**UNITED STATES POSTAL SERVICE**

July 3, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT:  Audit Resolution – Delivery in Northern Minnesota: (Audit Number 24-048-R24)
          Recommendations 2 and 3

Representatives of the Office of the Inspector General (OIG) and USPS management met on June 18, 2024, to discuss management's disagreement with recommendations 2 and 3 as stated in the April 23, 2024, management response in the subject audit report.

As a result of the meeting, an agreement was reached pertaining to recommendations 2 and 3 which reads as follows from the May 6, 2024, final audit report:

**Recommendation #2**

We recommend the Vice President, Retail and Post Office Operations, in conjunction with the Vice President, Delivery Operations, obtain and consider district and local management input on their ability to deliver all mail when assessing opportunities for new projected drop shipment package volume.

**Recommendation #3**

We recommend the Vice President, Retail and Post Office Operations, develop and implement procedures to promptly communicate to district and local management any expected new drop shipment mail volumes and start dates for large shippers.

The status of the recommendation will be changed to "Agreed" in both the OIG's and management's tracking systems.

To close these recommendations management took the following actions:

**Recommendation #2:**
Management shared the process used to assess, analyze, and evaluate potential challenges that the field might face — outside of the review of data.  This robust model/screening is used to determine the feasibility of a unit accepting new drop shipment mail volumes from large shippers. The process typically is completed 3-5 months prior to the targeted execution date — with the review spanning over a 30-day time frame.

Additional elements included in the model:
- Health of the unit
- Median score was then established for all ZIP Codes being scored
- ZIP Codes above the median were approved to be turned on
- Secondary review including:
  - Function 2 Employee Availability
  - Function 4 Employee Availability
  - City Carrier Route Ratio

o   Rural Carrier Assistant Route Coverage

Additionally, management shared email samples which were sent to the field that provided anticipated volumes — if activated — as well as Facilities Database attribute information.

Management is requesting closure upon receipt of letter.

<u>Target Implementation Date:</u> 07/31/2024

<u>Responsible Official:</u> Director, Post Office Operations

**Recommendation #3:**
Management shared the communication process used when USPS receives feedback from the mailer that the approved ZIP will be activated.  USPS receives feedback with a 14- to 30-day notification of the activation.

Exhibits shared related to the communication process:
- Email received from mailer with new ZIP Code activation notification.
- Email from mailer with revised activation date for new ZIP Codes.
- Email notification to Destination Delivery Units (DDUs), Managers Post Office Operations (MPOOs), and District Leadership provided after mailer notified Post Office Operations (POO) of new ZIP codes to be activated.
- Email notification to DDUs, MPOOs and District Leadership provided after mailer notified POO of revised activation dates of some new ZIP codes.
- Verification Survey link with training info sent to field prior to new ZIP activation in unit.
- Email reminder to offices who have not completed Verification Survey
- Example of slide used in training for new DDUs.
- Email to have MYPO certification for weekly route book posting.

Management is requesting closure upon receipt of letter.

<u>Target Implementation Date:</u> 07/31/2024

<u>Responsible Official:</u> Director, Post Office Operations

Sincerely,

E-SIGNED by ELVIN MERCADO
   on 2024-07-01 12:43:51 EDT
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Elvin Mercado
Vice President, Retail and Post Office Operations

E-SIGNED by ANGELA.H CURTIS
   on 2024-07-02 11:26:44 EDT
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Angela Curtis
Vice President, Delivery Operations

cc:  Corporate Audit & Response Management