



Highlights of [GAO-07-717](#), a report to congressional requesters

## Why GAO Did This Study

Major changes in the mailing industry have reinforced the need for the U.S. Postal Service (USPS) to reduce costs and increase efficiency. In its 2002 Transformation Plan, USPS proposed doing so by realigning its mail processing network. The objectives of this requested report are to (1) describe the status of the initiatives USPS has developed for realignment; (2) evaluate how the planning, impacts, and results of these initiatives align with realignment goals; and (3) evaluate USPS's communication practices with stakeholders in making realignment decisions.

## What GAO Recommends

To strengthen planning and accountability for USPS's realignment efforts, the Postmaster General should ensure that the Facilities Plan, required by the Postal Accountability and Enhancement, explains the integration of realignment initiatives and establishes measurable targets to track USPS's progress in meeting realignment goals. To help improve communication about realignment with stakeholders, the Postmaster General should modify USPS's communication strategy to improve the quality of public notices and engagement, and increase transparency in decision making. In response to GAO's draft report, USPS agreed with GAO's findings and recommendations and plans to take steps to improve its communication and transparency.

[www.gao.gov/cgi-bin/getrpt?GAO-07-717](http://www.gao.gov/cgi-bin/getrpt?GAO-07-717).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Katherine Siggerud at (202) 512-2834 or [siggerudk@gao.gov](mailto:siggerudk@gao.gov).

# U.S. POSTAL SERVICE

## Mail Processing Realignment Efforts Under Way Need Better Integration and Explanation

### What GAO Found

USPS has developed several initiatives to achieve its overall goal of reducing costs while maintaining service. GAO supports USPS's goals for realigning its mail processing network and encourages continued progress in this area. Four initiatives, which vary in the degree to which they have been implemented to date, play central roles in the realignment of the processing network.

#### Status and Purpose of Key Postal Initiatives

Initiative	Status	Purpose
Area mail processing consolidations	In progress	Increase efficiency and use of existing automation by consolidating mail processing operations into facilities with excess capacity
Regional distribution centers	Reconsidering	Provide essential infrastructure for more efficient processing network
Flats Sequencing System	In progress	Increase efficiency by automating the sorting of flat mail, such as large envelopes and catalogs
Surface transportation centers	Near completion	Improve transportation network flexibility and efficiency

Source: GAO presentation of USPS data.

While USPS has made progress in implementing its realignment initiatives, it is not apparent if these initiatives will meet USPS network realignment goals. First, realignment goals do not have measurable targets, making it unclear how USPS initiatives are progressing toward these goals. Second, there is limited clarity in how the costs and benefits of each initiative are integrated or affected by each other. Third, significant issues still need to be resolved with the area mail processing (AMP) consolidation initiative, to which USPS attributes most of its progress in reducing excess machine capacity. In particular, the criteria USPS uses in selecting facilities for potential consolidation and making implementation decisions are unclear, it does not use consistent data calculations in making decisions and, due to data limitations, it cannot consider actual delivery performance in its consolidation decision-making or evaluate results. While USPS is in the process of making changes to its AMP consolidation process, our review of draft procedures indicates that some improvements have been made while other issues continue.

USPS has also made some improvements to its communication practices, but these practices continue to have gaps related to engaging stakeholders and the public in the realignment process and effectively communicating decisions. AMP communication processes do not provide adequate notification to stakeholders, lack transparency into how public input is considered when USPS makes AMP consolidation decisions, and provide limited information to the public after decisions are made. Congress has also indicated in the recent postal reform act that it supports USPS's efforts to streamline its networks but required USPS to improve its public notice processes, make more information available to communities, allow affected persons opportunity to provide input to USPS, and to take that input into account in decision making. GAO's review of USPS's revised guidance indicates that proposed improvements would neither substantively change information provided to the public, nor improve the public input process.