



## **IMPACT ON:**

The U.S. Postal Service currently spends approximately \$69 million annually in manual data collection efforts to support Finance personnel who prepare the Cost and Revenue Analysis (CRA) Report and to meet other analytical needs. This includes about \$38 million per year to collect data for the Revenue, Pieces, and Weight (RPW) portion of the statistical models. This report explores alternate ways of estimating the RPW component required for the CRA report using automated data, thus reducing manual data collection efforts.

## **WHY THE OIG DID THE AUDIT:**

Our objective was to determine whether RPW estimates used in the CRA report could be prepared more efficiently and effectively using automated data to reduce manual data collection.

## **WHAT THE OIG FOUND:**

The Postal Service could significantly reduce manual data collection for RPW estimation by modifying existing automated processes to collect mailpiece images for analysis and by moving sampling from delivery units to supporting processing plants.

We estimate the Postal Service could save about \$13 million in annual data collection costs. The Postal Service could make the hardware changes needed with existing technology, which

would benefit both operational needs and statistical sampling efforts.

## **WHAT THE OIG RECOMMENDED:**

We recommended that Finance explore using automated data and image recognition capabilities to replace the manual RPW data collection for mail processed on automation equipment, explore concentrating data collection of manually processed mail from delivery units to processing and distribution facilities, and coordinate with the Postal Regulatory Commission regarding these changes.

## **WHAT MANAGEMENT SAID:**

Management agreed with the recommendations but disagreed with the assessment of the state of automated data and the cost savings estimate, indicating that the report was misleading.

## **AUDITORS' COMMENTS:**

We consider management's comments responsive to the recommendations. We reject the assertion that the report is misleading and should be significantly altered. Our savings estimate is based on greater use of automation, and the potential use of support employees at a lower wage rate. It is a conservative estimate of possible savings in this area.