



March 30, 2007

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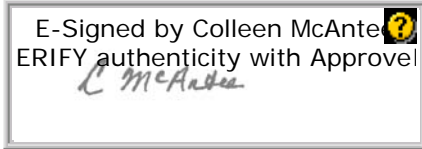
SUBJECT: Audit Report – Steubenville – Youngstown, Ohio, Outgoing Mail
Consolidation (Report Number NO-AR-07-003)

This report presents our audit results for the post-implementation review (PIR) of the Steubenville Main Post Office (MPO) – Youngstown Processing and Distribution Facility (P&DF) outgoing mail consolidation (Project Number 06XG017NO000). Our primary objective was to determine if the consolidation resulted in projected savings, improved service performance, and enhanced operational efficiency. This audit was self-initiated and conducted in cooperation with Postal Service officials.

We concluded that consolidating the Steubenville MPO outgoing mail processing operations into the Youngstown P&DF achieved the desired results. The workhour and transportation cost analyses included in the PIR showed the Postal Service achieved projected savings. Our analysis provided confirming evidence for cost savings, improved service performance, and increased productivity. However, management did not always comply with the processes outlined in Handbook PO-408, *Area Mail Processing (AMP) Guidelines*, dated May 1995. We found discrepancies with approval of the AMP proposal, the data used to support the AMP proposal, the timing of the PIR, and the data used to support the PIR. Management has ongoing actions to address AMP policy issues based on prior audit recommendations.

In this report, we recommended management conduct training on AMP policy after updating Handbook PO-408. Management concurred with our recommendation and has initiatives planned addressing the issues in this report. Management's comments and our evaluation of these comments are included in the report. The OIG considers recommendation 1 significant, and therefore requires OIG concurrence before closure.

We appreciate the cooperation and courtesies provided by your staff during the audit. If you have any questions or need additional information, please contact Robert J. Batta, Director, Network Processing, or me at (703) 248-2100.



Colleen A. McAntee
Deputy Assistant Inspector General
for Mission Operations

Attachments

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EXECUTIVE SUMMARY

Introduction

The U.S. Postal Service Office of Inspector General reviewed the Area Mail Processing (AMP) consolidation of outgoing mail processing operations at the Steubenville, Ohio Main Post Office (MPO) into the Youngstown, Ohio Processing and Distribution Facility (P&DF). Our primary objective was to determine if the consolidation resulted in projected savings, improved service performance, and enhanced operational efficiency. This audit was self-initiated and conducted in cooperation with U.S. Postal Service officials.

Results in Brief

The consolidation of outgoing mail processing operations at the Steubenville MPO achieved desired results. The workhour and transportation cost analyses included in the post-implementation review (PIR) showed the Postal Service achieved projected savings. Our additional analyses provided confirming evidence for cost savings, improved service performance, and increased productivity. Specifically, management:

- Reduced 22,103 workhours at the two facilities, resulting in savings of over \$849,000 the first year after implementation.
- Improved service performance as measured by independent contractors and internal Postal Service testing.
- Improved productivity by 71 percent at the Steubenville MPO, and 43 percent at the Youngstown P&DF.

Management did not always comply with the processes outlined in Handbook PO-408.¹ We found discrepancies with the approval of the AMP proposal, the data used to support the AMP proposal, the timing of the PIR, and the data used to support the PIR.

¹ Handbook PO-408, *Area Mail Processing Guidelines*, dated May 1995, provides a framework for consolidating operations in the mail processing network and requires a semi-annual and annual PIR be conducted on each AMP consolidation.

Several factors contributed to the discrepancies in the AMP proposal and PIR. First, the AMP process was unfamiliar to local management and employees. The AMP guidance did not clearly identify sources and the methodology for completing worksheets, including service standard changes. Lastly, although AMP guidance required reviews of the proposal at various management levels, the reviews did not identify these discrepancies.

Following AMP processes (which include conducting timely PIRs) is important for supporting management decisions, ensuring management accountability for making decisions, and strengthening stakeholders' confidence that decisions are appropriate.

Postal Service Actions	Management has developed tools to improve oversight of AMPs and PIRs. In addition, they are revising AMP policy and expect to have a draft completed in fiscal year 2007. These on-going and planned management actions are based on prior audit report recommendations. ² Therefore, this report does not include any additional recommendations related to AMP policies.
Summary of Recommendation	We recommended the Vice President, Eastern Area, in conjunction with the Vice President, Network Operations, conduct training on AMP policy after completion of the update to Handbook PO-408.
Summary of Management's Comments	Management concurred with our finding and recommendation. Management indicated they will provide additional training on the AMP guidelines both at the area and Performance Cluster level. Management's comments, in their entirety, are included in Appendix H.
Overall Evaluation of Management's Comments	Management's comments are responsive to the finding and recommendation. Management's actions taken or planned should correct the issues identified in the report.

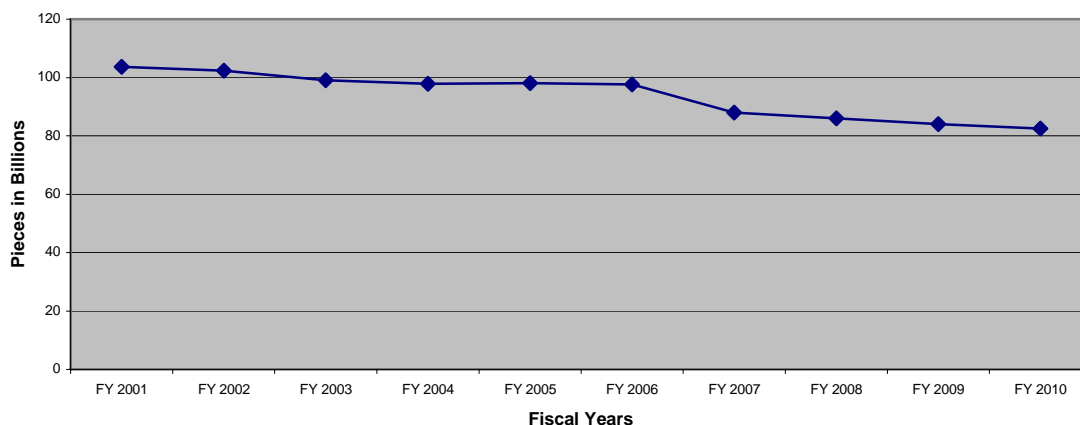
² We are not making a recommendation on AMP policy since these control weaknesses were identified in previous audit reports and management's actions should address these issues. In our report titled *Area Mail Processing Guidelines* (Report Number NO-AR-06-001, dated December 15, 2005), we recommended management ensure PIRs are conducted according to established guidance. In our report titled *Pasadena, California, Processing and Distribution Center Consolidation* (Report Number EN-AR-06-001, dated September 26, 2006), we recommended management revise AMP policy for documenting service standard changes and establish requirements for reviewing AMP proposals at local and area levels.

INTRODUCTION

Background

The U.S. Postal Service continues to right-size its domestic network in response to declining First-Class Mail® (FCM) volume, increasing competition to traditional mail products from the private sector, increasing automation and mail processing by mailers, and shifting population demographics. Despite a recent increase in mail volume, the aggregate volume of FCM declined by 5 percent (or 5.5 billion pieces) from fiscal years (FY) 2001 to 2006. In addition, the Postal Service projects FCM volume will continue to decline. Figure 1 shows these trends.

FIGURE 1: FIRST-CLASS ACTUAL (2001-2006) AND PROJECTED (2007-2010) MAIL VOLUME



The *Transformation Plan* states the Postal Service is committed to improving its operational efficiency by consolidating mail processing operations, when feasible. In addition, the President's Commission³ found the Postal Service had more facilities than needed and recommended optimizing the facility network by closing and consolidating unneeded processing centers.

The Postal Service uses the Area Mail Processing (AMP) process to consolidate mail processing functions and to eliminate excess capacity, increase efficiency, and better use resources. The Postal Service defines AMP as

³ The President's Commission on the United States Postal Service reported its findings on July 31, 2003.

. . . the consolidation of all originating and/or destinating distribution operations from one or more post offices into another automated or mechanized facility to improve operational efficiency and/or service.

A post-implementation review (PIR) ensures management's accountability for implementing an AMP proposal. A PIR facilitates:

- Comparing projected to actual results.
- Ensuring accountability for decision making.
- Meeting corporate/local goals and objectives.

The consolidation of outgoing mail processing operations at the Steubenville Main Post Office (MPO) into the Youngstown Processing and Distribution Facility (P&DF) was approved on February 26, 2004, and implemented on March 1, 2004.

Objective, Scope, and Methodology

The U. S. Postal Service Office of Inspector General (OIG) reviewed the AMP consolidation of outgoing mail processing operations at the Steubenville MPO. Our primary objective was to determine if the consolidation resulted in projected savings, improved service performance, and enhanced operational efficiency. We also reviewed compliance with Handbook PO-408, *Area Mail Processing (AMP) Guidelines*; and performed analyses of mail volume, workhours, cost and efficiency for each facility and other analytical procedures as necessary.

We relied on Postal Service data systems, including the Breakthrough Productivity Initiative (BPI) website, Activity Based Costing System, the Management Operating Data System, the Web Enterprise Information System, Web Complement Information Systems, Origin Destination Information System, and the Enterprise Data Warehouse to analyze mail volume, complement, efficiency and workhours. We also checked the accuracy of data by confirming our analyses and results with Postal Service managers.

We conducted this audit from February 2006 through March 2007 in accordance with generally accepted government auditing standards and included such tests of internal

controls as we considered necessary under the circumstances. We discussed our observations and conclusions with management officials on December 19, 2006 and included their comments where appropriate.

Prior Audit Coverage

We issued five prior related reports: one on the *AMP Guidelines*, two on the efficiency of mail processing operations at facilities being considered for AMP consolidations (the Mansfield, Ohio MPO and the Canton, Ohio Processing & Distribution Center), and three on the justification and impact of AMP consolidations (the Pasadena, California; Bridgeport, Connecticut; and Sioux City, Iowa facilities). For details of prior audit coverage, see Appendix B.

AUDIT RESULTS

Assessment of Consolidating the Steubenville Main Post Office's Outgoing Mail Processing Operations

The consolidation of outgoing mail processing operations at the Steubenville MPO into the Youngstown P&DF achieved desired results. The workhour and transportation cost analyses included in the PIR showed the Postal Service achieved projected savings. Our additional analyses of costs, service performance, and productivity provided confirming evidence for the consolidation.

39 U.S.C. Chapter 4, § 403 (a) states, "The Postal Service shall plan, develop, promote, and provide adequate and efficient postal services" Handbook PO-408 also sets guidelines for consolidating mail processing operations and conducting PIRs.⁴

The consolidation enabled management to improve use of available resources. Specifically, the consolidation reduced costs, improved service performance, and increased productivity after the consolidation.

Area Mail Processing Savings Realized

The PIR showed the Postal Service achieved projected savings from the AMP consolidation and our cost analyses provided confirming evidence. However, the cost savings in the PIR appeared overstated.⁵

- The AMP proposal projected a reduction of 20,871 workhours at the Steubenville MPO and an increase of 6,267 workhours at the Youngstown P&DF. Management projected these workhour reductions to save \$365,113 annually.
- The PIR showed reductions of 20,752 workhours at the Steubenville MPO and 62,084 workhours at the Youngstown P&DF. Management incorrectly projected these workhour reductions saved \$2,436,032 annually. The accuracy of the PIR savings is discussed later in this report.
- Our analysis showed a reduction of 28,712 workhours at the Steubenville MPO and an increase of 6,609 mail processing workhours at the

⁴ Handbook PO-408, *Area Mail Processing Guidelines*, provides a framework for consolidating operations in the mail processing network. This national policy was issued by Postal Service Headquarters. It states that changes should support the Postal Service's strategic objectives, make optimum use of available resources, and establish management's accountability for making decisions.

⁵ The overstated cost savings in the PIR are further discussed later in the report.

Youngstown P&DF from FYs 2003 to 2005.⁶ Our analysis indicated that the net workhour savings equates to \$849,720 annually. (See Appendix C for our detailed workhour savings analysis.)

Improved Service
Performance

Delivery service for FCM and Priority Mail® improved after the consolidation. This consolidation resulted in 35 service upgrades and 14 downgrades in FCM and Priority Mail between three-digit ZIP Code origin and destination pairs. In addition, we found the Postal Service was meeting these service standards. For example:

- From March 2004 (the consolidation implementation date) to May 2004, there was a 41 percent decrease in the average number of Steubenville MPO failed mailpieces⁷ when compared to the 4-month period before consolidation. This reduction in failures represents an improvement in delivery service since employees delivered more FCM on-time. Appendix D depicts the Steubenville MPO failed mailpieces by month from October 2003 to May 2004.
- Internal Postal Service testing conducted after the consolidation showed 99 percent of FCM met service standards. (See Appendix E for detailed results.)
- The Youngstown P&DF remained a good service performer based on scores from the External First-Class Measurement (EXFC) system,⁸ although volume increased. Appendix F shows the Youngstown P&DF overnight, 2- and 3-day composite performance scores from Quarter 1, FY 2004 through Quarter 2, FY 2006. (The Steubenville MPO was not subject to EXFC testing, primarily due to its low mail processing volume.)

⁶ OIG analysis focused on workhours associated with outgoing operations at the Steubenville MPO and did not include workhour reductions at the Youngstown P&DF.

⁷ Mailpieces recorded in the Origin Destination Information System that did not meet overnight delivery standards.

⁸ EXFC is a system whereby a contractor performs independent service performance tests of certain types of FCM including letters, flats, and postcards.

Improved Mail
Processing
Productivity

We determined the consolidation of the Steubenville MPO outgoing mail processing into the Youngstown P&DF contributed to improved productivity at both facilities.

- In FY 2003, before the consolidation, the Steubenville MPO achieved 44 percent of its BPI target productivity goal and processed 1,638 pieces of mail per workhour. In FY 2005, after the consolidation, the Steubenville MPO achieved 53 percent of its BPI target productivity goal and processed 2,805 mailpieces per workhour. This improvement in Steubenville MPO's productivity represented a 71 percent increase in the number of mailpieces processed per workhour.
- In FY 2003, the Youngstown P&DF achieved 50 percent of its BPI target productivity goal and processed 2,127 mailpieces per workhour. In FY 2005, after the consolidation, the Youngstown P&DF achieved 80 percent of its BPI target productivity goal and processed 3,049 mailpieces per workhour. This improvement in the Youngstown P&DF productivity represented a 43 percent increase in the number of mailpieces processed per workhour.

Processing mail at the Youngstown P&DF was also less expensive compared to processing mail at the Steubenville MPO. From October 2003 to September 2005, the average mail processing cost per 1,000 mailpieces at the Steubenville MPO was \$110.29 compared to \$63.71 at Youngstown P&DF. This cost difference of nearly 58 percent reflects the ability of the Youngstown P&DF to process mail more efficiently. Appendix G shows the cost to process mail from October 2003 to September 2005.

**Compliance with
Area Mail
Processing
Guidance**

Management did not always comply with the processes outlined in Handbook PO-408. We found discrepancies with the approval of the AMP proposal, the data used to support the consolidation, the timing of the PIR, and the data used to support the PIR.

AMP Approval: We could not determine the specific date management approved the AMP proposal at various levels because the signature page was not completed. Handbook PO-408 requires management to document approval of the AMP proposal on Worksheet 1.

Accuracy of AMP data: We identified the following inaccuracies in the AMP data used to support the consolidation proposal:

- The AMP proposal did not list operation numbers at the Youngstown P&DF, which made a detailed analysis of workhour savings difficult. Handbook PO-408 requires proposals to list operation numbers for mail volume and workhours that will be received from the consolidated office.
- The AMP proposal included operation numbers for incoming operations at Steubenville MPO that should not have been included on Worksheet 4.
- The AMP proposal did not accurately document projected service standard changes. Handbook PO-408 requires management to document all upgrades and downgrades to FCM and Priority Mail on Worksheets 7 and 7a. Table 1 compares service standard changes identified in the AMP proposal, the PIR, and the OIG analysis.⁹

Table 1: Service Impact

	Original AMP	Post Implementation Review	OIG Analysis
First Class Mail			
upgrades	0	5	15
downgrades	8	8	7
Priority			
upgrades	0	5	20
downgrades	0	8	7

⁹ We completed the service analysis with Postal Service officials using the Service Standard Directory, which contains service standards between three-digit ZIP Code origin and destination pairs.

Timing of PIR: Management did not complete the semiannual review and the annual review was initiated approximately 6 months after the required date. Handbook PO-408 requires two PIRs for each AMP, one approximately 6 months after implementation and the second 1 year after implementation.

Accuracy of PIR data: The PIR included workhour reductions at the Youngstown P&DF that were not directly attributed to the AMP consolidation. These workhour reductions resulted in savings of over \$1.5 million and including them in the PIR overstated savings from the consolidation.

Several factors contributed to the discrepancies in the AMP proposal and PIR.

- Although the AMP process has been in use for over 30 years, there has been limited use of the process over the last few years. As a result, the process was unfamiliar to local management and employees.
- The AMP guidance did not clearly identify sources and the methodology for completing worksheets, including service standard changes.
- Although AMP policy requires review of the proposal at various management levels, the reviews did not identify these discrepancies.

Following AMP processes (which include conducting timely PIRs) is important for supporting management decisions, ensuring management accountability for making decisions, and strengthening stakeholder confidence that decisions are appropriate.

Postal Service Actions	Management has developed tools to improve the oversight of AMPs and PIRs. In addition, they are revising AMP policy and expect to complete a draft in FY 2007. These on-going and planned management actions are based on prior audit report recommendations. ² Therefore, this report does not include any additional recommendations related to AMP policies.
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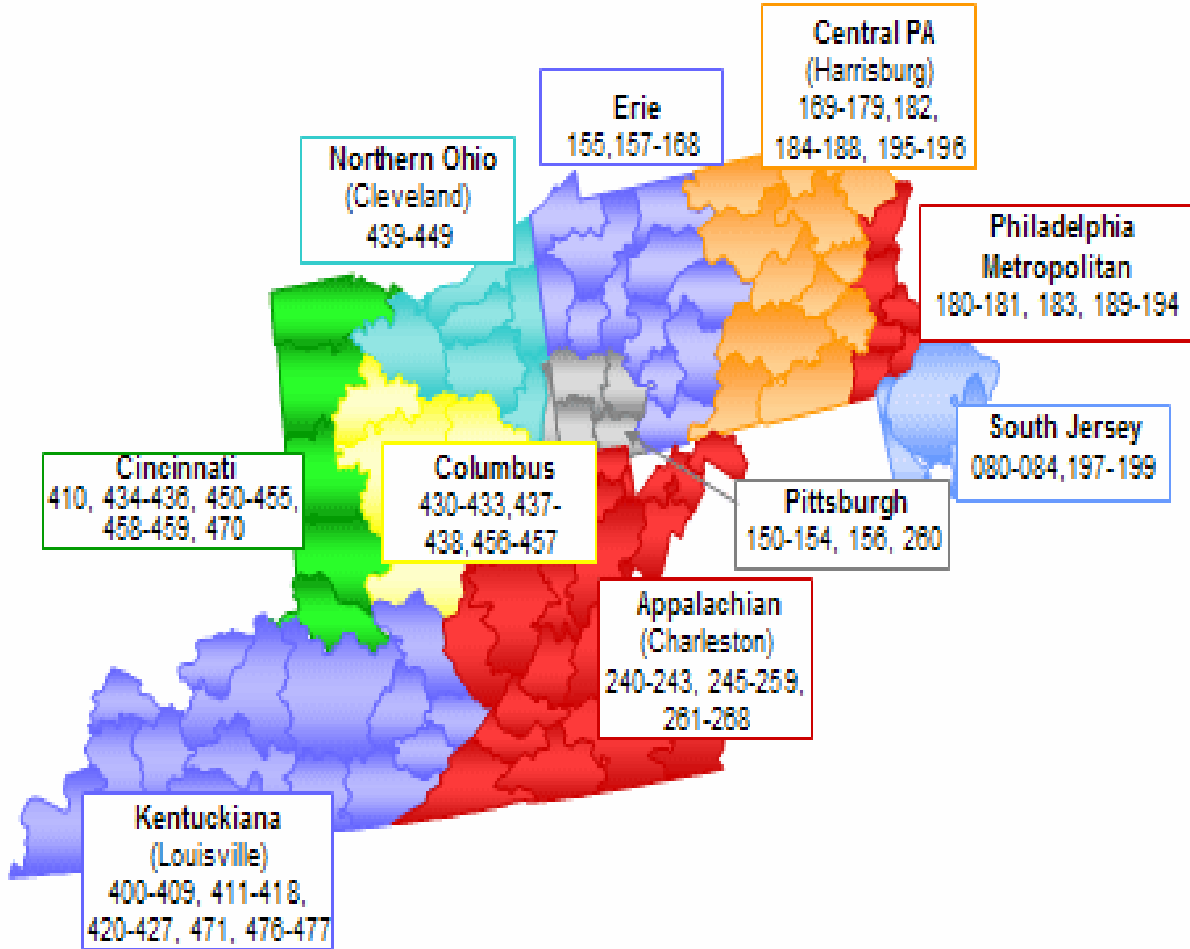
Recommendation	We recommend the Vice President, Eastern Area, in conjunction with the Vice President, Network Operations: 1. Conduct training sessions on Area Mail Processing policy after the completion of the update to Handbook PO-408.
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Management's Comments	Management concurred with our finding and recommendation. Management indicated they will provide additional training on the AMP guidelines both at the Area and Performance Cluster level.
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Evaluation of Management's Comments	Management's comments are responsive to the audit finding and recommendation. Management's actions taken or planned should correct the issues identified in the report.
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APPENDIX A

EASTERN AREA MAP



APPENDIX B

PRIOR AUDIT COVERAGE

The OIG report titled *Area Mail Processing Guidelines* (Report Number NO-AR-06-001, dated December 21, 2005) found the AMP process was fundamentally sound, appeared credible, and provided a PIR process to assess results from mail processing consolidations. However, management of the AMP process and guidance could be improved. AMPs were not processed or approved in a timely manner, PIRs were not always conducted, and stakeholders' resistance affected the approval process. The report recommended the Postal Service update AMP guidance, comply with policy, and address stakeholder resistance. Management agreed with the findings and recommendations.

The OIG report titled *Efficiency Review of the Mansfield, Ohio, Main Post Office* (Report Number NO-AR-05-004, dated December 8, 2004) found the Postal Service could increase operational efficiency at the Mansfield MPO by reducing 24,000 mail processing workhours, which would allow the facility to achieve 90 percent of targeted goals. This reduction was based on the assumption that mail volume will not significantly change from FY 2003 levels and could produce a cost avoidance of approximately \$7.6 million based on labor savings over 10 years. We recommended the Manager, Northern Ohio District, reduce mail processing operations at the Mansfield MPO by 52,000 workhours based on FY 2003 workhour usage. We also recommended consolidating outgoing mail operations into the Akron P&DC, as the Eastern Area AMP study recommended. Management agreed and the actions planned were responsive to the issues identified.

The OIG report titled *Efficiency Review of the Canton, Ohio, Processing and Distribution Facility* (Report Number NO-AR-05-013, dated September 22, 2005) found the Postal Service could increase operational efficiency at the Canton P&DF by reducing mail processing workhours by 202,000. This reduction was based on the assumption that mail volume will not significantly change from FY 2004 levels and could produce a cost avoidance of approximately \$64 million based on labor savings over 10 years. We recommended the Manager, Northern Ohio District, reduce mail processing operations at the Canton P&DF by 93,000 workhours based on FY 2004 workhour usage. We also recommended consolidating outgoing mail operations into the Akron P&DC, thereby saving an additional 109,000 workhours. Management agreed and the actions planned were responsive to the issues identified.

The OIG report titled *Pasadena, California, Processing and Distribution Center Consolidation* (Report Number EN-AR-06-001, dated September 26, 2006) found the workhour cost analysis included in the AMP proposal was supported and additional OIG analyses provided confirming evidence for the consolidation. However, in the development, approval, and implementation of the Pasadena AMP proposal, management did not always comply with the processes outlined in policy and some AMP proposal data was inaccurate, incomplete, or unsupported. The OIG recommended management revise the Pasadena AMP proposal to document all service

standard changes and transportation costs. Additionally, we recommended that management establish central files for approved AMP proposals and supporting documentation to facilitate PIRs. Finally, we recommended management update AMP policy. Management generally agreed with our recommendations and has initiatives in progress, completed, or planned addressing the issues in this report.

The OIG report titled *Bridgeport, Connecticut, Processing and Distribution Facility Outgoing Mail Consolidation* (Report Number NO-AR-06-010, dated September 30, 2006) found the Postal Service was justified in moving outgoing mail processing operations from the Bridgeport P&DF to the Stamford, Connecticut P&DC. We concluded the consolidation should have minimal impact on employees, make use of excess mail processing capacity, reduce labor costs, increase processing efficiency, and potentially improve delivery service. We further determined that transportation costs may increase slightly but the consolidation will allow expansion of Bridgeport P&DF carrier operations. The Postal Service implemented this consolidation during our audit. Consequently, we did not make recommendations pertaining to the consolidation itself, since our assessment supported management's actions. However, we identified some weaknesses in management controls over the processing and approval of the AMP proposal and recommended that Postal Service maintain supporting documentation and use current data for future AMP proposals. Management agreed with our recommendations and has initiatives in progress, completed, or planned addressing the issues in this report.

The OIG report titled *Sioux City, Iowa, Processing and Distribution Facility Consolidation* (Report Number EN-AR-07-001, dated November 9, 2006) found the Postal Service provided adequate support for its analyses of workhours, transportation, and facility costs in the AMP proposal, and our additional analyses provided confirming evidence for the consolidation. Management generally complied with AMP guidance and maintained supporting documentation. However, we identified some inconsistencies in AMP proposal data, and inaccurate information may have been shared with stakeholders. Management agreed with our recommendations and has initiatives in progress, completed, or planned addressing the issues in this report.

APPENDIX C

CRAFT AND MAINTENANCE WORKHOUR SAVINGS

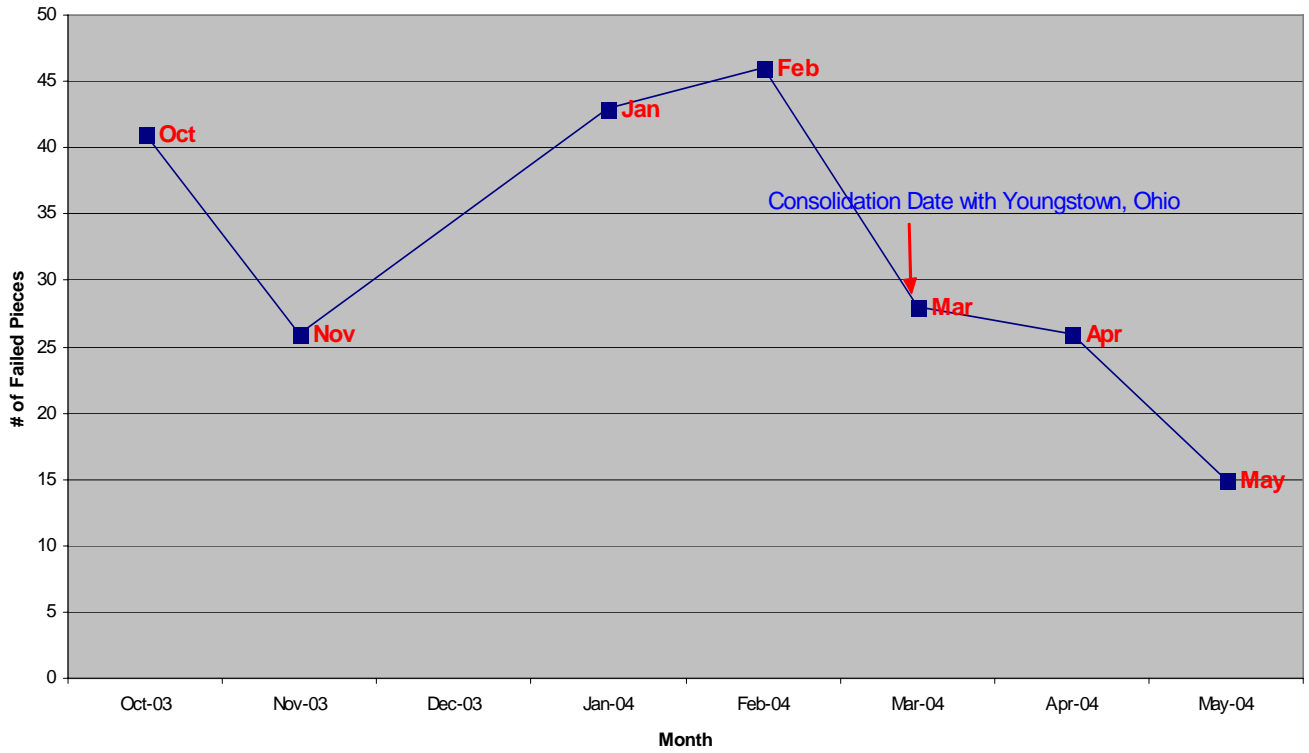
Facility	Craft *	Maintenance
Steubenville MPO		
Fiscal Year 2003	30,229	10,164
Fiscal Year 2005	3,854	7,827
Difference	(26,375)	(2,337)
Youngstown P&DF		
Fiscal Year 2003	56,723	51,622
Fiscal Year 2005	63,332	49,129
Difference	6,609	(2,493) **
Net Change in Hours	(19,766)	(2,337)
Times Fully Loaded Rate	\$37.62	\$45.41
Equals Savings	(\$743,597)	(\$106,123)
Total Savings	(\$849,720)	

* Workhours associated with performing outgoing operation activities

** Workhour savings at Youngstown P&DF were not directly associated with the consolidation and therefore were not included in the total savings calculation.

APPENDIX D

STEUBENVILLE MAIN POST OFFICE FAILED MAILPIECES BY MONTH



Source: Origin Destination Information System June 04, 2004

APPENDIX E

YOUNGSTOWN PROCESSING AND DISTRIBUTION FACILITY PLANET CODE SCANS (FROM MAY 4 THROUGH JUNE 4, 2004, AND JUNE 14 THRU JULY 13, 2004)

Facility	Zip Code	Score (Percent)	Total Pieces	On Time	Failed
Steubenville MPO	439	98.98	490	485	5
Youngstown P&DF	444	98.77	81	80	1
Youngstown P&DF	445	99.75	805	803	2
Total		99.42	1,376	1,368	8

Note: This chart shows that delivery service scores exceeded the national service goal of 95 percent for the Youngstown P&DF and Steubenville MPO service area after consolidating the Steubenville MPO outbound mail on March 1, 2004.

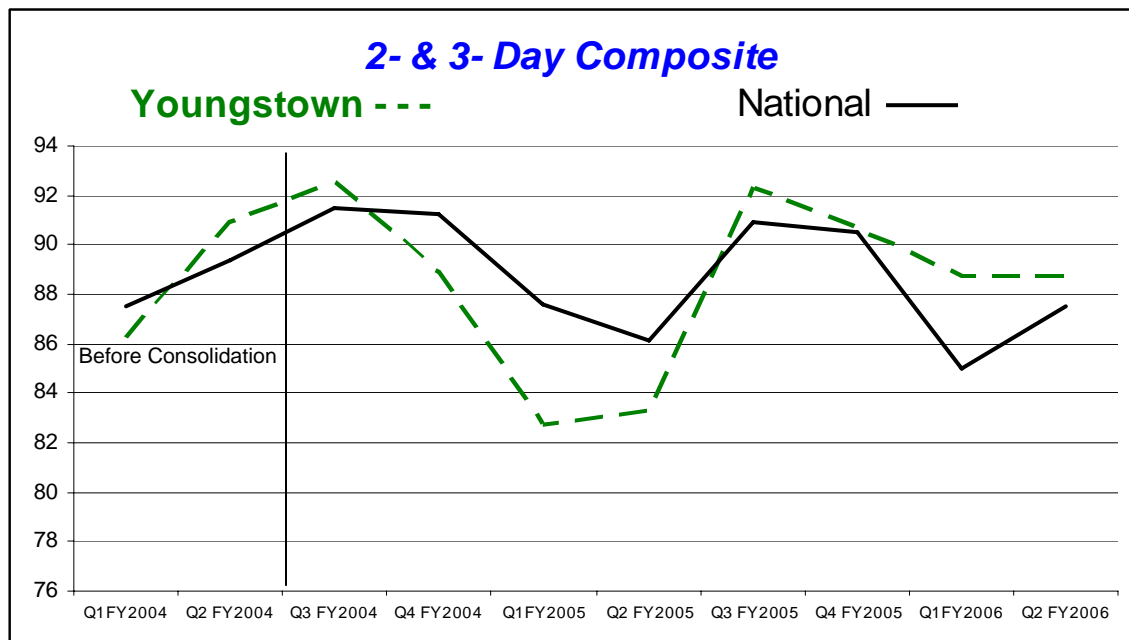
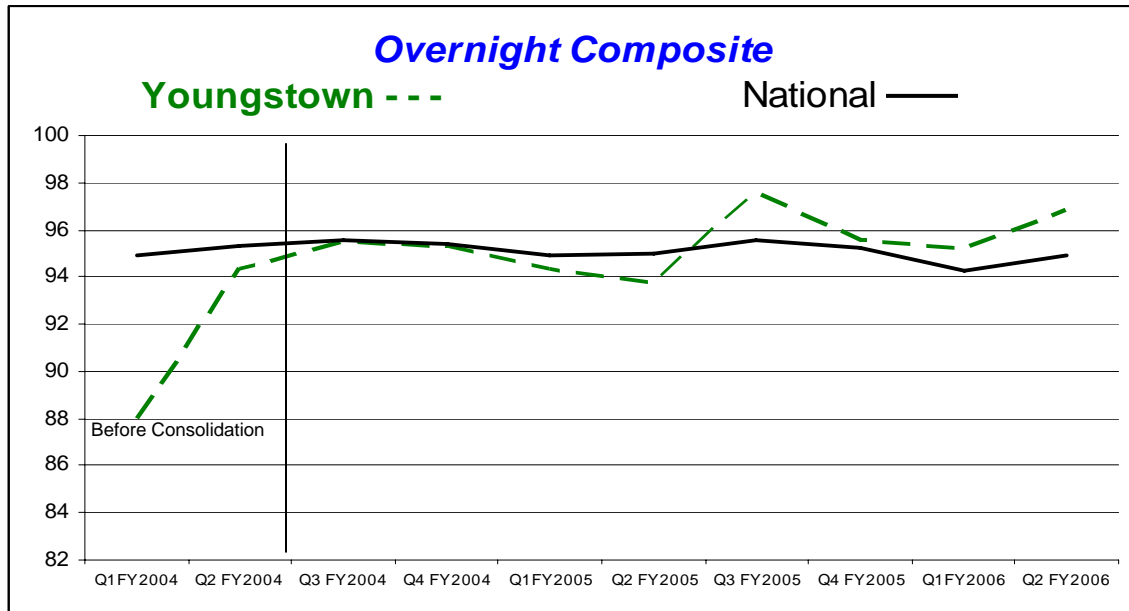
*PLANET CODES are used to track letter sized mailpieces electronically.

Source: Planet Code Coordinator, Youngstown P&DF

APPENDIX F

YOUNGSTOWN PROCESSING AND DISTRIBUTION FACILITY EXTERNAL FIRST-CLASS SERVICE OVERNIGHT AND 2- & 3-DAY PERFORMANCE COMPARED TO THE NATIONAL AVERAGE

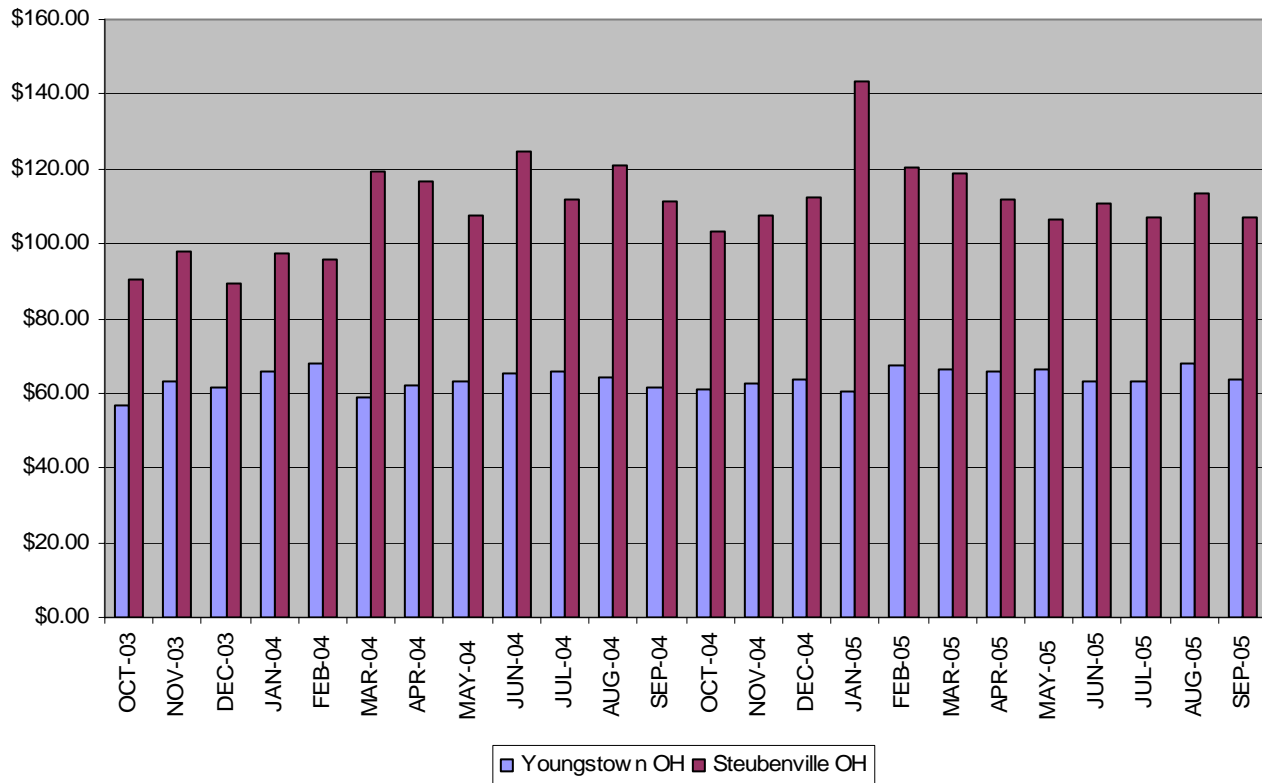
(QUARTER 1, FY 2004 THROUGH QUARTER 2, FY 2006)



Source: Web Enterprise Information System

APPENDIX G

STEUBENVILLE MAIN POST OFFICE AND YOUNGSTOWN PROCESSING AND DISTRIBUTION FACILITY COST PER 1,000 PIECES COMPARISON (Based on First Handling Pieces)



Mail processing cost per 1,000 pieces ranged from \$89.34 to \$143.47 at Steubenville MPO with an average cost during the period of \$110.29.

Mail processing cost per 1,000 pieces ranged from \$56.74 to \$68.02 at Youngstown P&DF with an average cost during the period of \$63.71.

Source: Activity Based Costing System

APPENDIX H

MANAGEMENT'S COMMENTS

MEGAN J. BRENNAN
VICE PRESIDENT, AREA OPERATIONS
EASTERN AREA



March 26, 2007

MEMORANDUM FOR KIM H. STROUD

SUBJECT: Eastern Area Response to Draft Audit Report – Steubenville – Youngstown, OH Outgoing Mail Consolidation (Report Number NO-AR-07-DRAFT) Below is revised Draft Audit Report.

This memorandum is in response to the Draft report referenced above. As noted in the review, the consolidation resulted in cost savings equal to or greater than the original AMP study, improved service, and enhanced operational efficiency.

The Eastern Area concurs with the OIG's recommendation that management provide additional training on Area Mail Processing (AMP) guidelines both at the Area and PC level subsequent to the issuance of Handbook PC-408.

The Report identified four key process compliance issues with the AMP and subsequent Post Implementation Review:

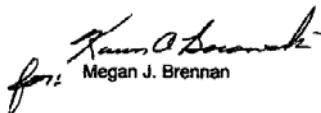
- * Approval process of original AMP study
- * Data used for original AMP study
- * Adherence to time requirements for Post Implementation Reviews
- * Data used for Post Implementation Reviews

The Eastern Area will approach future AMP studies with a more rigorous checks and balance system to ensure data integrity and transparency; proper review, discussion, and approval at both the PC and Area level; timely submission for AMP proposals; and completion of Post Implementation Reviews (PIR). Additionally, we will leverage the Finance function at both the PC and Area levels to serve as objective auditors to ensure data accuracy and transparency both in AMP studies and PIRs.

Cross-functional teams at both the PC and Area level will be required to meet throughout the process to evaluate the data, review and discuss assumptions, and ensure that due diligence is adequately performed. Official suspense dates for both the six-month and one-year PIR will be established and communicated subsequent to Headquarters' approval of the AMP study to ensure timely completion.

Our thanks to the OIG for providing pertinent information to improve our use of the AMP process.

Please direct any follow-up questions or concerns to Kristin Seaver, Manager In-Plant Support, Eastern Area.


Megan J. Brennan

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