



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

Bowling Green, KY Consolidation

Audit Report

August 25, 2011

Report Number EN-AR-11-008



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

HIGHLIGHTS

August 25, 2011

Bowling Green, KY Consolidation

Report Number EN-AR-11-008

IMPACT ON:

Mail processing operations in the Kentuckiana and Tennessee Districts.

WHY THE OIG DID THE AUDIT:

We performed this review as a result of a congressional request on the consolidation of some mail processing operations from the Bowling Green Processing and Distribution Facility (P&DF) into the Evansville P&DF and the Nashville Processing and Distribution Center (P&DC). Our objectives were to assess the business case and operational impacts of the consolidation.

WHAT THE OIG FOUND:

A valid business case exists to consolidate originating mail processing operations. Our analysis indicated that (1) adequate capacity exists to process additional mail volumes at the gaining sites, (2) customer service will be minimally impacted, (3) efficiency at the gaining sites was higher than the Bowling Green P&DF and should continue to improve with the additional mail volumes, and (4) no career employee will lose their job at either location, although there may be some reassignments at the Bowling Green P&DF. However, Area Mail Processing (AMP) worksheets could be enhanced

when consolidating operations into two or more gaining facilities.

WHAT THE OIG RECOMMENDED:

We recommended the Kentuckiana and Tennessee District managers ensure that processing and transportation plans are in place to achieve overnight service standards as outlined in the AMP proposal for Bowling Green P&DF mail. We also recommended that the manager, Processing Operations, enhance area mail processing worksheets to ensure data can be consolidated electronically when there are two or more gaining facilities.

WHAT MANAGEMENT SAID:

Management agreed with the recommendations and will ensure Bowling Green service standards are achieved as outlined in the AMP proposal and will also enhance the AMP worksheets for multiple gaining facilities.

AUDITORS' COMMENTS:

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

[*Link to review the entire report*](#)

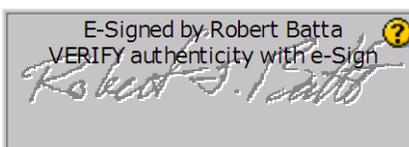


August 25, 2011

MEMORANDUM FOR: FRANK NERI
MANAGER, PROCESSING OPERATIONS

DAVID J. DILLMAN
DISTRICT MANAGER, KENTUCKIANA DISTRICT

GREG GAMBLE
DISTRICT MANAGER, TENNESSEE DISTRICT



FROM: Robert J. Batta
Deputy Assistant Inspector General
for Mission Operations

SUBJECT: Audit Report – Bowling Green, KY Consolidation
(Report Number EN-AR-11-008)

This report presents the results of our audit of the Bowling Green, KY Processing and Distribution Facility (P&DF) consolidation of originating mail into the Evansville, IN P&DF and Nashville, TN Processing and Distribution Center (Project Number 11XG028EN000). The report responds to a congressional request. Our objectives were to assess the business case and operational impacts of the consolidation.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Michael A. Magalski, director, Network Optimization, or me at 703-248-2100.

Attachments

cc: Jordan M. Small
David E. Williams Jr.
Stephen E. Martin
Kristin A. Seaver
Corporate Audit and Response Management

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Introduction

This report presents the results of our audit of the Bowling Green, KY Processing and Distribution Facility (P&DF) originating mail consolidation into the Evansville, IN P&DF and Nashville, TN Processing and Distribution Center (P&DC) (Project Number 11XG028EN000). The report responds to a congressional request. Our objectives were to assess the business case and operational impacts of the consolidation. The audit addresses operational risk. See [Appendix A](#) for additional information about this audit.

Conclusion

A valid business case exists to consolidate originating¹ mail processing operations from the Bowling Green P&DF into the Evansville P&DF and Nashville P&DC to achieve cost savings of approximately \$3.2 million annually. Our analysis also indicated that:

- Adequate capacity exists to process additional mail volume at the two gaining sites.
- Customer service will be minimally impacted with less than 3 percent of mail transferred resulting in downgraded service standards. To mitigate some downgrades, management stated that First-Class Mail (FCM) processed at the Nashville P&DC destined for Bowling Green will maintain overnight service standards that existed prior to the consolidation.
- Efficiency at both the Evansville P&DF and the Nashville P&DC was higher than at the Bowling Green P&DF and should continue to improve with the additional mail volume.
- No career employee will lose their job at either location, although there may be some reassignments at the Bowling Green P&DF.
- Area Mail Processing (AMP) worksheets should be enhanced when consolidating operations into two or more gaining facilities.

Capacity

Adequate capacity exists at both gaining sites to process the increased mail volume as a result of the consolidation. Specifically:

- The increase in total pieces handling (TPH)² volume at the Evansville P&DF will be about 22 percent.
- The increase in TPH volume at the Nashville P&DC will be about 4 percent.

¹ Outgoing and local mail that enters the mailstream (that is, the point of origin) for mail processing and delivery.

² The number of handlings necessary to distribute each piece of mail from receipt to dispatch.

This represents a minimal increase to their current operations. The gaining sites will absorb the increased mail volume and mail processing equipment will not be moved due to the consolidation.

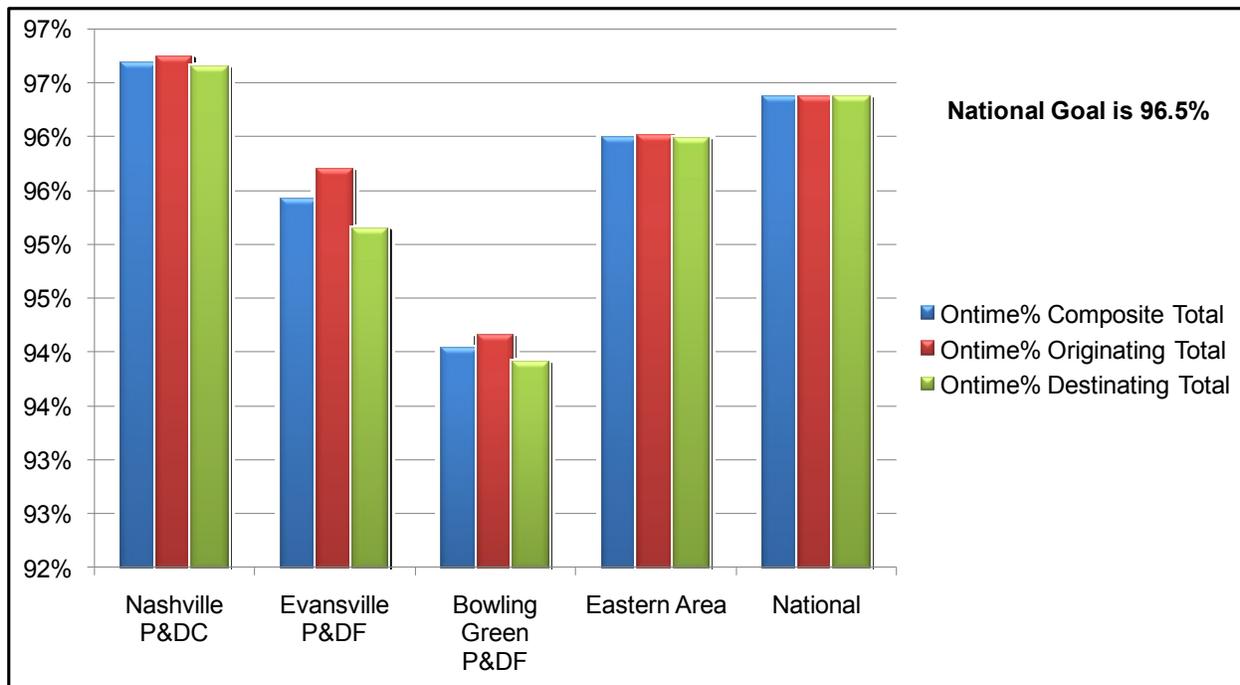
Customer Service

The consolidation will have minimal impact on customer service.³ Based on fiscal year (FY) 2010 service performance, the Evansville P&DF and Nashville P&DC met or exceeded service results of the Bowling Green P&DF. The Nashville P&DC had difficulty meeting the “trips on time to delivery units” 24-hour clock indicator;⁴ however, it had minimal impact on their External First-Class (EXFC) service scores.⁵

EXFC Scores

During FY 2010, the Nashville P&DC and Evansville P&DF had higher EXFC scores than the Bowling Green P&DF in all three categories – Overnight, 2-Day, and 3-Day Service (see Charts 1, 2, and 3).

Chart 1: Overnight EXFC Service Scores (FY 2010)



³ We reviewed three measures of customer service: the EXFC system, the 24-Hour Clock Indicators, and projected service standard upgrades and downgrades.

⁴ 24-Hour Clock indicators measure key indicators of operating performance at mail processing plants, which may influence service.

⁵ Test an independent contractor performs to measure service performance for FCM (letters, flats, and postcards) from mailbox to delivery customer.

Chart 2: 2-Day EXFC Service Scores (FY 2010)

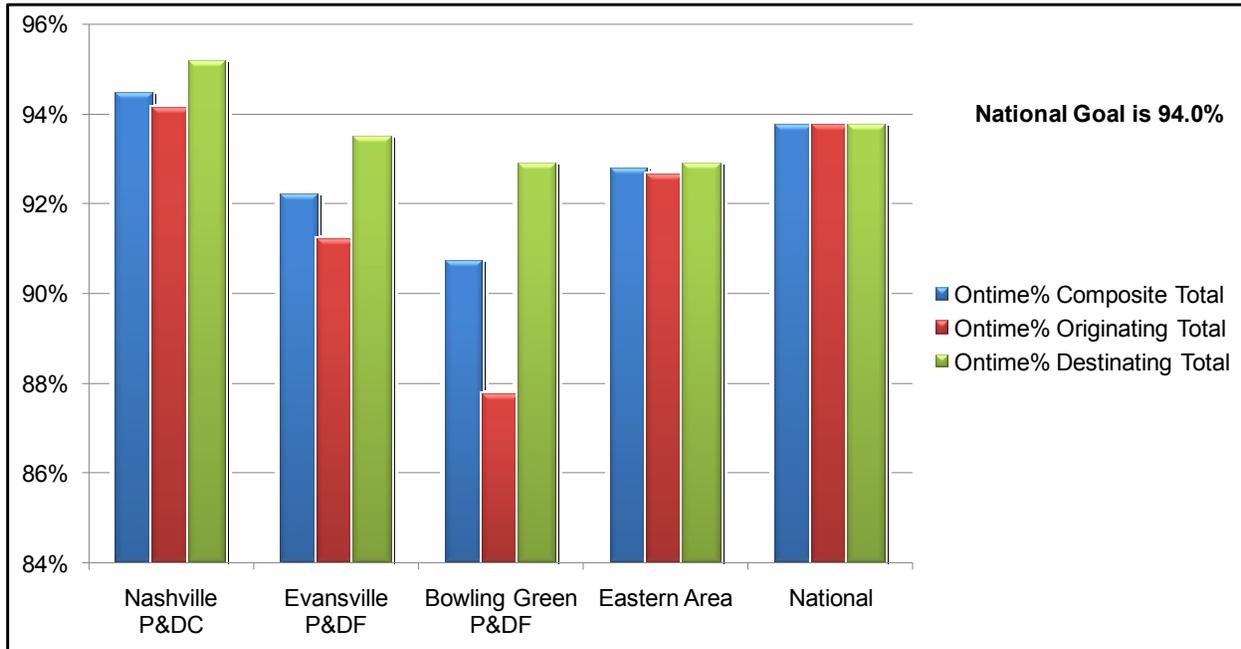
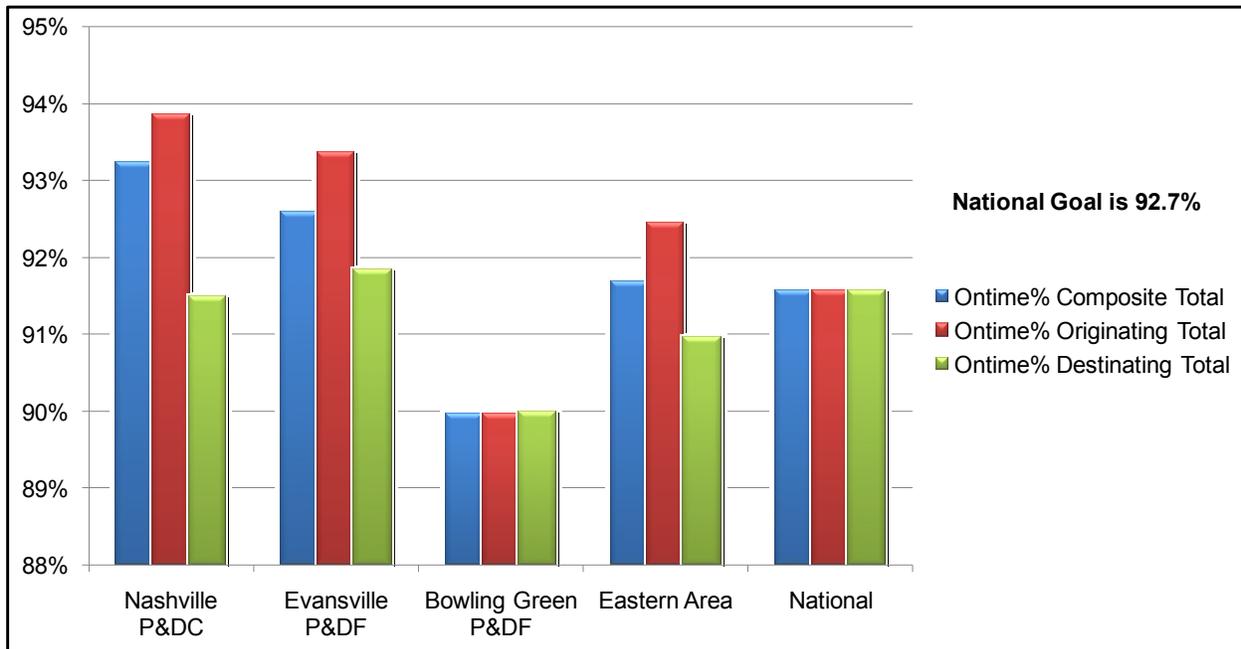


Chart 3: 3-Day EXFC Service Scores (FY 2010)



24-Hour Clock Indicators

The Evansville P&DF exceeded all established 24-Hour Clock performance indicators in FY 2010. The Nashville P&DC and Bowling Green P&DF did not meet the performance indicator national target for mail cancelled by 8:00 p.m. The Nashville P&DC also had difficulty meeting the national target trips on time to delivery units. The additional mail volume from the consolidation could further influence timely delivery of mail. However, management stated that transportation in place as a result of the consolidation will ensure that mail meets operational clearance times. Consequently, the 24-Hour Clock indicators below established targets should not negatively impact EXFC service scores for the gaining facilities (see Table 1).

Table 1: 24-Hour Clock Indicators (FY 2010)

Indicator	Bowling Green P&DF Percentage	Evansville P&DF Percentage	Nashville P&DC Percentage	National Target
Cancel 80% of collection mail by 8:00 p.m.	70.5	80.7	70.8	80.0
Clear outgoing primary mail by 11:00 p.m.	97.9	99.8	99.8	100.0
Clear outgoing secondary mail by 12:00 a.m.	97.6	100.0	97.0	100.0
Clear Managed Mail Program (MMP) mail by 12:00 a.m. - zero MMP	N/A	N/A	98.8	100.0
Assign mail to commercial/FedEx outgoing mail by 2:30 a.m.	100.0	100.0	89.9	100.0
Clear Delivery Point Sequence 2nd Pass by 7:00 a.m.	99.1	99.7	99.6	100.0
Trips on-time between 4:00 – 9:00 a.m. to delivery units	96.2	95.1	71.2	86.9

Service Standards

As of June 2011, results from the Service Standard Directory⁶ identified overall net downgrades in service standards⁷ for all mail classes of approximately 2 percent of mail volume from Bowling Green (3-Digit ZIP Codes™ 421 and 422) transferred to the Nashville P&DC and less than 1 percent of mail volume from Bowling Green (3-Digit ZIP Code 423) transferred to the Evansville P&DF. According to the AMP, transportation adjustments were made to mitigate some downgrades in service (see Tables 2 and 3).

⁶ A web-based system that provides mail class service standards information to internal customers via the Postal Service intranet.

⁷ A stated goal for service achievement for each mail class. Service standards represent the level of service the Postal Service strives to provide to customers and are considered one of the primary operational goals against which service performance is measured. An upgrade or downgrade means that service between two ZIP Codes is either faster or slower than it was before a change.

**Table 2: Service Standard Impacts
Bowling Green P&DF (3-Digit ZIP Codes 421 and 422) to Nashville P&DC**

Mail Class	Upgrades	Downgrades	Net Change	Mail Volume Percentage Affected ⁸
First-Class	46	256	-210	-2.2
Priority	38	124	-86	-0.5
Periodicals	136	416	-280	0
Standard	328	586	-258	0
Package Services	314	586	-272	-0.4
All Classes	862	1968	-1106	-2.2

According to the AMP, the Bowling Green P&DF transferred volume will assume Nashville's P&DC service standards. This indicates that the FCM service standard for 3-Digit ZIP Codes 421-422 mail processed at the Nashville P&DC and destined for the Bowling Green P&DF is 2 days. However, management stated that FCM that originates and destines at the Bowling Green P&DF will maintain the overnight service standard that existed prior to the consolidation.

**Table 3: Service Standard Impacts
Bowling Green P&DF (3-Digit ZIP Code 423) to Evansville P&DF**

Mail Class	Upgrades	Downgrades	Net Change	Mail Volume Percentage Affected
First-Class	2	6	-4	-0.5
Priority	2	6	-4	-0.9
Periodicals	5	6	-1	0.0
Standard	3	2	1	0.0
Package Services	3	2	1	0.0
All Classes	15	22	-7	-0.5

The consolidation will not impact local delivery boxes, window service times for retail units, or business mail acceptance hours. Additionally, customers will be able to obtain a local postmark at the Owensboro Post Office (PO)⁹ or Bowling Green P&DF retail unit.

⁸ Mail volume obtained from the Bowling Green AMP dated February 27, 2011.

⁹ Owensboro PO services mail with the 3-digit ZIP Code 423.

Efficiency

The Evansville P&DF and Nashville P&DC achieved higher Breakthrough Productivity Initiative (BPI)¹⁰ efficiency percentages in FY 2010 than the Bowling Green P&DF.

Efficiency at the gaining sites has improved for FY 2011 year-to-date (YTD). Future scores should continue to improve as a result of the consolidation due to additional mail volumes (see Table 4).

Table 4: BPI Scorecard Comparison

Facility	FY 2010 Percentage	FY 2011 YTD Percentage ¹¹
Bowling Green P&DF	72.5	
Evansville P&DF	73.0	75.6
Nashville P&DC	80.1	82.0

Source: EDW

Many factors impact BPI scores, including mail mix, type of sortation, and size of the plant. BPI scores show the performance of plants compared to established performance expectations, with higher scores representing better performance.

With the consolidation, management projects a 27 percent gain in TPH productivity at the Evansville P&DF and a 15 percent gain at the Nashville P&DC.

Employee Impact

The consolidation will have minimal impact on employees. No career employee will lose their job at the Bowling Green P&DF, but some employees may be reassigned.¹²

There will be a reduction of 25 full-time equivalent (FTE) craft positions and one Executive and Administrative Schedule (EAS) position at the Bowling Green P&DF. However, the AMP lists 20 craft employees who are eligible to retire¹³ at the Bowling Green P&DF.

Based on our 3-year attrition analysis¹⁴ of the Bowling Green P&DF, there has been a reduction of at least five employees each year. Considering the number of employees already eligible for retirement and the attrition average, the number of positions impacted by the consolidation is manageable.

¹⁰ A comprehensive and integrated method for comparing and improving productivity in mail processing operations.

¹¹ Percentages as of FY 2011, week 35. We excluded the BPI percentage for the Bowling Green P&DF due to implementation of the AMP.

¹² According to the Postal Service, reassignments will be in accordance with labor/management agreements.

¹³ The number of employees eligible to retire as noted in the December 7, 2010, version of the AMP.

¹⁴ Attrition analysis performed for FYs 2008, 2009, and 2010.

Cost Savings

Cost-saving projections were validated and will primarily be the result of workhour reductions. The Postal Service estimated annual cost savings from the consolidation to be approximately \$3.2 million; however, the OIG estimated a slight decrease of \$12,443 in total annual savings and an increase of \$17,557 in the total first-year savings (see Chart 4).

Chart 4: Cost Savings Comparison

Savings/Cost	AMP Study	OIG Analysis
Mail Processing Craft Workhour Savings	\$2,529,868	\$2,529,868
Non-MP/EAS + Shared LDCs Workhour Savings (less maintenance and transportation)	131,798	131,798
PCES/EAS Supervisory Workhour Savings	231,432	231,432
Transportation Savings	43,921	31,478
Maintenance Savings	247,970	247,970
Space Savings	0	0
Total Annual Savings	3,184,989	3,172,546
Total One-Time Costs	(75,000)	(45,000)
Total First-Year Savings	\$3,109,989	\$3,127,546

We identified a reduction in the proposed savings of \$12,443 in transportation costs due to benchmarking Highway Contract Route 40010 against the current cost instead of using the formula in the AMP worksheet.¹⁵

The Postal Service included one-time costs of \$75,000 in the AMP. However, employee relocation costs of \$55,000 may be overstated by \$30,000. The AMP projected relocation expenses for 11 employees that included six casuals who are not entitled to relocation benefits. The number of craft positions that may be entitled to relocation benefits is five, at a cost of \$25,000. We are not making a recommendation on this overstatement since management acknowledged the issue and will take corrective action during the Post-Implementation Review (PIR).

¹⁵ Handbook PO-408, *Area Mail Processing Guidelines*, states that proposed annual costs are derived by determining the change in annual mileage multiplied by 85 percent of the current cost per mile and added to the current cost, which is an embedded formula in the AMP electronic worksheets.

AMP Guidelines

This AMP involved consolidating mail processing operations from one losing facility into two gaining sites. Handbook PO-408 provides no specific guidance for or examples of consolidating operations into two or more gaining facilities.¹⁶ Earlier versions of this AMP consisted of two sets of electronic worksheets – one for each gaining site. When these were combined into one set, missing and inaccurate data resulted from manual population and data entry instead of automatically populating into electronic worksheets. Specifically, TPH/Non-Add TPH (NATPH)¹⁷ mail volume and total craft position loss were not noted accurately for the Nashville P&DC and Bowling Green P&DF, respectively. However, supporting documentation confirmed actual amounts that were not reflected on the combined worksheets.

A previous review of another AMP¹⁸ that consolidated operations into two gaining facilities also identified worksheet discrepancies. A recommendation to enhance the process may have eliminated the manual worksheet completion for this AMP and future similar consolidations.

Accurate and complete AMP data are important for supporting management decisions, ensuring management accountability, and strengthening stakeholder confidence in the consolidation process. The use of inaccurate data on AMP worksheets can affect the business case for the consolidation. In this case, missing and inaccurate data for the Bowling Green P&DF consolidation did not have a material impact on the proposed savings, but should be accounted for during the PIR.

Recommendations

We recommend the managers, Kentuckiana and Tennessee Districts:

1. Ensure that processing and transportation plans are in place to achieve overnight service standards as outlined in the Area Mail Processing proposal for Bowling Green Processing and Distribution Facility mail.

We recommend the manager, Processing Operations:

2. Enhance area mail processing worksheets to ensure that data can be consolidated electronically when there are two or more gaining facilities.

¹⁶ Handbook PO-408 states, "In special circumstances, such as two or more facilities consolidating into one gaining facility or operations from one facility are transferred to two or more gaining facilities, the area AMP coordinator should contact the manager Network Alignment Implementation for specific guidance."

¹⁷ NATPH is the volume in non-distribution operations that is recorded as TPH but not added to the bottom line for mail processing distribution.

¹⁸ Review of the Wilkes-Barre, PA P&DF consolidation.

Management's Comments

Management agreed with our findings and recommendations and stated they will ensure processing and transportation plans are in place to achieve overnight service standards as outlined in the AMP proposal for Bowling Green P&DF mail. Management will implement this by the date of the first PIR on December 31, 2011. Management will also enhance AMP worksheets for studies consolidating one site into multiple sites and expects to complete this work by May 31, 2012. See [Appendix B](#) for management's comments in their entirety.

Evaluation of Management's Comments

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

Appendix A: Additional Information

Background

The financial outlook of the Postal Service is in question as it ended the second quarter of this fiscal year (January 1–March 31, 2011) with a net loss of \$2.2 billion, compared to a net loss of \$1.6 billion for the same period in FY 2010. The modest increase in revenue from Standard Mail® did not offset the loss of revenue from the reduced volume of FCM.

Despite workhour reductions and organizational changes in FY 2011, slow economic growth, electronic alternatives, and fuel prices have contributed to record losses. The Postal Service is expected to reach its statutory borrowing limit by the end of the fiscal year.¹⁹

In testimony before Congress,²⁰ the U.S. Government Accountability Office (GAO) stated that action is urgently needed to facilitate the Postal Service's financial viability as it cannot support its current level of service and operations. Congress, the Postal Service, the administration, and stakeholders need to agree on a package of actions to restore the Postal Service's financial viability and take steps to modernize and restructure it. The Postal Service needs to become a leaner, more flexible organization so that it can operate more efficiently, control costs, keep rates affordable, and meet customers' changing needs. Postal Service operations, networks, and workforce need to be realigned with the changes in mail usage and customer behavior, as the Postal Service now has costly excess capacity.

Title 39 U.S.C., § 101, Part 1, Chapter 1, states that the Postal Service “. . . shall provide prompt, reliable, and efficient services to patrons in all areas.” Further, the September 2005 Postal Service *Strategic Transformation Plan* states, “The Postal Service will continue to provide timely, reliable delivery to every address at reasonable rates.” The Postal and Accountability Enhancement Act, P.L. 109-435, Title II, dated December 20, 2006, highlights “. . . the need for the Postal Service to increase its efficiency and reduce its costs, including infrastructure costs, to help maintain high quality, affordable postal services. . . .”

This report responds to a request from Congressman Brett Guthrie, who represents the 2nd District of Kentucky, to independently review the consolidation of mail processing operations from the Bowling Green P&DF into the Evansville P&DF and Nashville P&DC. The representative's concerns included whether:

- Opportunities exist to improve service.
- Operational efficiency will decline.
- Local jobs will be eliminated.

¹⁹ *Postal News* Release, May 10, 2011.

²⁰ GAO-11-428T, *Testimony before the Subcommittee on Federal Workforce*, U.S. Postal Service and Labor Policy, Committee on Oversight and Government Reform, House of Representatives, dated March 2, 2011.

This consolidation resulted from a second AMP study for the Bowling Green P&DF. On September 22, 2009, the Postal Service initiated a feasibility study to move all originating mail operations from the Bowling Green P&DF to the Nashville P&DC. However, on April 6, 2010, management determined it was not feasible to proceed with the study. The study for this AMP proposal started on September 14, 2010, and was approved on April 1, 2011. Implementation for this consolidation began on July 1, 2011.

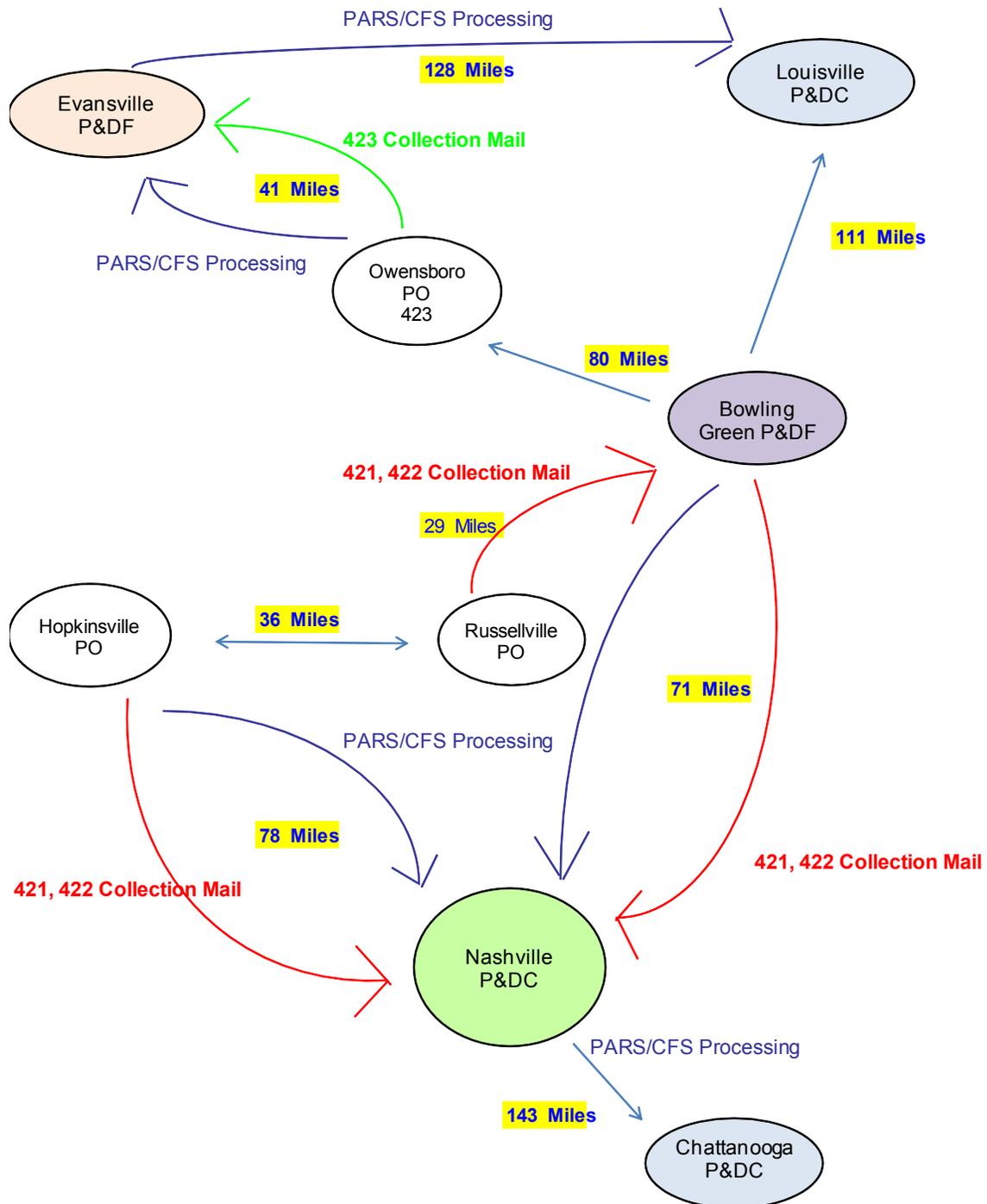
This originating mail consolidation will use a complex web of facilities for transferring and processing mail from the Bowling Green P&DF (see Map 1):

- ZIP Code 423 collection mail will be transported and processed at the Evansville P&DF.
- The Hopkinsville PO and Bowling Green P&DF will serve as transportation hubs for all ZIP Code 421 and 422 collection mail and transfer it to the Nashville P&DC for processing.
- ZIP Code 423 Postal Automated Redirection System (PARS)²¹ / Computerized Forwarding System (CFS)²² mail will be processed at the Louisville P&DC via the Evansville P&DF.
- ZIP Codes 421 and 422 PARS/CFS mail will be transported to the Nashville P&DC to be cross-docked to the Chattanooga P&DC for processing.

²¹ PARS intercepts and automates the processing of undeliverable-as-addressed mail on mail processing equipment.

²² CFS performs address correction services and processes undeliverable-as-addressed mail that cannot be processed on PARS.

Map 1: Originating Mail Flow After Consolidation



Source: Postal Service management

The Evansville P&DF is 121 miles²³ from the Bowling Green P&DF and the Nashville P&DC is 71 miles from the Bowling Green P&DF. The Evansville and Bowling Green P&DFs are in the Kentuckiana District, while the Nashville P&DC is in the Tennessee District. All three are part of the Eastern Area.

Objectives, Scope, and Methodology

Our audit objectives were to assess the business case and operational impacts of the proposed consolidation of the Bowling Green P&DF. We generated reports for the same date range management used in the AMP worksheets (July 1, 2009–June 30, 2010). We also obtained service reports for FY 2010 and YTD FY 2011. We performed an attrition analysis for FYs 2008–2010. We conducted observations at all three sites during the week of March 28, 2011, and interviewed management and employees.

We used computer-processed data from the following systems:

- Activity-Based Costing.
- Electronic Facilities Management System.
- Enterprise Data Warehouse.
- Web Complement Information System.
- Transportation Contracting Support System.
- Service Standard Directory.

We conducted this performance audit from March through August 2011 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We discussed our observations and conclusions with management on July 15, 2011, and included their comments where appropriate.

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

²³ The AMP notes the mileage difference as 41 miles between Owensboro (ZIP 423) and Evansville, since this mail will be transported directly to the Evansville P&DF after implementation.

Prior Audit Coverage

Report Title	Report Number	Final Report Date
<i>Area Mail Processing Communications</i>	EN-AR-09-001	2/4/2009
<i>Canton Processing and Distribution Facility Outgoing Mail Consolidation</i>	NO-AR-09-011	9/22/2009
<i>New Castle Processing and Distribution Facility Outgoing Mail Consolidation</i>	NO-AR-10-002	2/1/2010
<i>Manasota Processing and Distribution Center Consolidation</i>	EN-AR-10-003	2/12/2010
<i>Lakeland Processing and Distribution Center Consolidation</i>	EN-AR-10-004	2/12/2010
<i>Dallas Processing and Distribution Center Outgoing Mail Consolidation</i>	NO-AR-10-003	2/24/2010
<i>Consolidation of Lima Processing and Distribution Facility Mail Operations Into the Toledo Processing and Distribution Center</i>	NO-AR-10-007	7/2/2010
<i>Charlottesville Processing and Distribution Facility Consolidation</i>	NO-AR-10-008	8/3/2010
<i>Review of Wilkes-Barre, PA Processing and Distribution Facility Consolidation</i>	NO-AR-11-001	10/4/2010
<i>Marysville, CA Processing and Distribution Facility Consolidation</i>	NO-AR-11-002	11/23/2010
<i>Houston, TX Processing and Distribution Center Consolidation</i>	NO-AR-11-004	12/14/2010
<i>Columbus, GA Customer Service Mail Processing Center Originating Mail Consolidation</i>	NO-AR-11-005	2/14/2011
<i>Huntington, WV Processing and Distribution Facility Consolidation</i>	EN-AR-11-003	3/31/2011
<i>Implementation of Lima, OH to Toledo, OH Area Mail Processing Consolidation</i>	EN-AR-11-004	3/31/2011
<i>Beckley, WV Post Office Facility Consolidation</i>	EN-AR-11-005	4/21/2011

Appendix B: Management's Comments



August 18, 2011

Shirian Holland
Acting Director, Audit Operations
1735 North Lynn Street
Arlington, VA 22209-2020

SUBJECT: Bowling Green, KY Consolidation -- Audit Report - Report Number EN-AR-11 DRAFT

Thank you for the opportunity to respond to the recommendations contained in the Draft Audit Report – Bowling Green, KY Consolidation. Management agrees with all recommendations.

Recommendation 1:

We recommend the managers, Kentuckiana and Tennessee districts: Ensure that processing and transportation plans are in place to achieve overnight service standards as outlined in the AMP proposal for Bowling Green Processing and Distribution Facility (P&DF) mail.

Management Response/Action Plan:

Management agrees with the recommendations to ensure that processing and transportation plans are in place to achieve overnight service standards as outlined in the AMP proposal for Bowling Green P&DF.

Target Implementation Date:

December 31, 2011 (Completion date of first Post-Implementation Review period).

Responsible Official:

Greg A. Gamble, District Manager, Tennessee District
David J. Dillman, District Manager, Kentuckiana District

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Recommendation 2:

We also recommend that the manager, Processing Operations: Enhance area mail processing worksheets to ensure data can be consolidated electronically when there are two or more gaining facilities.

Management Response/Action Plan:

Management agrees to enhance the AMP worksheets for studies that examine one site being consolidated into multiple sites.

Target Implementation Date:

May 31, 2012

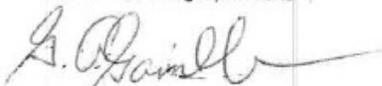
Responsible Official:

Frank Neri, Manager Processing Operations

This report and management's response do not contain information that may be exempt from disclosure under the Freedom of Information Act.



Frank Neri
Manager, Processing Operations



Greg Gamble
District Manager, Tennessee District



David J. Dillman
District Manager, Kentuckiana District

- 3 -

cc: David E. Williams Jr.
Jordan M. Small
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Kristin A. Seaver
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Corporate Audit and Response Management