



Postal Regulatory Commission

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Press Release

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PRC Advisory Opinion Finds USPS Proposal for Retail Closures Lacks Proper Analysis

Washington, DC –The Postal Regulatory Commission today issued its [Advisory Opinion](#) in Docket N2011-1 on the Postal Service’s Retail Access Optimization Initiative (RAOI), a program that identified more than 3,600 post offices and other retail facilities for possible closure this year.

The Postal Service is required to ask the Commission for an Advisory Opinion on any change in nationwide service it proposes. The Commission found that the RAOI is likely to affect access to postal services.

The Commission’s primary finding is that the RAOI was not designed to optimize the network. The Commission recommends the use of modern optimization tools and techniques to better maximize net retail revenues while fulfilling statutory service obligations.

Ruth Goldway, Chairman of the PRC explained: “The Commission was unanimous in expressing its concern that the Postal Service’s plan did not and could not, because of lack of data and analysis, determine the facilities most likely to serve the greatest number, reduce the greatest costs, or enhance the potential for growth or stability in the system. We agree that the Postal Service access network should be right-sized but found that the RAOI was not the proper approach to meet that goal.”

The Commission was unable to develop reliable cost savings estimates because the Postal Service does not collect facility-specific revenue and cost data, or separate retail costs from other operational costs. The Commission found that such data should be available for use in comprehensive facility closing plans.

The Commission review also included examination of an updated Postal Service process to evaluate facilities for closure. While acknowledging significant improvements, the Commission identified methods for enhancing the process to ensure meaningful public participation.

Specifically, the Commission recommends that training for local managers responsible for implementing the process include: (1) the statutory requirements applicable when evaluating a retail postal facility for closure, (2) more robust processes for obtaining and evaluating relevant community information, and (3) information on how other Postal Service initiatives may impact service in the affected area.

A core concern of the Commission is the question of suitable alternative access. Many current alternatives offer only a limited array of services, such as stamp sales and post office boxes. The Commission believes that alternative access for sites being closed must be presently available, viable and an adequate substitute for existing access.

“More than 160 appeals of decisions to close individual post offices, not related to the RAOI, have come before the Commission recently. In each case, we have seen how concerned local communities have been with losing access. With real, practical alternatives available, these communities would be far less likely to feel the loss of a neighborhood post office and would join with the Postal Service in the move to efficient alternatives,” commented Chairman Goldway.

The Postal Regulatory Commission is an independent federal agency that provides regulatory oversight over the U.S. Postal Service to ensure the transparency and accountability of the Postal Service and foster a vital and

efficient universal mail system. The Commission holds regular public monthly meetings and posts all of its activities: dockets, appeal cases, Advisory Opinions, etc. on its website: www.prc.gov.

The Commission comprises five Presidentially-appointed and Senate-confirmed Commissioners, each serving terms of six years. The Chairman is designated by the President. In addition to Chairman Ruth Y. Goldway, the other Commissioners are Vice Chairman Mark Acton, Nanci Langley and Robert Taub. There is currently one vacancy. Follow the PRC on Twitter: [@PostalRegulator](https://twitter.com/PostalRegulator).