



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

HIGHLIGHTS

September 28, 2012

Land Optimization – Northern Virginia District

Report Number DA-AR-12-003

BACKGROUND:

The U.S. Postal Service has more than 33,000 facilities nationwide, including more than 24,000 leased facilities. These facilities occupy more than 950,000,000 square feet (SF) of land.

Beginning in April 2008, the Postal Service began a series of facility optimization efforts. The goals of those efforts were to generate revenue and reduce expenses. Through its optimization efforts, the Postal Service has the ability to reduce excess real property by selling or leasing Postal Service-owned property and subleasing or reassigning leased property. The Postal Service can also use these same options to optimize land space.

The Northern Virginia District has 185 facilities with about 14,000,000 SF of land. Our objective was to identify opportunities for the Postal Service to optimize existing land in the Northern Virginia District to align with the current operating environment.

WHAT THE OIG FOUND:

The Postal Service can improve procedures for identifying and disposing of excess land space in the Northern Virginia District. While there is a requirement to conduct excess space, building, and land evaluations, there is no specified frequency for reporting those reviews. As a result, two of the six Postal Service-owned properties

reviewed -- the Dulles Processing and Distribution Center (P&DC) and land slated for the Ashburn Main Post Office -- have about 442,570 SF of excess land space or about 17 percent of the exterior space of those properties. By selling the excess land space, the Postal Service has a one-time opportunity to realize at least \$2,931,250 of increased revenue in the Northern Virginia District. The Postal Service initiated the process of selling the Ashburn property on October 12, 2011.

WHAT THE OIG RECOMMENDED:

We recommended that the Postal Service initiate action to sell excess land space at the Dulles P&DC.

We are not making a recommendation regarding the frequency for reporting results of excess space, building, and land evaluations, because this issue was addressed in a prior report, *Land Optimization — Central Illinois District*, (Report Number DA-AR-12-001, dated September 19, 2012).