

February 28, 2002

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CHIEF OPERATING OFFICER AND EXECUTIVE VICE PRESIDENT

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SUBJECT: Audit Report – Critical Factors and Best Practices for Managing External First-Class Mail Measurement System Scores  
(Report Number TD-AR-02-001)

This report presents the results of our audit of Critical Factors and Best Practices for Managing External First-Class Mail Measurement System Scores (Project Number 00NA008DE000). The report responds to a request from the Board of Governors. Our objectives were to: (1) identify factors potentially affecting External First-Class Mail Measurement System scores; and (2) determine whether the Postal Service is identifying, assessing, and sharing information on a nationwide basis, related to best practices which impact First-Class Mail service and scores.

Postal Service officials in the five clusters visited identified factors, which they believed were critical to meeting External First-Class Mail Measurement System service standard scores. The critical factors included commercial airline performance; mail preparation, condition and arrival times; adequate facilities; and management stability and staffing. Officials also offered practices that were implemented in efforts to control the factors affecting External First-Class Mail Measurement System service standard scores. We also found that the Postal Service has no formal mechanism for identifying, assessing, and sharing best practices affecting service standards on a nationwide basis. Sharing best practice information on a nationwide basis may provide more consistent and improved service standard scores nationwide. We recommended that management facilitate nationwide identification and sharing of best practice information. Management commented on our report and agreed with all of our findings and with our recommendation. Management's comments and our evaluation of these comments are included in the report.

We appreciate the cooperation and courtesies provided by your staff during the audit. If you have any questions or need additional information, please contact Joseph R. Oliva director, Transportation and Delivery, at (703) 248-2100 or me at (703) 248-2300.

Ronald K. Stith  
Assistant Inspector General  
for Core Operations

cc: Henry A. Pankey  
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## EXECUTIVE SUMMARY

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### Introduction

In 1990, the Postal Service contracted to measure First-Class Mail service performance from a customer perspective through its External First-Class Mail Measurement System. The system was designed to measure the degree to which the Postal Service meets service standards to deliver overnight, 2-day, and 3-day mail to customers. The system supports the Postal Service strategic goal of providing timely mail delivery to customers.

We initiated this audit based on the Governors' interest. Our objectives were to: (1) identify factors potentially affecting External First-Class Mail Measurement System scores; and (2) determine whether the Postal Service is identifying, assessing, and sharing information on a nation-wide basis, related to best practices which impact First-Class Mail service and scores.

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### Results in Brief

Postal Service officials in the five clusters visited identified factors, which they believed were critical to meeting External First-Class Mail Measurement System service standard scores. The critical factors included commercial airline performance; mail preparation, condition and arrival times; adequate facilities; and management stability and staffing. Officials also offered practices that were implemented in an effort to control the factors affecting External First-Class Mail Measurement System service standard scores. Although these practices alone cannot ensure improved service standard scores, they reflect positive efforts that other Postal Service clusters may want to consider in addressing critical factors in meeting service standards and for achieving more consistent and improved External First-Class Mail Measurement System service standard scores.

We found that the Postal Service has no formal mechanism for identifying, assessing, and sharing best practices affecting service standard scores on a nationwide basis. While informal processes may exist for clusters to share information on practices, establishing a formal process for sharing information may identify opportunities for more consistent and improved service standard scores nationwide.

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<b>Summary of Recommendations</b>	The Postal Service could derive benefits of improved and more consistent External First-Class Mail Measurement System service standard scores by facilitating the nationwide identification and sharing of best practice information.
<b>Summary of Management's Comments</b>	Management agreed with all our findings and recommendation. They acknowledged there were no nationwide mechanisms for identifying, assessing, and sharing best practices. However, they stated they would utilize existing national websites to display proven service improvement practices, and would integrate those practices into ongoing standardization and productivity improvement efforts. Management's comments, in their entirety, are included in the appendix of this report.
<b>Overall Evaluation of Management's Comments</b>	Management's comments are responsive to our findings and recommendation. We believe the actions management has taken or planned will effectively address issues we identified in our report.

## INTRODUCTION

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### Background

The Postal Reorganization Act of 1970 defines the mission of the Postal Service and charges the Postal Service, in part, to offer prompt, reliable, and efficient service to patrons in all areas. In accomplishing its mission, the Postal Service developed “Voice of the Customer” goals for timely, consistent, and accurate delivery of all categories of mail, and achievement of high levels of customer satisfaction.

In 1990, the Postal Service contracted to measure First-Class Mail service performance from a customer perspective through the External First-Class Mail Measurement System. The system is part of the Transit Time Measurement System independently administered by PriceWaterhouseCoopers through a contract with oversight provided by the Postal Service's vice president and consumer advocate.

The External First-Class system is an external measurement system of collection box to mailbox delivery performance. The system continuously tests a panel of 463 ZIP Code areas selected on the basis of geographic and volume density from which 90 percent of First-Class volume originates and 80 percent destinate. It is not a system wide measurement of all First-Class Mail performance.

External First-Class Mail Measurement System scores varied among Postal Service clusters during our review period. Average yearly 2 and 3-day scores among all clusters varied by as much as 26.51 percent in fiscal year (FY) 1997, 27.36 percent in FY 1998, 20.53 percent in FY 1999, and 32.44 percent in FY 2000. Among the five clusters visited, average yearly scores varied by as much as 11.87 percent in FY 1997, 8.86 percent in FY 1998, 8.33 percent in FY 1999 and 8.48 percent in FY 2000.

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### Objectives, Scope and Methodology

The objectives of the audit were to: (1) identify factors potentially affecting External First-Class Mail Measurement System scores; and (2) determine whether the Postal Service is identifying, assessing, and sharing information on a nationwide basis, related to best practices, which impact First-Class Mail service and scores.

To achieve our first objective, we downloaded quarterly scores for FYs 1997 through 2000 from the Postal Service's Web Enterprise Information System. We identified those clusters with the highest yearly average increase (10 percent or higher) in 2 to 3-day originating and destinating composite scores; those with less than 10 percent but greater than 5 percent increase; and those with the lowest yearly average increase (5 percent or lower) for the period. We judgmentally selected four clusters considering their geographical composition,<sup>1</sup> size, and percentage change in scores. We selected the Chicago and Appalachian clusters, in part, because they had an average yearly increase in scores of greater than 10 percent. San Jose and Albuquerque clusters were also selected, and had yearly average score increases of below 5 percent. An additional cluster, Atlanta, was selected as a survey site, and had an average yearly score increase of about 10 percent.

We also conducted site visits to each cluster and respective area<sup>2</sup> and interviewed officials to identify potential factors and initiatives affecting the core First-Class Mail processes --collection, transportation, processing, and delivery--which could potentially impact scores. We obtained available support for factors or initiatives that were identified as potentially impacting service and scores. We observed First-Class Mail processes when possible. However, we did not attempt to validate all information provided nor determine the direct impact of any one factor or initiative on scores, since doing so was outside the scope of this audit. In addition, External First-Class Mail Measurement System scores are only indicators of timely mail delivery performance, and the system does not assess the effectiveness of the processes used to deliver mail.

To achieve the second objective, we conducted interviews with appropriate Postal Service Headquarters, area, and cluster officials to determine any current methods for identifying and sharing best practices. We also reviewed

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<sup>1</sup> By using geographical composition, we selected clusters representing major metropolitan cities, large cities, and rural areas.

<sup>2</sup> An area is an administrative field unit, one level below Postal Service Headquarters, and which oversees customer service districts/clusters.

Postal Service and related websites to determine the extent and availability of best practice information.

This audit was conducted from July 2000 through February 2002 in accordance with generally accepted government auditing standards, and such included tests of internal controls, as were considered necessary under the circumstances. We discussed our conclusions and observations with appropriate management officials and included their comments, where appropriate.

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**Prior Audit Coverage**

The Postal Inspection Service conducted a National Coordination Audit (jointly with the Office of Inspector General (OIG)) and issued a report (Case Number 029-1217904-PA 9) in February 1998. The report compared management practices in cities measured by the External First-Class Mail Measurement System and practices in those cities not measured. The report disclosed practices implemented to benefit candidate mail to the detriment of noncandidate mail. The report also noted that, during the audit, changes to the measurement system were made and process improvements were implemented which were service driven rather than measurement system driven.



## AUDIT RESULTS

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### Factors Identified as Critical to Meeting Service Standards

Postal Service management in the clusters visited identified several factors impacting processing that they believed are critical to meeting service standards. Officials generally agreed that these factors impacted External First-Class Mail Measurement System service standard scores. The identified factors included commercial airline performance, mail preparation as well as mail condition and arrival times, adequate facilities, management stability, and staffing.

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### Commercial Airline Performance

Officials in all clusters visited identified commercial airline performance as a major factor in their ability to meet External First-Class Mail Measurement System service standard scores. Airline performance issues identified by officials as having an impact on External First-Class Mail Measurement System scores included tracking system limitations, the airline's practice of rerouting and rehandling mail, ineffective performance penalties in the airline contract, and airline capacity and lift limitations at certain locations.

Tracking System - A major factor in the Postal Service's ability to control the flow of mail in the hands of airlines is the need for a real-time tracking system to determine the status of mail once it has been tendered to the airlines. According to officials, the current system does not provide for that capability. Officials recognized the importance of taking prompt action to get mail to its destination when there are airline delays, cancellations, or rerouting.

Mail Rerouting and Handling - Another factor that emerged was the Postal Service's inability to control rerouting and handling of mail while in the hands of the airlines. Airlines often rescheduled flights<sup>3</sup> and rerouted mail, resulting in additional handling and impacting on-time delivery.<sup>4</sup> Officials cited instances where mail, assigned to airlines and not moved, was sometimes staged outdoors with no protection. They stated that this resulted in damaged mail and required extra processing time, based on the severity of damage. Officials acknowledged the need to work with

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<sup>3</sup> Airlines rescheduled flights because of inclement weather, labor issues, mechanical problems, and increased passenger loads.

<sup>4</sup> Officials in the sites visited informed us that rerouting of mail was a common practice in the Chicago-O'Hare, Atlanta-Hartsfield, Pittsburgh International, Dallas/Ft. Worth, and Denver International Airport mail hubs.

airlines to limit rescheduling and additional mail handling so as to assure timely delivery of mail.

Airline Contract Issues - An additional factor appeared to be that the Postal Service needs the ability to adequately penalize airlines for poor performance. Officials interviewed stated that the Postal Services' current airline contract provides only minimal penalties, restricted to violations for damaged mail. Also, there are no penalties for late arriving mail. Officials interviewed believed that stronger nonperformance penalties and enforcement of contract provisions would help ensure airline compliance and improve service standards.

Capacity and Lift - Officials at some locations identified limitations in the ability of airlines to handle mail volume due to capacity and lift of aircraft. Officials stated that certain airports<sup>5</sup> could not accommodate "wide body"<sup>6</sup> planes, which resulted in an inability to handle large volumes of mail. This resulted in extra handling of the mail, since mail had to be rerouted to surface transportation or be broken down into smaller containers. Officials acknowledged the need to control these limitations in order to effect timely delivery of mail and meet service standards.

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Mail Preparation,  
Condition, and Arrival  
Times

According to processing plant and delivery unit officials, proper mail preparation and arrival times are critical factors in assuring mail meets service standards. Specifically, officials stated collection mail within clusters sometimes arrived past scheduled times for induction into the mail stream and that mail was not always properly prepared requiring further culling<sup>7</sup> by the processing plant. The clusters' ability to manage mail preparation, condition, and arrival times would help ensure mail is processed timely in order to reach its destination timely.

Concerns with improperly prepared,<sup>8</sup> missent or late arriving mail from outside clusters also existed among destinating processing plants, delivery units, and airmail facilities. This concern was compounded in those clusters with multiple

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<sup>5</sup> Service is especially impacted in airports serving Appalachian, Albuquerque, and San Jose clusters.

<sup>6</sup> Planes capable of loading and carrying containers.

<sup>7</sup> Culling removes non-letter mail (such as small parcels) from letter mail; segregates nonautomation compatible mail from automation compatible mail, and segregates flats from other letter mailpieces.

<sup>8</sup> Improperly prepared mail includes mis-sequenced, missorted, and mixed mail.

processing plants, since mail sometimes arrived at the incorrect plant, which resulted in additional transportation and processing time. Improperly prepared or late arriving mail could ultimately result in delayed or missed delivery and compromises service standard commitment times. Officials acknowledged the need for effective communication with other clusters in correcting these concerns.

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Adequate Facilities

According to Postal Service officials, strategically located facilities with optimal operation space are important to assuring mail is efficiently processed. Officials observed that crowded facilities, as well as facilities not strategically located to support ease of access, resulted in untimely or delayed mail processing. They further believed that these factors potentially lowered External First-Class Mail Measurement System scores. Further, some officials stated that overcrowded facilities were operating well over capacity and workflow/equipment layouts were not always conducive to efficient and effective mail processing.

For example, regarding strategic location, we observed that the San Francisco, California, airmail facility was under renovation. Officials noted that as a result, operations had to be spread across three locations – the San Francisco international mail service facility, the San Francisco airport temporary facility, and the San Jose airport cargo facility. Officials believed that spreading these operations resulted in additional processing time, which potentially compromised service standard scores. In addition, the San Jose airport facility was not designed to serve as an airport mail facility or handle the current mail volume.

In another instance, the North Metro Processing and Distribution Center in Atlanta, responsible for processing mail for delivery units throughout north Georgia (except the city of Atlanta), is not strategically located. The facility serves delivery units, which could be better served by another processing plant in closer proximity to the units. North Metro's location results in mail being transported for longer distances, taking longer time to reach destinations, and can reduce the opportunity to timely process mail. This was further complicated by traffic congestion to and from the North Metro location. Officials recognized that controlling the strategic location of facilities is key to

meeting service standards and requested an additional facility, in part, to alleviate this problem.

Regarding crowded facilities, in the Salinas, California, processing and distribution facility, machinery and equipment were so closely placed that it prevented simultaneous operation of contiguous equipment. Also, tents and trailers were used to store and prepare parcels and to conduct other less significant mail processing. In addition, in one Alpharetta, Georgia, delivery unit, mobile trailers were used to process mail for carriers due to significant growth in mail volume and routes, resulting in additional mail handling and difficulty in accessing dock space. Volume growth at the facility had also resulted in insufficient dock space.

In addition, officials at the San Jose Processing and Distribution Center had to reconfigure their floor plan and workflow, move some of the plant operations to delivery units, add temporary tents, and erect an annex for airmail processing operations. Also the workroom floor layout in the San Jose plant did not support the logical sequencing of mail flow for a period of time. Officials stated that the improper configuration and equipment layout impacted processing.

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Management Stability  
and Staffing

Postal Service officials are aware that their ability to effectively address human resource factors is important to timely mail processing and in meeting service standards. Officials identified management turnover, complement planning, and retention of equipment maintenance staff and carriers as potentially impacting External First-Class Measurement System service standard scores.

Management Stability - Two clusters included in our audit had experienced more than 2 years of continuous “acting district manager” appointments as well as extended acting assignments of other key officials. According to officials, this type of management instability impeded their ability to consistently address service standard commitment issues and implement process improvement practices.

Staffing to Complement - Postal Service officials in three of the clusters visited informed us that they experienced

challenges in staffing to complement.<sup>9</sup> Some geographic areas have difficulty hiring and maintaining qualified staff, including carriers, because of strong economic conditions, high population growth, and a lack of a competitive pay structure. They noted that the lengthy hiring and “bid” process further exacerbated this situation.

Staff Retention - Postal Service officials in two of the clusters visited stated they were not able to retain skilled equipment maintenance staff or rural carriers. Officials were particularly concerned with the inability to retain equipment maintenance personnel because of competition with the private sector. Officials further noted that internal development programs allowed lower skilled personnel to receive training paid for by the Postal Service. However, the Postal Service's training program does not mandate a time period for staff to work after being trained. As a result, trained staff may leave for higher paying positions after being trained. According to officials, this practice has potentially affected short-term efficiencies and operations.

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<sup>9</sup> The OIG is currently looking into the “staffing to complement” issues as part of Project Number 01JA009LB000.

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**Best Practices for  
Controlling Factors  
Affecting Service  
Standard Scores**

Based on our meetings and observations at the clusters visited, we identified a number of practices that officials identified as key to controlling factors affecting service standard scores. Implemented practices, which officials used to control processes affecting service standard scores, included the use of surface hub and spoke operations as well as dedicated and centralized collection routes. These practices existed in all clusters, but were implemented to varying degrees. We also found other practices, which were unique to specific clusters and implemented to address processing challenges that officials believed were important to realizing improvements in service standards. The significant locally-implemented initiatives included: Chicago's Collect-to-Cancel, Mail Analysis Center and Metro Movers; the deployment of delivery point sequencing equipment to outlying areas in Atlanta, Albuquerque, and San Jose; the Western Areas Pride and Excellence System; and Chicago's Blue Room. Finally, officials cited the use of process management techniques as beneficial to assessing needed changes and understanding how to implement these changes to positively improve service standard scores.

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**Surface Hubs and  
Control Center Helped  
Clusters Control  
Commercial Air  
Transportation  
Challenges**

Four of the five clusters visited relied on the surface hub and spoke operations to mitigate the effect of poor commercial airline performance on meeting External First-Class Mail Measurement System service standard scores. Surface hubs are a central point where mail for a group of offices could be unloaded from a series of incoming trips and massed according to their destination. Using this operation allows the cluster to have better control in meeting service standards depending on distances. Officials stated that this was especially important because of problems with commercial airline performance.

The Western Area initiated the Denver Control Center to improve the coordination of air transportation resources destined for locations within the Western Area, including the Albuquerque cluster. All the commercial air flights within the area are tracked by the center in Denver and any problems in those flights are coordinated with other areas that have coverage. This facility is designed to improve 2 to 3-day service standard scores by providing destinations, including those with few air transit options like Albuquerque, more

information about flight delays and the ability to adjust their scheduling as necessary. This facility also deals with problems caused by poor weather nationwide. The center is staffed by area transportation personnel and has communication links to the other areas and commercial airlines.

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Collection and  
Induction Strategies  
Are Key in Controlling  
Mail Condition and  
Arrival Times

According to officials in all clusters we visited, the use of dedicated collection routes enabled them to specifically assign carriers to collect mail in a consistent and timely manner. In addition, carriers are required to scan collection box bar codes in an effort to ensure all collection boxes are checked for mail and that they are checked within their scheduled collection times.

The implementation of the "Collect-to-Cancel" initiative in Chicago helped the cluster to focus on collection processes with the intent of improving the percentage of mail cancelled at the plant by 6:00 p.m. Officials believed that the higher the percentage of mail cancelled by 6:00 p.m., the greater the opportunity for the plant to meet clearance times, since mail reached downstream processing earlier. This initiative emphasized communication, training, collection times, monitoring, and transportation. Officials attributed this effort, in part, to helping improve their service standard scores.

Another initiative identified in our audit was the "Mail Analysis Center" in the Chicago cluster. This center was designed to identify and reroute missent mail to its proper destination. According to officials, this saved time in processing, since mail items were labeled and segregated from other normal mail. Although the cluster scaled down this effort because of cost factors, it was identified by the cluster officials as a contributing factor in External First-Class Mail Measurement System score improvement.

The implementation of the "Metro Movers" initiative by the Chicago cluster helped to improve 2 to 3-day service scores. Through this initiative, the cluster identified root causes for not meeting service standards. Part of the recommended solution was to treat 2-day mail as overnight commitment mail. Treating 2-day mail as overnight increased the chances of mail in meeting its scheduled delivery time, since overnight committed mail takes

precedence over 2 to 3-day committed mail. The focus of this team was later expanded beyond Chicago metro into surrounding clusters.

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Equipment Deployment  
to Annex Sites  
Assisted in Managing  
Facility Limitations

To address facility space and strategic location constraints, some clusters visited, in our audit deployed equipment, initially intended for processing and distribution centers, to outlying locations, including annexes and delivery units. Officials stated that deploying the equipment to outlying locations reduced the amount of processing required at the processing and distribution centers and relieved overcrowding at the centers. In addition, this allowed mail to be transported earlier to delivery units, thereby avoiding transportation delays between the plant to delivery units because of traffic congestion. This practice was more prevalent in Albuquerque, San Jose, and Atlanta clusters.

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Initiatives Designed to  
Control Resource  
Challenges

The Western Area's "Pride in Excellence Program" is an initiative that applies the balanced scorecard approach to performance appraisals. Balanced scorecard includes financial as well as nonfinancial measures and is a mechanism that holds managers accountable for a wide variety of operational issues and services. It consists of five major categories: financial, customers, internal business processes, learning and growth, and vision and strategy. Each executive and manager is assessed periodically using this system. According to officials, the use of this approach helps ensure better control over resource issues affecting service standards.

The "blue room" is being used in the Chicago cluster to address staffing issues. The "blue room" is a staffing technique that is used to apply consistent criteria and standards in selecting staffing complements. According to officials, this process also helps to identify and reduce labor costs due to the delivery point sequencing process. The delivery point sequencing data is analyzed as a source for identification of necessary complement changes. Time and attendance control programs, established to improve overtime usage, supplement this complement model. Officials in Chicago cited this program as an effective tool to assure all staffing resource issues are identified and addressed effectively.



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Use of Process Management Helps to Improve Overall First-Class Mail Processing

To provide consistent approaches to decision-making, the Postal Service implemented a process management initiative. This systematic approach to improve operations is based upon the principles of Total Quality Management. Process management is a data driven methodology that uses process mapping and data to make decisions. The Postal Service has adopted this managerial approach to a wide variety of operational processes in order to create more systematic, comprehensive, and replicable solutions to existing problems.

During our site visits, officials acknowledged the benefits of this approach in helping the organization meet service standards by improving decision-making. We found the Chicago cluster utilized process management extensively in their daily operations and attributed process management in helping to achieve improved service standard scores. However, this process is not consistently applied among the five clusters we visited.

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Service Standard Benefits Could be Achieved Through Nationwide Sharing of Best Practices

We found that the Postal Service had no formal mechanism for identifying, assessing, and sharing best practices affecting service standard scores on a nationwide basis. Our audit did note that areas and clusters could share what they believed were best practices via Postal Service websites and other informal channels, and other areas and clusters could access and use that information at will. We believe that nationwide identification and sharing of best practices could potentially ensure more consistent and improved External First-Class Mail Measurement System service standard scores. We recognize that the lack of such a formal nationwide sharing of best practices is due, in part, to the decentralized nature of the Postal Service. However, opportunity exists for headquarters to play a role in the nationwide identification and communication of best practices.

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**Recommendation**

We make the following recommendation to the chief operating officer and executive vice president, and the senior vice president, Operations:

1. The Postal Service could potentially derive benefits of consistent and improved External First-Class Mail Measurement System service standard scores by exploring prospects for facilitating the identification and sharing of best practice information nationwide.

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**Management's  
Comments**

Management agreed with our findings and recommendation. They stated the critical factors identified in our audit potentially affect External First-Class scores and that they are presently addressing factors they characterized as both internal and external to the Postal Service. Management also:

- Agreed there were no formal mechanisms for identifying, assessing, and sharing best practices on a nationwide basis.
- Stated they would utilize existing national web sites to display proven service improvement practices.
- Stated they would integrate those practices into ongoing standardization and productivity improvement efforts.

Management also indicated they expected to complete our recommended action within the next 12 months, and finally, made several minor comments about wording in our report. We concurred with management's comments about wording, and modified our report accordingly.

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**Evaluation of  
Management's  
Comments**

Management's comments are responsive to our findings and recommendation. We believe the actions management has taken or planned will effectively address issues we identified in our report.

## APPENDIX. MANAGEMENT'S COMMENTS

PATRICK R. DONAHOE  
CHIEF OPERATING OFFICER  
AND EXECUTIVE VICE PRESIDENT



February 20, 2002

RONALD K. STITH  
ASSISTANT INSPECTOR GENERAL  
FOR CORE OPERATIONS

SUBJECT: Transmittal of Draft Audit Report—Critical Factors and Best Practices for Managing  
External First-Class Mail Measurement System Scores  
(Report Number TD-AR-02-DRAFT)

This is in response to your January 24 memorandum concerning the subject report.

Paragraph three in the introduction portion of the draft audit, which begins and ends, "The External First-Class . . . total mail volume." should be replaced with the appropriate approved public statement:

"The External First-Class (EXFC) system is an external measurement system of collection box to mailbox delivery performance. EXFC continuously tests a panel of 463 ZIP Code areas selected on the basis of geographic and volume density from which 90 percent of First-Class volume originates and 80 percent destinate. EXFC is not a system wide measurement of all First-Class Mail performance."

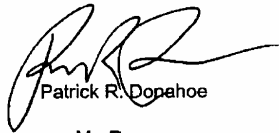
Throughout the draft audit, there are numerous references to "service commitments." This should be changed to "service standards" since there are no commitments for First-Class Mail.

We agree that the critical factors identified in the audit potentially affect our External First-Class Mail Measurement System service standard scores. We are presently addressing several of the critical factors identified (commercial airline performance; mail preparation, condition and arrival times; adequate facilities; and management stability and staffing) which are both internal and external influences to our agency.

We generally agree with your finding that the Postal Service has no formal mechanism for identifying, assessing, and sharing best practices affecting External First-Class (EXFC) service on a nationwide basis. Although we do share our best practices nationwide for customer satisfaction improvement strategies, we have not applied our established processes and information systems to the sharing of EXFC best practices. We will utilize existing national web sites as appropriate to display proven EXFC service improvement practices and will integrate these best practices into our ongoing standardization and productivity improvement efforts. We expect to complete your recommendation within the next 12 months.

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Lastly, we did not identify any portion of this draft report to be exempt from disclosure under the Freedom of Information Act. If you have any questions or need additional information, please contact Ann Wright, manager, Field Operations Requirements and Planning at (202) 268-6998.



Patrick R. Dopahoe

cc: Mr. Rapp  
Ms. Smith  
Mr. Williamson