



March 27, 2006

GEORGE L. LOPEZ
VICE PRESIDENT, SOUTHWEST AREA OPERATIONS

WILLIAM J. BROWN
VICE PRESIDENT, SOUTHEAST AREA OPERATIONS

SUBJECT: Audit Report – Mail Processing Operations in the
Wake of Hurricanes Katrina and Rita (Report Number NO-MA-06-002)

This report presents the results of our self-initiated review of mail processing operations in the wake of Hurricanes Katrina and Rita (Project Number 06YG007NO000).¹ Our objective was to assess the Postal Service's efforts to reestablish mail processing operations in the aftermath of these disasters. This was a self-initiated review, which we conducted in cooperation with Postal Service Headquarters, the Southeast and Southwest Areas, and associated districts.

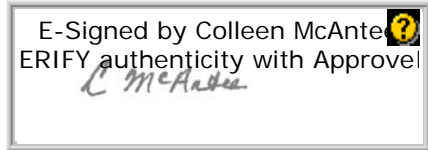
Our review found that the Postal Service successfully reestablished mail processing operations in the aftermath of the hurricanes. The Postal Service implemented emergency management plans to move the mail, assessed damage to the mail processing network, and quickly reestablished mail processing operations in the Gulf Coast region. Through these efforts, the Postal Service was able to process mail as close to normal as could be expected under the circumstances.

While these actions were commendable, we identified several issues which could improve the Postal Service's response to future disasters. These issues included not providing an adequate communications structure; identifying adequate contingency sites outside the hurricane zone; and securing adequate back-up power supplies. Consequently, mail processing recovery efforts were hampered, which contributed to some mail being delayed or not delivered. We made three recommendations in this report.

Management agreed with our findings and recommendations and has initiatives in progress, completed, or planned addressing the issues in this report. Management's comments and our evaluation of these comments are included in the report.

¹ This report is one in a series of reviews of the Postal Service's response to Hurricanes Katrina and Rita.

We appreciate the cooperation and courtesies provided by your staff during the review. If you have any questions or need additional information, please contact Robert J. Batta, director, Network Operations - Processing, or me at (703) 248-2300.



Colleen A. McAntee
Deputy Assistant Inspector General
for Core Operations

Attachments

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EXECUTIVE SUMMARY

Introduction

We reviewed mail processing operations in the wake of Hurricanes Katrina and Rita (Project Number 06YG007NO000).² Our objective was to assess the Postal Service's efforts to reestablish mail processing operations in the aftermath of these disasters. This was a self-initiated review, which we conducted in cooperation with Postal Service Headquarters, the Southeast and Southwest Areas, and associated districts.

Results in Brief

Our review found that the Postal Service successfully reestablished mail processing operations in the aftermath of the hurricanes. Under very difficult circumstances, the Postal Service implemented emergency management plans³ to move the mail, assessed damage to the mail processing network, and quickly reestablished mail processing operations in the Gulf Coast region. Through these efforts, the Postal Service was able to process mail as close to normal as could be expected under the circumstances.

While these actions were commendable, we identified several issues which could improve the Postal Service's response to future disasters. These issues included not: providing an adequate communications structure; identifying adequate contingency sites outside the hurricane zone; and securing adequate back-up power supplies. We also found undelivered mail at the New Orleans, Louisiana, Processing and Distribution Center, which was subsequently disposed.

These issues occurred because the magnitude and timing of both hurricanes was unprecedented and contingency plans did not specifically address key recovery issues. However, we recognize it is not always possible to predict required recovery actions. Furthermore, First-Class Mail and accountable mail took priority over the disposition of other classes of mail.

² This report is one in a series of reviews of the Postal Service's response to Hurricanes Katrina and Rita.

³ Contingency plans refer to a multitude of different documents used by local offices to respond to the emergency such as Integrated Emergency Management Plans (IEMP), Continuity of Operations Plans (COOP), and Hurricane Action Plans. (See Appendix A.)

Consequently, mail processing recovery efforts were hampered, which contributed to some mail being delayed or not delivered.

Summary of Recommendations	We recommended the Postal Service revise, validate, and utilize a communications plan, assess existing mail processing contingency sites, and assess electrical requirements at mail processing facilities.
Summary of Management's Comments	Management agreed with our findings and recommendations. They agreed to utilize a structured communications plan using the Integrated Emergency Management principles and establish points of contact to facilitate communications for future emergencies. Management also agreed to assess existing contingency sites for mail processing to identify feasible alternatives and ensure they have contingencies for continued operations during future emergencies. Finally, management agreed to assess electrical facility requirements in the Gulf Coast region and match those requirements to appropriate generators to ensure the necessary power for full operation in future emergencies. Management's comments, in their entirety, are included in Appendix D of this report.
Overall Evaluation of Management's Comments	Management's comments are responsive to our recommendations. Management's actions taken or planned should correct the issues identified in the report.

INTRODUCTION

Background

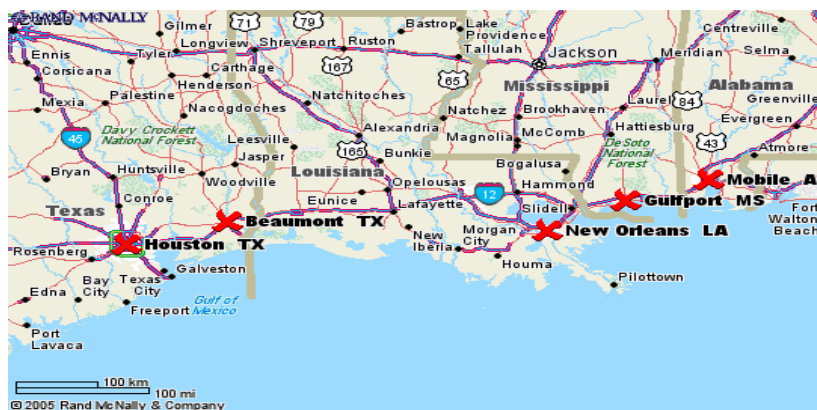
On August 29, 2005, at 6:10 a.m., Hurricane Katrina, a Category 4 storm, made landfall in Plaquemines Parish, Louisiana, just south of the city of New Orleans. Up to 15 inches of rain fell in the hardest-hit areas of Louisiana. The combination of rainfall and storm surge breached the system of levies protecting New Orleans and subsequently flooded a majority of the city. After making landfall south of New Orleans, the storm moved inland affecting parts of eastern Louisiana, Mississippi, and Alabama. The National Hurricane Center says Katrina may be the worst natural disaster in the history of the U.S.

Hurricane Katrina's force and subsequent flooding were extremely destructive to postal facilities and operations. By the time the storm passed on August 30, 2005, the New Orleans, Louisiana, Processing and Distribution Center (P&DC) had sustained significant damage and was incapable of processing mail. Additionally, the processing plants in Gulfport, Mississippi, and Mobile, Alabama, sustained significant damage and/or experienced power loss, which halted their mail processing operations. Collectively, these facilities processed approximately 104.7 million pieces of mail during the month of August 2005 and served a delivery area of approximately 2.2 million people.

Less than a month later, on September 24, 2005, Hurricane Rita hit the Texas-Louisiana border as a Category 3 storm. Parts of Louisiana were again flooded along with a large area of southeast Texas. Facilities affected in the Houston District included North Houston, Texas, P&DC; Beaumont, Texas, P&DC; and Beaumont, Texas, Remote Encoding Center (REC).⁴ Although they experienced power outages and/or brief shut-downs due to mandatory evacuations, storm damage at these facilities was limited. (See map below for locations of affected mail processing facilities.) These facilities processed approximately 144.9 million

⁴ Remote encoding centers are units that use advanced technology to assign barcodes to hand-addressed mailpieces. The Beaumont REC provides services to over 40 Postal Service processing facilities located throughout the U.S.

pieces of mail during the month of August 2005 and served a delivery area of approximately 5 million people.



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Location of Mail Processing Facilities Affected by Hurricanes Katrina and Rita

U.S. Postal Service officials advised us that five processing plants and one REC were affected by the hurricanes and sustained some form of damage. The New Orleans P&DC sustained the most damage from wind, storm surge, and flooding. This facility is not scheduled to reopen until April 2006. The other facilities sustained lesser degrees of damage. (See Table 1 below.)

Table 1: Mail Processing Facilities⁵

Issues	New Orleans P&DC	Gulfport P&DF	Mobile P&DC	North Houston P&DC
Facility Damage	Yes	Yes	Yes	No
Severity of Damage	Major ⁶	Moderate ⁷	Minor ⁸	None
Processing Operations Affected	Yes	Yes	Yes	Yes
Days Down Without Power	156 days ⁹	8 days	3 days	1 day

⁵ While the Beaumont P&DC and Beaumont REC were impacted by the hurricanes, there was minimal impact on mail processing operations.

⁶ Major damage includes a facility which is currently closed due to flooding, storm surge, wind damage, and loss of power.

⁷ Moderate damage includes facilities closed temporarily (less than 10 days) due to flooding, storm surge, wind damage, and loss of power.

⁸ Minor damage includes facilities closed temporarily (less than 4 days) due to wind damage and loss of power.

The Postal Service's Office of Emergency Preparedness is responsible for providing guidance and overseeing the development, implementation, and coordination of emergency preparedness plans to protect employees, customers, operations, and mail during disasters and other national emergencies. However, decisions on mail processing operations during disasters and national emergencies are performed by district, area, and headquarters' management.

**Objective, Scope, and
Methodology**

The objective of this review was to assess the Postal Service's efforts to reestablish mail processing operations in response to Hurricanes Katrina and Rita.

We conducted this review from October 2005 through March 2006 in accordance with the President's Council on Integrity and Efficiency, *Quality Standards for Inspections*.

We reviewed applicable Postal Service and other federal policies and procedures. We also reviewed selected IEMPs and COOPs for the affected areas, districts, and selected large facilities. (See Appendix A.) During our review, we interviewed Postal Service officials to gain an understanding of the procedures executed after landfall of Hurricanes Katrina and Rita. We reviewed relevant documentation from the Postal Service including after-action reports. We also visited the New Orleans P&DC, Port Allen, and St. Rose mail facilities.

We minimized our contact with Postal Service officials and postponed site visits to postal facilities while they were still in the process of recovery, in order to afford them the opportunity to maximize their attention on the recovery efforts. This limited our ability to gather information on recovery efforts and inspect damaged facilities immediately following both hurricanes. However, Postal Service officials at all levels cooperated with the U.S. Postal Service Office of Inspector General (OIG) and provided us with information throughout our review while continuing to focus efforts on reestablishing postal operations in the affected areas.

⁹ As of January 31, 2006, the New Orleans P&DC has been down for 156 days and is not scheduled to reopen until April 2006.

We discussed our observations and conclusions with management officials and included their comments where appropriate.

Prior Audit Coverage

The OIG issued a report titled *Audit of Postal Inspection Service's Emergency Preparedness* (Report Number SA-AR-05-001, dated January 5, 2005). The review found that the Postal Service established the IEMP as the one plan to address and manage incidents associated with human-caused, natural, and/or technological emergencies that pose a threat to Postal Service employees, customers, and facilities. However, the Postal Inspection Service IEMP was not finalized and implemented nationwide; therefore, application of emergency preparedness guidance may not be consistent from division to division and incident to incident. The Postal Inspection Service agreed and stated all divisions would have the IEMP consistent with national guidance and policy by February 2005.

The U.S. Government Accountability Office (GAO) issued a report on *Continuity of Operations* (Report Number GAO-04-160, dated February 27, 2004). GAO compared 34 federal agencies' COOPs to Federal Emergency Management Agency (FEMA) guidance. The GAO found the agencies did not identify all essential functions in their plans. The GAO also found that FEMA did not review the essential functions when assessing COOP planning and did not conduct tests or exercises to confirm essential functions were identified. FEMA has begun making such improvements.

AUDIT RESULTS

Mail Processing Operations

Our review found that the Postal Service successfully reestablished mail processing operations in the aftermath of the hurricanes. Under very difficult circumstances, the Postal Service implemented emergency management plans to move the mail, assessed damage to the mail processing network, and quickly reestablished mail processing operations in the Gulf Coast region. Through these efforts, the Postal Service was able to process mail as close to normal as could be expected under the circumstances.

While these actions were commendable, we identified several issues which could improve responses to future disasters. These issues included not: providing an adequate communications structure; identifying adequate contingency sites outside the hurricane zone; and securing adequate back-up power supplies. We also found undelivered mail at the New Orleans P&DC, which was subsequently disposed.

These issues occurred for several reasons. The sheer magnitude and timing of both hurricanes, as well as the displacement of hundreds of thousands of customers and hundreds of employees from the impacted areas, was unprecedented. The emergency management plans did not specifically address key recovery issues. However, we recognize it is not always possible to predict required recovery actions. Furthermore, First-Class Mail and accountable mail took priority over the disposition of other classes of mail.

Consequently, mail processing recovery efforts were hampered, which contributed to some mail being delayed or not delivered.

Commendable Actions Taken

Our review found that the Postal Service successfully maintained some mail processing operations by implementing contingency plans days before Hurricane Katrina made landfall. As early as August 27, 2005, the Postal Service:

- Placed an embargo on the acceptance of Standard Mail¹⁰ to be processed and delivered in the New Orleans area.

¹⁰ Standard Mail – A class of mail that includes advertisements, circulars, newsletters, magazines, small parcels, and merchandise. Service standards for Standard Mail are 3 to 10 days.

- Began diverting mail from the New Orleans P&DC to the Houston P&DC for processing.

At the Houston P&DC, Postal Service officials addressed the additional workload generated by the acceptance of the New Orleans mail by:

- Hiring casual employees.
- Setting up more shift schedules.
- Installing a Postal Automated Redirection System¹¹ to expedite processing of change of address requests.
- Using displaced New Orleans employees to help with processing operations.

Postal Service officials in Mississippi and Alabama also took actions to mitigate disruptions to the mail processing network caused by Hurricane Katrina. For example:

- The Mobile P&DC performed additional work on Sunday, August 28, 2005, to process mail in advance of the storm and sent an extra dispatch out that day to move more mail out of the plant. Management then shut down plant operations to allow employees to go home to their families. The P&DC resumed operations on Tour 1, Thursday, September 1, 2005, after restoring power and repairing the roof.
- The Gulfport Processing and Distribution Facility (P&DF) moved First-Class Mail processing operations to their contingency site in Jackson, Mississippi after the storm damaged it. The Gulfport P&DF was without power for 8 days but was able to resume full operations just 13 days after the storm.

¹¹ Postal Automated Redirection System is a system designed to intercept and process undeliverable as addressed mail using automated techniques.

In the hurricane's aftermath, the Postal Service began to assess damage and implement plans for maintaining mail service to customers by:

- Establishing temporary mail processing facilities in Port Allen and St. Rose, Louisiana. (See photograph below of Port Allen, Louisiana.)



Photograph 1: Port Allen, LA Processing Facility

- Setting up post offices in storm shelters and other temporary locations for distribution of mail and Social Security checks. (See photograph below.)



Photograph 2: Baton Rouge P&DC Clerk Sorts New Orleans Social Security Checks

- Setting up special procedures for pulling and forwarding remittance mail¹² to business customers.
- Processing over 500,000 change-of-address forms for customers displaced by the storms. (See Appendix B for details of the actions listed in this section.)

In spite of the significant challenges imposed as a result of the hurricanes, the Postal Service transformed mail processing operations and established temporary facilities to minimize disruptions to service. Through these efforts, the Postal Service was able to process mail as close to normal as could be expected under the circumstances.

Overall, these actions ensured continuity of service for the majority of the area. Additionally, the mail destined for those areas most severely impacted by the hurricanes was processed and ready to be delivered as soon as officials declared those areas safe again.

Lessons Learned

While the Postal Service did a commendable job reestablishing mail processing operations in the wake of the hurricanes, we identified the following issues which could improve the Postal Service's response to future disasters. (See Appendix C.)

- Better coordination of internal communications: According to Postal Service area officials, headquarters required numerous teleconferences each day. Also, headquarters officials were requesting reports or information from multiple sources, which diverted energy and focus needed for restoring Postal Service mail operations.¹³ Additionally, facility requests for assistance came from various sources because they did not use a central point of contact for making these requests, resulting in duplication of efforts and wasted time.
- Mail processing contingency sites inadequate: Postal Service officials redirected the New Orleans

¹² Remittance mail is the largest segment of First-Class Mail and a vital component of the Postal Service business. Remittance mail is comprised of bills, statements, and payments which are transported between billers and consumers and business customers.

¹³ These issues impacted mail processing operations; however, these issues may also have impacted other areas during recovery efforts. Therefore, these issues will be addressed in the OIG's overall report on Postal Service Emergency Preparedness — Hurricane Katrina.

mail out of the path of Hurricane Katrina by moving these operations to the contingency site in Houston. Unfortunately, less than a month later, these operations were impacted as Hurricane Rita hit the city of Houston. The North Houston P&DC operations were shut down for 2 days due to mandatory evacuations, which further impeded the processing of New Orleans mail. In addition, the Gulfport P&DF was required to move the mail processing operations to the third contingency site due to hurricane damage incurred at the first and second contingency sites (New Orleans, Mobile).

- Back-up power not available: The Gulfport and Mobile facilities did not have power after the hurricane and received generators for temporary power needs. However, neither site was electrically or structurally equipped to utilize these generators. City power was restored at both locations before the generators could be used. (See photograph below for an example of a generator in use at the St. Rose facility.)



Photograph 3: Electrical Generator and Fuel Supply Tank in Use

- Undelivered mail at the New Orleans P&DC: In December 2005 we observed significant amounts of undelivered Periodicals¹⁴ and Standard Mail (some dated prior to the hurricanes) at the New Orleans

¹⁴ Periodicals – A class of mail that includes newspapers, magazines, and other periodical publications whose primary purpose is transmitting information to an established list of subscribers or requesters. Service standards for Periodicals are 1 to 7 days.

P&DC. The P&DC suspended operations on August 28, 2005, in anticipation of Hurricane Katrina and as of the date of this report had not resumed operations due to extensive damage. Postal Service officials estimated there were approximately 10 trailers of this mail left in the facility which was not processed timely. (See photographs below.)



Photograph 4: Periodicals Staged in New Orleans P&DC



Photograph 5: Containers of Mixed Standard Mail



Photograph 6: Pallets of Periodicals

Management Actions Taken On September 16, 2005, the Postal Service established specific procedures¹⁵ for the disposition of the Periodicals and Standard Mail destined for those ZIP Codes most affected by the hurricanes. New Orleans District management held meetings with mailers and customers who indicated they did not want the outdated mail delivered. Between December 19, 2005, and January 31, 2006, local management disposed of approximately seven trailer loads of Standard Mail from the New Orleans P&DC and sent approximately three trailer loads of Periodicals Mail to the Dallas Bulk Mail Center in accordance with instructions issued by the Southwest Area. Following communications with Periodical mailers, this mail will be disposed of through recycling. Therefore, we are not making any recommendations in this area.

Recommendations We recommended the vice presidents, Southeast and Southwest Area Operations:

1. Revise, validate, and utilize a structured communication plan, as required by the IEMP, with established points of contact to facilitate communications to and from headquarters, areas, districts, and affected facilities for future emergencies.
2. Assess existing mail processing contingency sites for plants in areas likely to be threatened by future hurricanes and establish new sites in areas outside the hurricane zone, where feasible.
3. Assess electrical requirements of facilities in the hurricane-prone area to ensure that generators will function properly.

¹⁵ *Temporary Processing, Distribution and Routing Changes Due to Hurricane Katrina – Issuance Update Number 2*, September 16, 2005. Postal Service issued a temporary policy which provided instructions for the disposition of Periodicals and Standard Mail. Instructions require that the customer must be contacted prior to disposal of the mail. Written confirmation from the mailer must be provided before disposition.

Southwest Area Management's Comments	<p>Southwest Area management agreed with our findings and recommendations. They agreed to establish a structured and systematic communications plan as required by the IEMP. They have established a new notification system for employees and an Emergency Operations Center where the Emergency Management Team will meet. The Emergency Management Team includes the Emergency Management Coordinating Committee as instructed in the IEMP.</p> <p>Southwest Area management also agreed to review plans to ensure that contingency sites are established outside the hurricane zone, where feasible. They plan to have contingencies for all eventualities during future emergencies.</p> <p>In addition, Southwest Area management will work with the Facility Service Office to ensure processing facilities in the hurricane zone are properly prepared to deploy generators.</p>
Evaluation of Management's Comments	<p>Comments from the Southwest Area's management are responsive to our recommendations. Management's actions taken or planned should correct the issues identified in the findings.</p>
Southeast Area Management's Comments	<p>Southeast Area management agreed with our findings and recommendations. At after-action meetings held to discuss lessons learned from the hurricanes, they discussed communications issues extensively. Follow-up actions were initiated to address communications issues, including steps to establish a structured and systematic communications plan using IEMP management principles for future emergencies.</p> <p>Southeast Area management will review continuity of operations plans to ensure that contingency sites selected are feasible alternatives for establishing continued operations during emergencies.</p> <p>Southeast Area management will also work with the Facility Services Office to ensure all processing facilities in the hurricane zone are properly prepared for emergency electrical connections.</p>

**Evaluation of
Management's
Comments**

Comments from the Southeast Area's management are responsive to our recommendations. Management's actions taken or planned should correct the issues identified in the findings.

APPENDIX A

EMERGENCY PREPAREDNESS PLANS REVIEWED

- Gulfport P&DF – 2004/2005 Hurricane Preparedness Plan, dated June 3, 2005.
- Houston District – IEMP Version D-1.2, dated March 2004. Updated February 2005. Revised Appendix B (COOP), dated August 2005. No Appendix A or C.
- Jackson P&DC – IEMP Appendix B (COOP), dated June 2004.
- Louisiana District – IEMP Appendix B (COOP), dated August 2005.
- Mobile P&DC – COOP/Occupant Emergency Plan, revised April 2005.
- Mobile P&DC – IEMP Appendix B (COOP), dated April 2005.
- New Orleans P&DC – IEMP, Version I-1.2, dated March 2004. Does not include Appendix A, B, or C.
- Southeast Area – Hurricane/Tropical Storm procedure, dated June 2005. The areas are not required to have an IEMP. However, the Southeast Area developed and used their own emergency plan for hurricanes and tropical storms, dated June 2005.

APPENDIX B

EXAMPLES OF COMMENDABLE ACTIONS

Temporary Mail Processing Facility – The Postal Service immediately recognized the need to reestablish mail processing for the New Orleans area. By mid-September 2005, they leased a facility in Port Allen, Louisiana, and established a temporary mail processing facility to help process mail for areas affected by the hurricane. Mail processing equipment from the damaged New Orleans P&DC and other facilities was moved to the Port Allen facility to expedite operations. St. Rose, originally a mail transport equipment warehouse, was also converted into a mail processing facility and processed some of the New Orleans mail.

Temporary distribution locations – The storm disrupted mail service at the beginning of September 2005 when most Social Security checks, as well as other federal aid checks, are disbursed. The Postal Service, Social Security Administration, and Department of the Treasury worked closely together to ensure displaced residents received their checks. The Postal Service and Social Security Administration communicated daily to develop and update plans that would quickly get checks in the hands of beneficiaries. The Postal Service established temporary post offices in the Houston Astrodome, the New Orleans Superdome, and other shelters to ensure that displaced residents had access to these checks and other critically important mail.

Remittance Mail – The Postal Service, recognizing the importance of Remittance Mail, worked with New Orleans customers to reroute this mail. The Postal Service invited customers into the North Houston plant to review the handling of this mail. The Postal Service created special sort plans and transportation schedules to expedite the dispatch of Remittance Mail.

Change-of-Addresses – The Postal Service conducted extensive public relations campaigns urging displaced residents to complete a change-of-address (COA) form. Postal Service representatives appeared in numerous media communications and the Postmaster General appeared on national television to encourage displaced residents to complete these forms. By the end of October 2005, approximately 500,000 COA forms had been filed with the Postal Service.

APPENDIX C

MAIL PROCESSING OPERATIONAL ISSUES

Issues	New Orleans P&DC	Gulfport P&DC	Mobile P&DC	North Houston P&DC
Was Communication Adequate?	No	No	No	No
Was Back-up Facility Appropriate?	No	No	N/A	N/A
Was Generator Deployment Successful?	Yes	No	No	N/A
Was Undelivered Mail Left in the Facility?	Yes	No	No	No

APPENDIX D. MANAGEMENT'S COMMENTS

GEORGE L. LOPEZ
VICE PRESIDENT, SOUTHWEST AREA OPERATIONS



March 8, 2006

COLLEEN A. MCANTEE
DEPUTY ASSISTANT INSPECTOR GENERAL
FOR CORE OPERATIONS

**Subject: Draft Audit Report- Review of Mail Processing Operations in the wake of
Hurricanes Katrina and Rita (Report Number NO-MA-06-DRAFT**

This responds to the subject draft audit review of the Mail Processing recovery efforts during Hurricanes Katrina and Rita. I am responding for the Southwest Area. The responses to the recommendations are as follows:

Recommendation 1 - *Revise, validate and utilize a structured communication plan, as required by the IEMP, with established points of contact to facilitate communications to and from Headquarters, areas, districts, and affected facilities for future communications.*

We agree with the recommendation. The severity of Hurricane Katrina and its impact on the city of New Orleans and surrounding areas required additional planning to handle the processing needs. The Southwest Area noted weaknesses in the initial system and immediately moved to make changes for future situations. Those changes were most visible as the area and Houston District implemented the notification process for employees with the onslaught of Hurricane Rita some 28 days after Hurricane Katrina. This new notification has been made a part of the new notification system as well as the planning for processing. In addition, we have identified how we must follow the guidelines of the IEMP. Therefore, the Southwest Area has established an Emergency Operations Center (EOC) where Emergency Management Team (EMT) members will convene. EMT members include the Emergency Management Coordinating Committee (EMCC) as stipulated in the IEMP.

Recommendation 2 - *Assess existing mail processing contingency sites for plants in areas likely to be threatened by future hurricanes and establish new sites outside the hurricane zone, where feasible.*

We agree with the recommendation. The selection of Houston as the alternate site for processing New Orleans Mail was initially an excellent idea. Then Hurricane Rita changed that notion. The Southwest Area was prepared to use the Dallas District's Dallas P&DC, North Texas P&DC and the Dallas BMC to assist with processing. We will ensure we have contingencies for all eventualities during future emergency situations.

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Recommendation 3 - Assess electrical requirements of facilities in the hurricane-prone area to ensure that generators will function properly.

We agree with the recommendation. The Southwest Area is working with the Facility Service Office to ensure all processing facilities in the Hurricane zone are properly prepared for emergency electrical connections. We are requesting that Facility Services identify the requirements for facilities in the Gulf Coast region and be prepared to match those requirements to generators capable for providing the necessary power for full operation when they are needed.



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VICE PRESIDENT, AREA OPERATIONS
SOUTHEAST AREA



March 8, 2006

MEMORANDUM FOR: Colleen A. McAntee
Deputy Assistant Inspector General
For Core Operations

SUBJECT: Draft Audit Report Mail Processing Operations in the
Wake of Hurricanes Katrina and Rita

Thank you for the opportunity to respond to the subject draft audit review of Mail Processing Operations in the wake of hurricanes Katrina and Rita. (Report Number NO-MA-06_DRAFT). We agree in general with the narrative and findings in the report and offer the following comments specifically on the three recommendations:

- *Recommendation 1: Revise, validate and utilize a structured communication plan, as required by the IEMP, with established points of contact to facilitate communications to and from headquarters, areas, districts, and affected facilities for future emergencies.*
- The Southeast Area convened an After Action meeting on October 20, 2005, to discuss lessons learned from Katrina and Rita. In that meeting, communications issues were discussed extensively. Follow on actions were initiated to address these issues including steps to establish a structured and systematic communications plan, using Integrated Emergency Management principles, for future emergencies. Another After Action meeting was held in Dallas, November 3, 2005, in which the Southeast Area participated to discuss these issues further with Southwest Area and headquarters' staff to identify opportunities for improvement from the lessons learned during Katrina.
- *Recommendation 2: Assess existing mail processing contingency sites for plants in areas likely to be threatened by future hurricanes and establish new sites in areas outside the hurricane zone, where feasible.*
- The Southeast Area requires Continuity of Operations Plans (COOP) for the Area office, all Districts and major facilities, including mail processing contingency sites, to ensure that operations can continue in emergency conditions. These plans are reviewed to ensure that the contingency sites are feasible alternatives to establish continued operations during emergencies.

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- Recommendation 3: *Assess electrical requirements of facilities in the hurricane-prone area to ensure that generators will function properly.*
- The Southeast Area has conducted an assessment of facility generator requirements and developed an approach to establish permanent connections where stand by power is determined to be a feasible option. In addition, the Southeast Area is working with the headquarters Emergency Preparedness group to ensure that generator deployment carried out by that group will be timely and effective for emergency needs.


William J. Brown