May 1, 2007

JERRY LANE
VICE PRESIDENT, CAPITAL METRO AREA OPERATIONS

SUBJECT: Audit Report – Address Management System Information – Capital Metro
Area (Report Number DR-AR-07-004)

This report presents the results of our self-initiated audit of Address Management
System (AMS) information in the Capital Metro Area (Project Number 07XG006DR000).
This is one in a series of reports on AMS information. The information in this report will
be included in a nationwide capping report assessing the management of AMS
information. Our objective was to assess the U.S. Postal Service's management of
delivery AMS quality review results to ensure address information is correct and
complete to effectively process and deliver the mail in the Capital Metro Area.

Postal Service officials in the Capital Metro Area's Northern Virginia District effectively
managed delivery of AMS quality review results for approximately 1 percent (20 of
2,043 routes) according to Postal Service guidelines. However, opportunities exist for
Capital Metro Area officials to implement best management practices similar to the New
York District's with regard to address management national street review training. In
addition, opportunities exist for Northern Virginia District officials to follow established
area and district Standard Operating Procedures (SOPs) to improve the quality of AMS
data to process and deliver the mail through review of additional routes. Approximately
30,345 AMS data errors may exist in the Northern Virginia District on the 2,023 routes
for which street reviews were not conducted.

If the Capital Metro Area implemented best management practices similar to the New
York District's with regard to address management national street review training and
the Northern Virginia District followed established area and district SOPs, they would be
able to reduce errors by 31.84 percent, which would save the Postal Service $455,197
over the next 10 years. We will report $455,197 of funds put to better use in our
Semiannual Report to Congress.

For fiscal years 2005 and 2006, the Capital Metro Area districts improved their Delivery
Point Sequence (DPS) mail volume percentages. According to the *Transformation*

Plan, Postal Service officials are trying to achieve a goal of 95 percent of letter mail volume sorted to DPS by 2010. A decrease in AMS data errors will assist Capital Metro Area officials in achieving the DPS goal and reduce operating costs.

We recommended the Vice President, Capital Metro Area Operations, implement an AMS quality review program similar to the New York District's that includes providing training in AMS quality street reviews to delivery supervisors or appropriate designees. We also recommended the Vice President, Capital Metro Area Operations, direct the Northern Virginia District to follow the established area and district SOPs which require establishing an annual district schedule of AMS quality street reviews and directing delivery supervisors or appropriate designees to review delivery routes annually. In addition, we recommended the Vice President, Capital Metro Area Operations, direct the Northern Virginia District AMS office to establish a tracking system for street reviews.

Management agreed in principle with our findings and recommendations and has initiatives in progress, completed, or planned addressing the issues in this report. However, management disagreed with the assumption of basing audit errors of one AMS review year to project the same number for the next 10 years as the factor in affixing associated savings of $455,197 in funds put to better use. Management's comments and our evaluation of these comments are in the report.

The U.S. Postal Service Office of Inspector General (OIG) considers recommendations 1, 2, 3, and 4 significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These recommendations should not be closed in the follow-up tracking system until the OIG provides written confirmation the recommendations can be closed.

We appreciate the cooperation and courtesies provided by your staff during the audit. If you have any questions or need additional information, please contact Rita Oliver, Director, Delivery, or me at (703) 248-2100.

E-Signed by Colleen McAntee
ERIFY authenticity with Approvel
C. McAntee

Colleen A. McAntee
Deputy Assistant Inspector General
  for Mission Operations

Attachments

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    Kathleen Ainsworth
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    Steve Dearing
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INTRODUCTION

Background

Address management has become the foundation for how the Postal Service moves mail. Over the years, the Postal Service has been striving to obtain the highest quality address information possible for internal use and for its customers. In March 1993, the Postal Service implemented Delivery Point Sequence (DPS).[1] DPS is the process of putting barcode mail into the carrier's line of travel (LOT) to eliminate manual mail sorting, improve efficiency, and reduce costs.

In 1994, the Postal Service established the Address Management System (AMS) to capture, correct, and complete address information to enhance the efficiency of mail processing and delivery through automation. The AMS captures address information in sort programs used to process mail in DPS. A developer creates sort programs as part of the Sort Program System, which is part of the National Directory Support System (NDSS). DPS sort programs are transferred to either a Mail Processing Barcode Sorter or a Delivery Barcode Sorter[2] for sorting mail into DPS.

Mail that cannot be processed on automated equipment requires manual processing, which is less efficient and more costly to the Postal Service. As illustrated in Table 1, during fiscal year (FY) 2005, the Postal Service processed 94 billion pieces of letter mail, of which 72 billion pieces (76.8 percent) were processed on automated equipment and the remaining 22 billion pieces (23.2 percent) manually. During FY 2006, the Postal Service processed 93.3 billion pieces of letter mail; 74.4 billion pieces (79.7 percent) were processed on automated equipment and the remaining 18.9 billion pieces (20.3 percent) manually.

**Table 1. Postal Service Letter Mail Processed in Pieces
FYs 2005 and 2006**

Fiscal Year	DPS Letters (Pieces)	Cased Letters (Pieces)	Total Letters (Pieces)	DPS Percentage	Cased Letter Percentage
2005	72,270,819,511	21,846,660,416	94,117,479,927	76.8	23.2
2006	74,404,492,341	18,929,268,976	93,333,761,317	79.8	20.2

Source: Postal Service Web-Enabled Enterprise Information System (WebEIS)

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[1] DPS resulted from an agreement in 1992 with the National Association of Letter Carriers to change the automation environment.
[2] DPS mail is also sorted on Carrier Sequence Barcode Sorters, a type of mail processing equipment used by smaller Postal Service facilities.

In 2003, the Postal Service outlined a strategy to enhance address quality in its Intelligent Mail Corporate Plan. The strategy includes improving the address database, filing change of address orders, and using Address Change Service. To improve the address database, the Postal Service established a delivery AMS quality review program to evaluate the quality of AMS data and meet the goal of 100 percent accurate AMS data nationwide.

As part of the quality review program, the National Customer Support Center (NCSC) teams annually conduct street reviews of 40 routes at each Postal Service district nationwide. The NCSC team selects 40 city or rural delivery routes based on Postal Service guidelines. For every route the teams select within a ZIP Code, they also select two alternate routes.[3]

The street reviews:

- Identify all possible delivery addresses included in Address Information System products and the NDSS files.

- Validate the number of possible delivery addresses assigned to each carrier route.

- Validate the correct LOT or delivery sequence for each carrier route.

- Assign ZIP+4® Codes to maximize compatibility with automated equipment.

- Verify the standardization of addresses according to Publication 28, *Postal Addressing Standards,* dated July 2006.

- Review AMS database products to meet the needs and expectations of Postal Service customers.

When a district scores below 98 percent on the street review, the NCSC team will review it every 6 months and districts that score from 98 to 100 percent will receive an annual review. Districts scoring 99 percent or higher may receive abbreviated route reviews.

In addition to the NCSC street reviews, AMS district officials

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

conduct street reviews of routes to maintain the accuracy of AMS
data. Carriers also identify AMS data changes based on their
street deliveries. The carriers note address changes in their AMS
edit books and submit the information to district AMS officials by
either providing a hardcopy for input or using their Electronic Edit
Sheet for review and correction in the AMS database.

As the Postal Service continues to process mail on automated
equipment, the quality of address information takes on new
importance. Use of correct and complete address information
can reduce costs to the Postal Service.

Objective, Scope, and Methodology

Our objective was to assess the Postal Service's management of
the delivery AMS quality review results to ensure address
information is correct and complete to effectively process and
deliver mail in the Capital Metro Area. We obtained data on
FYs 2005 and 2006 delivery AMS quality reviews from the NCSC
to analyze routes reviewed, AMS data errors identified, and
performance scores. We selected the Capital Metro Area's
Northern Virginia District and the New York Metro Area's New
York District to review, based on the NCSC performance scores
identified by delivery AMS quality review results.[4]

We obtained and reviewed prior AMS review results for the New
York District, which showed street review performance scores
consistently above 99 percent. As a best management practice,
we evaluated the feasibility and applicability of using the New
York District's AMS data maintenance program in other Postal
Service districts. Our review of performance scores showed that
the Northern Virginia District's historical average score was below
98 percent. In addition, the district's FY 2006 score was below
98 percent. (See Appendix A.) We evaluated the district's AMS
data maintenance process to determine if they could improve
their programs. We also reviewed the district's FY 2006 DPS
information to compare their DPS volumes to the Postal Service
goal.[5]

We conducted this audit from October 2006 through May 2007 in
accordance with generally accepted government auditing
standards and included such tests of internal controls as we

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[4] We selected the Northern Virginia District based on its historical average for performance scores and its low score
on the FY 2006 quality review (below 98 percent). We selected the New York District based on its historically high
performance scores and improvements to the AMS process. Our baseline was FY 2005. However, we reviewed
data for districts that passed in FY 2005, but did not in FY 2006. Northern Virginia was the only district that met this
criterion.
[5] We are planning a future review that will incorporate DPS percentages, to identify opportunities to generate
revenue, reduce costs, and improve customer service.

considered necessary under the circumstances. We discussed our observations and conclusions with management officials and included their comments where appropriate. We relied on computer processed information obtained from AMS. We did not directly audit the system, but performed a limited data integrity review to support our data reliance.

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Prior Audit Coverage	The OIG has issued four reports directly related to our audit objective. We have included a complete listing of the reports in Appendix E.

AUDIT RESULTS

Address Management System Information – Capital Metro Area	Postal Service officials in the Capital Metro Area's Northern Virginia District effectively managed delivery AMS quality review results for approximately 1 percent of their routes (20 of 2,043 routes). However, opportunities exist for Capital Metro Area officials to implement best management practices similar to the New York District with regard to address management national street review training. In addition, opportunities exist for Northern Virginia District officials to follow established area and district Standard Operating Procedures (SOPs) to improve the quality of AMS data to process and deliver the mail through review of additional routes. In FY 2006, the Northern Virginia District had 2,043 total routes, as illustrated in Chart 1.[6] The NCSC team reviewed 1 percent (20 of 2,043) of these routes according to Postal Service guidelines. The team identified 301 errors, or approximately 15 errors per route. The district did not achieve the 98 percent AMS target goal. (See Appendix A.)[7] During this same period, Northern Virginia District AMS officials stated they reviewed another ½ percent (10 of the 2,023) of the routes,[8] but the remaining 98.5 percent (2,013 of 2,043) were not reviewed. (See Appendix B.)

Chart 1. Number and Percentage of Routes Reviewed in the Northern Virginia District

Routes Not Reviewed 2013 98.5%

District Officials 10 .5%

NCSC Team 20 1%
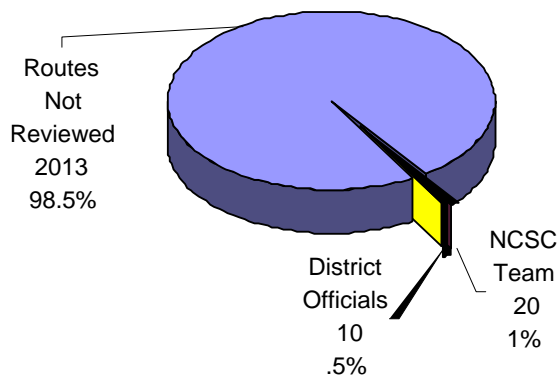
Source: Postal Service NCSC and Capital Metro Area Officials

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[6] The district's routes consist of 1,383 city routes and 660 rural routes.

[7] To compute a district's AMS performance score, each error found during a route review is subtracted from the total number of possible deliveries for the district. This adjusted possible delivery figure is then divided by the district's total possible deliveries.

[8] Northern Virginia District AMS specialists stated they conducted quality street reviews for 10 routes, which is fewer than performed in previous years due to vacancies in the AMS office. However, area and district officials could not provide documentation to validate the review of the 10 routes.

Based on these FY 2006 NCSC team reviews and the related error rate per route, 30,345[9] AMS data errors may exist on the 2,023 routes for which street reviews were not conducted.

The Capital Metro Area does not provide training in address management national street reviews to delivery supervisors or appropriate designees similar to training provided in the New York District. In addition, the associate supervisor's training course given to the district delivery supervisors does not include specific information on AMS quality street reviews. The module only provides information on edit book updates and how to enter changes in the automated system for submission to district officials. However, during our audit, Postal Service headquarters officials selected the Northern Virginia District to pilot test implementation of the Address Quality Improvement Team training provided by the NCSC National Street Review Team.[10]

In FY 2006, Capital Metro Area officials implemented a SOP similar to best management practices the New York District uses. The area SOP requires district AMS officials to conduct street and box section reviews according to national guidelines. The area SOP also requires district officials to implement a tracking system to ensure every route and box section has been reviewed at least once a year. Also, in November 2005, Northern Virginia District officials issued an AMS SOP that requires delivery unit officials to conduct a street review on every route at least once each FY. As discussed earlier in our report, the Northern Virginia District did not conduct street reviews for the 2,023 routes in FY 2006. District AMS officials stated they did not review the remaining routes due to limited AMS staff resources. However, they did not use available district resources, such as delivery supervisors or appropriate designees, to conduct additional street reviews for the remaining 2,023 routes in the Northern Virginia District.

The Postal Service established the AMS to capture, correct, and complete address information to enhance the efficiency of mail processing and delivery through automation. AMS address information is captured in sort programs to process mail in DPS. The Postal Service created DPS to eliminate manual mail

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[9] The error rate for the Northern Virginia District is based on the FY 2006 NCSC team review of 20 routes, which identified 301 errors. Dividing this by the 20 routes equals 15.05 errors per route. We rounded down the error rate to 15 and multiplied by the 2,023 routes not reviewed, which equals 30,345 potential AMS data errors.
[10] The team consisted of two AMS specialists and 18 delivery supervisors and carriers. The team trained 20 district employees in October 2006 on how to conduct random quality street reviews at level 21 and above post offices. As of January 2007, the trained employees have conducted 128 street reviews.

sorting, improve efficiency, and reduce costs.

As illustrated in Table 2, for FYs 2005 and 2006, the Capital Metro Area districts improved their DPS mail volume percentages. According to the *Transformation Plan,*[11] the Postal Service's goal is to sort 95 percent of letter mail to DPS by 2010. A decrease in AMS data errors will assist Capital Metro Area officials in achieving the DPS goal and will reduce operating costs.[12]

**Table 2. FYs 2005 and 2006 Capital Metro Area Districts'
DPS Mail Volume Percentages**

Capital Metro Area District Locations	FY 2005	FY 2006
Baltimore	70.64	74.48
Capital	69.82	77.90
Greater South Carolina	75.75	81.39
Greensboro	77.25	78.16
Mid-Carolinas	72.68	76.58
Northern Virginia	70.53	73.36
Richmond	72.975	75.13
Capital Metro Area Average	72.41	75.66
National Average	76.79	79.72

Source: WebEIS

If the Northern Virginia District implemented best management practices similar to the New York District's and followed established area and district SOP, they would be able to reduce AMS errors by 31.84 percent,[13] which would save the Postal Service $455,197 over the next 10 years. We will report $455,197 of funds put to better use in our *Semiannual Report to Congress.* (See Appendix C.)

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

In 1998, the New York District began an extensive AMS quality

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[11] United States Postal Service *Strategic Transformation Plan, 2006 – 2010,* dated September 2005.
[12] We are planning a future review (incorporating DPS percentages) to identify opportunities to generate revenue, reduce costs, and improve customer service.
[13] The New York Metro Area error reduction rate factor is 71.05 percent and the control group error reduction rate factor is 29.74 percent. The New York Metro Area error reduction rate factor is divided by the control group error reduction rate factor (1.7105 ÷1.2974 which equals 31.84 percent). The expectation is that the Northern Virginia District will reduce its error rate by 31.84 percent by implementing a program similar to the New York District.

review program, administered by local AMS officials, which requires delivery units to complete AMS street reviews using existing staff. As part of the program, New York District officials added an AMS review module to the training course given to New York delivery supervisors. In addition, the New York AMS office established AMS review schedules for all delivery units and an accountability system that monitors the completion of AMS street reviews conducted by delivery supervisors or their designees. As a result, the New York District used existing staff to significantly increase its review coverage.

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

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

Recommendation	We recommend the Vice President, Capital Metro Area Operations, implement an Address Management System quality review program similar to the New York District's that: 1. Provides training in address management national street reviews to delivery supervisors or appropriate designees.
Management's Comments	Management agreed with the recommendation to provide training to delivery supervisors or appropriate designees. Management stated they provided Address Quality Improvement Training (AQIT) to 20 delivery supervisors in October 2006 in the Northern Virginia District. However, management will expand the training to include additional supervisory personnel by August 2007. We have included management's comments, in their entirety, in Appendix D.
Recommendations	We recommend the Vice President, Capital Metro Area Operations, direct the Northern Virginia District to follow established area and district Standard Operating Procedures which require: 2. Establishing a district schedule of annual Address Management System quality street reviews.
Management's Comments	Management agreed with the recommendation to establish a district schedule of annual AMS street reviews and stated they will use the Address Quality Reporting Tool (AQRT) to identify the routes with the most opportunities, resulting in improved operational performance. Management stated they will monitor progress and compliance at the area level.
	3. Directing delivery supervisors or appropriate designees to review delivery routes annually.
Management's Comments	Management agreed with the recommendation to direct delivery supervisors or appropriate designees to review delivery routes annually. Management stated the Northern Virginia District will implement a process to incorporate the basic AMS reviews in conjunction with the Capital Metro Area procedures and the AQIT process by August 2007.

4. Establishing a tracking system to monitor completed
    street reviews.

**Management's
Comments**

Management agreed with the recommendation to establish
a tracking system to monitor completed street reviews to
ensure compliance of Capital Metro Area Standard
Operating Procedures dated November 23, 2005, and
stated the Northern Virginia District has established such a
system.

**Evaluation of
Management's
Comments**

Management's comments are responsive to
recommendations 1, 2, 3, and 4. Management's actions
taken and planned should correct the issues identified in the
finding. Management disagreed with the use of audit errors
from one AMS review year to project the same number for
the next 10 years as the factor in affixing estimated savings
of $455,197. We believe the model used to calculate
savings (see Appendix C) provides a reasonable estimate of
costs the Postal Service could save by implementing a
program to reduce AMS errors. Since management plans to
implement the AQRT, we do not plan to pursue the
unresolved monetary impact issues through the formal audit
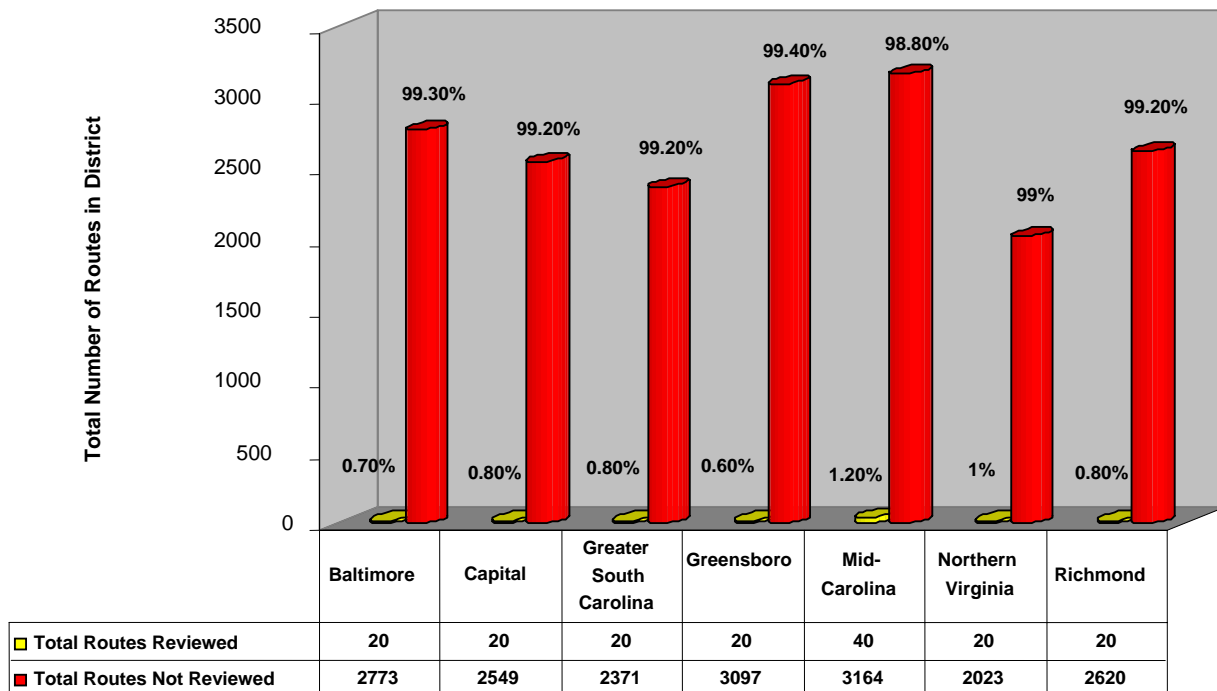resolution process.

APPENDIX A

NCSC REVIEW RESULTS FOR THE CAPITAL METRO AREA

#	Capital Metro Area District Locations	FY 2005 Score %	FY 2005 Score Date	Achieved 98% Score FY 2005		Historical Average Score as of FY 2005	Achieved 98% Score History		FY 2006 Score %	FY 2006 Score Date	Achieved 98% Score FY 2006
1	Mid-Carolinas	96.85	4/19/05	Yes		96.09	No		98.88	9/18/06	Yes
2	Baltimore	98.63	8/16/05	Yes		98.08	Yes		99.19	7/24/06	Yes
3	Capital	99.00	8/1/05	Yes		97.98	No		99.56	7/20/06	Yes
4	Greater South Carolina	98.25	3/29/05	Yes		97.80	No		98.79	4/17/06	Yes
5	Greensboro	98.81	5/9/05	Yes		96.32	No		99.14	5/16/05	Yes
6	Northern Virginia	99.22	9/26/05	Yes		97.77	No		96.80	7/18/06	No
7	Richmond	98.45	4/19/05	Yes		96.96	No		99.22	8/22/06	Yes

Source: Postal Service NCSC officials

APPENDIX B

FYS 2005 AND 2006 ROUTE REVIEWS
FOR THE CAPITAL METRO AREA[14]

	Baltimore	Capital	Greater South Carolina	Greensboro	Mid-Carolina	Northern Virginia	Richmond
□ Total Routes Reviewed	20	20	20	20	40	20	20
■ Total Routes Not Reviewed	2773	2549	2371	3097	3164	2023	2620

Source: Postal Service National Customer Support Center

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[14] A total of 20 routes were reviewed in the Northern Virginia District by NCSC and local officials, and 2,023 routes were not reviewed in the district.

APPENDIX C
CALCULATION OF FUNDS PUT TO BETTER USE

The OIG identified $455,197 in funds put to better use over the next 10 years for the Northern Virginia District.

Capital Metro Area	Fiscal Year	Funds Put to Better Use
Northern Virginia District	2006	$455,197

The following assumptions were used to calculate the $455,197:

1. We used the New York Metro Area as our standard for predicting the cost savings possible for the Northern Virginia District.

2. We assumed that all Postal Service areas other than New York Metro had not implemented an error reduction program over the time period of the AMS street reviews. These areas were our control group for purposes of estimating the net benefit of the New York Metro program.

3. We used the AMS national street review model to calculate cost savings. Therefore, we assumed that it realistically represented costs the Postal Service could save if it implemented a program to reduce AMS errors. However, in our opinion, any costs saved would have to be related to a reduction in overtime or casual hours and, therefore, labor rates used should be hourly overtime rates (which was not the case).

4. We used the AMS national street review model, unchanged with one exception: the model had FY 1999 labor rates imbedded. We updated these rates to reflect FY 2007 rates by escalating by 2.4 percent per year to arrive at a projection.

5. We assumed the cost of implementing an error reduction program would be negligible.

6. We assumed the average cost per error for the Northern Virginia District would remain constant before and after program implementation.

7. If the Northern Virginia District began implementing a program immediately, FY 2007 would be devoted to set up and training. We assumed cost savings would not begin until FY 2008. Our calculation of savings (funds put to better use) is a discounted cash flow analysis over a 10-year period. The amount we will report in our *Semiannual Report to Congress* is the present value of the estimated savings over the 10 years.

8. AMS errors can never be reduced to zero. We assumed the practical lower limit to be a 1 percent error rate. However, this constraint did not affect the calculation for the Northern Virginia District in this instance.

9. We assumed error rates on rural routes would respond to an error reduction program in the same way as city routes.

10. In our analysis of the New York Metro Area, we excluded the Caribbean District due to uncertainties regarding implementation of an error reduction program.

11. Not all categories of AMS errors have associated costs. We assumed that costly and non-costly errors would respond to an error reduction program in the same manner. That is, if the overall reduction rate for all AMS errors was 20 percent, the reduction rate for costly errors was also 20 percent.

APPENDIX D. MANAGEMENT'S COMMENTS

VICE PRESIDENT
CAPITAL METRO AREA OPERATIONS

UNITED STATES
POSTAL SERVICE

March 30, 2007

Kim H. Stroud
Director, Audit Reporting
1735 North Lynn Street
Arlington, VA 22209-2020

SUBJECT: Address Management System Information - Capital Metro Area
           Project Number DR-AR-07- DRAFT

Capital Metro Area agrees with the importance of Address Management System integrity toward the overall benefits of Address Quality. Implementation of the recommendations and reinforcement of Area processes and established District Standard Operation Procedures will maximize the quality issues identified within this audit.

The following is a response to the findings and recommendations of the Audit report conducted in Northern Virginia District of the Capital Metro Area:

Recommendation #1: Provide training in Address Management National Street reviews to delivery supervisors or appropriate designees.

Response: The Area concurs with the recommendation to provide training to delivery supervisors or appropriate designees. AQIT (Address Quality Improvement Training) has been provided to twenty delivery supervisors in October 2006 in the Northern Virginia district. This training will be expanded to include additional supervisory personnel by August 2007.

Recommendation #2: Establish a district schedule of annual Address Management System Quality Street reviews.

Response: The scheduling of a district AMS quality street review schedule has been established in the Northern Virginia District. The Address Quality Reporting Tool will be utilized to identify the routes with the most opportunities, resulting in improved operational performance. Progress and compliance will be monitored at the Area level.

Recommendation #3: Direct delivery supervisors or appropriate designees to review delivery routes annually.

Response: The District will implement a process to incorporate the basic AMS reviews in conjunction with Capital Metro's procedures and the AQIT process by August 2007. The Area will monitor to ensure compliance.

Recommendation #4: Establish a tracking system to monitor completed street reviews.

Response: The Northern Virginia district has established a tracking system to monitor completed street reviews to ensure compliance of Capital Metro's Standard Operating Procedures dated November 23, 2005.

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- 2 -

The Capital Metro Area disagrees with the assumption of basing audit errors of one AMS review year to project the same number for the next 10 years as the factor in affixing associated savings of $455,197. A more accurate and fair cost analysis should be made using the database accuracy scores for the past five years. Historically, Northern Virginia District has performed far better than the FY 06 score would indicate. Upon implementing the recommendations of this 2007 report, the premise of improvement exists, thereby minimizing the error rate in the AMS environment in Northern Virginia during the 10 year model. The current cost model does not provide a statistical representation regarding the dollar impact related to the overall Address Quality in a district.

We agree that DPS Improvement begins with an accurate AMS Database; however, we have not found a mathematical correlation of the achieved AMS review scores to the DPS percentages in past years. Comparison of the Northern Virginia and New York annual AMS National Street review scores from 2004-2006 to DPS percentages during the same period do not correlate nor substantiate the theory of high review scores equated to high DPS percentages.

The Capital Metro Area is committed to the AMS Quality process. We will implement the recommendations cited in the report of the Office of Inspector General.

If you have any questions, please contact Joseph A. Martin, Manager, Delivery Programs Support at 301-548-1418.

Jerry D. Lane

cc: Jeff Becker
    Joseph Martin
    Mike Furey

APPENDIX E

PRIOR AUDIT COVERAGE

Audit	Report Number	Issued Date	Funds Put to Better Use Over the Next 10 Years
Address Management System Information – Southeast Area	DR-AR-07-002	March 30, 2007	$862,134
Address Management System Information – Northeast Area	DR-AR-07-001	March 15, 2007	$4,590,875
Address Management System Information – Great Lakes Area	DR-AR-06-008	September 30, 2006	$2,078,506
Address Management Systems – Southwest Area – Rio Grande District	DR-AR-06-001	January 25, 2006	$988,945