

# Network Changes: Local Transportation Optimization in the Wisconsin Region

## AUDIT REPORT

Report Number 24-145-R25 | March 28, 2025



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# Highlights

## Background

In October 2023, the U.S. Postal Service deployed a major change to operations when it began piloting its Local Transportation Optimization (LTO) initiative. The initiative was designed to reduce the number of transportation trips to and from select post offices and increase the amount of mail transported on each trip. In addition, mail collected at impacted post offices remained there until the next day, delaying its entry into sorting operations. On January 8, 2024, the LTO initiative was implemented at 389 post offices within the Wisconsin region.

## What We Did

Our objective was to determine the impacts associated with the Postal Service's LTO initiative in the Wisconsin region. We analyzed service performance before and after LTO implementation, and Wisconsin region transportation costs. We also judgmentally selected and conducted observations and interviews at 25 impacted post offices and four processing facilities in October 2024.

## What We Found

Consistent with our broader report, LTO implementation in the Wisconsin region resulted in a decrease in service, rural communities were more significantly impacted, and customers were not notified of potential impacts. We also found that Postal Service staff did not complete departure scans (scans to help customers track packages) and collection box mail was not picked up in coordination with the new LTO pickup times (i.e., elimination of afternoon transportation trips). Postal Service management attributed these issues to LTO being a pilot program and a lack of management oversight and training. Finally, the Postal Service did not effectively track cost savings specific to the LTO initiative in the Wisconsin region.

## Recommendations and Management's Comments

We made six recommendations to address Postal Service signage and scanning. Postal Service management agreed with four recommendations and disagreed with two. Management's comments and our evaluation are at the end of each finding and recommendation. The U.S. Postal Service Office of Inspector General (OIG) considers management's comments responsive to recommendations 1, 2, and 4, as corrective actions should resolve the issues identified in the report. Management's responses to recommendations 3, 5, and 6 will not resolve the issues identified, so we will work with management through the formal audit resolution process on these recommendations. See [Appendix D](#) for management's comments in their entirety.



# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

March 28, 2025

**MEMORANDUM FOR:** JOHN MORGAN  
VICE PRESIDENT, DELIVERY OPERATIONS

PETER ROUTSOLIAS  
SENIOR VICE PRESIDENT, LOGISTICS

ROBERT CINTRON  
VICE PRESIDENT, LOGISTICS

JENNIFER VO  
VICE PRESIDENT, RETAIL & POST OFFICE OPERATIONS

WANDA PRATER  
DISTRICT MANAGER, WISCONSIN DISTRICT

DONALD DOMBROW JR.  
DISTRICT MANAGER, MICHIGAN 2 DISTRICT

*Mary K. Lloyd*

**FROM:** Mary K. Lloyd  
Deputy Assistant Inspector General  
for Mission Operations

**SUBJECT:** Audit Report – Network Changes: Local Transportation Optimization in the Wisconsin Region (Report Number 24-145-R25)

This report presents the results of our audit of Network Changes: Local Transportation Optimization in the Wisconsin region.

All recommendations require U.S. Postal Service Office of Inspector General (OIG) concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations 2, 3, 4, 5, and 6, should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed. We consider recommendation 1 closed with issuance of this report.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Brandi Adder, Director, Delivery Operations, or me at 703-248-2100.

Attachment

cc: Postmaster General  
Corporate Audit Response Management

# Results

## Introduction/Objective

This report presents the results of our self-initiated audit of the Network Changes: Local Transportation Optimization (LTO) in the Wisconsin Region (Project Number 24-145). Our objective was to determine the impacts associated with the U.S. Postal Service’s LTO initiative in the Wisconsin region. See [Appendix A](#) for additional information about this audit.

## Background

As part of its Delivering for America plan, the Postal Service announced several initiatives to modernize its processing and delivery network, some of which impact costs and service performance. One of those strategies was to redesign its surface transportation network to create high performing, lower cost, efficient, and reliable surface transportation capable of moving more volume on fewer trips. To support this strategy, the Postal Service began piloting its LTO initiative, which was designed to reduce the number of transportation trips to and from select post offices. LTO was deployed in its first region around Richmond, VA, on October 28, 2023. As of August 26, 2024, the Postal Service implemented the LTO initiative in a total of 15 regions, including the Wisconsin region on January 8, 2024.

At the time of our audit, 389 post offices were “optimized” within the Wisconsin region, impacting ZIP Codes starting with 498, 499, 530, 531, 535, 538, 539, 541, 542, 544, 545, and 549 (see Table 1).<sup>1</sup>

Table 1. Number of Post Offices Optimized by ZIP Code

3-Digit ZIP Code	Number of Post Offices Optimized	Number of Post Offices Exempted <sup>2</sup>
498	54	2
499	45	
530	26	1
531	10	1
535	28	
538	20	1
539	29	1
541	15	
542	11	
544	62	6
545	40	
549	49	4
Total	389	16

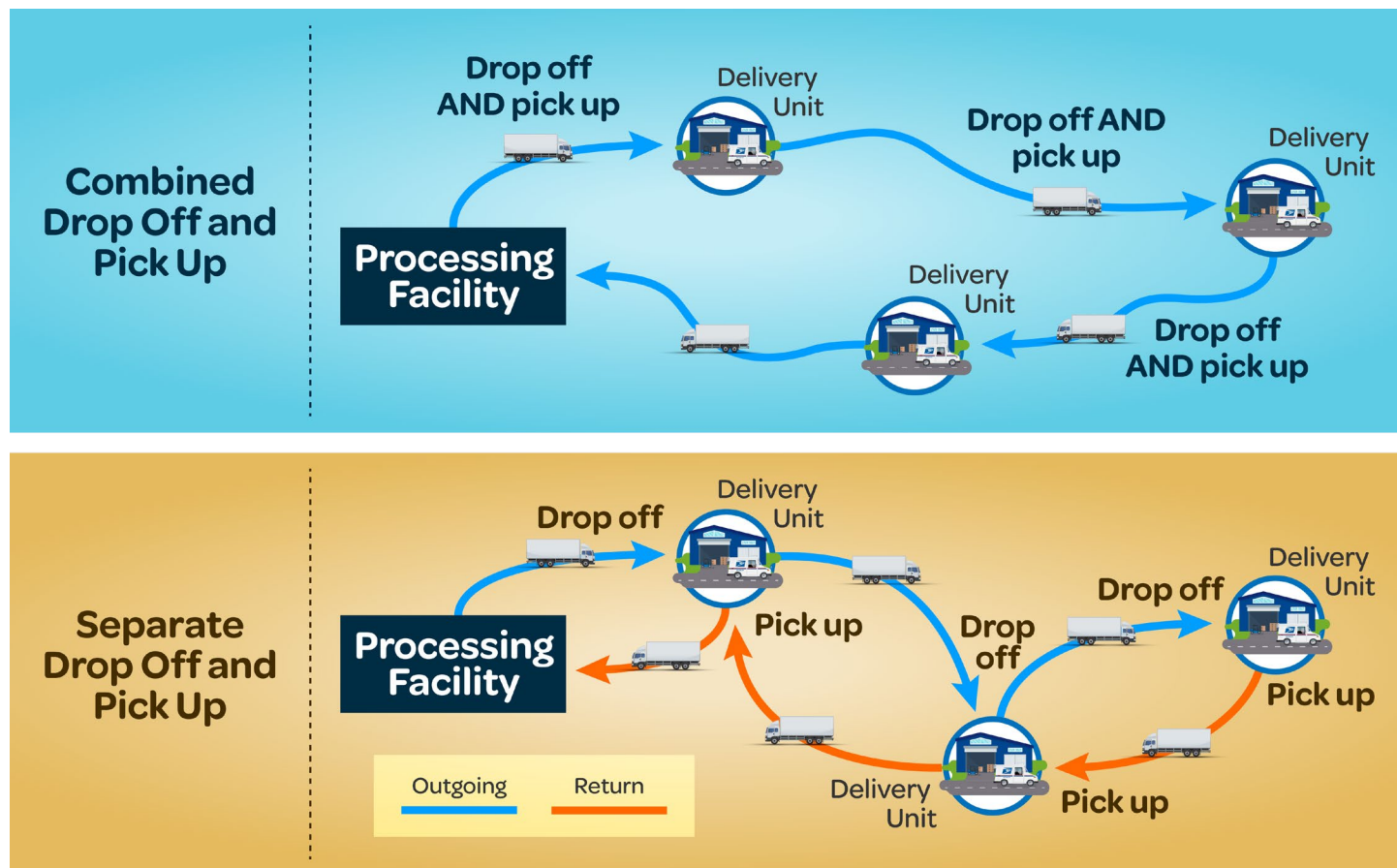
Source: Obtained from the Postal Service on September 23, 2024.

For LTO optimized offices, the Postal Service no longer transports originating mail<sup>3</sup> collected at those offices to the processing facilities the same day it is collected. Rather, the mail remains at the post office until the next day, delaying its entry into sorting operations and extending the amount of time to its destination. For example, if a scheduled collection trip occurs at 9:15 a.m., any mail collected after 9:15 a.m. stays at the post office overnight until the following morning.

<sup>1</sup> Zip Codes starting with 498 and 499 are located in Michigan.  
<sup>2</sup> Exempted post offices received an exception from having its afternoon collection trips eliminated, generally based on the amount of mail volume at the post office.  
<sup>3</sup> Originating mail refers to where mail first enters the mailstream for processing and delivery.

The Postal Service implemented this change to post offices more than 50 miles<sup>4</sup> away from the processing facility. Post offices further than the 50-mile distance, unless exempted, became either a “combined drop off and pick up” or “separate drop off and pick up” unit (see Figure 1). A “combined drop off and pick up” post office has collection mail picked up at the same time the truck drops mail for delivery. A “separate drop off and pick up” post office has mail dropped off for delivery at all post offices on the route and the collection mail at these locations is subsequently picked up on the trucks’ return to the processing facility.

**Figure 1. LTO Route Optimization**



Source: Postal Service presentation dated October 25, 2023.

Longer term, the Postal Service intends to expand the LTO pilot to a nationwide initiative centered around Regional Processing and Delivery Centers, renaming it to Regional Transportation Optimization (RTO). The Postal Service is estimating—once fully implemented—it will achieve significant annual cost savings of \$2.8 to \$3.3 billion. In addition, the Postal Service announced its plans to revise its service standards<sup>5</sup> for mail impacted by this initiative with implementation set for 2025.<sup>6</sup>

On October 21, 2024, 27 congressional representatives, including representatives from Wisconsin, wrote a letter to the postmaster general with concerns regarding the rollout of the LTO plan mostly affecting rural communities. They stated their constituents rely on the Postal Service to deliver mail containing prescription medication, social security checks, business documents, bills, and other mailpieces.

<sup>4</sup> Initially the Postal Service implemented this change to facilities greater than 25 miles away from a processing facility. However, on January 8, 2024, the Postal Service adjusted its methodology and increased the distance to greater than 50 miles away from a processing facility – impacting implementation in the Wisconsin region.

<sup>5</sup> Service standards are delivery benchmarks for how long customers can expect it to take to deliver different types of mail and packages from origin to destination ZIP Codes.

<sup>6</sup> Obtained from Postal Regulatory Commission Docket No. N2024-1, Operational and Service Standards Changes to Meet Statutory Requirements for Reliable, Efficient, High-Quality Service and Financial Sustainability Through an Integrated Mail and Package Network – filing date August 22, 2024.

To evaluate LTO impacts within the Wisconsin region, we analyzed data at optimized post offices from implementation to December 31, 2024, as compared to the same period last year (SPLY). Additionally, we judgmentally selected 26<sup>7</sup> LTO optimized post offices and four processing facilities to conduct observations and interview local Postal Service personnel. See [Appendix A](#) for additional information and the post offices observed.

### Prior Audit Issues

In a previous audit,<sup>8</sup> we found the Postal Service LTO initiative negatively impacted service to customers, more significantly impacting the rural population. In addition, the Postal Service had not adequately informed the public of the LTO initiative or developed a process to track LTO cost savings.

We recommended the Postal Service: (1) conduct outreach to affected customers notifying them of the changes to optimized offices and (2) develop and maintain detailed documentation outlining the

cost savings resulting from the LTO implementation for each region and include a comparison to planned savings. Management agreed with these recommendations and provided a target implementation date of December 1, 2025.

### Findings Summary

LTO implementation in the Wisconsin region resulted in a decrease in service performance in all mail classes, with impacts primarily to rural communities. In addition, customers were not notified of the impact on mail delivery originating from their area.

Further, Postal Service staff did not complete departure scans (scans to help customers track packages) and collection box<sup>9</sup> mail was not picked up, in coordination with the new LTO pickup times (i.e., elimination of afternoon transportation trips). Lastly, the Postal Service did not effectively track cost savings specific to the LTO initiative in the Wisconsin region.

<sup>7</sup> One post office selected was determined to not be optimized and was removed from any site visit analysis.

<sup>8</sup> *Network Changes: Local Transportation Optimization* (Report Number 24-142-R25, dated December 18, 2024).

<sup>9</sup> A free-standing, blue-painted box that is used by the public to drop off originating mail.

# Finding #1: Decreased Service Performance Disproportionately Impacting Rural Communities

LTO implementation in the Wisconsin region resulted in a decrease in service. While service performance can be impacted by many variables, a decrease in service performance at optimized post offices occurred in each mail class following LTO implementation.<sup>10</sup> Specifically, the amount of originating mail delivered on time decreased compared to SPLY, as follows:

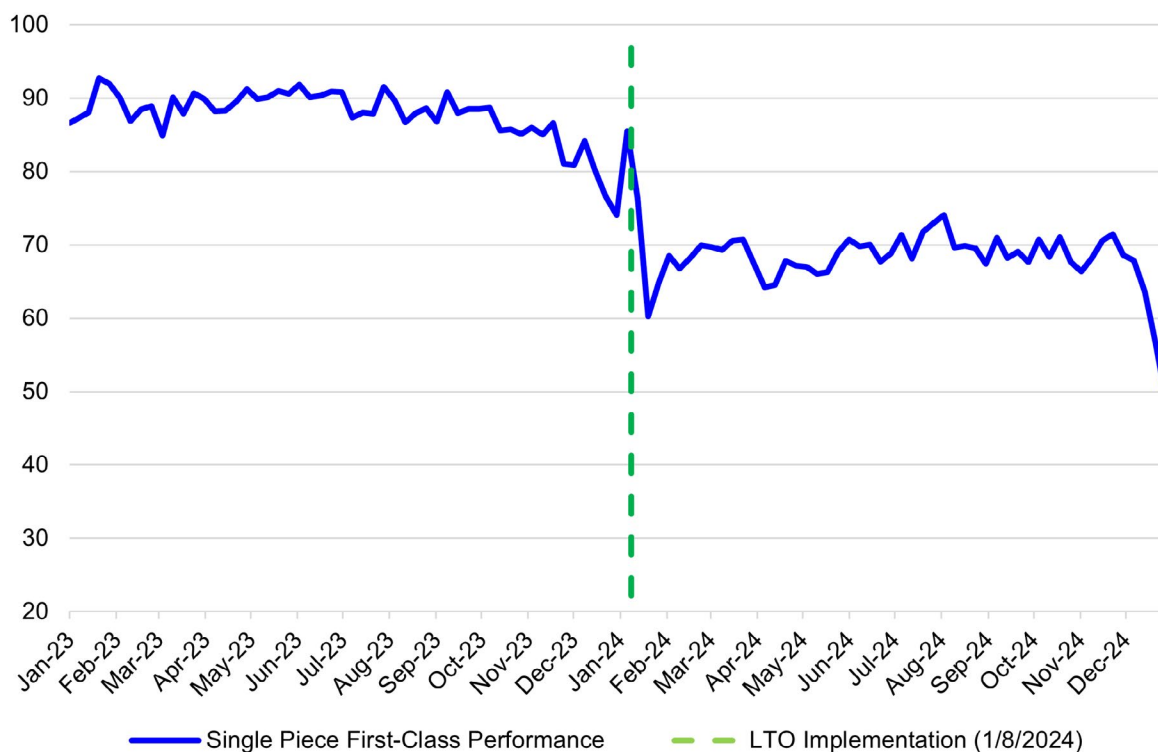
- Single Piece<sup>11</sup> First-Class Mail declined and consistently remained below SPLY in all the 51 weeks following the implementation.
- Ground Advantage<sup>12</sup> service declined and remained below SPLY 45 out of 51 weeks following the implementation.

- Priority Mail<sup>13</sup> service declined and remained below SPLY 49 out of 51 weeks following the implementation.
- Priority Mail Express<sup>14</sup> service declined and remained below SPLY 50 out of 51 weeks following the implementation.<sup>15</sup>

## Letter Service Performance

Since implementation on January 8, 2024, through December 27, 2024, Single Piece First-Class Mail service performance declined and consistently remained below SPLY in all the weeks following the implementation (see Figure 2).

**Figure 2. Service Performance – Single Piece First-Class Mail**



Source: Postal Service data and OIG analysis.

<sup>10</sup> The week starting January 5, 2024, to December 27, 2024, for Single Piece First-Class Mail and January 6, 2024, to December 28, 2024, for other mail classes. First-Class Mail was analyzed including non-optimized post offices, while packages were reviewed specific to optimized post office performance.

<sup>11</sup> These are individual pieces of mail that are typically mailed by individual users rather than large business mailers.

<sup>12</sup> USPS Ground Advantage® is an affordable way to send packages inside the United States within two to five days.

<sup>13</sup> An expedited service for shipping mail within one to three business days.

<sup>14</sup> An expedited service for shipping mail with a money-back guarantee for next-day or two-day delivery.

<sup>15</sup> Our package analysis included a review of the optimized post offices and the associated routes ZIP Codes.



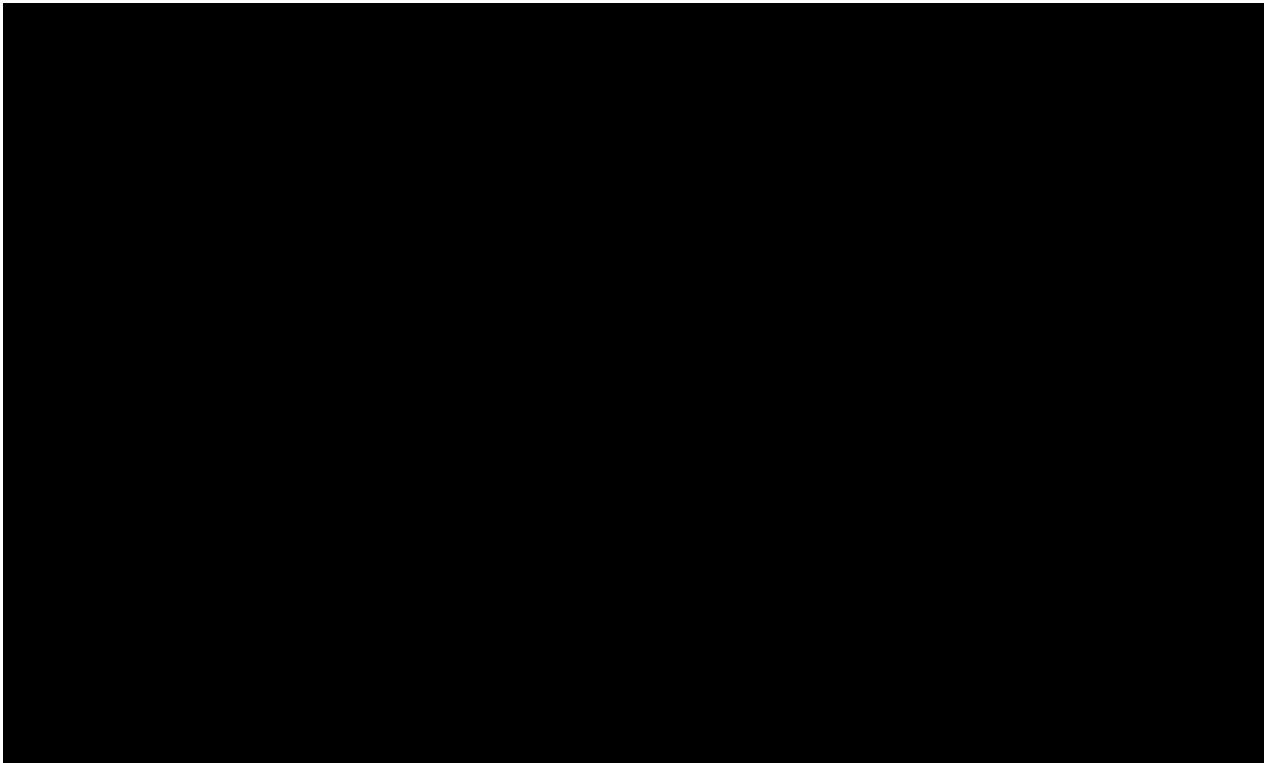
In addition, since implementation, Single Piece First-Class Mail 2-Day declined 50 out of 51 weeks reviewed, while 3-5 Day service performance declined all weeks after implementation.<sup>16</sup>

**Package Service Performance**

Package service performance at optimized post offices declined for all mail classes after LTO implementation. Specifically, Ground Advantage service declined after LTO implementation in January 2024, but improved and performed better than SPLY for several weeks in November and December

2024. In addition, Priority Mail and Priority Mail Express<sup>17</sup> service declined and remained below SPLY, 49 and 50 out of 51 weeks, respectively, following implementation. The Postal Service retroactively added an additional day to Ground Advantage and Priority Mail service standards during November and December 2024, which gave the appearance of increased on time service performance. See Figure 3 for the package products on time service performance.

**Figure 3. Service Performance – Ground Advantage, Priority Mail, and Priority Mail Express**



Source: Product Tracking and Reporting (PTR) data obtained on January 6, 2025, and OIG analysis.

Ground Advantage 2-Day and 3-5 Day performance showed similar declines in on-time service performance compared to SPLY. Priority Mail also showed similar declines in 1-2 Day and 3-Day service performance compared to SPLY.

In addition, we reviewed each optimized post office’s performance compared to SPLY, and found package service performance varied greatly.<sup>18</sup> We found service performance declined in:

<sup>16</sup> Delivery performance goals for each mail class and product are measured by the number of days from drop off to delivery. Single piece First-Class Mail is expected to be delivered between two and five days depending on the destination.  
<sup>17</sup> With the implementation of LTO, most optimized post offices can no longer offer overnight Priority Mail Express that was available in the previous year analyzed.  
<sup>18</sup> The amount of ZIP Codes varied by mail product based on volume.

- Ground Advantage for 395 of 414 ZIP Codes (or about 95 percent).
- Priority Mail for 401 of 408 ZIP Codes (or about 98 percent).
- Priority Mail Express for 236 of 358 ZIP Codes (or about 66 percent).

See [Appendix B](#) for additional information on service performance in the Wisconsin region service area.

### Customer Demographics Impacts

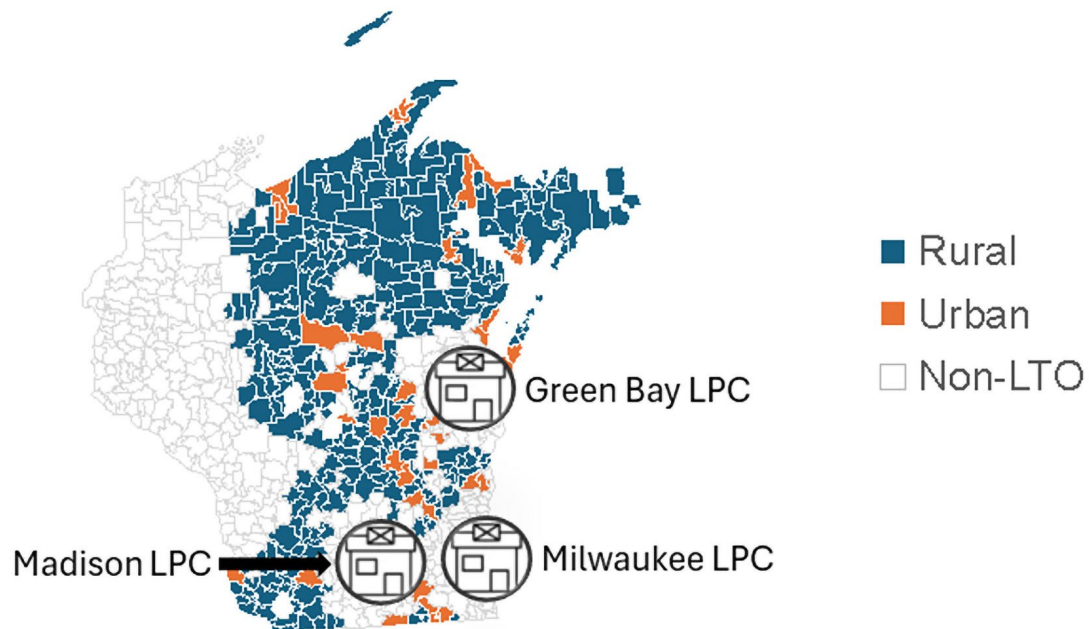
The Postal Service's decision to implement the LTO initiative at post offices greater than 50 miles away

from a processing facility impacted more rural ZIP Codes than urban.

To determine the urban and rural demographics impacted by the LTO initiative in the Wisconsin region, we analyzed the 2020 Census and the Postal Service's active mailing addresses per ZIP Code.

Overall, LTO impacted 24 percent of the total population in the Wisconsin region. Of the ZIP Codes impacted by LTO, we found about 63 percent of the population affected was considered rural (see Figure 4).

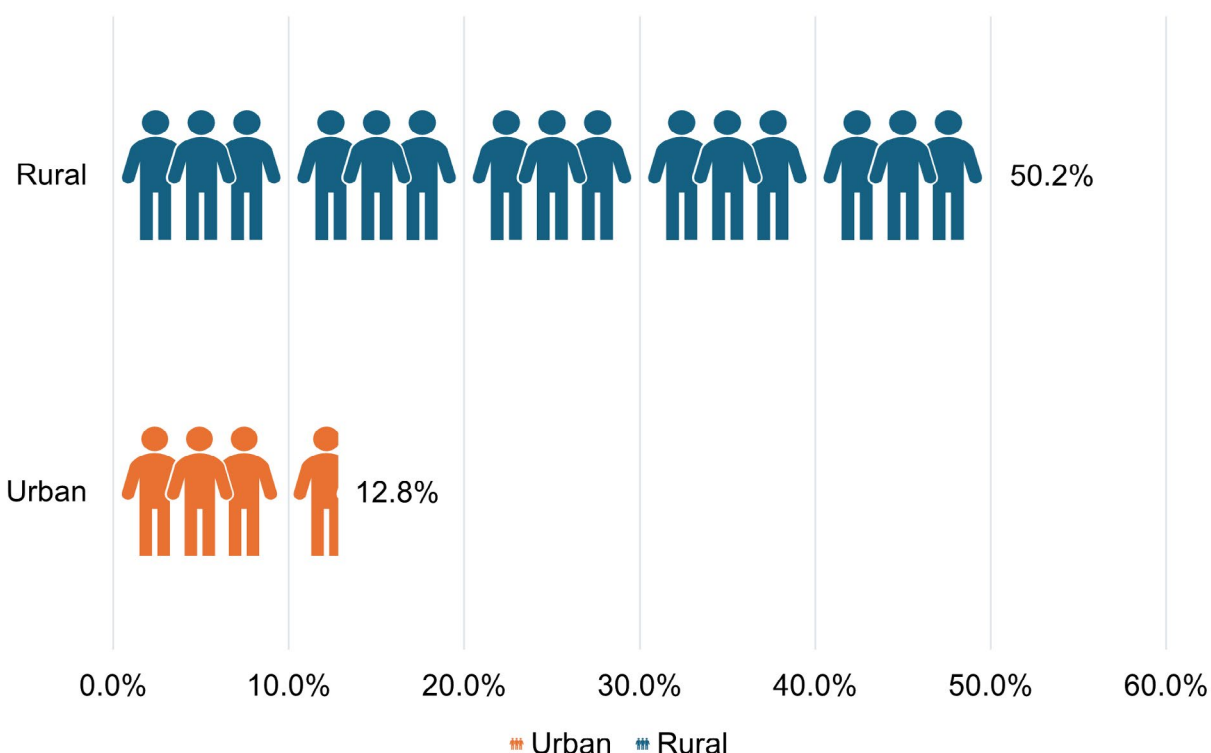
**Figure 4. Urban and Rural Populations Impacted by LTO**



Source: OIG analysis of the Postal Service LTO optimization, service ZIP Codes, and 2020 Census data.  
 Note: The processing facilities are Local Processing Centers (LPC). In addition, ZIP Codes were determined by majority of urban or rural populations and include ZIP Codes impacted in Wisconsin and Michigan. See [Appendix C](#) for more details.

To determine whether the rural population was disproportionately impacted, we analyzed the percent of each population impacted compared to the total of each population type (e.g. rural to total rural population). Based on our analysis, the impact to the rural population was about 3.9 times more than the urban population (see [Figure 5](#)).

**Figure 5. Percent of Total Urban and Rural Populations Impacted by LTO**



Source: OIG analysis of the Postal Service LTO optimization, service ZIP Codes, and 2020 Census data.

See [Appendix C](#) for additional information on demographics and methodology.

While the Postal Service originally stated it did not anticipate material impacts to First-Class Mail service performance from the implementation of this initiative, Postal Service management later stated that it launched the LTO initiative as a pilot and, as such, the processes and outcomes were still evolving. Postal Service management also added that it was continuously implementing improvements and refining the approach based on insights gained.

The Postal Service is required to fulfill its universal service obligation to provide service to all communities.<sup>19</sup> Not meeting service performance standards puts the Postal Service revenue, costs, and brand as a trusted service provider at risk.

Further, people living in rural areas rely more on the Postal Service to mail letters and packages.

In addition, decreased service performance may lead to a decrease in revenue. As a result of LTO, out of the 25 post offices visited:

- Clerks at six post offices informed customers they could drive to different post offices, often miles away (that are not optimized), if interested in faster service.
- Six post offices reported a loss of customers who required overnight service for packages. For example, the Three Lakes Post Office lost their biggest mailer, the local pharmacy, because the Postal Service could not accommodate their required overnight service to mail medication.

<sup>19</sup> Title 39 U.S. Code § 101.a - Universal service obligation binds the Postal Service to provide prompt, reliable, and efficient services to patrons in all areas and all communities.

Since implementation, optimized post offices in the Wisconsin region experienced a greater decline in Priority Mail Express revenue, compared to non-optimized post offices and SPLY. Specifically, from January 8 to December 31, 2024, Priority Mail Express revenue declined █████ percent compared to SPLY at optimized post offices (see Table 2).<sup>20</sup> Without overnight and consistent Priority Mail Express services, the Postal Service is at risk of continuing to lose revenue to alternative means.

Table 2. Priority Mail Express Revenue

Post Offices	Priority Mail Express Revenue		Difference
	2023	2024	
Optimized Post Offices	██████	██████	██████
Non-Optimized Post Offices	██████	██████	██████

Source: PTR and OIG analysis.

On October 4, 2024, the Postal Service sought an advisory opinion on the impacts of LTO implementation and service standard changes, among other things. Part of this request included adding an extra day to service for packages at an LTO post office, which should improve on time service performance. On January 31, 2025, the Postal Regulatory Commission advisory opinion recommended the Postal Service reconsider the impact of its proposed changes to the service standards, particularly on rural communities who rely most heavily on the Postal Service.<sup>21</sup> As the opinion was recently released, we will not make a recommendation on this issue at this time.

Postal Service Response

Management generally agreed with the finding and acknowledged the increased risk of service failure with mail remaining at delivery units overnight. However, management also stated that based off the LTO pilot results, it filed for a service standard change to account for the extra time required for RTO implementation. Management also agreed that service scores declined, but noted inaccuracies within four figures in the report.

OIG Evaluation

The OIG considers management’s comments responsive to the finding. Regarding management’s comment about inaccuracies with four figures in the report, the package service performance analysis we conducted is accurate, but specific to optimized offices and their associated route ZIP Codes. The analysis also accounted for the Postal Service retroactively adding an additional day to Ground Advantage and Priority Mail service standards during November and December 2024.

<sup>20</sup> Eight of the 25 post offices visited experienced a decline in their Priority Mail Express revenue.  
<sup>21</sup> Obtained from Postal Regulatory Commission Docket No. N2024-1, Advisory Opinion on the Operational and Service Standard Changes Related to the Delivering for America Plan, dated January 31, 2025.



# Finding #2: Inadequate and Inaccurate Customer Communication

The Postal Service did not notify Wisconsin region customers of the LTO initiative and its impact on mail delivery originating from their area. Further, scans being performed at the post office inaccurately reflected when a package left the post office on the way to the processing facility, misrepresenting the location of packages as they traversed the network.

## Post Office Signage

Signage at optimized post offices was not updated to reflect LTO changes. For example, with LTO implementation, most optimized post offices can no longer offer overnight Priority Mail Express to customers. However, signage inside the lobbies still displayed overnight Priority Mail Express as an option for delivery (see Figure 6). Clerks at post offices we visited stated they had to explain to customers, at the window, that overnight service was no longer available.

Figure 6. Post Office Signage Offering Next-Day Delivery



Source: 2024 Postal Service signage obtained from the Continuity Point Purchase Catalog.  
Note: The signage states in a footnote, "Scheduled delivery date and time depend on origin, destination and Post Office™ facility acceptance time. Some restrictions apply."

Further, there was no communication displayed within the post office stating that mail would be left overnight although dropped off prior to posted collection box pickup times and closure of the post office. The Postal Operations Manual requires the Postal Service to ensure customers are notified of changes in service promptly.<sup>22</sup>

Postal Service Headquarters and local management attributed not setting clear customer expectations and communications to LTO being a pilot program and a lack of management oversight and training.

Postal Service Headquarters management stated that it launched the LTO initiative as a pilot and, as such, the processes and outcomes were still evolving. Also, management indicated that the LTO initiative would not impact service performance or customers. In turn, district management also stated there were no plans to update signage within the retail area, especially as it pertained to overnight Priority Mail Express.

Therefore, the Postal Service only provided information to customers about LTO after issues arose or questions were asked. Clerks were left to notify customers at the window or direct them to an automated “1-800” phone number that provided the following message:

*“Due to transportation changes at our facility,  
all mail and packages dropped today  
will be sent on the first dispatch tomorrow  
morning.  
  
We do not expect any impact to customer  
service from this change,  
  
as our transportation remains aligned to meet  
our published  
  
mailing and shipping product service standards.”*

The automated message did not state whether the changes were temporary or permanent, and

the Postal Service did not conduct any additional customer outreach.

It is the responsibility of management at all levels to provide advance notice for actions that impact customers, such as this initiative.<sup>23</sup> The lack of transparency and customer outreach about LTO changes reflects negatively on the Postal Service brand and goodwill and potentially drives customers to competitors for their mailing needs. It is critical to notify customers of changes to mailing schedules, so customers can adapt their mailing practices.

In a previous audit,<sup>24</sup> we reported the Postal Service had not adequately informed the public of the LTO initiative and recommended that the Postal Service conduct outreach to affected customers notifying them of the changes to optimized offices. Management agreed with the recommendation and provided a target implementation date of December 1, 2025. As a result, we will not make a recommendation on this issue in this report but will seek updates from the Postal Service as it moves towards implementation.

### Post Office Scanning

Postal Service staff did not complete “depart post office scans”<sup>25</sup> in coordination with LTO pickup times and established guidance.<sup>26</sup> Although transportation now arrived in the morning to drop off and pick up mail, staff were still completing scans in the afternoon, which is when transportation used to arrive. According to the guidance, the scan is to be completed in the morning when mail is leaving the post office. If there is no staff present when the mail is being picked up, the first arriving staff should complete the scan upon arrival. Of the 25 post offices visited, 23 (or 92 percent) completed inaccurate depart post office scans from January 8 to December 31, 2024.<sup>27</sup>

We further analyzed packages scanned after noon Central Standard Time from LTO locations

<sup>22</sup> Postal Operations Manual, Issue 9, Section 652.424, dated July 2002 and updated online through May 31, 2024.

<sup>23</sup> Administrative Support Manual, Section 333, dated January 31, 2024.

<sup>24</sup> *Network Changes: Local Transportation Optimization* (Report Number 24-142-R25, dated December 18, 2024).

<sup>25</sup> Depart post office scans are completed to document when packages leave the post office on the way to the processing facility.

<sup>26</sup> Postal Service training titled, *Optimized Collections*, dated December 5, 2023.

<sup>27</sup> Completing these scans in the afternoon shows customers, via USPS Tracking®, that their package left the post office that day although it would stay overnight.

in the Wisconsin region. From January 8 to December 31, 2024, we found:

- 333 of the 389 optimized post offices (or about 86 percent) completed inaccurate depart post office scans, impacting 269,653 packages.
- 13 out of the 25 post offices (or 52 percent) visited still completed inaccurate depart post office scans 11 months after LTO implementation.

Due to a lack of training, six of 25 post offices visited (or 24 percent) were not aware depart post office scans were to be completed at the actual time the transportation left their facility. In addition, during interviews with local and district management not all were aware of the updated LTO depart post office scanning policy. We also found two instances (Woodruff and Boulder Junction, WI) where postmasters acknowledged they had learned the correct dispatch scan policy prior to our site visit, but had not disseminated the information down. This also impacted two other LTO offices we visited, in which they oversaw – specifically Saint Germain and Manitowish Waters, WI. Depart post office scans specific to these four post offices were still inaccurate 11 months after LTO implementation, impacting a total of 10,920 packages.

In addition, five postmasters were promoted or transferred to optimized post offices after the initial LTO training in December 2023 (prior to LTO implementation). While headquarters management implemented an LTO workspace that included the training materials, local management seemed unaware of where to learn more about the initiative, outside of the single training offered.

By not completing the depart post office scan timely, the location of packages was misrepresented, decreasing overall customer satisfaction. Further, as an overall result of inadequate and inaccurate customer communication of the LTO initiative and its impact on mail delivery originating from their area, customer complaints grew. From January 8, 2024, through January 7, 2025, Customer 360<sup>28</sup> formalized complaints for optimized post offices increased by 1,195 (or about 13 percent) compared to SPLY. In addition, local management at 19 of the 25 post offices visited (or 76 percent) reported an increase in informal complaints at the customer service window since LTO implementation.

#### **Recommendation #1**

We recommend the **Vice President, Retail and Post Office Operations**, update post office signage at all Wisconsin region optimized offices to reflect changes and impacts based on local transportation optimization.

#### **Recommendation #2**

We recommend the **District Manager, Wisconsin District in coordination with District Manager, Michigan 2 District**, develop a process to monitor the accuracy of depart post office scans within the Wisconsin region, and take action as needed.

#### **Recommendation #3**

We recommend the **Vice President, Delivery Operations**, require annual transportation optimization training for all Wisconsin region supervisors at optimized offices and track and monitor compliance.

<sup>28</sup> The Customer 360 (C360) application allows Postal Service personnel and agents use to create, handle, and resolve customer issues and inquiries.

### Postal Service Response

Management disagreed with the finding, agreed with recommendations 1 and 2, and disagreed with recommendation 3. Management noted that with the January 2025 price change, all references to overnight Priority Mail Express service was updated to reflect 1- to 2-day delivery.

Regarding recommendation 1, management provided documentation of the updated signage purchased and sent to all offices nationwide. The universal language for signage across all post offices now reflects a 1- to 2-day delivery for Priority Mail Express. While management provided a target implementation date of March 31, 2025, it also requested closure of this recommendation at final report issuance.

Regarding recommendation 2, management stated district managers will use a gatekeeper and dashboard to track scan compliance, and will address issues as needed. The target implementation date is May 31, 2025.

Regarding recommendation 3, management stated that Wisconsin region supervisors were already trained on the transportation optimization process, and there is a repository

of training materials for all management to reference.

### OIG Evaluation

Regarding finding 2, the OIG acknowledges the new signage sent to post offices in January 2025 to reflect changes and impacts based on LTO. The signage referenced in the finding was based on site observations conducted in October 2024.

The OIG considers management's comments responsive to recommendations 1 and 2. Based on our review of the documentation submitted, we consider recommendation 1 closed with issuance of this report, and corrective actions listed for recommendation 2 should resolve the issues identified in the report.

Regarding recommendation 3, although training was provided in December 2023, and a repository of training materials exists for reference, we reported instances where supervisors were not aware of policy provided in the training, did not receive the training, and/or were not aware of the repository of training materials, indicating a need for annual training on the LTO initiative. The OIG considers management's disagreement with recommendation 3 as unresolved and plans to pursue it through the audit resolution process.



## Finding #3: Inconsistent Pickup of Collection Box Mail

LTO implementation in the Wisconsin region resulted in inconsistencies on when collection boxes were being accessed and who had possession of arrow keys.<sup>29</sup> Prior to LTO, certain Highway Contract Route (HCR)<sup>30</sup> drivers were issued arrow keys to access collection boxes in instances when the post office closed prior to the afternoon truck arrival. However, since LTO implementation, HCR drivers now arrive in the morning to pick up the collection mail, and therefore, are not at the post office at the scheduled collection box pick up time in the afternoon. We identified the following inconsistencies regarding collection box mail pick up through site visits and data analysis:

- We observed an HCR driver, at the Iron Belt Post Office, using an arrow key to access a collection box at the time of their arrival in the morning. The HCR driver was collecting mail from the collection box at 8:15 a.m., instead of the collection box's posted time of 3:15 p.m. The post office last accessed the collection box at 12:10 p.m. that day, over three hours before the posted time.<sup>31</sup>
- 156 of the 163 (about 96 percent) HCR drivers assigned to access collection boxes at optimized post offices did not complete their collections within 30 minutes of the collection box's posted time. From January 8 to December 31, 2024, on average, collection boxes were accessed two hours and 18 minutes earlier or later than the scheduled times.
- During site visits, we observed three HCR drivers who possessed arrow keys, but they no longer used or needed them to access collection boxes.

Postal Service policy<sup>32</sup> states mail should be collected approximately 20 minutes after the posted collection box time, and mail should never be collected before the posted collection time. Additionally, a 30-day notice must be posted on collection boxes to inform

affected customers of any changes that eliminate evening or Saturday collections. Further, when an employee's duties no longer require the use of an assigned arrow key, the key must be returned immediately.<sup>33</sup>

These inconsistencies occurred primarily due to a lack of management oversight of HCR contracts and arrow key accountability since LTO implementation.

Regarding HCR contracts, although adjustments were made to transportation times due to the LTO initiative, the contracts were never updated to exclude collection box responsibilities for HCR drivers. In four of the six contracts<sup>34</sup> we obtained and reviewed, the language explicitly stated the requirement for the HCR driver to access the collection box on a specific trip. Therefore, in some instances, HCR drivers were still accessing the collection boxes, even though they were only completing morning transportation trips. Postal Service management stated that contracts were not updated to remove collection box responsibilities, and HCR drivers are paid for the time to access collection boxes when identified in the contracts. As a result, the Postal Service may be incurring additional expenses for services no longer needed.

Further, since afternoon trips were eliminated with the LTO initiative, and the post office may be closed prior to the collection box pickup time, there may not be anyone at the post office to access the box at the scheduled time. Headquarters management was aware of the issue, and in January 2024, they instructed local management to access the collection box within 15 minutes of the post office closing, although this may be earlier than the documented scheduled time on the collection box. While headquarters management stated this would be a temporary fix, these instructions were still being followed as of December 2024. When mail is not collected at its scheduled times, there is an increased

<sup>29</sup> Arrow keys are universal keys to open secure postal access points, such as collection boxes.

<sup>30</sup> A route of travel served by a postal contractor to carry mail.

<sup>31</sup> From October 1 to October 12, 2024, the last scan consistently occurred around 12:00 p.m.

<sup>32</sup> Postal Operations Manual, Issue 9, Section 313.13 and 316, dated July 2002 and updated online through May 31, 2024.

<sup>33</sup> USPS Arrow Key Guidebook Standard Work Instructions, Section 273.462, dated August 2023.

<sup>34</sup> Included in the statement of work for contracts 539A3, 539A6, 545L4, and 54532.

chance of customer dissatisfaction and negative impact to the Postal Service brand.

Lastly, regarding arrow key accountability, management did not remove arrow keys from HCRs that no longer needed to perform collection duties. By not properly removing unnecessary arrow keys from HCR drivers' possession, there is a potential security risk.

#### **Recommendation #4**

We recommend the **Senior Vice President, Logistics, in coordination with Vice President, Logistics**, review and update transportation contracts within the Wisconsin region to remove unnecessary collection box pickup for Highway Contract Routes.

#### **Recommendation #5**

We recommend the **Vice President, Logistics in coordination with Senior Vice President, Logistics**, review the need for Highway Contract Route drivers within the Wisconsin region to possess arrow keys, and obtain possession of keys no longer needed.

#### **Recommendation #6**

We recommend the **Vice President, Delivery Operations**, adjust or reinforce scheduled collection box times within the Wisconsin region, to allow for collection boxes to be accessed timely and communicate any schedule adjustments to the customers.

#### **Postal Service Response**

Management agreed with the finding and recommendations 4 and 6, and disagreed with recommendation 5.

Regarding recommendation 4, management reviewed the transportation contracts and noted that it does not currently require collection box pickup. Management noted it would provide these contracts for our review to request closure of the recommendation. The target implementation date is June 30, 2025.

Regarding recommendation 5, management stated it already has a process in place to review the need for HCR drivers to possess arrow keys.

Regarding recommendation 6, management stated collection box pickup schedules are mandated and adjusted per the Postal Operation Manual, and the optimized facilities are following the requirement to collect the mail as late as possible, no earlier than 15 minutes before the retail counter closes. Management also stated that adherence to the scheduled pickup time — posted on the collection box — is monitored in the Collection Point Management System (CPMS). While management provided a target implementation date of April 30, 2025, it also requested closure of this recommendation at final report issuance.

## OIG Evaluation

The OIG considers management's comments responsive to recommendation 4, and corrective actions should resolve the issues identified in the report.

Regarding recommendation 5, although management stated it has a process in place to review the need for HCR drivers to possess arrow keys, we observed three HCR drivers who possessed arrow keys, but no longer used or needed them to access collection boxes. These examples indicate the need for a re-evaluation of which HCR drivers still need to possess arrow keys. The OIG considers management's disagreement with recommendation 5 as unresolved and will pursue it through the audit resolution process.

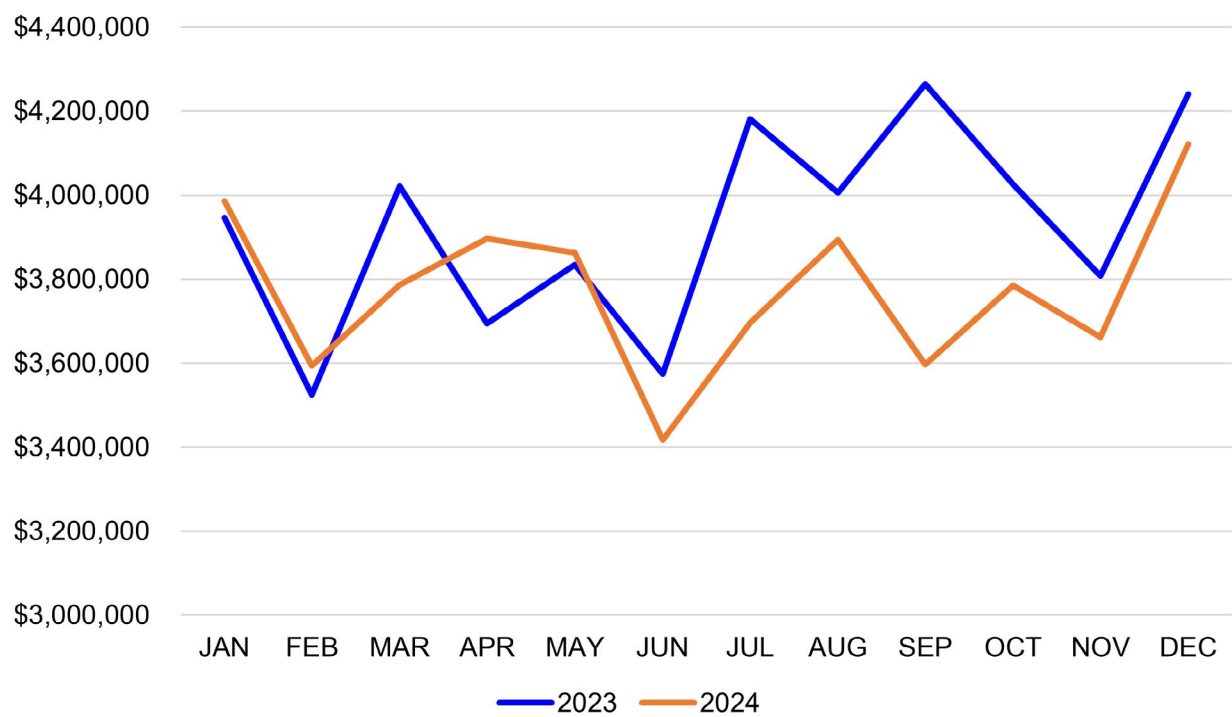
Regarding recommendation 6, the mandated policy<sup>35</sup> referenced in the Postal Service's management comments states mail should be collected approximately 20 minutes after the posted collection box time, and mail should never be collected before the posted collection time. However, as discussed in the report, we observed mail being collected before the scheduled time, indicating the need to adjust the posted scheduled collection box times to align with retail counter closures or reinforce the need to align with the current posted schedule. The OIG considers management's response to recommendation 6 as unresolved and will pursue it through the audit resolution process.

<sup>35</sup> Postal Operations Manual, Issue 9, Section 313.13 and 316, dated July 2002 and updated online through May 31, 2024.

# Finding #4: Ineffective Tracking of Transportation Cost Savings

The Postal Service did not effectively track cost savings specific to the LTO initiative in the Wisconsin region. All reported transportation savings were evaluated in total versus specific to the LTO initiative. In total, the Postal Service achieved the projected annualized transportation cost savings of \$1.8 million in the Wisconsin region. Specifically, the Postal Service spent about \$45.3 million on transportation in Wisconsin in calendar year 2024 compared to about \$47.1 million during SPLY. See Figure 7 for a comparison of the monthly transportation spend in Wisconsin in 2023 and 2024.

Figure 7. Transportation Spend in Wisconsin



Source: Surface Visibility.

The Postal Service’s Chief Logistics Office reported that the primary operational metrics used to measure the success of the LTO initiative were the reduction of miles and trips, and the reduction of driver hours, including layover hours (the period of time when a contractor is not working). While the Postal Service tracked these operational metrics, it did not track actual cost savings specific to the LTO initiative within the Wisconsin region.

In a previous audit,<sup>36</sup> we reported that the Postal Service had not developed a process to track LTO cost savings. We recommended the

Postal Service develop and maintain detailed documentation outlining the cost savings resulting from the LTO implementation for each region and include a comparison to planned savings. Management agreed with the recommendation and provided a target implementation date of December 1, 2025. As a result, we will not make a recommendation on this issue in this report but will seek updates from the Postal Service as it moves towards implementation.

<sup>36</sup> Network Changes: Local Transportation Optimization (Report Number 24-142-R25, dated December 18, 2024).



### **Postal Service Response**

Management stated that it generally agreed with the finding.

### **OIG Evaluation**

The OIG considers management's comments responsive to the finding.

### **Looking Forward**

On January 31, 2025, the Postal Regulatory Commission advisory opinion recommended the Postal Service conduct further preparation before beginning the RTO initiative to improve its likelihood

of achieving implementation success, including finalizing the list of post offices eligible for RTO, creating an implementation plan beginning with an RTO pilot, and creating a model to estimate RTO transportation cost savings.

As the Postal Service moves forward with its modernization initiatives, it is important to maintain transparency and earn the public's trust. We plan to conduct additional audits on the effectiveness of the Postal Service's RTO initiative as it is rolled out nationwide.

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# Appendix A: Additional Information

## Scope and Methodology

Our objective was to determine the impacts associated with the Postal Service's LTO initiative in the Wisconsin region. The Wisconsin region was selected as it had not concurrently implemented other initiatives, such as a Regional Processing and Distribution Center, and the length of time since implementation to evaluate performance.

To accomplish our objective, we:

- Analyzed Single Piece First-Class service performance before and after LTO implementation in the Wisconsin region. Specifically, we reviewed on-time service performance from January 5 to December 27, 2024, compared to SPLY, and the national performance target.
- Analyzed Ground Advantage, Priority Mail, and Priority Mail Express service performance before and after LTO implementation in the Wisconsin region. Specifically, we reviewed on-time service performance from January 6 to December 28, 2024, compared to SPLY. We reviewed on-time service performance for the specific 5-digit ZIP Codes impacted by the initiative.
- Analyzed Wisconsin region impacts to demographics and Customer 360 complaints.
- Obtained and analyzed Wisconsin region transportation costs from January through December 2024 compared to SPLY, to determine potential LTO transportation savings.
- Obtained and analyzed package dispatch scans from January 8 to December 31, 2024, to determine if scans were completed timely at optimized post offices.
- Reviewed Collection Point Management System<sup>37</sup> data from January 8 to December 31, 2024, to determine if optimized post office collection boxes were picked up at scheduled times.

- Interviewed Postal Service management to gain an understanding of the LTO initiative and locations impacted.
- Conducted observations at 26<sup>38</sup> judgmentally selected post offices and four processing facilities to determine LTO impacts and interviewed local Postal Service personnel. See [Table 3](#) for the post offices and processing facilities visited and the dates of observation.

We conducted this performance audit from September 2024 to March 2025 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 February 28, 2025, and included its comments where appropriate.

In planning and conducting the audit, we obtained an understanding of the internal control structure for the LTO initiative in the Wisconsin region to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following five components were significant to our audit objective: control activities, risk assessment, control environment, information and communication, and monitoring.

<sup>37</sup> Collection Point Management System is a management tool to monitor collection schedules, and to maintain the facilities information.

<sup>38</sup> One post office selected was not optimized and was removed from any site visit analysis.

**Table 3. Site Visit Locations**

Facility Type	Facility Name	Date Visited
Post Office	Hurley	October 2, 2024
	Iron Belt	
	Manitowish Waters	
	Niagara Main	
	Pembine	
	Saint Germain	
	Argonne	October 3, 2024
	Boulder Junction	
	Florence	
	Harshaw	
	Minocqua	
	Three Lakes Main	
	Eagle River Main	October 3 and October 15, 2024
	Woodruff	October 3 and October 16, 2024
	Berlin	October 16, 2024
	Green Lake Main	
	Montello	
	Omro	
	Oxford	
	Ripon	
	Rosendale	
	Waukau	
	Waupun	
	Adams	
	Eldorado	October 17, 2024
	Van Dyne	
Mail Processing Facility	Milwaukee Processing and Distribution Center (P&DC)	October 15, 2024
	Oak Creek Mail Processing Annex	
	Oshkosh P&DC	October 16, 2024
	Green Bay P&DC	October 17, 2024

Source: OIG judgmental site selections.

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related control activities, information and communication, and monitoring that were significant within the context of our objectives. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of the Postal Service's, Address Management System (AMS), Customer 360, PTR, Surface Visibility, Informed Visibility, Facilities Database, Collection Point Management System, and Transportation Optimization Planning and Scheduling systems data by interviewing Postal Service officials, comparing data to other representative time periods, and reconciling data from one system to another. We determined that the data were sufficiently reliable for the purposes of this report.



## Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Network Changes: Local Transportation Optimization</i>	To determine the impacts to service performance, customer service, mail security, and expected cost savings from the implementation of the LTO initiative.	<a href="#">24-142-R25</a>	December 18, 2024	\$0
<i>Impacts Associated with Local Transportation Optimization in Richmond, VA</i>	To determine impacts associated with the Postal Service's new Local Transportation Optimization Initiative in Richmond, VA.	<a href="#">23-161-1-R24</a>	April 12, 2024	\$0

# Appendix B: Wisconsin Region Service Performance

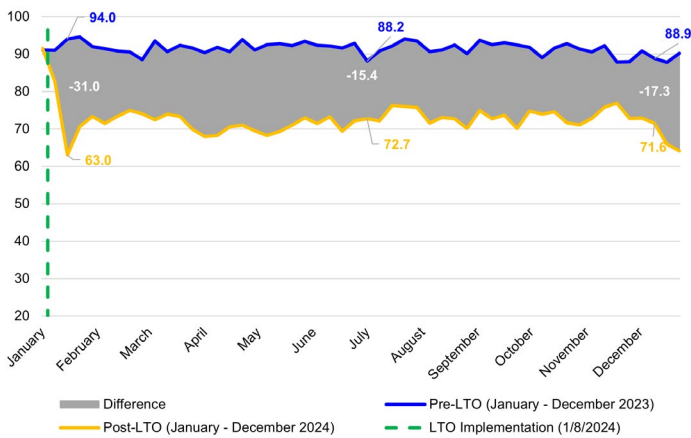
In the weeks after the Postal Service implemented its LTO initiative in the Wisconsin region, customers experienced lower on-time service performance for all mail classes.

## Letter Service Performance

Single Piece First-Class Mail performance declined by 25 percentage points one week in December 2024, to the lowest point of 49 percent on time, when compared to SPLY. Since implementation, Single Piece First-Class Mail service performance declined and consistently remained below SPLY.

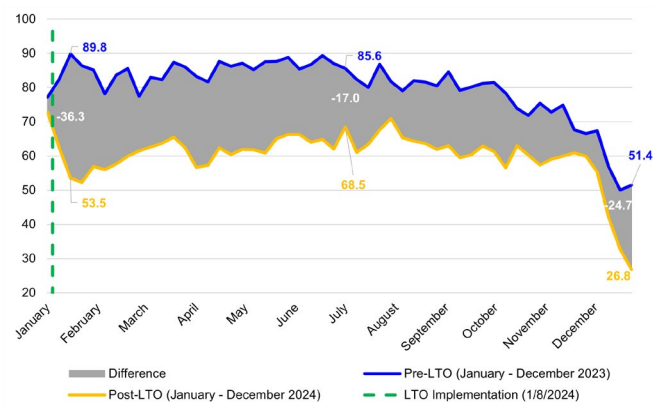
In addition, since implementation, Single Piece First-Class Mail 2-Day Mail service performance declined by 31 percentage points, to the lowest point of 63 percent on time one week in January 2024 (see Figure 8). Single Piece First-Class Mail 3-5 Day service performance declined by 25 percentage points, to the lowest point of 27 percent one week in December 2024 (see Figure 9).

Figure 8. Single Piece First-Class 2-Day Service Performance



Source: Postal Service provided data and OIG analysis.  
Note: Adjustments due to rounding.

Figure 9. Single Piece First-Class 3-5 Day Service Performance



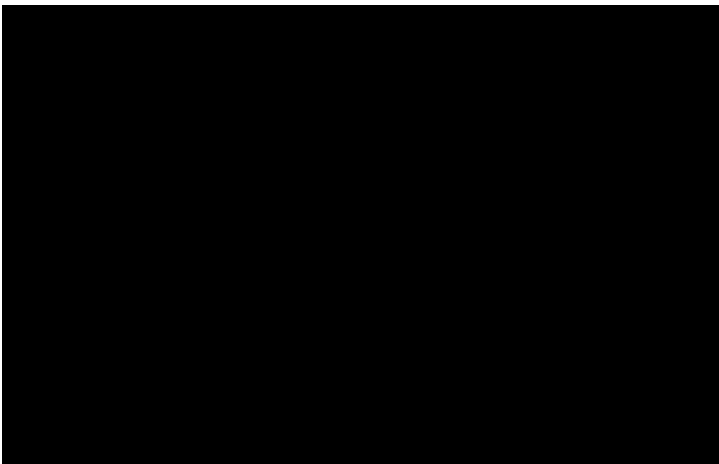
Source: Postal Service provided data and OIG analysis.  
Note: Adjustments due to rounding.

## Package Service Performance

### Ground Advantage

Since implementation, Ground Advantage service performance declined by about [redacted] percentage points the second week of January 2024, to about [redacted] percent on time. Specifically, Ground Advantage service declined after LTO implementation in January 2024, but improved and performed better than SPLY for several weeks in November and December 2024. See Figure 10 for Ground Advantage service performance compared to SPLY.

Figure 10. Ground Advantage Service Performance

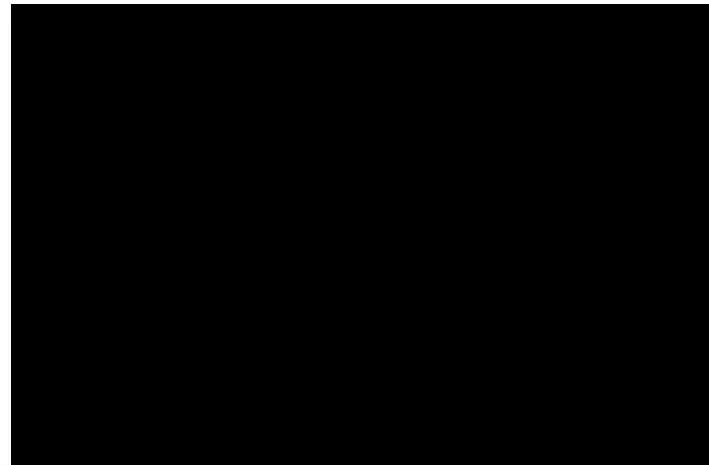


Source: PTR and OIG Analysis.  
Note: Adjustments due to rounding.

Priority Mail

Since implementation, Priority Mail service performance declined by about [redacted] percentage points one week in January 2024, to about [redacted] percent on time, when compared to SPLY. Priority Mail on-time performance was slightly above SPLY two weeks in November 2024 and below SPLY the remaining weeks. See Figure 11 for Priority Mail service performance compared to SPLY.

Figure 11. Priority Mail Service Performance

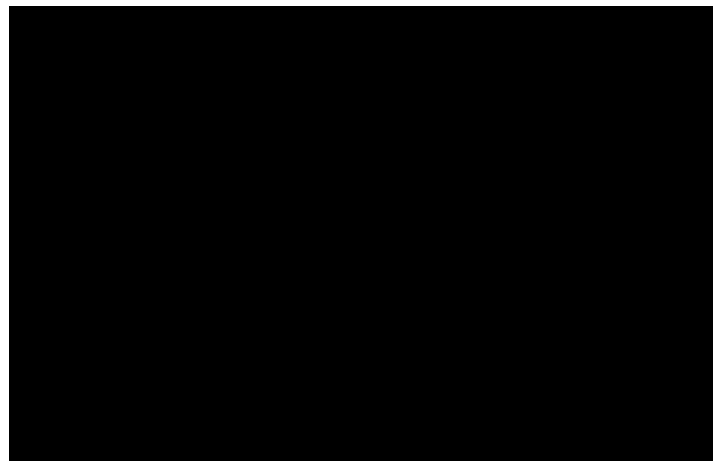


Source: PTR and OIG analysis.

Priority Mail Express

Since implementation, Priority Mail Express service performance declined by [redacted] percentage points the second week in January 2024, to the lowest point of about [redacted] percent when compared to SPLY. Priority Mail Express on-time performance improved above SPLY the last week in January 2024 and then declined below SPLY in the remaining weeks. See Figure 12 for Priority Mail Express service performance compared to SPLY.

Figure 12. Priority Mail Express Service Performance



Source: PTR and OIG analysis.

# Appendix C: Customer Demographics

The Postal Service’s decision to implement this initiative at post offices greater than 50 miles away from a processing facility impacts more rural ZIP Codes than urban. To determine the urban and rural demographics impacted by the LTO initiative in the Wisconsin region, we first identified:

- The number of optimized post offices in the Wisconsin region and their locations.<sup>39</sup> This included post offices impacted in Wisconsin and Michigan.
- The number of active Postal Service-identified (business and residential) delivery points<sup>40</sup> from the AMS.<sup>41</sup>

- Urban and rural populations by ZIP Code from the 2020 Census<sup>42</sup> data.

We determined demographics by assessing the percentage of urban and rural populations from the 2020 Census to active delivery points in AMS for the non-optimized and optimized post office ZIP Codes. Our analysis determined that out of the roughly 1.24 million people impacted by LTO in the Wisconsin region, about 778,000 (or 62.5 percent) were rural, and about 466,000 (or 37.5 percent) were urban (see Table 4).

Table 4. Urban and Rural Populations Impacted by Non-Optimized and Optimized Post Offices

Optimization Level	Rural Population	Urban Population	Total Population	Percent Rural	Percent Urban
Non-Optimized	773,107	3,166,819	3,939,926	19.6%	80.4%
Optimized	777,901	466,289	1,244,190	62.5%	37.5%
Total	1,551,008	3,633,108	5,184,115	29.9%	70.1%

Source: OIG analysis of the Postal Service LTO optimization, service ZIP Codes, and 2020 Census data.

To determine the proportion of urban and rural populations impacted, we applied the disparate impact methodology<sup>43</sup> and determined the ratio of LTO impacts to the respective urban and rural population totals. We concluded the rural population was disproportionately impacted about 3.9 times more than the urban population (see Table 5).

Table 5. LTO Impacted Urban and Rural Population Ratio

Optimization Level	Rural Population	Urban Population	Rural Impact
Optimized	777,901	466,289	
Total Population	1,551,008	3,633,108	
Percent Optimized	50.15%	12.83%	
			3.91

Source: OIG analysis of the Postal Service LTO optimization, service ZIP Codes, and 2020 Census data.

<sup>39</sup> Obtained from the Postal Service on September 23, 2024.  
<sup>40</sup> A delivery point is a single mailbox or other place to which mail is delivered.  
<sup>41</sup> AMS is the national USPS database of every delivery address with its associated ZIP Code, ZIP+4 code, and city/state name.  
<sup>42</sup> Population statistics come from decennial censuses completed by the U.S. Census Bureau, which count the entire U.S. population every ten years.  
<sup>43</sup> Disparate impact (or adverse impact) refers to unintentional discriminatory practice. Our methodology aligns with the Department of Justice’s Title VI of the Civil Rights Act of 1964, which states that a typical disparity measure determines the proportion of protected persons and non-protected persons adversely affected. In this case, we used the rural population as the protected class type for our analysis.

# Appendix D: Management's Comments



Date: 3/19/25

BRIAN NEWMAN  
ACTING DIRECTOR, AUDIT SERVICES

*SUBJECT: Network Changes: Local Transportation Optimization in the Wisconsin Region*  
(Report Number 24-145-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the draft audit report, *Network Changes: Local Transportation Optimization in the Wisconsin Region*.

**Finding #1: Decreased Service Performance Impacted Rural Communities**  
**Management generally agrees with this Finding**

With the pilot, volume was planned to remain at the delivery units overnight for picked-up the following morning, on Day1, increasing the risk of service failure. This impact was mitigated/lessened by applying a volume threshold to identify exceptions that would continue to receive afternoon pickups. After piloting Local Transportation Optimization (LTO), the Postal Service has since filed for a service standard change to account for the extra time required in leg-1 for Regional Transportation Optimization (RTO). The service scores declined based on the data, but we discovered issues with the following figures where the data is not accurate.

- Page 5 – Figure 3
- Page 23 – Figure 10
- Page 24 – Figure 11
- Page 25 – Figure 12

**Finding #2: Inadequate and Inaccurate Customer Communication**  
**Management disagrees with this Finding**

OIG stated most optimized post offices can no longer offer overnight Priority Mail Express (PME) but signage still displays overnight Priority Mail Express as an option for delivery. However, the OIG Draft Document references an older version of Shipping menu boards. With the January Price Change, all references to PME overnight have been updated to reflect 1 to 2-day delivery. This was done by Brand 1 to settle on universal language for signage across all Retail offices.

Remaining Findings:  
**Management generally agrees**



Following are our comments on each of the six recommendations.

Recommendation 1:

We recommend the **Vice President, Retail and Post Office Operations**, update post office signage at all Wisconsin Region optimized offices to reflect changes and impacts based on local transportation optimization.

Management Response/Action Plan:

Management **agrees** with this recommendation.

With the January 2025 Price Change, all references to PME overnight services have been updated to reflect 1 to 2-day delivery as universal language for signage across all Retail offices. A decision was made in the Summer of FY24 for the change to universal language. The release coincided with the 2025 Price Change for cost effectiveness.

A worksheet of the January 2025 Price Change Point of Purchase (POP) was provided to the OIG that was representative of the national Distribution List – that included tracking numbers, office details and materials each office received – i.e., type of menu board, EPS headers, price strips, etc. Materials are released based on data found in FDB and communicated via Retail Digest and the weekly Retail Marketing call that alerts the Field when materials are arriving and when they should be displayed. OIG confirmed that the documentation provided by Management was sufficient to Close at Issuance.

Target Implementation Date: 3/31/25

Responsible Official: Manager, Retail & Post Office Operations Policy & Practice

Recommendation 2:

We recommend the **District Manager, Wisconsin District in coordination with District Manager, Michigan 2 District**, develop a process to monitor the accuracy of Depart Post Office scans within the Wisconsin Region, and take action as needed.

Management Response/Action Plan:

Management **agrees** with this recommendation.

District Managers will assign a gatekeeper to provide oversight utilizing a dashboard to track compliance and accuracy of the scans. District Managers will address any anomalies.

Target Implementation Date: 5/31/2025

Responsible Official: District Managers/Manager of Integration

Recommendation 3:

We recommend the **Vice President, Delivery Operations**, require annual transportation optimization training for all Wisconsin region supervisors at optimized offices and track and monitor compliance.

Management Response/Action Plan:

Management **disagrees** with this recommendation.

Headquarters Management trained the Wisconsin Region Supervisors on a robust Transportation Optimization process. There is a repository of training materials for current and future local management to reference. LTO training should be practiced daily.

Target Implementation Date: N/A

Responsible Official: N/A

Recommendation 4:

We recommend the **Senior Vice President, Logistics, in coordination with Vice President, Logistics**, review and update transportation contracts within the Wisconsin region to remove unnecessary collection box pickup for Highway Contract Routes.

Management Response/Action Plan:

Management **agrees** with this recommendation.

Management reviewed the specific contracts notated in the Audit. These specific contracts do not currently state in the contract that collection box pickup is necessary. Contracts will be provided upon submission and request closure upon submission.

Target Implementation Date: 06/30/25

Responsible Official: Marvin Rainwater, Westshores Logistics Division Director

Recommendation 5:

We recommend the **Vice President, Logistics in coordination with Senior Vice President, Logistics**, review the need for Highway Contract Route drivers within the Wisconsin region to possess arrow keys, and obtain possession of keys no longer needed.

Management Response/Action Plan:

Management **disagrees** with this recommendation.

Management has a process in place to review the need for Highway Contract Route drivers to possess arrow keys.

Target Implementation Date: N/A

Responsible Official: N/A

Recommendation 6:

We recommend the **Vice President, Delivery Operations**, adjust or reinforce scheduled collection box times within the Wisconsin region, to allow for collection boxes to be accessed in a timely manner and communicate any schedule adjustments to the customers.

Management Response/Action Plan:

Management **agrees** with this recommendation.



Collection Box pick up schedules are mandated/adjusted per the POM (Postal Operation Manual) – Chapter 3. Management is currently following the rules below.

Specifically for facilities  
POM 313.21

- a. *For Non-city Delivery Postal Facilities:* The District manager may utilize highway contract route (HCR) carriers, rural carriers, clerks, and/or other carriers for collections from the box in front of non-city delivery Post Offices. Pick up times should be as late as possible to enhance customer service, **no earlier than 15 minutes before the retail counter closes**. If the facility is on a transportation route, consideration should be given to HCR collection.

The pick-up of a collection point is monitored and reinforced in the CPMS (Collection Point Management System). The program monitors for adherence to the scheduled pick-up time and identifies any early, late or missed pick-ups. The scheduled pick-up time is posted on the collection box and we will enforce the rules of the POM.

Management requests closure upon issuance of the final report.

Target Implementation Date: 4/30/25

Responsible Official:

Director, City Delivery Strategy and Policy

E-SIGNED by JOHN.S MORGAN  
on 2025-03-19 16:54:05 EDT

John S. Morgan  
Vice President, Delivery Operations

E-SIGNED by ROBERT CINTRON  
on 2025-03-19 14:20:44 EDT

Robert Cintron on behalf of Peter Routsolias  
Senior Vice President, Logistics


E-SIGNED by ROBERT CINTRON  
on 2025-03-19 14:20:12 EDT

Robert Cintron  
Vice President, Logistics

E-SIGNED by Jennifer.T Vo  
on 2025-03-19 12:15:05 EDT


Jennifer T. Vo  
Vice President, Retail & Post Office Operations

-5-

 E-SIGNED by WANDA.P PRATER  
on 2025-03-19 15:25:35 EDT

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Wanda Prater  
District Manager, Wisconsin District

 E-SIGNED by DONALD.D DOMBROW JR  
on 2025-03-20 08:30:40 EDT

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Donald D. Dombrow, Jr.  
District Manager, Michigan 2 District

*cc: Corporate Audit & Response Management*

# OFFICE OF INSPECTOR GENERAL UNITED STATES POSTAL SERVICE



This document contains sensitive information that has been redacted for public release. These redactions were coordinated with USPS and agreed to by the OIG.

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