



May 1, 2007

MICHAEL J. DALEY
VICE PRESIDENT, PACIFIC AREA OPERATIONS

SUBJECT: Audit Report – Address Management System Information – Pacific Area
(Report Number DR-AR-07-005)

This report presents the results of our self-initiated audit of Address Management System (AMS) information in the Pacific Area (Project Number 06XG047DR000). This is one in a series of reports on AMS information. We will include the results of this audit in a nationwide capping report assessing the management of AMS information. Our objective was to assess the U.S. Postal Service's management of delivery AMS quality review results to ensure address information is correct and complete to effectively process and deliver the mail in the Pacific Area.

Postal Service officials in the Pacific Area's Sierra-Coastal, Sacramento, San Diego, and Bay-Valley Districts effectively managed delivery AMS quality review results for approximately 2 percent (323 of 15,378) of their routes according to Postal Service guidelines. However, opportunities exist for area officials to implement best management practices used by the New York Metro Area's New York District to improve the quality of AMS data to process and deliver the mail. Approximately 101,022 AMS data errors may exist in these four Pacific Area districts on the 15,055 routes for which street reviews were not conducted. If Pacific Area officials implemented a program similar to the New York District's, they could reduce errors by 31.84 percent, saving the Postal Service \$7,881,288 over the next 10 years. We will report \$7,881,288 of funds put to better use in our *Semiannual Report to Congress*.

For fiscal years 2005 and 2006, Pacific Area districts improved their Delivery Point Sequence (DPS) mail volume percentages. According to the *Transformation Plan*, the Postal Service's goal is to sort 95 percent of letters by DPS by 2010. A decrease in AMS data errors will help Pacific Area officials achieve the DPS goal of 95 percent and will reduce operating costs.

We recommended the Vice President, Pacific Area Operations, implement an AMS quality review program similar to the New York District's that includes training delivery supervisors or appropriate designees in AMS quality street reviews. We also recommended establishing an annual district schedule of AMS quality street reviews and directing delivery supervisors or appropriate designees to review delivery routes annually. Finally, we recommended the AMS office establish a tracking system for street reviews.

Management agreed in principle with our finding and recommendations and has initiatives completed and planned addressing the issues in this report. However, management stated that no evidence exists that reviewing significantly more routes annually will result in the savings of the proposed funds put to better use. We have included management's comments and our evaluation of these comments in the report.

The U.S. Postal Service Office of Inspector General (OIG) considers all the recommendations significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These recommendations should not be closed in the follow-up tracking system until the OIG provides written confirmation the recommendations can be closed.

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

E-Signed by Colleen McAntee 
VERIFY authenticity with Approve!


Colleen McAntee
Deputy Assistant Inspector General
for Mission Operations

Attachments

cc: Patrick R. Donahoe
Kathleen Ainsworth
Charles E. Bravo
Paul J. Fagan
Steve Dearing
David B. Stowe
Tim P. Padden
Valerie M. Davenport
Dale B. Robins
Judith A. Mummy
Dorothy L. Wilson
Deborah A. Kendall

INTRODUCTION

Background

Address management is the foundation for how the Postal Service moves mail. Over the years, the Postal Service has been striving to obtain the highest quality address information possible for internal use and for its customers. In March 1993, the Postal Service implemented Delivery Point Sequence (DPS).¹ DPS is the process of arranging barcoded mail according to the carrier's line of travel (LOT) to eliminate manual mail sorting, improve efficiency, and reduce costs.

In 1994, the Postal Service established the Address Management System (AMS) to capture, correct, and complete address information to enhance the efficiency of mail processing and delivery through automation. The AMS captures address information in sort programs used to process mail in DPS. A developer creates sort programs using the Sort Program System, which is a subsystem of the National Directory Support System (NDSS). DPS sort programs are transferred to a Mail Processing Barcode Sorter or a Delivery Barcode Sorter² for sorting mail into DPS.

Mail that cannot be processed on automated equipment requires manual processing, which is less efficient and more costly to the Postal Service. As illustrated in Table 1, during fiscal year (FY) 2005, the Postal Service processed 94 billion pieces of letter mail, of which 72 billion pieces (76.8 percent) were processed on automated equipment and the remaining 22 billion pieces (23.2 percent) manually. During FY 2006, the Postal Service processed 93.3 billion pieces of letter mail; 74.4 billion pieces (79.7 percent) were processed on automated equipment and the remaining 18.9 billion pieces (20.3 percent) manually.

**Table 1. Postal Service Letter Mail Processed in Pieces
FYs 2005 and 2006**

Fiscal Year	DPS Letters (Pieces)	Cased Letters (Pieces)	Total Letters (Pieces)	DPS Percentage	Cased Letter Percentage
2005	72,270,819,511	21,846,660,416	94,117,479,927	76.8	23.2
2006	74,404,492,341	18,929,268,976	93,333,761,317	79.7	20.3

Source: Postal Service Web-enabled Enterprise Information System (WebEIS)

¹ DPS resulted from an agreement in 1992 with the National Association of Letter Carriers that changed the automation environment.

² DPS mail is also sorted on Carrier Sequence Barcode Sorters, a type of mail processing equipment used by smaller Postal Service facilities.

In 2003, the Postal Service outlined a strategy to enhance address quality in its Intelligent Mail Corporate Plan. The strategy includes improving the address database, filling change of address orders, and using Address Change Service. To improve the address database, the Postal Service established a delivery AMS quality review program to evaluate the quality of AMS data and meet the goal of 100 percent accurate AMS data nationwide.

As part of the quality review program, National Customer Support Center (NCSC) teams annually conduct street reviews of 40 routes at each Postal Service district nationwide. The NCSC team selects 40 city or rural delivery routes, based on Postal Service guidelines. For every route the team selects within a ZIP Code, they also select two alternate routes.³

The street reviews:

- Identify all possible delivery addresses included in Address Information System products and the NDSS files.
- Validate the number of possible delivery addresses assigned to each carrier route.
- Validate the correct LOT or delivery sequence for each carrier route.
- Assign ZIP+4® Codes to maximize compatibility with automated equipment.
- Verify the standardization of addresses according to Publication 28, *Postal Addressing Standards*, dated July 2006.
- Review AMS database products to meet the needs and expectations of Postal Service customers.

³ The *Delivery/AMS Quality Street Review Guidelines*, FY 2005 Revision 1, states that NCSC will review 40 routes annually.

When a district scores below 98 percent on the street review, the NCSC team will review it every 6 months, and districts that score from 98 to 100 percent will receive an annual review. Districts scoring 99 percent or higher may receive abbreviated route reviews.

In addition to the NCSC street reviews, district AMS officials conduct street reviews of routes to maintain the accuracy of AMS data. Carriers also identify AMS data changes based on their street deliveries. The carriers note address changes in their AMS edit books and submit the information to district AMS officials using their Web Electronic Edit Sheets for review and correction in the AMS database.

As the Postal Service continues to process mail on automated equipment, the quality of address information takes on new importance. Use of correct and complete address information can reduce costs to the Postal Service.

**Objective,
Scope, and
Methodology**

Our objective was to assess the Postal Service's management of the delivery AMS quality review results to ensure that address information is correct and complete to effectively process and deliver mail in the Pacific Area. We obtained data on FYs 2005 and 2006 delivery AMS quality reviews from the NCSC to analyze the routes reviewed, AMS data errors identified, and performance scores. We selected the Pacific Area's Sierra-Coastal,⁴ Sacramento, San Diego, and Bay-Valley⁵ Districts and the New York Metro Area's New York District for review, based on the NCSC performance scores shown by delivery AMS quality reviews.⁶

We obtained and reviewed the results of prior AMS reviews for the New York District, which showed street review performance scores consistently above 99 percent. As a best management practice, we evaluated the feasibility and applicability of using the New York District's AMS data maintenance program in other

⁴ In September 2006, the Van Nuys District was renamed the Sierra-Coastal District.

⁵ Our baseline data was FY 2005. However, we reviewed data for districts that passed in FY 2005, but did not in FY 2006. Bay-Valley was the only district that met this criterion. (See Appendix A)

⁶ We selected the Sierra-Coastal, Sacramento, San Diego, and Bay-Valley Districts based on their historically low performance scores, and we selected the New York District based on its historically high performance scores and improvements to the AMS process.

Postal Service districts. Our review of performance scores⁷ showed that the Sierra-Costal, Sacramento, and San Diego Districts were consistently below 98 percent in FY 2005. In addition, the Bay-Valley District's FY 2006 scores were below 98 percent. (See Appendix A.) We evaluated the districts' AMS data maintenance process to determine whether they could improve their programs. We also reviewed the districts' FYs 2005 and 2006 DPS information to compare their DPS volumes to the Postal Service goal.⁸

We conducted this audit from August 2006 through May 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 and included their comments where appropriate. We relied on computer-processed information from AMS. We did not directly audit the system, but performed a limited data integrity review to support our data reliance.

Prior Audit Coverage

The OIG issued five reports directly related to our objectives. We have included a complete listing of the reports in Appendix E.

⁷ To compute a district's AMS performance score, each error found during a route review is subtracted from the total number of possible deliveries for the district. This adjusted possible delivery figure is divided by the district's total possible deliveries to arrive at the AMS performance score.

⁸ We are planning to conduct a future review that will incorporate DPS percentages to identify opportunities to generate revenue, reduce costs, and improve customer service.

AUDIT RESULTS

**Address
Management
System Information
– Pacific Area**

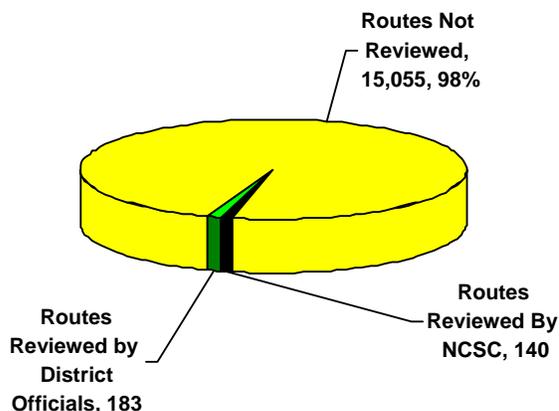
Postal Service officials in the Pacific Area’s Sierra-Coastal, Sacramento, San Diego, and Bay-Valley Districts effectively managed delivery AMS quality review results for approximately 2 percent (323 of 15,378) of their routes.⁹ However, opportunities exist for area officials to implement best management practices similar to those used by the New York Metro Area’s New York District to improve the quality of AMS data to process and deliver the mail.

In FY 2005, the Sierra-Coastal, Sacramento, San Diego, and Bay-Valley Districts had 15,378 total routes, as shown in Chart 1. The NCSC team reviewed 1 percent (140 of 15,378) of these routes according to Postal Service guidelines. The team identified 883 AMS errors,¹⁰ approximately six errors for each route. The districts did not achieve the 98 percent AMS target goal. (See Appendix A.) NCSC teams did not review the remaining 99 percent of the routes (15,238 of 15,378). During this same period, AMS officials in the Sacramento and Bay-Valley Districts reviewed an additional 1 percent (183 of 15,238) of the routes. NCSC and local AMS officials did not review the remaining 98 percent (15,055 of 15,378) of the routes. (See Appendix B.)

⁹ The 2 percent represents the 140 routes reviewed by the NCSC and 183 routes reviewed by district officials. For the four districts, 323 out of a total 15,378 routes were reviewed.

¹⁰ District officials stated they had corrected all identified errors.

**Chart 1. Sierra-Coastal, Sacramento, San Diego, and Bay-Valley Districts
Number and Percentage of Routes Reviewed**



Source: Postal Service NCSC and Pacific Area Officials

Based on FYs 2005 and 2006 NCSC team reviews and the error rate for each route, approximately 101,022¹¹ AMS data errors may exist in these four districts on the 15,055 routes for which street reviews were not conducted.

Currently, the Sierra-Coastal, Sacramento, San Diego, and Bay-Valley Districts' AMS quality review programs are administered by local AMS officials. As illustrated in Table 2, at the time of our review, NCSC and local AMS officials performed quality street reviews for 323 routes. However, AMS district officials did not use available district resources, such as delivery supervisors or appropriate designees, to conduct additional street reviews for the remaining 15,055 routes.

¹¹ Our projection of the possible number of errors in routes not reviewed is based on the formula NCSC uses in its street reviews. The error projection for each district is determined by using the number of errors identified in NCSC street reviews, calculating an error rate per route, and applying the rate to the number of routes not reviewed. The 101,022 projected errors was calculated by adding the following:

- Sierra-Coastal - 24,672 (238 errors ÷ 40 routes reviewed = 6 × 4,112 routes not reviewed).
- Sacramento - 20,064 (223 errors ÷ 40 routes reviewed = 6 × 3,344 routes not reviewed).
- San Diego - 24,210 (252 errors ÷ 40 routes reviewed = 6 × 4,035 routes not reviewed).
- Bay-Valley - 32,079 (170 errors ÷ 20 routes reviewed = 9 × 3,564 routes not reviewed).

Table 2. Route Reviews Conducted in the Sierra-Coastal, Sacramento, San Diego, and Bay-Valley Districts

Selected Districts	Total Routes	NCSC Route Reviews Conducted	District Route Reviews Conducted	Total Routes Reviewed	Total Routes Not Reviewed
Sierra-Coastal	4,152	40	0	40	4,112
Sacramento	3,547	40	163	203	3,344
San Diego	4,075	40	0	40	4,035
Bay-Valley	3,604	20	20	40	3,564
Total	15,378	140	183	323	15,055

Source: Postal Service NCSC and Pacific Area Officials

AMS district officials stated they did not review the remaining routes because AMS staff resources were limited. Sierra-Coastal AMS officials informed OIG they performed desk reviews instead of street reviews for 660 routes where carriers did not electronically submit their edit book updates to district officials.¹² Pacific Area officials also began implementing an area initiative, the Monthly Apportioned Review System, in October 2006 for each district. Each district will conduct street reviews based on the number of routes in their district. Approximately 1,200 street reviews will be conducted annually.

The AMS review module in the associate supervisors' training course given to the districts' delivery supervisors does not include specific information on AMS quality street reviews. The AMS review module provides information only on edit book updates and how to enter the changes into the automated system for submission to district officials.

Further, AMS data errors may exist in the Sierra-Coastal District because delivery carriers did not submit edit book updates to AMS officials for correction in a timely manner. When brought to the attention of Sierra-Coastal District officials, immediate corrective action was taken, which included establishing plans to train all delivery carriers on the use of edit books in January 2007 and make them responsible for updating edit books and submitting changes in a timely manner.

¹² Desk reviews are discussions with carriers when the carrier has not submitted his or her edit book or no physical street reviews of the routes have been conducted.

The Postal Service established the AMS to capture, correct, and complete address information to enhance the efficiency of mail processing and delivery through automation. AMS address information is captured in sort programs used to process mail in DPS. The Postal Service created DPS to eliminate manual mail sorting, improve efficiency, and reduce costs.

As shown in Table 3, the Pacific Area district locations improved their DPS mail volume percentages from FY 2005 to FY 2006. According to the *Transformation Plan*,¹³ the Postal Service's goal is to sort 95 percent of letters by DPS by 2010. A decrease in AMS data errors will help Pacific Area officials in achieving the DPS goal and will reduce operating costs.

Table 3. Pacific Area Districts' DPS Percentages

Pacific Area Districts	FY 2005	FY 2006
Bay-Valley	78.84	80.44
Honolulu	73.01	77.14
Los Angeles	65.29	72.28
Sacramento	74.13	79.33
San Diego	79.50	82.52
San Francisco	75.19	80.14
Santa Ana	75.95	79.45
Sierra- Coastal	75.72	79.72
Pacific Area Average	74.70	78.88
National Average	76.79	79.72

Source: WebEIS

If the Sierra-Coastal, Sacramento, San Diego, and Bay-Valley Districts implemented a program similar to the New York District, they could reduce errors by 31.84 percent,¹⁴ saving the Postal Service \$7,881,288 over the next 10 years. We will report \$7,881,288 of funds put to better use in our *Semiannual Report to Congress*. (See Appendix B.)

New York District

The New York District has a total of 2,202 routes. In FY 2005, the NCSC team reviewed 40 (2 percent) of these routes according to Postal Service guidelines. The team identified

¹³ U.S. Postal Service *Strategic Transformation Plan, 2006 – 2010*, dated September 2005.

¹⁴The error reduction rate factor for the New York Metro Area is 71.05 percent, and the error reduction rate factor for the control group is 29.74 percent. The factor for the New York Metro Area is divided by the control group factor (1.7105 ÷ 1.2974) to arrive at 31.84 percent. The Pacific Area districts are expected to reduce their error rates by 31.84 percent by implementing a program similar to the New York District's.

195 AMS errors (approximately five errors on each route), and the district received a 99.21 percent AMS performance score from the street review. The NCSC team did not review the remaining 98 percent of the routes (2,162 of 2,202).

In 1998, the New York District began an extensive AMS quality review program, administered by local AMS officials, which requires delivery units to complete AMS street reviews using existing staff. As part of the program, New York District officials added an AMS review module to the training course given to New York delivery supervisors. The New York AMS office also established AMS review schedules for all delivery units and an accountability system to monitor the completion of AMS street reviews conducted by delivery supervisors or their designees. These actions allowed the New York District to use existing staff to significantly increase its review coverage.

In FY 2005, New York District officials set a goal of reviewing all routes annually, including routes reviewed by the district and the NCSC. The existing staff reviewed routes and implemented corrective actions for the AMS errors identified. All districts in the New York Metro Area use delivery unit staff to conduct AMS reviews, and the program has been successful. Since its inception, all districts have significantly improved their AMS performance scores. The average performance score for the New York District is 99.03 percent.¹⁵

The Deputy Postmaster General and Chief Operating Officer issued a memorandum dated August 23, 2006, on AMS national street reviews. The memorandum stated that for FY 2007, trained field personnel would conduct all delivery AMS street reviews. The AMS national street review team will not conduct on-site street reviews in FY 2007 and will not have funding to field personnel with travel costs. The FY 2007 delivery AMS street review schedule will continue to be coordinated through area and headquarters address management officials. The NCSC will continue to provide street review materials.

¹⁵ The 99.03 percent is 1.03 percent above the 98 percent passing score. Districts scoring between 98 and 100 percent receive an NCSC street review once a year. Districts scoring 99 percent or higher may receive abbreviated route reviews.

Recommendation

We recommend the Vice President, Pacific Area Operations, implement an Address Management System quality review program similar to the New York District's that:

1. Provides training in Address Management System quality street reviews to delivery supervisors or appropriate designees.
2. Establishes a district schedule of annual Address Management System quality street reviews.
3. Directs delivery supervisors or appropriate designees to review delivery routes annually.
4. Establishes a tracking system to monitor completed street reviews.

**Management's
Comments**

In their written response, management did not agree or disagree with the recommendations. Additionally, management stated that they did not disagree with the methodology or factors used to calculate the \$7,881,288 funds put to better use. Management stated that the area's route and delivery types make AMS information complex and training employees can take more than a year. Additionally, management stated that reviewing each of the remaining routes would result in an estimated cost of more than \$21 million over a 10-year period.

Management further stated that there was no evidence that reviewing significantly more routes annually will result in the claimed savings. In subsequent discussions with management¹⁶, they did agree in principle to the recommendations and as noted in their comments, had implemented or planned alternative actions. Management's comments, in their entirety, are included in Appendix D.

**Evaluation of
Management's
Comments**

Management's comments are responsive to recommendations 1, 2, 3 and 4. Management's alternative actions taken and planned should correct the issues identified in the finding. We believe the model used to calculate savings (Appendix C) provides a reasonable estimate of costs that could be saved by implementing an AMS error reduction program. The model applied the principles used by the New York District's error

¹⁶ Discussions were held with the designated Pacific Area point of contact on April 20, 2007.

reduction program. Under this program, AMS street reviews were absorbed into the workload of existing staff, without any additional cost. Since management agreed to implement alternative actions to address the issues identified in this report, we do not plan to pursue the unresolved monetary impact issues through the formal audit resolution process.

APPENDIX A

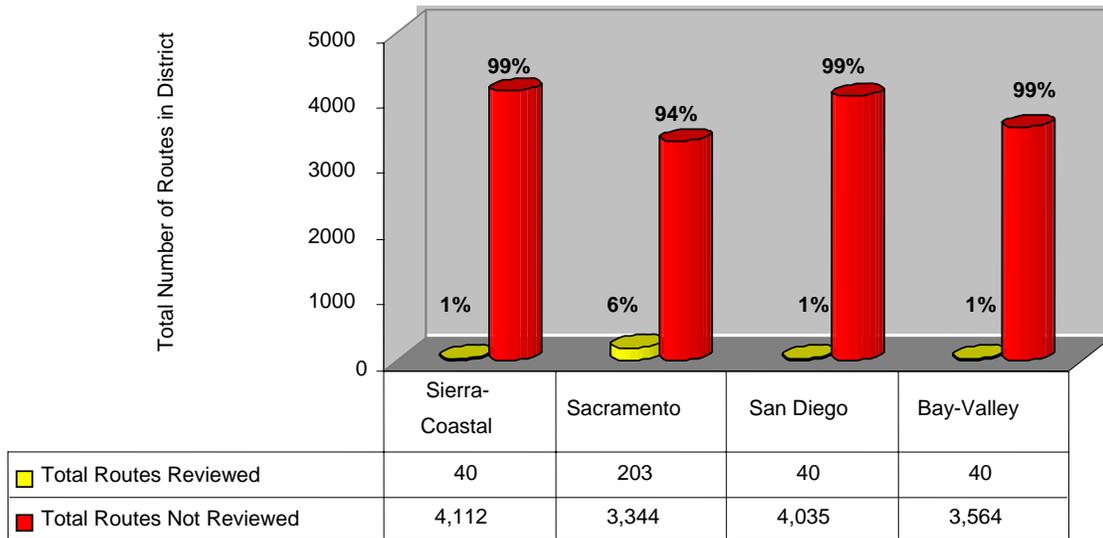
NCSC REVIEW RESULTS FOR THE PACIFIC AREA

No.	Pacific Area District Locations	FY 2005 Score %	FY 2005 Score Date	Achieved 98% Score FY 2005	Historical Average Score as of FY 2005	Achieved 98% Score History	FY 2006 Score%	FY 2006 Score Date	Achieved 98% Score FY 2006
1	San Diego	97.77	8/16/05	No	97.44	No	97.67	8/29/06	No
2	Sierra-Coastal	97.40	9/20/05	No	96.54	No	97.40	8/8/06	No
3	Sacramento	97.44	4/12/05	No	96.70	No	97.28	3/21/06	No
4	Bay-Valley	98.38	8/9/05	Yes	96.28	No	95.10	8/1/06	No
5	Honolulu	98.22	5/16/05	Yes	97.59	No	98.18	5/2/06	Yes
6	Los Angeles	98.25	6/7/05	Yes	96.90	No	98.86	8/10/06	Yes
7	San Francisco	98.02	10/4/05	Yes	96.47	No	98.02	9/26/06	Yes
8	Santa Ana	98.64	6/21/05	Yes	97.41	No	98.64	9/18/06	Yes

Source: Postal Service NCSC officials

APPENDIX B

FYS 2005 AND 2006 ROUTE REVIEWS FOR THE SIERRA-COASTAL, SACRAMENTO, SAN DIEGO, AND BAY-VALLEY DISTRICTS¹⁷



Source: Postal Service NCSC and Pacific Area Officials

¹⁷ A total of 323 routes were reviewed by NCSC and district AMS officials, and 15,055 routes were not reviewed.

APPENDIX C

CALCULATION OF FUNDS PUT TO BETTER USE

The OIG identified \$7,881,288 in funds put to better use over the next 10 years for the Pacific Area's Sierra-Coastal, Sacramento, San Diego, and Bay-Valley Districts.

Pacific Area	Fiscal Year	Funds Put to Better Use
Sierra-Coastal	2005	\$1,579,320
Sacramento	2005	1,141,471
San Diego	2005	1,975,322
Bay-Valley	2006	3,185,175
Total for 10-Year Period		\$7,881,288

The following assumptions were used in the calculation of the \$7,881,288:

1. We used the New York Metro Area as our standard for predicting the cost savings possible for the Sierra-Coastal, Sacramento, San Diego, and Bay-Valley Districts.
2. We assumed that all Postal Service areas other than the New York Metro Area had not implemented an error reduction programs over the time period of the AMS street reviews. These areas were our control group for purposes of estimating the net benefit of the New York Metro Area's program.
3. The AMS national street review model is used to calculate cost savings. Therefore, we assumed that it realistically represented costs that the Postal Service could save if it implemented a program to reduce the incidence of AMS errors. However, in our opinion, any costs saved would have to be related to a reduction in overtime or casual hours; therefore, labor rates used should be hourly overtime rates (which was not the case).
4. We used the AMS national street review model unchanged, with one exception: the model had FY 1999 labor rates imbedded. We updated these rates to reflect FY 2007 rates by escalating by 2.4 percent per year to arrive at a projection.
5. We assumed the cost of implementing an error reduction program would be negligible.
6. We assumed the average cost per error for the Sierra-Costal, Sacramento, San Diego, and Bay-Valley Districts would remain constant before and after program implementation.

7. If the Sierra-Coastal, Sacramento, San Diego, and Bay-Valley Districts began implementing a program immediately, FY 2007 would be devoted to set-up and training. We assumed that cost savings would not begin until FY 2008. Our calculation of savings (funds put to better use) is a discounted cash flow analysis over a 10-year period. The amount we will report in our *Semiannual Report to Congress* is the present value of the estimated savings over the 10-year period.
8. AMS errors can never be reduced to zero. We assumed the practical lower limit to be a 1 percent error rate. However, this constraint did not affect the calculation for the Sierra-Coastal, Sacramento, San Diego, and Bay-Valley Districts in this instance.
9. We assumed that error rates on rural routes would respond to an error reduction program in the same manner as city routes.
10. In our analysis of the New York Metro Area, we excluded the Caribbean District due to uncertainties regarding implementation of an error reduction program.
11. Not all categories of AMS errors have associated costs. We assumed that costly and noncostly errors would respond to an error reduction program in the same manner. That is, if the overall reduction rate for all AMS errors was 20 percent, the reduction rate for costly errors was also 20 percent.

APPENDIX D. MANAGEMENT'S COMMENTS

MICHAEL J. DALEY
VICE PRESIDENT, PACIFIC AREA OPERATIONS



March 16, 2007

KIM H. STROUD
DIRECTOR, AUDIT REPORTING
USPS OFFICE OF THE INSPECTOR GENERAL
1735 N LYNN ST, FL 10
ARLINGTON, VA 22209-2020

SUBJECT: Address Management System Information – Pacific Area
Project Number: 06XG047DR000

We do not disagree with the methodology or factors used to calculate the \$7,881,288 of funds put to better use to reduce database errors by 32.97 percent over the next ten years.

- Pacific Area has all carrier route types and all delivery types making our Address Management System Information coding, maintenance, and review more complex. Training an employee to understand the complex coding requirements necessary to properly conduct street reviews can take more than a year
- Adding street review training to Associate Supervisor Program classes would complicate the already intense training.
- Not including training costs, reviewing each of our remaining 15,055 routes would result in an estimated cost of more than \$21,859,860 over a ten year period.
- There is no evidence that reviewing significantly more routes annually will result in the savings of proposed funds put to better use.

The Pacific Area values the quality of our Address Management Systems Information and now administers all database reviews through our Delivery Programs Support office.

- We will develop and offer a delivery unit supervisor course on conducting street reviews using an Edit Sheet instead of a PS Form 219. This training will be available to our delivery supervisors by the end of the fiscal year.
- We have implemented monthly randomly selected database reviews for each of our 40 senior delivery managers. More than 960 database reviews will be conducted this year.
- We have developed the Monthly Apportioned Review Solution (MARS) to collect review data, track performance, and report results on a monthly basis.


Michael J. Daley

cc: katovali@uspsaig.gov
pewhiteside@uspsaig.gov

11295 RANCHO CARMEL DR
SAN DIEGO CA 92197-0100
858-674-3100
FAC 858-874-3101
www.usps.com

APPENDIX E

PRIOR AUDIT COVERAGE

Audit	Report Number	Issued Date	Funds Put to Better Use Over the Next 10 Years
Address Management System Information – Capital Metro Area	DR-AR-07-004	May 1, 2007	\$455,197
Address Management System Information – Southeast Area	DR-AR-07-002	March 30, 2007	\$862,134
Address Management System Information – Northeast Area	DR-AR-07-001	March 15, 2007	\$4,590,875
Address Management System Information – Great Lakes Area	DR-AR-06-008	September 30, 2006	\$2,078,506
Address Management Systems – Southwest Area – Rio Grande District	DR-AR-06-001	January 25, 2006	\$988,945