have been able to determine, it has not provided these lists since then.

On the USPS Postal Facts page, contract units are included in the total number of retail offices.<sup>11</sup> Under the FOIA, the Postal Service provides facilities reports for each state of all its owned and rented facilities, but these reports do not include contract units. Given the

---

<sup>10</sup> Responses of the United States Postal Service to Chairman’s Information Request No. 1, no. 7 (ACR 2018), Jan. 11, 2019

<https://www.prc.gov/docs/108/108065/CHIR%20No.%201.Responses.Q1t15.17t50.pdf>

<sup>11</sup> <https://facts.usps.com/table-facts/>



importance of contract units in the retail network, there is no reason for the Postal Service not to provide complete lists of its contract units as well. The lists will help the Commission and the public develop a better understanding of this source of consumer access to postal services.

### **Collection points**

Collection points are where mail is received and inducted into the Postal System. In last year's ACD, the Greeting Card Association raised several concerns about the Postal Service's management of collection boxes and whether it complies with 39 U.S.C. § 403(b)(3). The GCA noted that the USPS OIG has also expressed concern about collection box policies. In Reply Comments, the Postal Service noted that that it had "addressed the OIG's concerns by upgrading and enhancing the Collection Point Management System, which manages collection boxes. It states that this system now tracks collection points from creation to deletion, which has brought full accountability and visibility to vital collection box management processes."<sup>12</sup>

The Commission requested a copy of the Collection Point Management System (CPMS) database for several years, including 2015, 2016, and 2017, and each year the Postal Service filed a subset of data from the CPMS relating to each collection point. The Commission and stakeholders have not seen the data for three years now, so the public and the Commission need an opportunity to evaluate both current service levels (box locations and collection times) and how those levels have changed, and possibly eroded, over time. The volume data provide an opportunity for the public and the commission to evaluate whether the Postal Service is complying with its policy not to remove collection boxes that receive a daily average of at least 25

---

<sup>12</sup> PRC ACDR FY 2018, p. 203  
[https://www.prc.gov/docs/108/108781/2018\\_ACD.pdf](https://www.prc.gov/docs/108/108781/2018_ACD.pdf)

pieces of mail. Sharing the CPMS data with the Commission and the public will help bring “full accountability and visibility to vital collection box management processes.”

## PROPOSED INFORMATION REQUESTS

1. Please provide an Excel spreadsheet showing all offices under suspension at the end of FY 2016 (when the last such list was provided) and at the end of FY 2019, as well as those that were suspended during this time frame, including the following data for each such office:

1. Office Name
2. Office Type (PO, Station, Branch or other)
3. EAS-level or POStPlan level, as applicable
4. City
5. State
6. Zip Code
7. Date Suspended
8. Date Reopened (if applicable)
9. Suspension Reason
10. Date of suspension meeting with community (if held)
11. Place of suspension meeting with community (if held)
12. Date of posting of Proposal to Discontinue
13. Place of posting of Proposal to Discontinue
14. Date of letters sent to patrons notifying them of Proposal to Discontinue and inviting comment
15. Number of comments received by Postal Service
16. Date when customer questionnaires were mailed to customers with PO boxes and in the same zip code as post office
17. Number of questionnaires received by Postal Service
18. Date of discontinuance meeting with community
19. Place of discontinuance meeting with community
20. Date of posting of Final Determination to Discontinue (if applicable)
21. Place of posting of Final Determination to Discontinue (if applicable)
22. Date and number of the issue of Postal Bulletin in which discontinuance as announced

2. In its 2019 ACR, p. 60, the Postal Service refers to an “expedited process” for doing a discontinuance that it considered applying for some 80 post offices under emergency suspension.<sup>13</sup> Please address the following:

1. What is this “expedited” process?
2. Is this expedited process explained in the USPS Handbook PO-101 (the Discontinuance Guide)?
3. If not, why not?
4. Where can a description of the process be found?
5. What are the criteria for determining whether the Postal Service can use this process?
6. Has this expedited process been applied to other discontinuances? If so, please provide a list of offices, addresses, and discontinuance dates.

3. For all contract retail units, please provide Excel spreadsheets that include the following: operation name (or other appropriate identifier); unit type (CPU, CPO, VPO, or other); street address; city; state; 5-digit ZIP code; name of “parent” supervising post office; date of opening; date of termination of contract (if applicable); and a brief explanation for why the contract was terminated (if applicable), for each of the following:

1. CPUs, CPOs, and VPOs in existence at the beginning of FY 2019
2. CPUs, CPOs, and VPOs newly established in FY 2019
3. CPUs, CPOs, and VPOs closed in FY 2019,
4. CPUs, CPOs, and VPOs in existence at the end of FY 2019

4. Please provide a copy of the Collection Point Management System (CPMS) database as of the end of FY 2019, in the form of an Excel spreadsheet including the following for each collection point:

1. ZIP Code
2. Box Location ID
3. Box Street Address
4. Served ZIP City Name

---

<sup>13</sup> <https://www.prc.gov/docs/111/111623/FY.19.ACR.FINAL.pdf>

5. Served ZIP State Code
6. Box Location Description
7. Service Class
8. Box Type
9. Location Type
10. Volume on weekdays
11. Volume on Saturdays
12. Collection Route ID
13. Scheduled Collection Days
14. Label Collection Time
15. Area
16. District

Respectfully submitted,  
By:         /s/ Steve Hutkins  
Steve Hutkins  
PO Box 43  
Rhinecliff, NY 12574  
ssh1@nyu.edu