



February 14, 2011

LINDA WELCH  
VICE PRESIDENT, SOUTHWEST AREA OPERATIONS

SUBJECT: Audit Report – Columbus, GA Customer Service Mail Processing Center  
Originating Mail Consolidation (Report Number NO-AR-11-005)

This report presents the results of our audit of the consolidation of the Columbus, GA Customer Service Mail Processing Center (CSMPC) originating<sup>1</sup> mail operation into the Macon, GA Processing and Distribution Center (P&DC) (Project Number 11XG014NO000). The report responds to a congressional request. Our audit objectives were to assess originating mail operational impacts of the consolidation from the Columbus CSMPC to the Macon P&DC and to assess compliance with established area mail processing (AMP) guidelines. This audit addresses operational risk. See [Appendix A](#) for additional information about this audit.



Source: U.S. Postal Service Office of Inspector General (OIG).  
Illustration 1: The Columbus CSMPC.

<sup>1</sup> Originating mail is outgoing mail and local mail that enter the mailstream (that is, the point of origin) for mail processing and delivery.

The consolidation of the Columbus CSMPC originating mail into the Macon P&DC was finalized on July 1, 2010. The consolidation involved Columbus' zones 318 and 319 originating mail. The Columbus CSMPC will continue to process its destinating mail.

### Conclusion

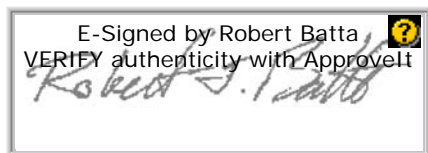
A favorable business case existed to support consolidating the Columbus CSMPC's originating mail operation into the Macon P&DC. The consolidation resulted in minimal operational impacts. Additionally, the U.S. Postal Service followed established AMP policies and guidelines for the consolidation. Our analysis showed:

- Adequate capacity existed at the Macon P&DC to process Columbus CSMPC's originating mail volume.
- Customer service scores have been maintained.
- Limited numbers of employees were impacted.
- Efficiency improved.
- Prior consolidation of the Columbus CSMPC's Saturday outgoing mail into the Macon P&DC produced favorable results.

See [Appendix B](#) for our detailed analysis of this topic.

Because our findings support the consolidation, we are not making any recommendations. Management agreed with the report but chose not to comment because there were no recommendations.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact James L. Ballard, director Network Processing, or me at 703-248-2100.



E-Signed by Robert Batta  
VERIFY authenticity with ApproveIt  
*Robert J. Batta*

Robert J. Batta  
Deputy Assistant Inspector General  
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Attachments

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## APPENDIX A: ADDITIONAL INFORMATION

### BACKGROUND

The Postal Service's financial condition continued to decline in fiscal year (FY) 2010 and its financial outlook is poor for FY 2011 and the foreseeable future. Key results for FY 2010 included total revenue of \$67.1 billion and total expenses of \$75.6 billion. This resulted in (1) a record loss of \$8.5 billion--up \$4.7 billion from FY 2009; (2) a \$1.8 billion increase in outstanding debt to the U.S. Department of Treasury (Treasury), thus making the total outstanding debt \$12 billion; and (3) a \$1.2 billion cash balance at the end of the fiscal year.

The Postal Service has released its budget for FY 2011, projecting a \$6.4 billion loss - one of the largest in Postal Service history. This includes the impact of a \$5.5 billion payment due in 2011 to prefund retiree health benefits; a \$3 billion increase in outstanding debt due to the Treasury; and a \$2.7 billion cash shortfall at the end of the fiscal year.

The Postal Service's revenue drop in FY 2010 was driven by continuing declines in total mail volume. In FY 2010, mail volume decreased about 6 billion pieces from the previous fiscal year to 171 billion pieces. This volume was about 20 percent below the peak of 213 billion pieces delivered during FY 2006. Most of the volume declines were in profitable First-Class Mail<sup>®</sup> (FCM) category.

The Postal Service projects net mail volume to increase by about 2 billion pieces in FY 2011. In this fiscal year, FCM is expected to decrease by 3 billion pieces; however, Standard Mail<sup>®</sup> is expected to increase by 5 billion pieces.

In testimony before Congress,<sup>2</sup> the U.S. Government Accountability Office (GAO) recommended urgent action was needed to streamline the mail processing and retail networks, as the Postal Service no longer has sufficient revenue to cover the cost of maintaining its large network of processing and retail facilities. Furthermore, the GAO stated that the Postal Service must consider whether it was cost-effective to retain underutilized facilities and to take action to right size its network.

In addition, in December 2010,<sup>3</sup> GAO recommended the Postal Service become much leaner and more flexible by modernizing and restructuring to become more efficient, control costs, keep rates affordable, and meet changing customer needs.

Title 39, U.S.C. Part 1, Chapter 1 § 101, states that the Postal Service “. . . shall provide prompt, reliable, and efficient services to patrons in all areas . . . .” Further, the September 2005 *Postal Service Strategic Transformation Plan* states “The Postal

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<sup>2</sup> GAO-09-475T, *Testimony before the Subcommittee on Federal Workforce, Postal Service, and the District of Columbia, Committee on Oversight and Government Reform, House of Representatives*, dated March 25, 2009.

<sup>3</sup> GAO-11-244T, *Testimony before the Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, Committee on Homeland Security and Governmental Affairs, U.S. Senate*, dated December 2, 2010.

Service will continue to provide timely, reliable delivery to every address at reasonable rates.” The Postal and Accountability Enhancement Act, P.L.109-435-December 20, 2006, Title II, highlights “. . . the need for the Postal Service to increase its efficiency and reduce its costs, including infrastructure costs, to help maintain high quality, affordable postal services. . . .”

This audit report responds to a request from a congressional representative to independently review the consolidation of originating mail processing operations from the Columbus CSMPC into the Macon P&DC. The representative’s concerns include the following, which we addressed in the report:

- Were AMP guidelines followed?
- Did a business case exist for consolidating the Columbus CSMPC originating mail processing to the Macon P&DC?
- Will the AMP yield substantial savings?
- Have service levels been maintained?
- Were transportation savings properly identified?
- Was the number of supervisors decreased relative to the decrease in the number of craft employees?
- Has the increase in mail from the Fort Benning Army Base been taken into account?
- Is the Columbus postmark still available and have customers been notified?
- Has retail customer service been maintained at the Columbus CSMPC?

The consolidation involved Columbus CSMPC zones 318 and 319 originating mail processing moving to the Macon P&DC. The Columbus CSMPC continued to process its destinating mail. Approximately 38 million originating mailpieces per year will transfer to the Macon P&DC for processing.

The Columbus CSMPC and the Macon P&DC are in the South Georgia District in the Southwest Area - see Map, “Districts within the Postal Service Southwest Area.”

### Map: Districts within the Postal Service Southwest Area



### OBJECTIVES, SCOPE, AND METHODOLOGY

Our audit objectives were to assess originating mail operational impacts of the consolidation from the Columbus CSMPC to the Macon P&DC and to assess compliance with established AMP guidelines. We reviewed current and historical data for the Columbus CSMPC and the Macon P&DC. We evaluated efficiencies at both plants as well as capacity at the Macon P&DC. We estimated the costs and savings from this analysis. Additionally, we conducted observations at both sites during December 2010 and interviewed Postal Service management and employees, and Fort Benning Army Base military officials.

We used computer processed data from the following systems:

- Enterprise Data Warehouse.
- Activity Based Costing System.
- Web End of Run Application.

We conducted this performance audit from December 2010 through February 2011 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our

observations and conclusions with management on January 21, 2011, and included their comments where appropriate.

We assessed the reliability of computer-generated data by interviewing agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

**PRIOR AUDIT COVERAGE**

<b>Report Title</b>	<b>Report Number</b>	<b>Final Report Date</b>	<b>Report Results</b>
<i>Area Mail Processing Communication</i>	EN-AR-09-001	2/4/2009	The Postal Service improved communication and management has generally addressed prior audit recommendations. We recommended several methods of further increasing stakeholder notification, including exploring electronic methods. Management agreed with our recommendation to add employee input notifications but disagreed with our recommendation to explore additional communication channels.
<i>Canton Processing and Distribution Facility Outgoing Mail Processing Operation Consolidation</i>	NO-AR-09-011	9/22/2009	It was a prudent decision to consolidate the Canton P&DF's outgoing mail processing operation into the Akron P&DC. We made no recommendations.
<i>New Castle Processing and Distribution Facility Outgoing Mail Processing Operation Consolidation</i>	NO-AR-10-002	2/1/2010	It was a prudent decision to consolidate the New Castle P&DF outgoing mail processing operations into the Pittsburgh P&DC. The Postal Service could save more than \$1.8 million annually. We made no recommendations.
<i>Manasota Processing and Distribution Center Consolidation</i>	EN-AR-10-003	2/12/2010	We concluded there was a business case for consolidating mail processing operations from the Manasota P&DC to the Tampa P&DC. The consolidation should increase efficiency, reduce processing costs, and improve service. We recommended the vice president, Network Operations, ensure the implementation of activities of P&DC consolidation begin immediately after AMP proposal approval and require headquarters' approval when implementation is delayed more than 3 months. We also recommended the vice president enable the automatic feed into the Web Management Operation Data System for Express Mail® scanning operations. Management agreed with our recommendations.

Report Title	Report Number	Final Report Date	Report Results
<i>Lakeland Processing and Distribution Center Consolidation</i>	EN-AR-10-004	2/12/2010	There was a valid business case for the consolidation. It will increase efficiency, reduce processing costs, and improve service. We made no recommendations.
<i>Dallas Processing and Distribution Center Outgoing Mail Consolidation</i>	NO-AR-10-003	2/24/2010	A business case existed to support the consolidation. There was capacity, the potential to improve customer service and efficiency, impact a limited number of employees, and the Postal Service could save \$114 million over a 10-year period. Management agreed with the recommendations.
<i>Consolidation of the Lima P&amp;DF Mail Operations Into the Toledo P&amp;DC</i>	NO-AR-10-007	7/2/2010	A business case existed to support consolidating the Lima P&DF's mail operations into the Toledo P&DC. As a result of this consolidation, the Postal Service will save \$1.8 million during the first year and \$2.3 million during subsequent years. Management agreed with the recommendations.
<i>Charlottesville Processing and Distribution Facility Consolidation</i>	NO-AR-10-008	8/3/2010	There was a valid business case for the consolidation. There was capacity, the potential to improve customer service and efficiency. No employee will lose their job, and the Postal Service could save \$6.5 million annually. We made no recommendations.
<i>Wilkes-Barre, PA Processing and Distribution Facility Consolidation</i>	NO-AR-11-001	10/4/2010	There was a valid business case for consolidating mail processing operations. Both Scranton P&DF and Lehigh Valley P&DC had the capacity to process Wilkes-Barre P&DF volume. However, Postal Service overstated savings by more than \$929,000, because the summary page for AMP projections was not protected from manual changes. We made no recommendation, because Postal Service took action during the audit by implementing a new procedure to password-protect this type of data in the future.
<i>Marysville, CA Processing and Distribution Facility Consolidation</i>	NO-AR-11-002	11/23/2010	A valid business case existed for consolidating mail processing operations from the Marysville P&DF into the Sacramento P&DC. Additionally, the Postal Service followed established AMP policies and guidelines. We made no recommendations.

Report Title	Report Number	Final Report Date	Report Results
<i>Houston Processing and Distribution Center Consolidation</i>	NO-AR-11-004	12/14/2010	A business case exists to consolidate the Houston P&DC's mail processing operations into the North Houston P&DC. As a result of this consolidation, the Postal Service could save more than \$35 million annually for a total economic impact of more than \$189,744,682 million over a 10-year period. Management agreed with the recommendations and will pursue the expansion of the North Houston P&DC and consolidate the Houston P&DC's mail processing operation.



## APPENDIX B: DETAILED ANALYSIS

### Capacity

Adequate capacity existed at the Macon P&DC to process the mail volume received from the Columbus CSMPC. Sufficient workroom and facility space also existed at the Macon P&DC and Annex. For example:

- The Macon P&DC is more than twice the size of the Columbus CSMPC<sup>4</sup> and has the capacity to process mail from the Columbus CSMPC. See Illustrations 2 and 3.
- The Macon P&DC has a large number of dock doors.<sup>5</sup> Additional dock doors allow for efficient loading and unloading of mail trucks by minimizing wait time in the dock area. See Illustration 4.



Source: OIG

Illustration 2: Low mail volume from Columbus CSMPC in opening unit at the Macon P&DC. Photograph taken December 14, 2010.<sup>6</sup>

<sup>4</sup> The Macon P&DC has 130,289 square feet of space, and the annex has an additional 33,979 square feet of space. The Columbus CSMPC has 80,216 square feet of space.

<sup>5</sup> The Macon P&DC has 27 dock doors vs. only seven dock doors at the Columbus CSMPC.

<sup>6</sup> Photograph taken during one of the busiest months of the year.



Source: OIG  
Illustration 3: Low mail volume arriving from Columbus CSMPC to be worked at the Macon P&DC. Photograph taken December 14, 2010.<sup>7</sup>



Source: OIG  
Illustration 4: Macon P&DC has 27 dock doors. Additional dock doors allow for more efficient dock operations and reduce congestion. Photograph taken December 15, 2010.

<sup>7</sup> Photograph taken during one of the busiest months of the year.

Only the originating mail volume was transferred from the Columbus CSMPC to the Macon P&DC. This volume totals approximately 38 million first-handling pieces<sup>8</sup> (FHP) or about 24 percent of the Columbus CSMPC's FY 2009<sup>9</sup> volume. The Columbus CSMPC will continue to process all its remaining mail, which constitutes 76 percent of its FY 2009 mail volume.

The mail transferred from the Columbus CSMPC represents an 8 percent increase in FY 2009 volume for the Macon P&DC. However, because the Macon P&DC experienced an approximately 8 percent volume decline between FYs 2008 and 2009 (or 38 million FHPs), the net effect is no change in volume, which means the originating mail being transferred can be easily absorbed.

### Delayed Mail

Delayed mail as a percentage of mail processed has remained consistently low at the Macon P&DC. Before the consolidation, from July 1 to November 30, 2009, the Macon P&DC's delayed mail was 1.83 percent of FHP. After the consolidation, from July 1 to November 30, 2010, delayed mail increased to 2.57 percent of FHP.

### Customer Service

Customer service has been maintained. The Macon P&DC generally had higher External First-Class Measurement (EXFC) scores when compared to the Columbus CSMPC and the national scores. This indicates that the Macon P&DC has good management processes in place to address customer service. For example:

- Before the consolidation, the Macon P&DC's overnight originating EXFC score was 96.44 compared with Columbus' score of 94.79 and the national score of 96.12. After the consolidation, Macon's score of 96.33 was still higher than Columbus' score of 94.14 and slightly below the national score of 96.38. See Table 1.
- Before the consolidation, the Macon P&DC's 2-day originating EXFC score was 94.89 compared with Columbus' score of 91.79 and the national score of 93.68. After the consolidation, Macon's score of 94.61 was higher than Columbus' score of 94.27 and the national score of 93.76. See Table 2.
- Before the consolidation, the Macon P&DC's 3-day originating EXFC score was 91.67 compared with Columbus' score of 91.24 and the national score of 91.44. After the consolidation, Macon's score of 95.93 was higher than Columbus' score of 94.62 and the national score of 91.51. See Table 2.

**Table 1. Overnight Originating EXFC Scores**

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<sup>8</sup> FHP is a letter, flat, or parcel that receives its initial distribution in a Postal Service facility.

<sup>9</sup> The OIG is using FY 2009 in calculations and comparisons throughout the report to mirror the period used by the Postal Service in the AMP study.

	Overnight		
	Columbus CSMPC	Macon P&DC	National
<b>Before Consolidation Q4 2009 and Q1 2010</b>	94.79	96.44	96.12
<b>After the Consolidation Q4 2010 and Q1 2011<sup>10</sup></b>	94.14	96.33	96.38

**Table 2. 2 and 3-Day Originating EXFC Scores**

	2-Day			3-Day			
	Columbus CSMPC	Macon P&DC	National		Columbus CSMPC	Macon P&DC	National
<b>Before Consolidation Q4 2009 and Q1 2010</b>	91.79	94.89	93.68	<b>Before Consolidation Q4 2009 and Q1 2010</b>	91.24	91.67	91.44
<b>After Consolidation Q4 2010 and Q1 2011</b>	94.27	94.61	93.76	<b>After Consolidation Q4 2010 and Q1 2011</b>	94.62	95.93	91.51

The number of net service delivery standards<sup>11</sup> improved or remained the same for all categories of mail, which effectively increased service. Thirty-six upgrades and 18 downgrades occurred between the two facilities, resulting in an overall net impact of 18 upgrades. In addition, with regard to the Postal Service's premier services (Priority Mail<sup>®</sup> and FCM), six upgrades occurred for each service with no downgrades. See Table 3.

<sup>10</sup> Data extracted on January 5, 2011.

<sup>11</sup> Service Standards is defined as "A stated goal for service achievement for each mail class." Service Standards represent the level of service that the Postal Service strives to provide to customers and are considered one of the primary operational goals against which service performance is measured. The Service Standards by mail class are as follows: Priority Mail: 1-3 days, FCM: 1-3 days, Periodicals: 1-9 days, Package Services: 2-8 days, and Standard Mail: 3-10 days. An upgrade or downgrade means that service between two ZIP Codes is 1 day or more faster or slower than it was before a change.

**Table 3. Upgrades/Downgrades in Service Standards by Mail Class**

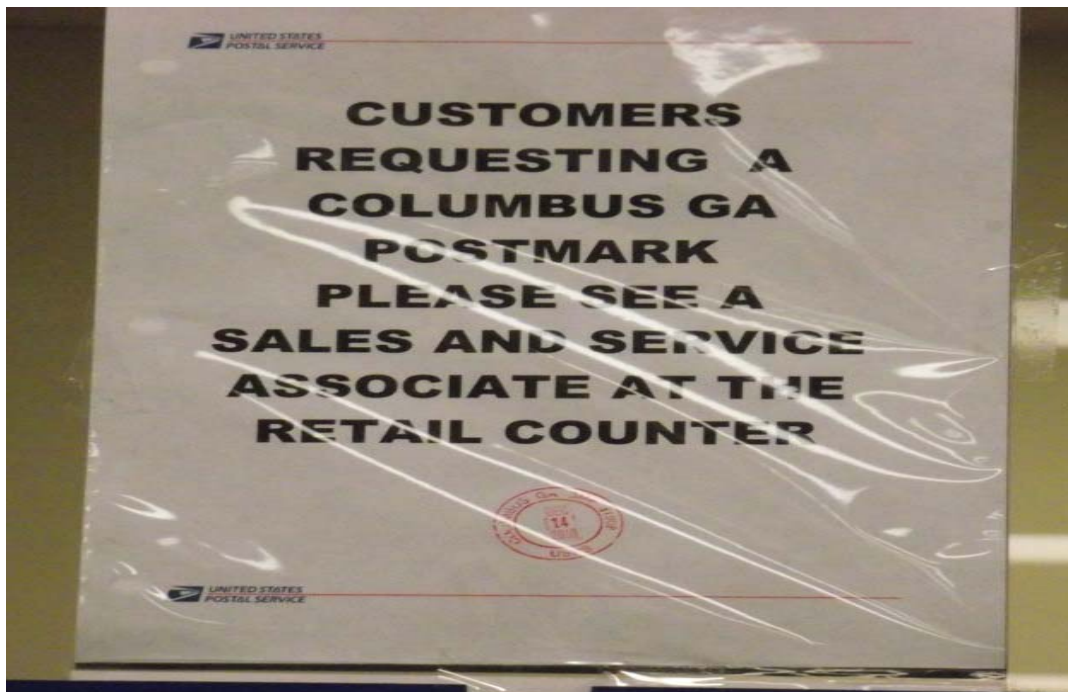
3-Digit ZIP Code Pair Service Standard Impacts	Upgrades	Downgrades	Net Change
First-Class Mail	6	0	6
Priority Mail	6	0	6
Package Service	4	(4)	0
Periodicals	10	(10)	0
Standard Mail	10	(4)	6
<b>All Classes</b>	<b>36</b>	<b>(18)</b>	<b>18</b>

Additionally, no changes occurred to the local mailbox collection times, retail window, or business mail entry operations as a result of the consolidation. Further, the Columbus postmark remains available upon request; and, following our visit, a sign was posted at the Columbus CSMPC to inform customers of its availability. Postal Service officials also indicated that signs will be placed in all delivery units in the Columbus area. See Illustration 5 for the Columbus postmark and Illustration 6 for the sign posted at the Columbus CSMPC.



Source: OIG.

Illustration 5: Columbus, GA Postmark. Photograph taken December 14, 2010.



Source: OIG.

Illustration 6: Sign advising Columbus CSMPC's customers of the postmark availability. Photograph taken December 14, 2010.

## Employee Impact

The consolidation of the Columbus CSMPC's originating mail into the Macon P&DC had a limited impact on employees. Specifically:

- No career employees lost their jobs at either location.
- The consolidation impacted 15<sup>12</sup> craft employees as follows. We found:
  - Seven employees (five voluntarily and two involuntarily) were reassigned to full-time craft positions and three employees were voluntarily converted to part-time positions within the Columbus CSMPC.
  - Four employees voluntarily retired.
  - One employee was involuntarily reassigned to Atlanta Network and Distribution Center.<sup>13</sup>

Because of the reduction in employees that resulted from the consolidation, the Columbus CSMPC planned on excessing two management positions. However, because of the freeze on hiring, Columbus CSMPC has postponed this action.

<sup>12</sup> Columbus CSMPC has 112 craft employees before the consolidation.

<sup>13</sup> This employee was reassigned to the Atlanta Network Distribution Center, because the mail handler position open at the Macon P&DC was a higher level position and the employee could not latterly transfer to that position.

Reducing the number of management positions by one will increase the current craft to management ratio of 18:1 to the required 25:1.

## Efficiency

Efficiency improved as a result of the consolidation. The Macon P&DC is more efficient and processes its mail volumes at a lower cost than the Columbus CSMPC. For example:

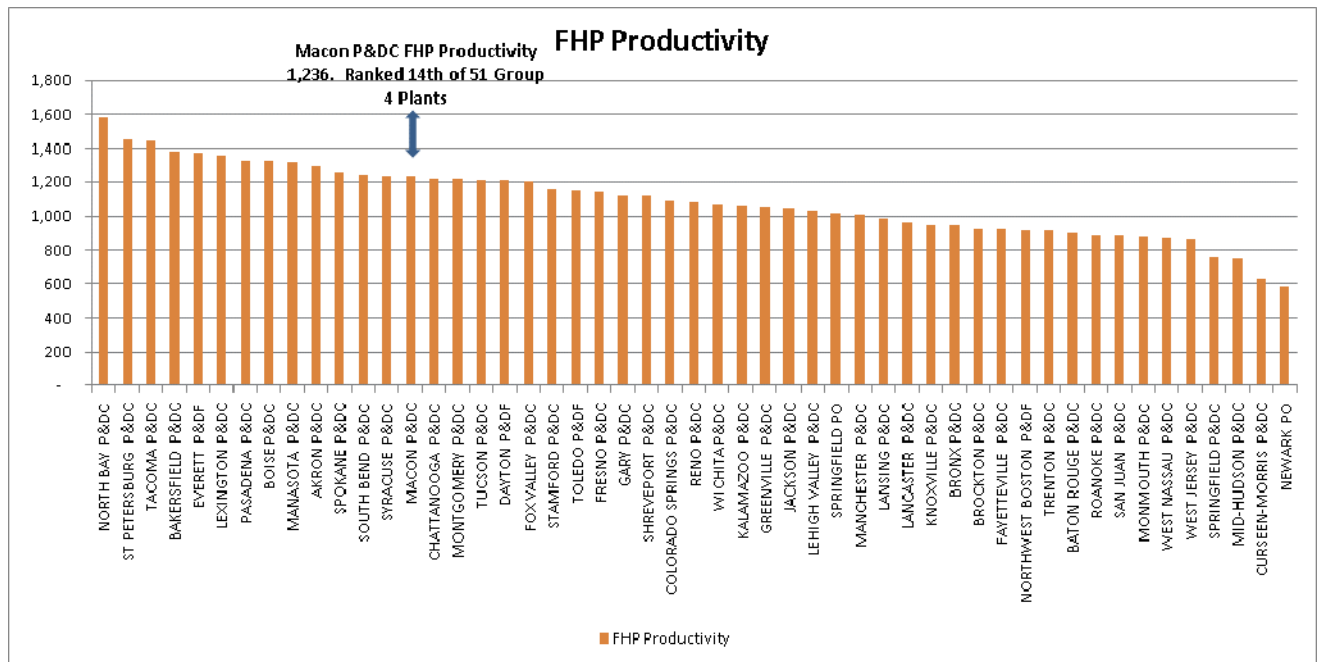
- In FY 2010, the Macon P&DC's FHP productivity<sup>14</sup> was 1,236 pieces per workhour as compared with the Columbus CSMPC's FHP productivity of 1,066 pieces per workhour. This indicates that the Macon P&DC processes 16 percent more mailpieces per hour than the Columbus CSMPC. See Charts 1 and 2.
- When comparing July 1 through November 30, 2010, to the same period last year, the Macon P&DC's FHP productivity increased more than 20 percent, whereas the Columbus CSMPC's decreased by 1 percent. See Table 4.
- In FY 2010, processing costs at the Macon P&DC and the Columbus CSMPC were the same. It costs \$75.17 to process 1,000 FHP mailpieces at both facilities. However, since the consolidation, cost per 1,000 FHP mailpieces increased at Columbus CSMPC while decreasing at Macon P&DC<sup>15</sup>. See Chart 3.

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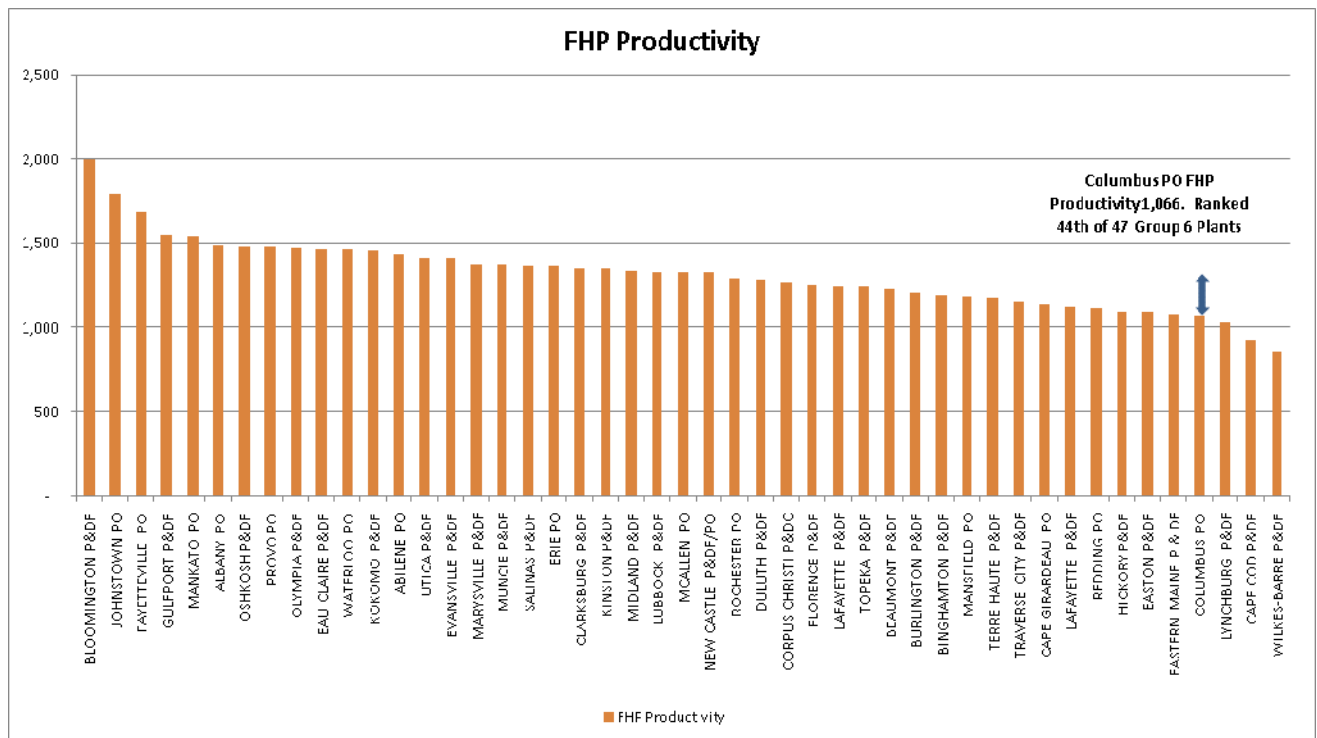
<sup>14</sup> FHP divided by workhours is FHP productivity. This number is useful when evaluating the overall productivity.

<sup>15</sup> The cost increase at the Columbus facility resulted from the mail volume loss and should improve once workhours are reduced accordingly.

**Chart 1. Group 4 Plants First Handling Pieces Productivity FY 2010<sup>16</sup>**



**Chart 2. Group 6 Plants First Handling Piece Productivity FY 2010**



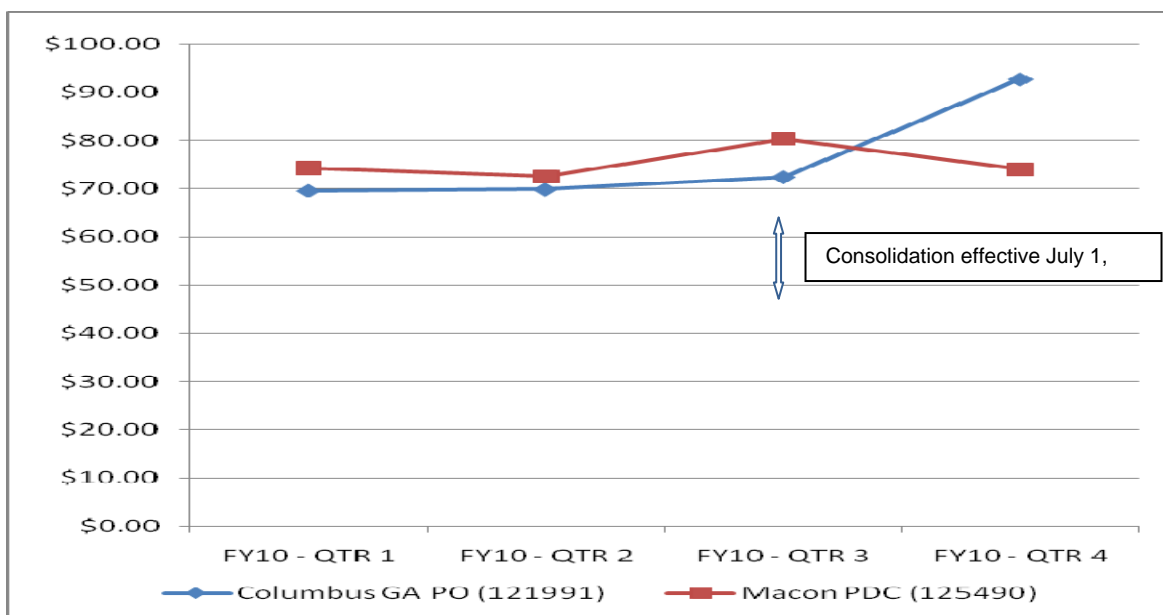
<sup>16</sup> P&DF stands for Processing and Distribution Facility and PO stands for Post Office.



**Table 4. FHP Productivity  
 Before and After Consolidation**

	7/1/09 to 11/30/09 FHP Productivity	7/1/10 to 11/30/10 FHP Productivity	Percentage Change in FHP Productivity
Columbus CSMPC	1,036.67	1,025.42	-1.09%
Macon P&DC	1,098.14	1,323.88	20.56%

**Chart 3. FY 2010 Trend Processing Cost  
 Cost per 1,000 mailpieces (FHP)**



In addition, from July 1 through November 30, 2010, the Columbus CSMPC has reduced its workhours by 9,008, and the Macon P&DC has reduced its workhours by 8,672. These workhour savings represent 88 percent of the 20,089 workhour saving projected in the AMP study. The Postal Service is on target for meeting its workhour savings projection.

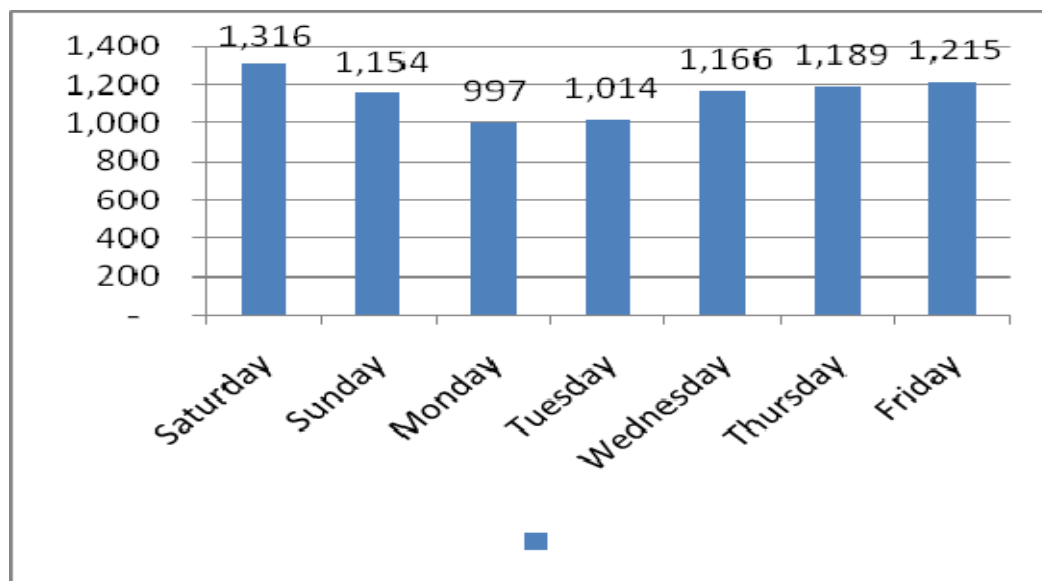
**Saturday Effect**

In 2005, originating Saturday mail volume was transferred from the Columbus CSMPC to the Macon P&DC with favorable results. Specifically:

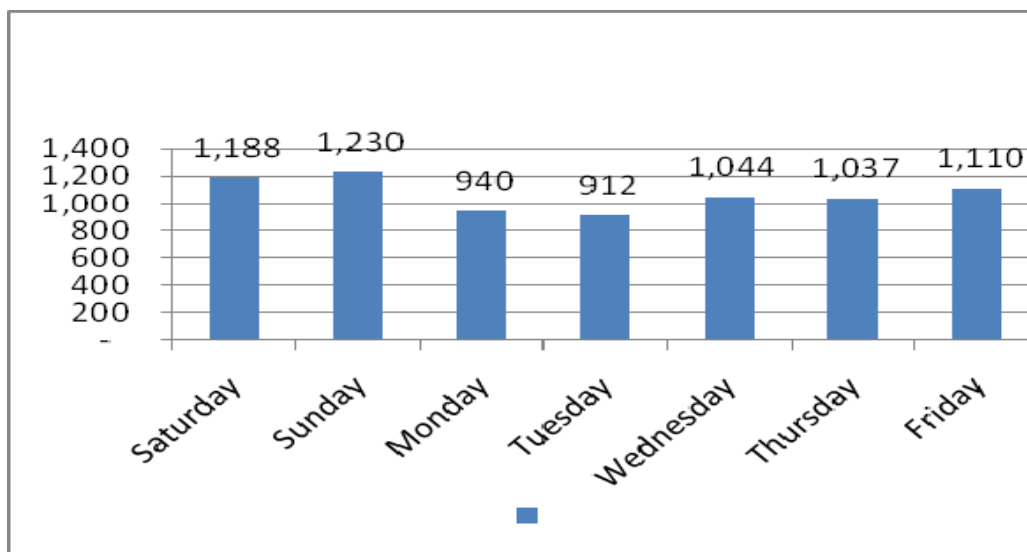
- In FYs 2009 and 2010, the Macon P&DC’s Saturday FHP productivity of 1,316 was 15 percent higher than the average for the rest of the weekdays and 8 percent higher than Friday’s productivity. See Chart 4.

- In FYs 2009 and 2010, the Columbus CSMPC's Saturday FHP productivity of 1,188 was 12 percent higher than the average for the rest of the weekdays and 7 percent higher than Friday's productivity. See Chart 5.
- In FY 2010, the Macon P&DC's Saturday overnight, 2-day, and 3-day EXFC service scores were comparable to those for the rest of the weekdays. See Chart 6.

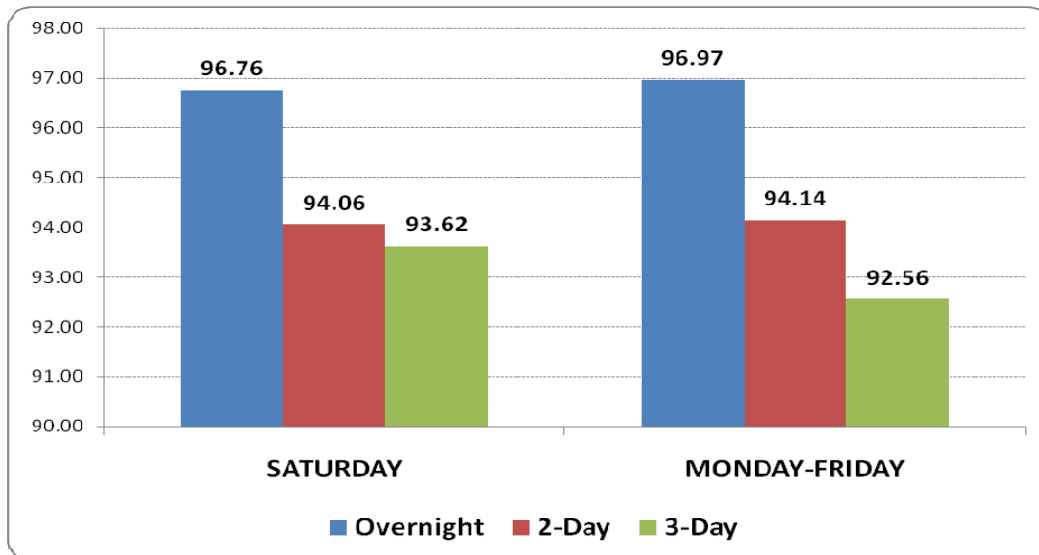
**Chart 4. FYs 2009 through 2010 Macon P&DC FHP Productivity by Day of the Week**



**Chart 5. FYs 2009 through 2010 Columbus CSMPC FHP Productivity by Day of the Week**



**Chart 6. FY 2010 Macon P&DC Service Scores  
By Day of the Week**



### Cost Savings

Cost savings from the consolidation result primarily from a reduction in workhours,<sup>17</sup> offset by one-time costs associated with employee and equipment relocation. We reviewed the Postal Service's cost saving calculation for accuracy and completeness and generally agreed with their calculations. See Table 5 for a breakdown of cost savings.

<sup>17</sup> This is based on a 20,089 craft workhour reduction.

**Table 5. Cost Savings**

	Postal Service Calculations		OIG Calculations	
	First Year Savings	Annual Savings	First Year Savings	Annual Savings
Mail Processing Craft Workhours	\$847,483	\$847,483	\$850,372 <sup>18</sup>	\$850,372
Non-Mail Processing Craft Workhours	\$0	\$0	\$0	\$0
PCES <sup>19</sup> /EAS <sup>20</sup> Savings	\$0	\$0	\$0	\$0
Transportation Savings	106,728	106,728	387,927 <sup>21</sup>	387,927
Maintenance Savings	20,266	20,266	20,266	20,266
One-Time Costs	(186,135)		(45,839) <sup>22</sup>	
<b>Total Cost Savings</b>	<b>\$788,342</b>	<b>\$974,477</b>	<b>\$1,212,726</b>	<b>\$1,258,565</b>

**AMP Process**

AMP guidelines were followed although some steps were not completed within established timeframes. According to Postal Service management, established timeframes were not always met, because:

- The AMP study was completed during the holiday season.
- A leadership change occurred in the area responsible for reviewing and approving AMP study documents.
- Additional time was needed to research, review, and approve service standards and transportation logistics.

<sup>18</sup> The AMP proposal slightly underestimated craft workhours savings by 69 hours or \$2,889. The AMP proposal did not capture savings in flat volume transferring from a mechanized to semi-automated flat environment.

<sup>19</sup> Postal Career Executive Service (PCES) — A staffing category that develops and maintains a group of employees for key management positions. There are two levels in PCES: Level I includes district, area, and Headquarters executives, and Level II consists of USPS officers, including vice presidents.

<sup>20</sup> executive and administrative schedule (EAS) — A salary structure that applies to most managerial and administrative USPS employees.

<sup>21</sup> Data obtained from the Transportation Contract Support System for October 12, 2009, and July 12, 2010.

<sup>22</sup> The difference in the one-time costs was due to only one employee relocating instead of the expected 15.

Not meeting these timeframes did not adversely affect implementation of the consolidation. See Table 6 for the timeline of events.

**Table 6. Timeline of Events**

Event	Date	Conducted Within AMP Timeframe
Area vice president (AVP) notified district or district notified AVP of intent to conduct study.	10/2/2009	N/A
Stakeholders notified of the intent to conduct study.	10/8/2009	Yes
District manager completed feasibility study and submitted to AVP within 2 months of notification to conduct study.	12/28/2009	No <sup>23</sup>
District held public input meeting within 45 days after study submitted to AVP.	1/13/2010	Yes
District summarized information from public meeting and written comments within 15 days after meeting.	3/9/2010	No <sup>24</sup>
Area and headquarters reviewed the feasibility study within 60 days from the time the study is submitted to the AVP.	1/8/2010	Yes
AVP approved study after finalized worksheets were approved by area and headquarters and submitted study to senior vice president (SVP), Operations	4/8/2010	Yes
SVP approved study within 2 weeks of receipt from AVP.	5/19/2010	No <sup>25</sup>

<sup>23</sup> The feasibility study was completed and submitted to the AVP later than the required 2 month time frame, identified in the AMP guidelines.

<sup>24</sup> The district summarized the information from the public meeting later than the required 15 days.

<sup>25</sup> The SVP approved the study later than the required 2 weeks specified in their guidelines.

## Fort Benning Army Base

Continued buildup of troops at the Fort Benning Army Base will not impact the Macon P&DC's mail processing operations. We found that:

- Supported population at Fort Benning includes about 120,000 soldiers, family members, retirees, civilians, and contractors who work on the installation.
- As part of the Defense Base Closure and Realignment Commission, approximately 1,000 additional soldiers will relocate to Fort Benning, increasing the population to about 121,000.
- Military officials indicated they have not had any complaints of delayed mail since the AMP consolidation.

## Congressional Request Results

The previous discussion provides the details of our findings with regards to the consolidation and the congressional concerns. Below is a summary of our conclusions for each of the congressional concerns raised:

- AMP guidelines were followed.
- A business case existed for consolidating the Columbus CSMPC originating mail processing to the Macon P&DC.
- AMP will yield approximately \$1.3 million in savings a year.
- Service levels have been maintained.
- Transportation savings were understated.
- The number of supervisors will decrease relative to the decrease in the number of craft employees after the freeze on hiring is lifted.
- The increase in mail from the Fort Benning Army Base will not impact the Macon P&DC's mail processing operations.
- Columbus postmark is still available and customers have been notified.
- Retail customer service has been maintained at the Columbus CSMPC.