



March 30, 2007

TERRY J. WILSON  
VICE PRESIDENT, SOUTHEAST AREA

SUBJECT: Audit Report – Address Management System  
Information – Southeast Area (Report Number DR-AR-07-002)

This report presents the results of our self-initiated audit of the Address Management System (AMS) information in the Southeast Area (Project Number 07XG010DR000). This is one in a series of reports on AMS information. We will include the information in this report 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 that address information is correct and complete for effective processing and delivery of mail in the Southeast Area.

Postal Service officials in the Southeast Area's Central Florida and South Florida Districts effectively managed delivery of AMS quality review results for approximately 59 percent (4,269 of 7,217) of their routes according to Postal Service guidelines. However, opportunities exist for area officials to implement best practices from the New York Metro Area's New York District to improve the quality of AMS data to process and deliver the mail. Approximately 33,056 AMS data errors may exist in these two districts on the 2,948 routes for which street reviews were not conducted. If Southeast Area officials implemented a program similar to the New York District's, they could reduce errors by 31.84 percent, saving the Postal Service \$862,134 over the next 10 years. We will report \$862,134 of funds put to better use in our *Semiannual Report to Congress*.


For fiscal years (FY) 2005 and 2006, Southeast 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 Southeast Area officials achieve the DPS goal of 95 percent and will reduce operating costs.

We recommended the Vice President, Southeast Area, implement an AMS quality review program similar to the New York District's that provides training to delivery supervisors or their designees to conduct AMS quality street reviews and establishes an annual district schedule of AMS quality street reviews. We also recommended implementing a program that directs delivery supervisors or their designees to review delivery routes annually and establishes a tracking system for completed street reviews.

Management agreed in principle with our findings and recommendations and has initiatives planned addressing the issues in this report. However, officials stated they could not validate the actual savings amount of \$862,134 in funds put to better use. Management's comments and our evaluation of these comments are 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*

Colleen A. McAntee  
Deputy Assistant Inspector General  
for Mission Operations

#### Attachments

cc: Patrick R. Donahoe  
William P. Galligan  
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Charles E. Bravo  
Steve M. Dearing  
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## INTRODUCTION

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### Background

Address management is the foundation for how the U.S. Postal Service moves mail. Over the years, the Postal Service has worked 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).<sup>1</sup> 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 as part of 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 Sorter<sup>2</sup> 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.

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<sup>1</sup> DPS resulted from an agreement in 1992 with the National Association of Letter Carriers to change the automation environment.

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

**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)

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, filing 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, the 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 teams select within a ZIP Code™, they also select two alternate routes.<sup>3</sup>

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.

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

- 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.

When a district scores below 98 percent on the street review, the NCSC team will review 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 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 the AMS district officials using either hard copies or their Web Electronic Edit Sheet 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 increased importance. Using correct and complete address information can reduce costs to the Postal Service.

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**Objective, Scope, and Methodology**

Our objective was to assess the Postal Service's management of the delivery AMS quality review results to ensure address information is correct and complete for effective processing and delivery of mail in the Southeast Area. We obtained data on FYs 2005 and 2006 delivery AMS quality reviews from the NCSC to analyze routes reviewed, AMS data errors identified, and performance scores. We selected the Southeast Area's Central Florida and South Florida Districts and the New York Metro Area's New York District to perform our reviews, based on the

NCSC performance scores identified by delivery AMS quality review results.<sup>4</sup>

We obtained and reviewed prior AMS review results for the New York District, which showed street review performance scores consistently above 99 percent. As a best management practice, we evaluated whether the New York District's AMS data maintenance program was feasible for other Postal Service districts. Our review of performance scores showed that the Central Florida and South Florida Districts' FY 2006 scores were below 98 percent. (See Appendix A.) We evaluated these districts' AMS data maintenance process to determine whether they could improve their programs. We also reviewed these districts' FY 2006 DPS information to compare their DPS volumes to the Postal Service goal.<sup>5</sup>

We conducted this audit from December 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 and included their comments where appropriate. We relied on computer-processed information from the Postal Service AMS. We did not audit the system, but performed a limited data integrity review to determine whether our data were reliable.

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**Prior Audit Coverage**

The OIG has issued two reports related to our audit objective.

*Address Management Systems – Southwest Area – Rio Grande District* (Report Number DR-AR-06-001, dated January 25, 2006). The report outlined opportunities to improve the quality of AMS data and put \$988,945 of processing and delivery funds to better use over the next 10 years. Management agreed with our findings, recommendations, and the monetary impact of \$988,945 in funds put to better use.

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<sup>4</sup> We selected the Central Florida and South Florida Districts based on their street review performance scores on the FY 2006 quality review (below 98 percent). We selected the New York District based on its historically high performance scores and improvements to the AMS process. Our baseline was FY 2005; however, we also reviewed data for districts that received a passing score in FY 2005 but did not in FY 2006. The Central Florida and South Florida Districts were the only districts that met this criterion.

<sup>5</sup> We plan to conduct a future review to identify opportunities to generate revenue, reduce costs, and improve customer service. That review will incorporate DPS percentages.

*Address Management System Information – Great Lakes Area* (Report Number DR-AR-06-008, dated September 30, 2006). The report outlined opportunities to improve the quality of AMS data and put \$2,678,506 of processing and delivery funds to better use over the next 10 years. Management agreed with our findings, recommendations, and the monetary impact of \$2,678,506 in funds put to better use.

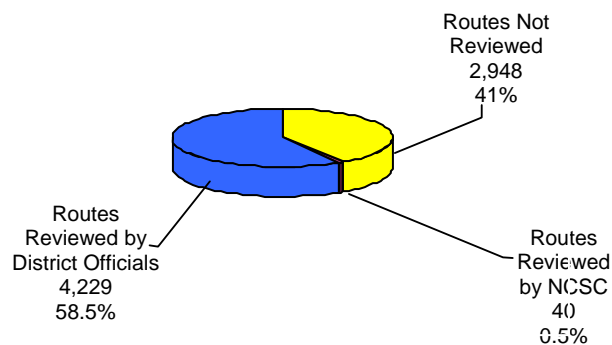
## AUDIT RESULTS

### Address Management System Information Southeast Area

Postal Service officials in the Southeast Area’s Central Florida and South Florida Districts effectively managed Delivery AMS quality review results for approximately 59 percent of their routes.<sup>6</sup> While the percentage of routes reviewed was notable, opportunities exist for area officials to implement best management practices from the New York Metro Area’s New York District to improve the quality of AMS data to process and deliver the mail.

In FY 2006, the Central Florida and South Florida Districts had 7,217 total routes, as illustrated in Chart 1.<sup>7</sup> The NCSC team reviewed 0.5 percent (40 of 7,217) of these routes according to Postal Service guidelines. The team identified 437 AMS errors. The districts did not achieve the 98 percent AMS target goal. (See Appendix A.)<sup>8</sup> The NCSC teams did not review the remaining 99 percent of the routes (7,177 of 7,217). During this period, officials in the Central Florida and South Florida Districts and AMS officials in postal units reviewed another 58.5 percent (4,229 of the 7,217) of the routes. They did not review the remaining 41 percent (2,948 of 7,217) of the routes. (See Appendix B.)

**Chart 1. Central Florida and South Florida Districts  
Number and Percentage of Routes Reviewed**



**Source: Postal Service NCSC and Southeast Area**

<sup>6</sup> The 59 percent represents the 4,269 routes reviewed out of the 7,217 total routes for the Central Florida and South Florida Districts. Central Florida reviewed a total of 3,001 routes and South Florida reviewed a total of 1,268 routes. (See Appendix B.)

<sup>7</sup> The districts’ routes consist of 6,000 city routes and 1,217 highway contract or rural routes.

<sup>8</sup> 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 then divided by the district’s total possible deliveries to arrive at the district’s AMS performance score.



Based on FY 2006 NCSC team reviews and the error rate for each route, 33,056<sup>9</sup> AMS data errors may exist in these two districts on the 2,948 routes for which street reviews were not conducted.

Currently, local AMS officials administer the Southeast Area’s Central Florida and South Florida Districts’ programs.<sup>10</sup> As illustrated in Table 2, during FY 2006, AMS officials performed quality street reviews for 4,269 routes using local AMS staff. However, AMS officials did not use available district resources, such as delivery supervisors or their designees, to conduct additional street reviews for the remaining 2,948 routes. District officials stated they did not review the remaining routes because of limited AMS staff.

**Table 2. Southeast Area Route Reviews Conducted in the Central Florida and South Florida Districts**

Selected Districts	Total Routes	NCSC Route Reviews Conducted	District Route Reviews Conducted	Total Routes Reviewed	Total Routes Not Reviewed
Central Florida	3,752	20	2,981	3,001	751
South Florida	3,465	20	1,248	1,268	2,197
Total	7,217	40	4,229	4,269	2,948

**Source: Postal Service NCSC and Southeast Area Officials**

In addition, the associate supervisor’s training course for district delivery supervisors did not include specific information on AMS quality street reviews. The AMS module of the review course included information on edit books, but not on quality street reviews.

The Postal Service established AMS to capture, correct, and complete address information to enhance the efficiency of mail processing and delivery through automation. AMS

<sup>9</sup> 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 type of route, and applying the rate to the number of routes not reviewed. The 33,056 projected errors was calculated by adding the following: Central Florida – 7,840 (216 errors ÷ 16 city routes reviewed = 14 × 560 routes not reviewed); Central Florida – 764 (16 errors ÷ 4 highway contract/rural routes reviewed = 4 × 191 routes not reviewed); South Florida – 23,122 (212 errors ÷ 19 city routes reviewed = 11 × 2,102 routes not reviewed); and South Florida – 1,330 (14 errors ÷ 1 highway contract/rural route reviewed = 14 × 95 routes not reviewed).

<sup>10</sup> The Central Florida District’s AMS office consists of the AMS manager and nine AMS specialist positions (seven full-time and two detailed positions with limited terms). The office also has AMS technicians at local postal units. The South Florida District’s AMS office consists of the AMS manager and 10 AMS specialist positions (eight full-time and two detail positions with limited terms). The office also has AMS designees at local postal units.

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 illustrated in Table 3, the Southeast Area districts improved their DPS mail volume percentages from FY 2005 to FY 2006. According to the *Transformation Plan*,<sup>11</sup> Postal Service officials are working to achieve 95 percent of letter mail volume sorted by DPS by 2010. A decrease in AMS data errors will assist Southeast Area officials in achieving the DPS goal and will reduce operating costs.

**Table 3. Southeast Area Districts' DPS Percentages**

Southeast Area District Locations	Percentage FY 2005	Percentage FY 2006
Alabama	81.12	82.10
Atlanta	77.01	80.53
Central Florida	81.15	81.44
Mississippi	85.30	87.01
North Florida	77.51	79.98
South Florida	76.11	79.62
South Georgia	77.70	80.59
Suncoast	80.76	81.95
Tennessee	80.90	83.74
Southeast Area Average	79.10	81.34
National Average	76.79	79.72

Source: WebEIS

If the Central Florida and South Florida Districts implemented a program similar to the New York District's, they could reduce AMS errors by 31.84 percent,<sup>12</sup> saving the Postal Service \$862,134 over the next 10 years. We will report \$862,134 of funds put to better use in our *Semiannual Report to Congress*. (See Appendix C.)

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## New York District

The New York District has a total of 2,202 routes. In FY 2005, the NCSC team reviewed 2 percent (40) of these routes according to Postal Service guidelines. The team identified 195 AMS errors (approximately five errors per route), and the district received a 99.21 percent AMS performance score from the street review. The NCSC team

<sup>11</sup> United States Postal Service *Strategic Transformation Plan, 2006 – 2010*, dated September 2005.

<sup>12</sup> The New York Metro Area's error reduction rate is 71.05 percent, and the control group's error reduction rate is 29.74 percent. The New York Metro Area's error reduction rate is divided by the control group's error reduction rate ( $1.7105 \div 1.2974 = 31.84$  percent). The expectation is that the Central Florida and South Florida Districts will reduce their error rates by 31.84 percent by implementing a program similar to the New York District.

did not review the remaining 98 percent (2,162) of these routes.

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 for New York delivery supervisors. In addition, the New York AMS office established AMS review schedules for all delivery units and an accountability system that monitors the completion of AMS street reviews conducted by delivery supervisors or their designees. As a result, the New York District used existing staff to significantly increase its review coverage.

In FY 2005, using the AMS review program, New York District officials established a goal of reviewing all routes annually, including routes reviewed by the district and the NCSC. The existing staff reviewed and implemented corrective actions for the AMS errors identified. AMS reviews conducted by delivery unit staff are implemented in all districts in the New York Metro Area, and the program has been very successful. Since its inception, all districts have achieved significant increases in AMS performance scores. The historical average performance score for the New York District is 99.03 percent.<sup>13</sup>

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

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<sup>13</sup> The 99.03 percent is 1.03 percent above the 98 percent passing score. Districts scoring between 98 and 100 percent receive a NCSC street review once a year and districts scoring 99 percent or higher have the option to have an abbreviated review performed.

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<b>Recommendation</b>	We recommend the Vice President, Southeast Area, implement an Address Management System quality review program similar to the New York District's that:  1. Provides training in address management national street reviews to delivery supervisors or their designees.
<b>Management's Comments</b>	Management agreed with the recommendation for training and stated they will train delivery supervisors or appropriate designees on the Address Quality Reporting Tool (AQRT) by the end of FY 2007. Management disagreed with the overall recommendation to implement an AMS quality review program similar to the New York District's and stated they will begin using the new Address Quality Improvement Process. Management stated that AQRT, which NCSC recently introduced to the field, is better suited to meet Southeast Area requirements and they will implement it in their area by the end of FY 2007. We have included management's comments, in their entirety, in Appendix D.
<b>Recommendation</b>	2. Establishes a district schedule of annual Address Management System quality street reviews.
<b>Management's Comments</b>	Management agreed with the recommendation to schedule annual AMS street reviews and stated they will implement and use AQRT by the end of FY 2007 and base their reviews on key indicators that target high impact routes for each district on a continual basis.
<b>Recommendation</b>	3. Directs delivery supervisors or appropriate designees to review the delivery routes annually.
<b>Management's Comments</b>	Management agreed and stated they would train delivery supervisors or appropriate designees on AQRT by the end of FY 2007 and require them to review targeted routes annually.
<b>Recommendation</b>	4. Establishes a tracking system to monitor completed street reviews

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<b>Management's Comments</b>	Management agreed with the recommendation to establish a tracking system to monitor completed street reviews and stated they will establish it by May 15, 2007.
<b>Evaluation of Management's Comments</b>	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. Although management stated they could not validate the actual savings, we believe the model used to calculate savings (Appendix C) provides a reasonable estimate of costs that could be saved by implementing a program to reduce AMS errors. Since management plans to implement the AQRT, we believe the potential savings are applicable, and we will report \$862,134 of funds put to better use in our Semiannual Report to Congress.

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## APPENDIX A

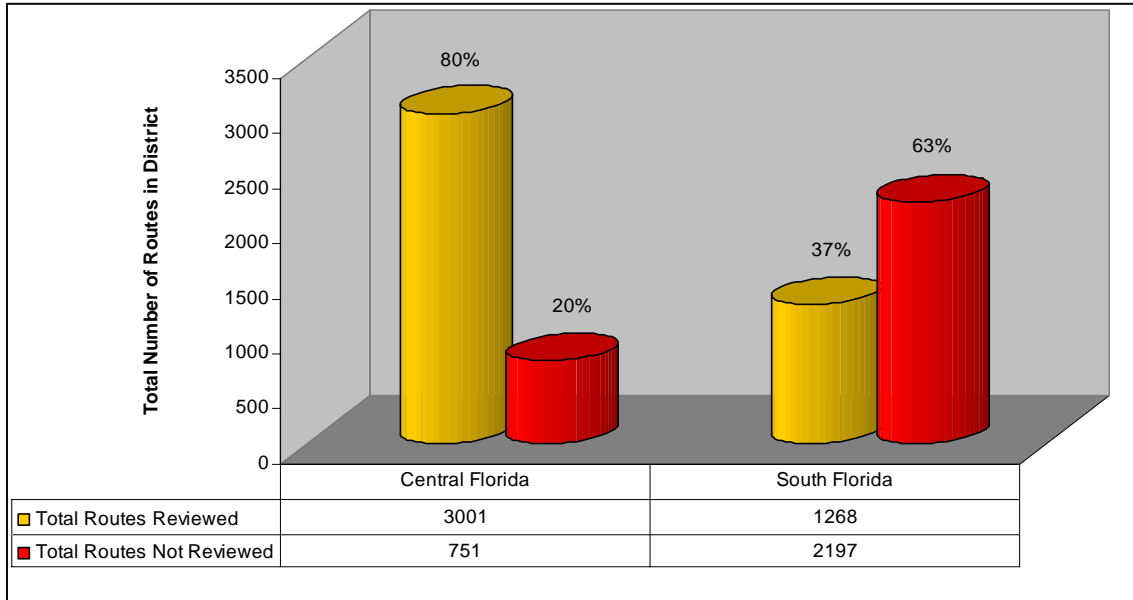
### RESULTS OF NCSC REVIEWS FOR THE SOUTHEAST AREA

No.	Southeast Area District Locations	FY 2005 Score %	FY 2005 Score Date	Achieved 98% Score in FY 2005	Historical Average Score as of FY 2005	Achieved 98% Score	FY 2006 Score %	Date of FY 2006 Score	Achieved 98% Score in FY 2006
1	Alabama	98.57	2/14/05	Yes	98.31	Yes	98.09	7/11/06	Yes
2	Atlanta	99.08	9/20/05	Yes	98.17	Yes	98.50	8/08/06	Yes
3	Central Florida	98.01	8/30/05	Yes	98.27	Yes	97.87	6/13/06	No
4	Mississippi	99.51	5/23/05	Yes	97.70	No	98.72	5/01/06	Yes
5	North Florida	98.85	5/10/05	Yes	98.59	Yes	99.53	6/22/06	Yes
6	South Florida	98.27	6/13/05	Yes	97.79	No	97.34	2/14/06	No
7	South Georgia	99.01	4/18/05	Yes	97.40	No	98.53	6/20/06	Yes
8	Suncoast	98.39	8/22/05	Yes	98.50	Yes	98.38	4/24/06	Yes
9	Tennessee	98.62	3/28/05	Yes	98.16	Yes	98.66	5/09/06	Yes

Source: Postal Service NCSC officials

## APPENDIX B

### FY 2006 ROUTE REVIEWS FOR THE CENTRAL FLORIDA AND SOUTH FLORIDA DISTRICTS<sup>14</sup>



Source: Postal Service NCSC and Southeast Area officials

<sup>14</sup> A total of 4,269 routes were reviewed by NCSC and local AMS officials. A total of 2,948 routes were not reviewed.

## APPENDIX C

### CALCULATION OF FUNDS PUT TO BETTER USE

The OIG identified \$862,134 in funds put to better use over the next 10 years for the Central Florida and South Florida Districts.

Southeast Area Districts	Fiscal Year	Funds Put to Better Use
Central Florida	2006	\$252,590
South Florida	2006	609,544
<b>Total for a 10-Year Period</b>		<b>\$862,134</b>

The following assumptions were used to calculate the \$862,134.

1. We used the New York Metro Area as our standard for predicting the cost savings possible for the Central Florida and South Florida Districts.
2. We assumed that all Postal Service areas other than New York Metro had not implemented an error reduction program during the period of the AMS street reviews. These areas were our control group for estimating the net benefit of the New York Metro program.
3. We used the AMS national street review model to calculate cost savings. We assumed that it realistically represented costs that the Postal Service could save by implementing a program to reduce AMS errors. However, in our opinion, any costs saved would have to be related to a reduction in overtime or casual hours, and 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 that the cost of implementing an error reduction program would be negligible.
6. We assumed that the average cost per error for the Central Florida and South Florida Districts would remain constant before and after program implementation.
7. If the Central Florida and South Florida Districts began implementing a program immediately, FY 2007 would be devoted to setup and training. We assumed 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 next 10 years.

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 Central Florida and South Florida Districts.
9. We assumed that error rates on rural routes would respond to an error reduction program in the same way as city routes.
10. In our analysis of the New York Metro Area, we excluded the Caribbean District because of uncertainties regarding implementation of an error reduction program in that district.
11. Not all categories of AMS errors have associated costs. We assumed that costly and non-costly 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

TERRY J. WILSON  
VICE PRESIDENT, AREA OPERATIONS  
SOUTHEAST AREA



March 23, 2007

**MEMORANDUM FOR:** Kim H. Stroud  
Director, Audit Reporting  
Office of the Inspector General  
1735 North Lynn Street  
Arlington, VA 22209-2020

**SUBJECT:** Address Management System Information – Southeast Area  
Report Number DR-AR-07-DRAFT

The Southeast Area agrees with the importance of address information accuracy and completeness in effectively processing and delivering the mail. Identification and correction of Address Management System (AMS) database errors result in improved AMS data and increased Delivery Point Sequenced (DPS) mail. As discussed on the teleconference, our concern is the overall cost of using the New York District Plan for auditing all routes in Central Florida District and South Florida District outweighing the savings benefit.

**Recommendation:**

We recommend the Vice President, Area Operations, Southeast Area, implement an AMS quality review program similar to the NYC District:

**Response:**

We disagree. We will begin using the new Address Quality Improvement process. The Address Quality Reporting Tool (AQRT), which has been recently introduced to the field from NCSC in Memphis, TN is better suited to meet the Southeast Area requirements. We will implement AQRT in the Southeast Area by the end of FY2007.

**Recommendation #1:**

Provides training in Address Management national street reviews to delivery supervisors or their designees.

**Response:**

We agree with the recommendation that training is needed and will provide training on the AQRT to delivery supervisors or appropriate designees by the end of FY2007.

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Recommendation #2:

Establishing a District schedule of annual AMS Quality Street reviews and direct delivery supervisors or appropriate managers to review delivery routes annually.

Response:

We agree with the recommendation to schedule annual AMS Quality street reviews. The AQRT will be utilized and based on key indicators that target high-impact routes for each District on a continual basis. AQRT will enable district personnel to accurately review, identify, and correct delivery information, thus improving operational performance. Use of AQRT will help districts continually target specific areas of opportunity until desired operational efficiency is achieved. AQRT will be implemented by the end of FY2007.

Recommendation #3:

Directs delivery supervisors or appropriate designees to review the delivery route annually.

Response:

We agree with training delivery supervisors or appropriate designees on AQRT and requiring them to review targeted routes annually.

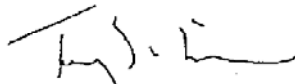
Recommendation #4:

Establishes a tracking system to monitor completed reviews.

Response:

We agree with the recommendation to establish a tracking system to monitor completed street reviews. The use of Address Quality error reports will be used to analyze and correct AMS errors that impact DPS performance and reduce costs. The tracking system will be established by May 15, 2007.

In summary, we agree in principle with the finding and recommendation to eliminate AMS errors on routes not yet reviewed. Further, we agree that establishing training on AQRT and utilizing this tool to target routes for review will help to improve Address information Accuracy. However, we cannot validate the actual savings amount.



Terry J. Wilson

cc: David Patterson, Manager Operations Support  
Bruce Derouen, Manager Delivery Programs Support