

# Effectiveness of the New Regional Processing and Distribution Center in Atlanta, GA

## AUDIT REPORT

Report Number 24-074-R24 | August 28, 2024



# Table of Contents

## Cover

<b>Highlights</b> .....	1
Background .....	1
What We Did .....	1
What We Found .....	1
Recommendations and Management's Comments .....	1

<b>Transmittal Letter</b> .....	2
---------------------------------	---

<b>Results</b> .....	3
Introduction/Objective.....	3
Background .....	3
Findings Summary .....	5
Finding #1: Lessons Learned from the Atlanta RPDC Launch .....	6
Postal Service Response.....	9
OIG Evaluation.....	9

Finding #2: Challenges Executing Operations with New Plant Design .....	10
Recommendation #1 .....	14
Recommendation #2 .....	14
Postal Service Response.....	14
OIG Evaluation.....	14

Finding #3: Staffing Challenges at the RPDC Resulted in Inefficient Operations .....	15
Recommendation #3.....	18
Recommendation #4.....	18
Recommendation #5.....	18
Postal Service Response.....	18
OIG Evaluation.....	18

Finding #4: Management Was Not in Place to Supervise Operations .....	20
Recommendation #6.....	22
Recommendation #7 .....	22
Postal Service Response.....	22
OIG Evaluation.....	22

Finding #5: Mail Processing Facility Review Process Not Followed.....	23
Postal Service Response.....	24
OIG Evaluation.....	24

<b>Appendices</b> .....	25
Appendix A: Additional Information.....	26
Scope and Methodology .....	26
Prior Audit Coverage .....	27
Appendix B: Management's Comments ....	28

<b>Contact Information</b> .....	35
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# Highlights

## Background

The U.S. Postal Service is redesigning its processing network with the goal of creating a best-in-class mail and package processing network as part of its 10-year strategic Delivering for America plan. The Postal Service plans to create a modernized network based around Regional Processing and Distribution Centers (RPDC), local processing centers, and sorting and delivery centers. The Atlanta RPDC is a new, one million square foot facility and one of the first RPDCs in the network.

## What We Did

Our objective was to assess the operational impacts related to the launch of the RPDC and identify successes, lessons learned, and opportunities. We conducted observations of the Atlanta RPDC and surrounding mail processing facilities from March through June 2024.

## What We Found

The Postal Service faced serious challenges when implementing the Atlanta RPDC and failed to capitalize on the success of their pre-launch transfer of operations. The challenges were significant and caused an immediate and significant decline in service performance in the Atlanta region. Specifically, the Postal Service had challenges executing operations under its new plant design, resulting in congested dock conditions and truck drivers waiting hours to unload mail.

In addition, the Postal Service did not build on lessons learned from the launch of the Richmond RPDC, to address similar barriers to success such as staffing, training, and supervision. Specifically, the Postal Service experienced serious staffing challenges at the Atlanta RPDC and did not have management in place to supervise employees and operations at launch. Finally, the Postal Service's policy did not require it to communicate its plans to close certain facilities in the Atlanta region to customers or other stakeholders.

## Recommendations and Management's Comments

We made seven recommendations to address the issues identified in the report. Postal Service management agreed with five 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 1-3, 5, and 6, as corrective actions should resolve the issues identified in the report. Recommendations 4 and 7 were disagreed, and we will work with management through the formal audit resolution process. See [Appendix B](#) for management's comments in their entirety.

# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

August 28, 2024

**MEMORANDUM FOR:** DANE COLEMAN  
VICE PRESIDENT, PROCESSING OPERATIONS

ROBERT CINTRON  
VICE PRESIDENT, LOGISTICS

THOMAS BLUM  
VICE PRESIDENT, LABOR RELATIONS

*Mary H. Lloyd*

**FROM:** Mary Lloyd  
Deputy Assistant Inspector General  
for Mission Support

**SUBJECT:** Audit Report – Effectiveness of the New Regional Processing and  
Distribution Center in Atlanta, GA (Report Number 24-074-R24)

This report presents the results of our audit of effectiveness of the new Regional Processing and Distribution Center in Atlanta, GA.

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 1, 3, 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 2 closed with issuance of this report. We view the disagreement with recommendations 4 and 7 as unresolved and will work with management through the formal audit resolution process.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Todd Watson, Director, Network Processing, 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 Effectiveness of the New Regional Processing and Distribution Center (RPDC) in Atlanta, GA (Project Number 24-074). Our objective was to assess the operational impacts related to the launch of the RPDC and identify successes, opportunities, and lessons learned. See [Appendix A](#) for additional information about this audit.

## Background

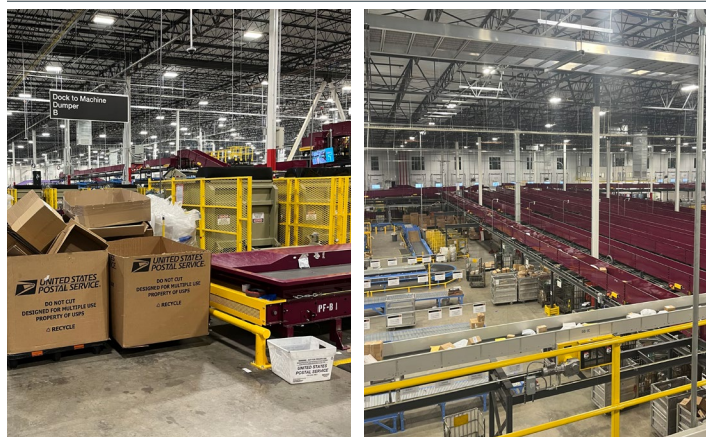
As part of its 10-year strategic Delivering for America plan, the U.S. Postal Service is redesigning its processing network with the goal of creating a best-in-class mail and package processing network. The Postal Service plans to invest \$40 billion to create a modernized network based around RPDCs, local processing centers (LPC), and sorting and delivery centers (S&DC).<sup>1</sup> RPDCs are multi-purpose distribution centers with common designs, layouts, and processing equipment. Each RPDC will process mail and packages originating in its service area and have one or more associated LPCs to sort letters and flats for delivery carriers. The goal of an RPDC is to merge mail processing into a central facility within a region to reduce transportation costs and improve service reliability.

Before the launch of the Atlanta RPDC, the Postal Service relied on 11 different facilities to process mail in the region. The Postal Service invested over \$250 million to build out the Atlanta, GA, RPDC, consolidate regional operations, and close two annexes and two processing facilities.<sup>2</sup> The Postal Service also consolidated all originating mail volume and incoming package volume from four other processing facilities covering Georgia and part of South Carolina,<sup>3</sup> and absorbed operations from three contracted facilities.<sup>4</sup> The Postal Service

anticipates it will realize about \$3 billion of savings over the next 30 years from these changes.

The Atlanta RPDC is a new, one million square foot facility and one of the first RPDCs in the network. It includes several unique design and operating elements including one of the first Matrix Regional Sorter (MaRS),<sup>5</sup> dock-to-machine mail induction, and a continuous operating plan. The Postal Service implemented a new design on the unloading dock for this facility by installing seven package machine induction points (see Figure 1). The Postal Service expects this to allow employees to quickly unload mail from trailers and directly induct packages into operations via a system of conveyor belts. The Postal Service's goal is for the facility to process over 1.1 million packages daily.

**Figure 1. Pictures of New Dock Package Induction Points and Conveyor Belts**

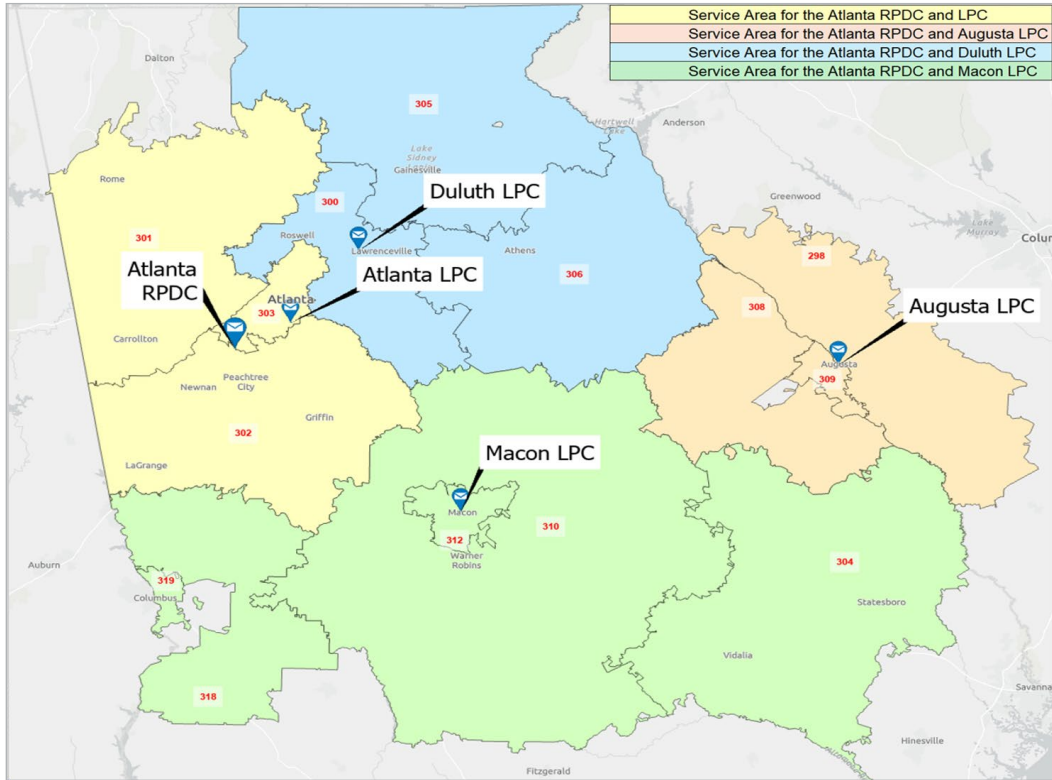


Source: U.S. Postal Service Office of Inspector General (OIG) photos taken at the Atlanta RPDC on February 22, 2024.

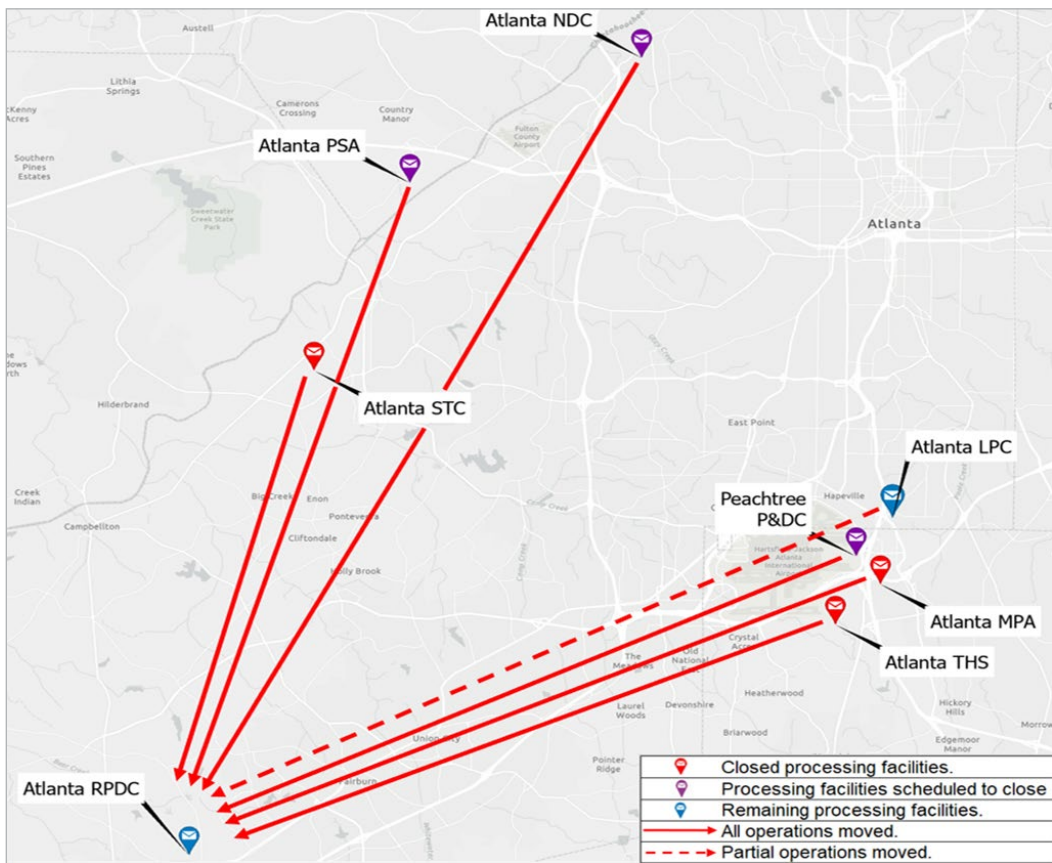
In October 2023, the Postal Service began phasing in operations, mail volume, and employees in the Atlanta region into the RPDC. This concluded with the official launch of the Atlanta RPDC on February 24, 2024. See [Figure 2](#) for an overview of the facility consolidation and service areas covered by the Atlanta RPDC network transformation.

<sup>1</sup> An S&DC consolidates multiple delivery units and package sortation operations into one centrally located facility.  
<sup>2</sup> The Postal Service closed the Atlanta Mail Processing Annex (MPA) and plans to close the Peachtree Processing and Distribution Center (P&DC), Atlanta Package Support Annex (PSA), and Atlanta Network Distribution Center (NDC).  
<sup>3</sup> North Metro (Duluth, GA) P&DC, Atlanta P&DC, Macon P&DC, Augusta P&DC.  
<sup>4</sup> Atlanta Terminal Handling Service (THS), Atlanta Surface Transfer Center, and Atlanta Christmas Terminal Handling Operations.  
<sup>5</sup> The MaRS is a new package sorter with greater throughput than existing processing equipment.

Figure 2. Facilities in the Atlanta Regional Processing and Distribution Center Service Area



Facilities Consolidated into Atlanta Regional Processing and Distribution Center



Source: OIG created map based on USPS RPDC design and post-launch documentation.

## Findings Summary

The Postal Service faced serious challenges when implementing the Atlanta RPDC and failed to capitalize on the success of their pre-launch transfer of operations. The challenges experienced caused an immediate and significant decline in service performance and increased overtime costs in the Atlanta region.

We also identified operational challenges that, if addressed, create opportunities for the Postal Service to improve performance both in the Atlanta region and in the implementation of future RPDCs. Specifically, the Postal Service had challenges executing operations under its new plant design, resulting in congested dock conditions and truck

drivers waiting hours to unload mail. Further, the Postal Service selected the Atlanta RPDC as a centralized hub for a new initiative to consolidate cross-country mail but did not consider the impacts of this initiative when designing the facility.

In addition, the Postal Service did not build on lessons learned from the launch of the Richmond RPDC, as discussed in our March 2024 report, to address similar barriers to success such as staffing, training, and supervision.<sup>6</sup> Specifically, the Postal Service experienced serious staffing challenges at the Atlanta RPDC and did not have management in place to supervise employees and operations at launch. Finally, the Postal Service's policy did not require it to communicate its plans to close certain facilities in the Atlanta region to customers or other stakeholders.

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<sup>6</sup> *Effectiveness of the New Regional Processing and Distribution Center in Richmond, VA (23-161-R24)* dated March 28, 2024.

# Finding #1: Lessons Learned from the Atlanta RPDC Launch

We conducted site visits at the Atlanta RPDC; the Atlanta, Macon, and Duluth<sup>7</sup> LPCs; and the Macon S&DC from March through June 2024 and reviewed the first three months of operations after the launch. During our site visits, we identified some accomplishments and challenges related to the initial rollout. We also interviewed Postal Service Headquarters management and obtained lessons learned identified by the Postal Service.

## Postal Service RPDC Launch

The Postal Service completed several tasks before launching the Atlanta RPDC, contributing to its goal of a best-in-class processing and delivery operations network. In late October of 2022, the Postal Service started modernizing the empty warehouse to meet its needs and standards. The Postal Service also installed its new package sorting machine, the MaRS, and it became fully operational in January 2024. We identified challenges with the initial performance of the MaRS, and we will be issuing an upcoming report that makes recommendations based on our evaluation of the planning, deployment, and initial performance of the MaRS.<sup>8</sup>

In October of 2023, the Atlanta RPDC started processing mail from a previously outsourced consolidation hub as the first step to reduce the overall number of facilities in the region. In November and December, the Postal Service added more package operations and volume during peak season, supporting the regional network. In January 2024, the Postal Service moved select package operations from three facilities and the contracted terminal handling service operations from one other facility to the RPDC. These were the first steps to consolidating all package and outbound letter and flat operations into the RPDC and converting the remaining facilities to LPCs.

## Postal Service Lessons Learned from RPDC Launch

While the Postal Service had some limited successes in the lead-up to the launch of the RPDC, management also identified several lessons learned related to the RPDC launch. Specifically, management completed a post-implementation review 30 days after launch and identified the following as challenges when implementing the Atlanta RPDC:

- Management did not plan transportation schedules far enough in advance to support regional operations.
- Management did not align inbound mail volume and dock operations to reduce truck driver wait time.
- Management did not define a clear process to update mail transportation equipment labels to address significant changes in the network.
- Processes were not set up before launch to efficiently handle all mailstreams.
- Employee availability within the region was not properly determined before launch.
- Management did not train all employees on equipment or operating processes before launch.

These issues increased overtime expenses and contributed to a significant decrease in service performance scores.

<sup>7</sup> This facility was previously named the North Metro P&DC.

<sup>8</sup> *Planning and Deployment of the Matrix Regional Sorter (24-049)*



### Initial Service Performance Impacts

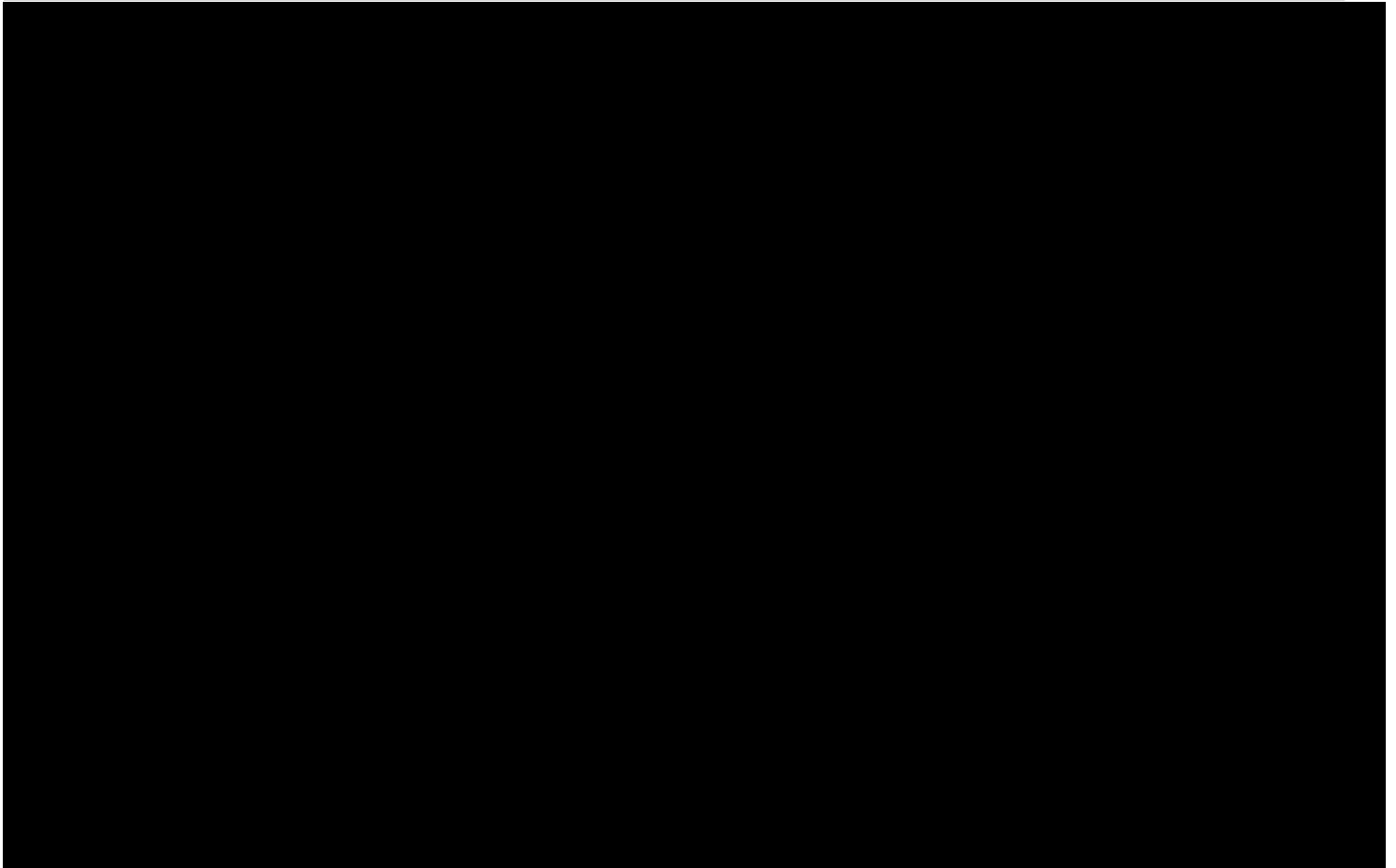
Mail service performance in the Atlanta region declined significantly after the launch in February 2024. Specifically, the percent of mail delivered on time from the region declined for all mail classes, reaching its lowest levels in March. The percent of First-Class Mail delivered on-time dropped to a low of 36 percent before rebounding to about 80 percent in early June. However, this is still well below the 92.5 percent on time service target. Overall, service performance improved for all mail classes after the first four months; however, it was still below levels before implementation of the Atlanta RPDC. As of June 7, 2024, service performance ranged from

“Mail service performance in the Atlanta region declined significantly after the launch in February 2024.”

2 to 66 percentage points below current on-time service targets.

See Figure 3 for competitive product service performance and Figure 4 for market dominant service performance for the Atlanta RPDC.

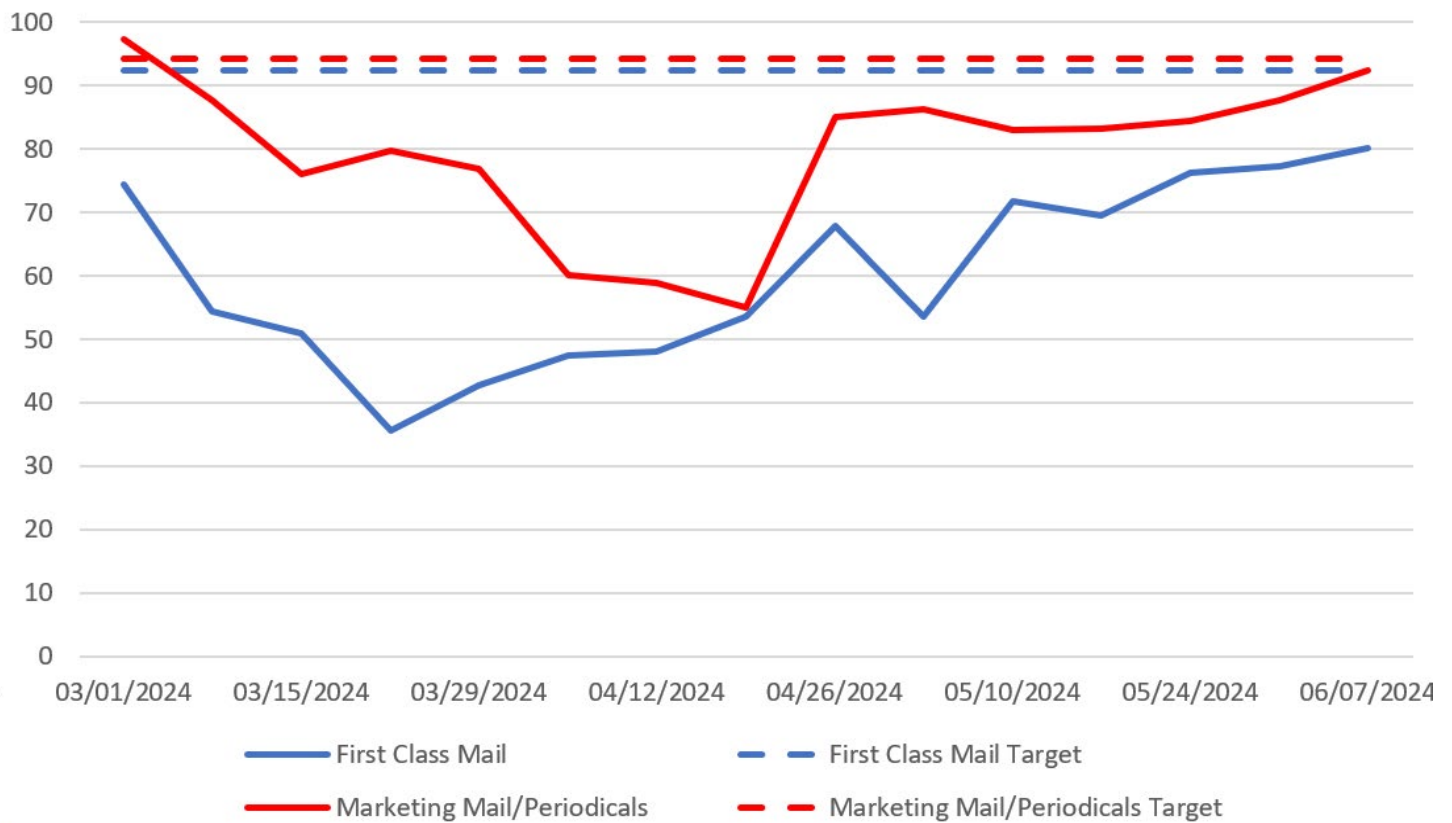
**Figure 3. Percent of Packages On-Time for the Atlanta RPDC**



Source: USPS Informed Visibility.

NOTE: The Atlanta RPDC did not start processing significant package volume until November 4, 2023.

**Figure 4. Percent of First-Class Mail, Marketing Mail and Periodicals On-Time for the Atlanta RPDC**



Source: USPS Informed Visibility.

NOTE: The Atlanta RPDC did not start processing significant volumes of First-Class Mail, Marketing Mail/Periodicals until February 24, 2024.

The launch also coincided with the activation of the Local Transportation Optimization (LTO) initiative in the Atlanta region. This initiative is designed to reduce transportation trips between sorting facilities and delivery units<sup>9</sup> by no longer transporting mail collected at designated delivery units greater than 50 miles from a processing facility the day it is collected. Rather, the mail will remain at the delivery unit until the next day, delaying its entry into sorting operations. While we are not able to isolate the service impact of LTO in the Atlanta region, we are planning a separate project to evaluate the impacts of this initiative nationwide.

We recently completed an audit of the new RPDC in Richmond, VA and similarly recommended that the Postal Service continue to document the issues identified and actions taken to address issues in post-implementation reviews of RPDC conversions,

and use the cumulative lessons learned when activating future RPDCs. The Postal Service agreed with that recommendation and provided evidence that they are conducting this type of review after the launch of RPDCs. However, they did not build on lessons learned from the Richmond RPDC to address similar barriers to success when launching the Atlanta RPDC. Management stated they developed plans to address these issues found in Atlanta and will work to avoid a repeat of these challenges during the launch of future RPDCs. Therefore, we are not making a recommendation but will continue to monitor the Postal Service’s network changes and implementation at future RPDCs.

<sup>9</sup> The Postal Service is also implementing this initiative because it will increase the amount of mail transported on each trip and reduce carbon emissions.

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### **Postal Service Response**

Management disagreed with finding 1, stating that they did consider lessons learned from the launch of the Richmond, VA, RPDC. Management stated unexpected challenges were identified and mitigated.

### **OIG Evaluation**

We recognize the complexity of the Atlanta RPDC implementation. However, as noted, some of the challenges faced in the implementation of the Atlanta RPDC were similar to those faced during the Richmond RPDC implementation. Specifically, management did not apply lessons learned to address staffing, transportation, and mailstream issues.

## Finding #2: Challenges Executing Operations with New Plant Design

The Postal Service struggled to effectively execute operations with the new design of the Atlanta RPDC, which created congestion on the docks. Specifically, there was not sufficient space for personnel to unload trailers, move mail into the facility, stage mail for operations, and dispatch outgoing mail. In addition, the Postal Service increased the volume of mail at the Atlanta RPDC under the new “Go East/ Go West” initiative that consolidates cross country mail which made dock congestion even worse.<sup>10</sup>

### Challenges with New Unloading Dock Design

The Atlanta RPDC uses a new dock design expected to allow employees to quickly unload mail from trailers and directly induct packages into operations via a system of conveyor belts. However, we observed this area was not large enough to accommodate the volume of mail and packages being unloaded into the facility. We observed that due to congestion, employees could not:

- Safely and effectively maneuver forklifts and pallet jacks.
- Efficiently move mail to other operations.
- Stage mail in a first-in, first-out manner.
- Unload trailers timely, causing some drivers to wait up to 13 hours to unload.

See [Figure 5](#) for examples of congestion on the unloading dock.

Plant modernization management stated the operational plan called for using parking spaces in the trailer yard to store full trailers of mail, rather than having trailers and drivers waiting in line to drop mail at the facility. The Postal Service would move these trailers to an empty door when processing had cleared enough space at the unloading docks. In this manner there would never be more mail in the facility than could be staged and processed. However, this plan was not shared with operations and facility

management as they stated they were unaware of such a plan. Facilities must have a formal platform operating plan that includes space management to ensure mail is processed on a first-in, first-out basis. Further, management must take corrective action promptly if changes in volume and space will impact service.<sup>11</sup>

### Trucks and Trailers Waiting Hours to Load and Unload

The Postal Service expected to load and unload about 960 trailers per day. However, in the 12 weeks after launch the Postal Service averaged 720 trailers per day. Even with fewer than expected trailers, the Postal Service was unable to quickly check-in and unload trailers due to the congestion on the loading dock. Specifically, truck drivers had to wait up to 13 hours before processing operations cleared sufficient space for their trailers to be unloaded into the facility.<sup>12</sup> Drivers not only had to wait in line to check-in and receive a dock door assignment, but also had to wait at the dock after their trailer was backed up to the door. Specifically, in the three months after launch, 204 or 21 percent of 977 drivers with GPS had to wait on average four hours before they were checked into the facility and provided a dock door assignment. We were unable to determine the wait time for all drivers because only 28 percent of trailers were equipped with GPS devices that automatically recorded when they arrived at the facility gate. These drivers were further delayed once they arrived at the dock door to be unloaded or loaded and had to wait an average of three hours for this process to be completed. The Postal Service’s goal is to have a trailer unloaded or loaded within 30 minutes after it arrives at the facility. See [Figure 6](#) for the wait times for drivers to receive a gate assignment. See [Figure 7](#) for the timeliness of unloading and loading inbound and outbound trailers at the Atlanta RPDC.

<sup>10</sup> The Postal Service launched the Go East/ Go West initiative at four of the 10 planned centralized hubs (New Jersey, Denver, Salt Lake City and Atlanta) across the country on January 13, 2024.

<sup>11</sup> Handbook PO-413, *Platform Operations*, dated December 2013, Section 2-2, Management Action.

<sup>12</sup> This observation was from Global Positioning System (GPS) arrival data from Surface Visibility from March 23, 2024.

## Figure 5. Examples of Unsafe and Inefficient Operations

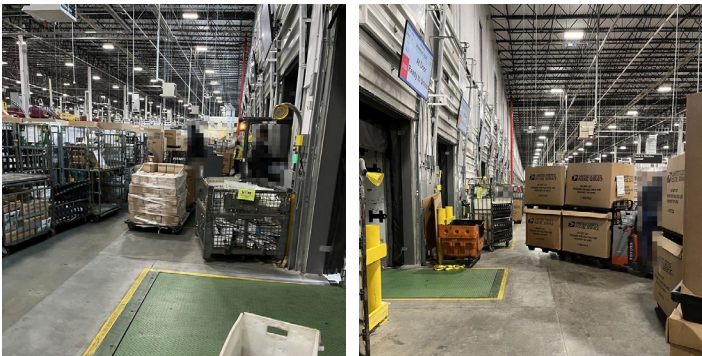
### Congestion at the Unloading Dock



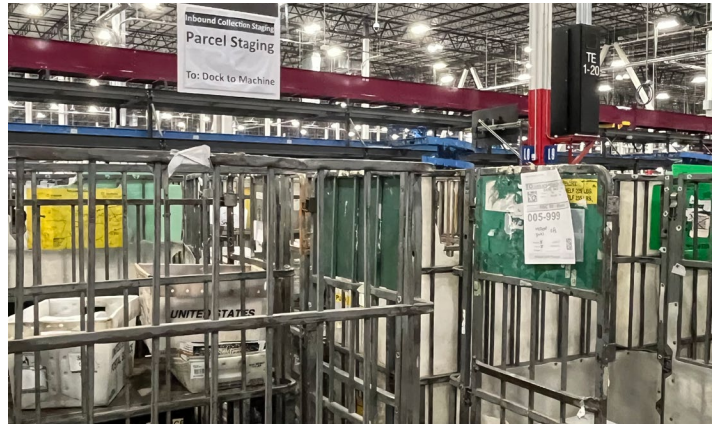
### Congestion Results in Mail Equipment Falling Over



### Limited Space to Maneuver



### Letter Mail Trapped in Parcel Staging Area Unable to Move to Letter Sorting



### Observed Collection Mail Dated March 11, 2024, Still Awaiting Processing on March 25, 2024

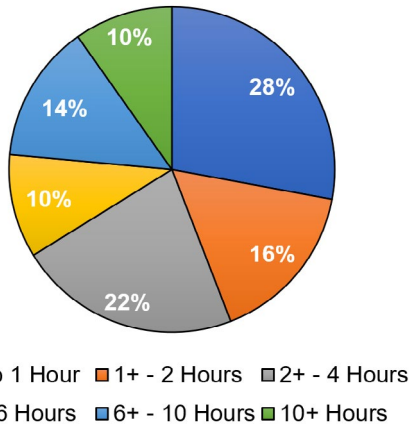


### Tow Motor Unusable Due to Being Surrounded by Mail



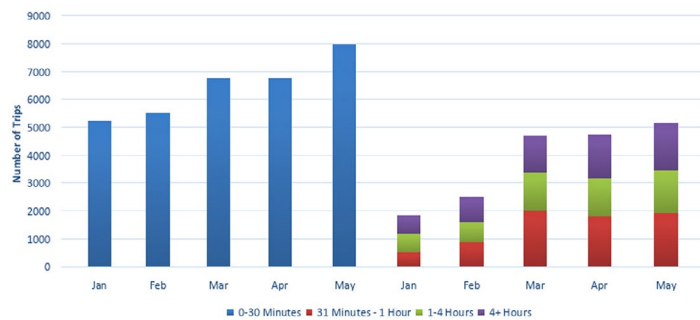
Source: OIG photographs taken at the Atlanta RPDC from March through May 2024.

**Figure 6. Gate Assignment Wait Time**



Source: OIG Analysis of Surface Visibility data for February 24 through May 31, 2024.

**Figure 7. Inbound and Outbound Trips Load & Unload Time**



Source: OIG Analysis of Surface Visibility data for January 1 through May 31, 2024.

Typically, other Postal Service facilities do not have a check in-process that requires drivers to wait in line. Rather, the drivers scan a badge to access the yard and proceed to an available dock door then check-in with Postal Service personnel. When postal operations create delays for contracted drivers, the Postal Service incurs additional costs as they must compensate drivers for the actual time delayed. In addition, when truck drivers are significantly delayed, subsequent trips on their schedule may be late or not performed at all. See Figure 8 for examples of drivers and trailers waiting to be unloaded.

**Figure 8. Trailers and Drivers Waiting at the RPDC**

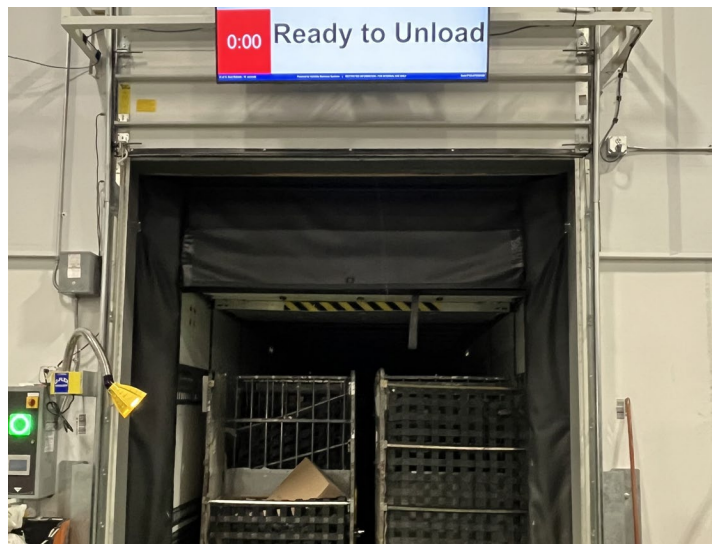
Trailers Waiting at Yard Entrance



Trailers in Line Outside Facility



Trailer Waiting for Over Nine Hours to be Unloaded



Drivers Waiting for Trailers to be Unloaded



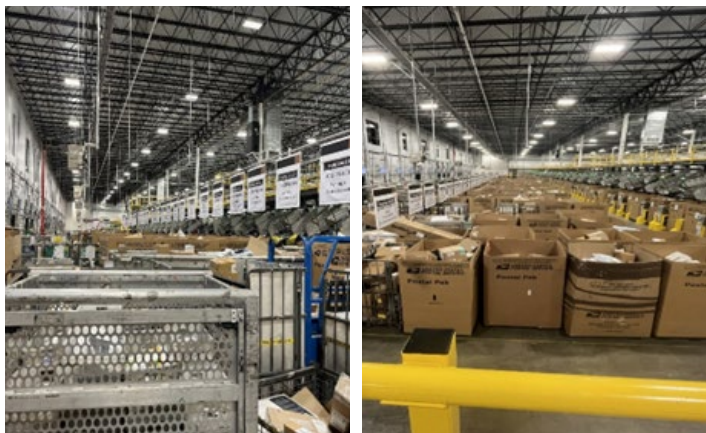
Source: OIG photographs taken at the Atlanta RPDC from March to May 2024.

### Challenges With New Dispatch Dock Design

The docks where the RPDC dispatches, or sends mail to other facilities, were designed with the expectation that processed packages would flow directly onto the outbound trailer requiring minimal space for staging mail awaiting transport. However, the volume of packages in the 12 weeks after launch exceeded the Postal Service’s plan. We observed the dispatch docks did not always allow for sufficient staging. See Figure 9 for congestion on outbound docks.

**Figure 9. Congested Outbound Docks**

Congested Outbound Docks



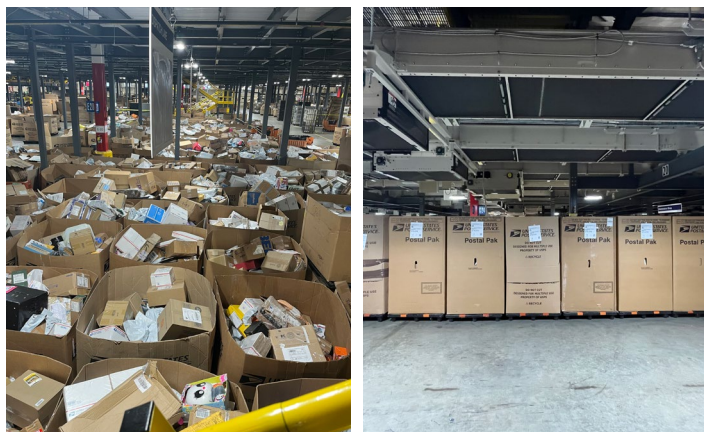
Source: OIG photographs taken at the Atlanta RPDC from March to May 2024.

We found that mail was moved under the MaRS to reduce congestion. We also observed forklifts operating within this area. The space under the MaRS is not intended to stage mail and is not safe for the movement of forklifts (see Figure 10).

“The “Go East/Go West” initiative increased the amount of mail and containers coming into the facility adding to the congestion.”

**Figure 10. Examples of Activities Conducted Under the MaRS**

Mail Staged under the MaRS



Forklifts Operating under the MaRS



Source: OIG photographs taken at the Atlanta RPDC from March to June 2024.

### Rollout of New Initiative in Conjunction with RPDC Launch

In the weeks leading up to the launch, the Postal Service also selected the Atlanta RPDC as one of 10 centralized hubs for a new initiative which they are calling “Go East/ Go West.” The aim of the initiative is to achieve Delivering for America goals and dispatch full trailers of mail by creating a consolidation point for cross-country mail. This increased the amount of mail and containers coming into the facility which added to the congestion on the docks. These containers of mail needed to be sorted, staged, or directly loaded on outbound trailers. However, this initiative and its need to move many mail containers across the facility from inbound

to outbound trailers was not considered when the facility was designed.

When the mail volume exceeded processing capabilities and the Postal Service did not implement standard procedures to reintroduce this volume into mail processing, it resulted in significantly delayed mail. These delays dissatisfied stakeholders and negatively affected service scores. Further, significant delays experienced by contract truck companies whose drivers had to wait up to 10 hours increase the risk that contractors will not work with them in the future. By the end of our observations in June 2024, the Postal Service had cleared the excess mail volume from many areas of the facility. However, at times the inbound docks still became congested, and the Postal Service was unable to move mail directly to processing. We plan to conduct additional work to determine if this design is a viable plan at the Atlanta RPDC and future RPDCs.

#### Recommendation #1

We recommend the **Vice President, Processing Operations**, develop a platform operation plan with established procedures for tracking, staging, and organizing any mail moved off the docks to ensure it is timely entered into mail processing.

#### Recommendation #2

We recommend the **Vice President, Logistics**, in coordination with the **Vice President, Processing Operations**, communicate to management and follow a yard management plan at the Atlanta Regional Processing and Distribution Center (RPDC) and future RPDC sites.

#### Postal Service Response

Management agreed with finding 2 and recommendations 1 and 2.

Regarding recommendation 1, management stated they had adjusted and enhanced the operation plan after implementation. In addition, management stated they have established adequate transportation schedules and processing and logistics procedures to ensure that the dock yard remains fluid. Management

requested closure of the recommendation and provided a target implementation date of September 15, 2024.

Regarding recommendation 2, management stated they agree a yard management plan should exist and is in place and continually updated for Atlanta by Logistic and Mail Processing. Management requested closure of the recommendation and provided a target implementation date of January 31, 2025.

#### OIG Evaluation

The OIG considers management's comments partially responsive to recommendation 1 and responsive to recommendation 2.

Regarding recommendation 1, while management provided documentation, they did not address how they will track, stage, and organize mail from the docks to mail processing. We will keep this recommendation open until the Postal Service provides support for this process.

Regarding recommendation 2, management stated a yard management plan is in place and continually updated. We consider the support provided by management sufficient to close this recommendation with issuance of the final report. However, we plan to conduct a follow-up audit of the Atlanta RPDC and will assess management's actions at that time.



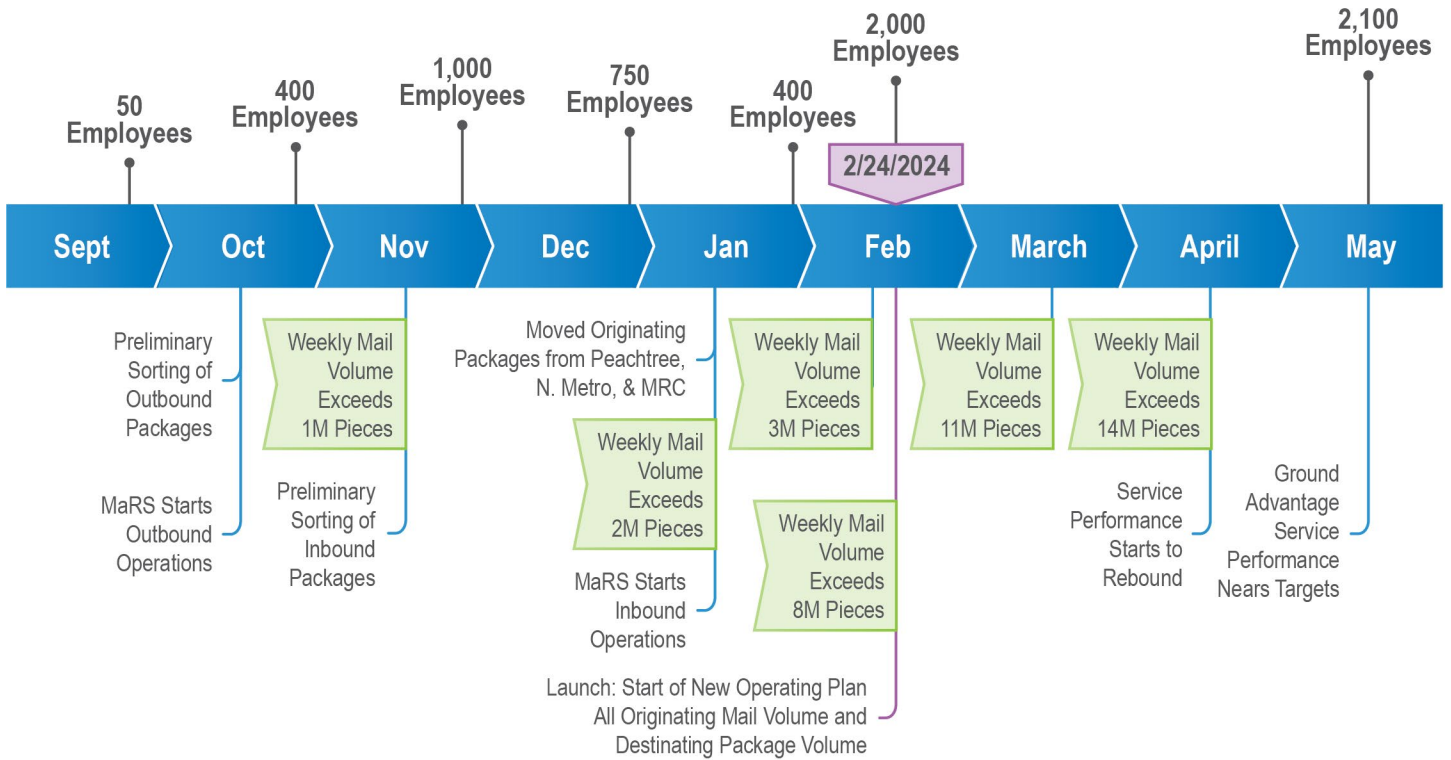
# Finding #3: Staffing Challenges at the RPDC Resulted in Inefficient Operations

The Postal Service worked extensively with labor unions to staff the Atlanta RPDC, but still faced several staffing challenges, which exacerbated the other operational challenges and negatively impacted service. Specifically, most of the employees initially detailed to the RPDC did not stay after their temporary assignment ended; about 1,500 employees started at the RPDC on its launch date, but most did not receive training or know the operational layout of the facility. Further, employees were reassigned from the other facilities in the region

“Staffing challenges exacerbated the operational challenges and negatively impacted service.”

to the RPDC, leaving the Atlanta LPC understaffed and unable to hire pre-career<sup>13</sup> employees, due to labor agreements, to help bridge the gap. The Postal Service noted a lesson learned from its Richmond RPDC launch was that management did not train all employees on standard work instructions for new processes. The Postal Service repeated the mistake at the Atlanta RPDC by not training employees before launch of the facility. See Figure 11 for a timeline of operational and personnel movement at the Atlanta RPDC.

**Figure 11. Atlanta RPDC Operation & Staffing Timeline**



Source: OIG analysis of Web Management Operating Data System and Workforce data.

Note: Staffing increased to support launch of operations and peak season; and decreased in early 2024 due to resignations, terminations, and/or a lack of work.

<sup>13</sup> These are temporary workers, such as mail handler assistants and postal support employees, who do not receive the same employee benefits as career employees and are not always guaranteed a regular schedule.

### Initial Employees did not Stay at the RPDC

The Postal Service began limited logistics and package processing operations at the Atlanta RPDC in October 2023. To staff these operations, the Postal Service hired pre-career employees and requested that career employees volunteer for 180-day detail assignments. In total, 322 career employees were detailed to the Atlanta RPDC before its official launch in February 2024 when the Postal Service could permanently assign employees to the facility. These employees gained an understanding of the new design and operations before the facility officially launched. However, only 245 of the employees stayed after the launch when the Postal Service brought in mail volume and processing from nearby facilities. As a result, at launch there were a limited number of employees familiar with the RPDC design and operations.

### Employees Starting at the Same Time Were Not Trained and Prepared

The Postal Service permanently assigned about 1,500 employees to start working at the Atlanta RPDC as of February 24, 2024. However, management did not adequately train these employees on new job-specific duties or familiarize them with the operational layout of the facility. In addition, around 25 percent of all employees were recent hires to the Postal Service with little mail processing experience. Further, many employees were assigned to unfamiliar operations. Specifically, we found:

- Employees regularly brought mail to the wrong operations delaying its timely processing.
- Expeditors — responsible for coordinating dock operations and the timely loading and unloading of trailers — did not know how to operate the doors correctly or update the status of trailers within the data system.

- Employees were unfamiliar with:
  - Scanning arriving trailers and mail containers.
  - How mail should flow through the plant.
  - The operation of mail processing equipment.
  - The different classes of mail, products, and machine capabilities.

“Management did not adequately train employees on new job specific duties or familiarize them with the layout of the facility.”

See [Figure 12](#) for examples of delayed and unprocessed mail resulting from employees not being trained or experienced to perform operations.

Management is responsible for ensuring employees are trained timely to perform their assigned job task.<sup>14</sup> Management wanted to do a phased-in approach of moving employees over a period of time but did not because that approach did not comply with union

agreements. Rather, all employees were moved on one day, and plant management stated they did not have sufficient supervisors in place or time to train employees.

### Understaffing at a Supporting Facility in the Region

When the Postal Service reassigned employees in the region to staff the RPDC, it left the Atlanta LPC understaffed and unable to hire pre-career employees to help bridge the gap. During our observations at the Atlanta LPC, we noted multiple operations were understaffed. For example, we observed supervisors and managers operating mail processing equipment.

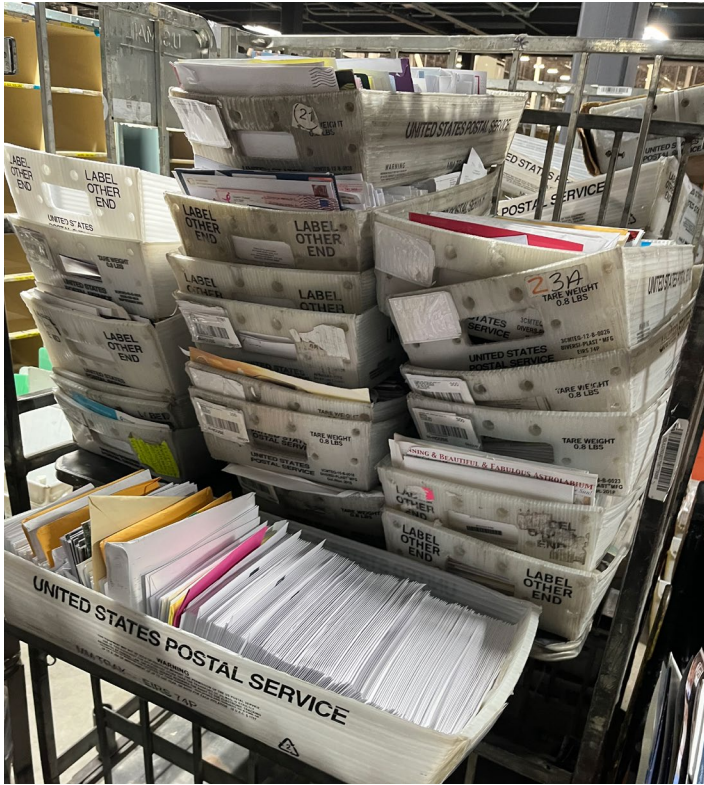
The Postal Service estimated in March of 2024, that it would need about 400 employees to operate the Atlanta LPC. Based on how the Postal Service reassigned employees in the region and the existing labor agreement, the Postal Service first needed to remove all pre-career employees at the Atlanta LPC.<sup>15</sup> This needed to be completed before they could move

<sup>14</sup> *Employee and Labor Relations Manual*, Issue 55 dated March 2024, Section 720, Training and Development Responsibilities and Functions.

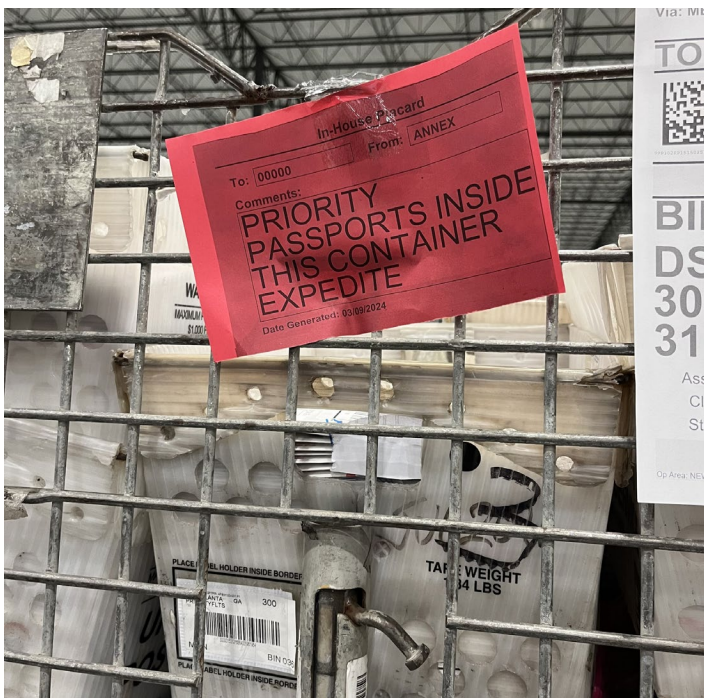
<sup>15</sup> *Collective Bargaining Agreement, Between American Postal Workers Union, AFL-CIO And U.S. Postal Service September 21, 2021-September 20, 2024*, Article 12.5.C.5. *Collective Bargaining Agreement, Between National Postal Mail Handlers Union, AFL-CIO And U.S. Postal Service September 21, 2022-September 20, 2025*, Article 12.5.B.

## Figure 12. Examples of Inefficient Operations

### Machinable Mail in Manual Operations



### Mail Erroneously Moved to Another Facility Resulting in over 500 Delayed Passports

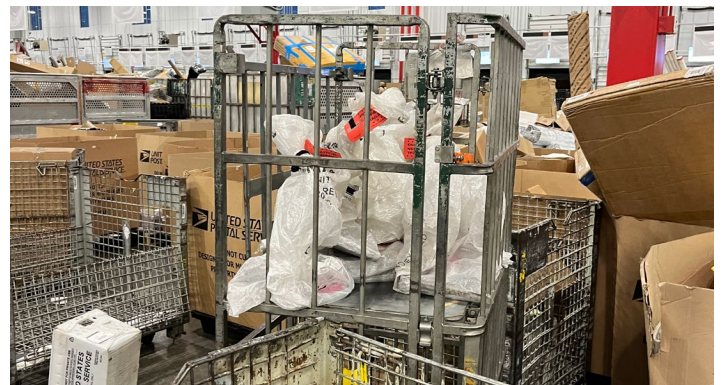


Source: OIG photographs taken at the Atlanta RPDC from March to May 2024.

### Delayed Priority Mail Express Incorrectly Inducted on the MaRS Rather Than Express Mail Operations



### Political Mail Not Moved Directly to Operations



### Live Animal Priority Mail Express Shipments on March 28, 2024 – Placarded for Dispatch March 27



career employees to the RPDC. However, as of June 7, 2024, the Postal Service estimated it needs over 600 employees to operate the Atlanta LPC. At that time, the Atlanta LPC was 122 employees – 26 career and 96 pre-career – under the estimate.

### Low Employee Availability at the Atlanta Region

Many career employees were involuntarily reassigned from the other processing facilities in the region. This led to an increase in the use of sick leave and employees who did not come to work. The Postal Service noted in its lessons learned from implementing the Richmond RPDC that employee absenteeism increased after launch and its need to plan for it. However, in the first 12 weeks after launching the Atlanta RPDC, the facility was short the equivalent of 189 employees a week due to unscheduled absences. These staffing shortages led to an increase in overtime pay. Overtime at the Atlanta RPDC accounted for about 13 percent of all workhours in the first 12 weeks after launch and overall, the Atlanta region used 176 percent more overtime in comparison to the same period in the previous year.

When employees on detailed assignments choose not to stay at the facility, the Postal Service loses on its investment in employees to develop site specific skills and knowledge. Since the Postal Service did not train or familiarize employees on their new roles and responsibilities, and did not have sufficient staff at the Atlanta LPC, employee morale suffered. This made it unnecessarily hard for employees to transition to a new facility. Additionally, this contributed to the significant decrease in service performance.

#### Recommendation #3

We recommend the **Vice President, Processing Operations**, develop plans to orient and train employees to effectively perform operations before they start completing the new mail processing operations.

#### Recommendation #4

We recommend the **Vice President, Labor Relations**, work with labor unions to successfully staff future Regional Processing and Distribution Centers to allow for successful transitions for the Postal Service and its employees.

#### Recommendation #5

We recommend the **Vice President, Processing Operations**, develop contingency plans to handle low employee availability when implementing network changes.

#### Postal Service Response

Management disagreed with finding 3 and recommendation 4 but agreed with recommendations 3 and 5.

Regarding recommendation 3, management stated training is ongoing for all employees and guidance is prominently posted. Management requested closure of the recommendation and provided a target implementation date of February 28, 2025.

Regarding recommendation 4, management stated the OIG failed to evaluate all the information relevant to staffing levels at the Atlanta RPDC and surrounding facilities, failed to properly apply and interpret labor union agreements, and did not consider the extent of negotiations.

Regarding recommendation 5, management stated processes are in place to address low employee availability and that they utilized all available options to address staffing challenges in the Atlanta RPDC region. Management requested closure of the recommendation and provided a target implementation date of February 28, 2025.

#### OIG Evaluation

Regarding recommendation 3, while management provided support for training conducted at the Atlanta RPDC, they did not include plans to train employees before moving them to new processing operations

during future network changes. We will keep this recommendation open until management provides this information.

Regarding recommendation 4, management provided support for negotiations held with the labor unions. Regardless of the extent to which management engaged in labor union negotiations, the majority of employees began work at the Atlanta RPDC without any training for facility-specific operations, and the Atlanta LPC was left understaffed. As noted, this resulted in a negative impact to service performance. We view the disagreement as unresolved and will work with management through the formal audit resolution process.

Regarding recommendation 5, management provided documentation of attendance control training conducted in the Atlanta region. However, they did not provide a formal, cohesive contingency plan to address employee availability during future network changes. We will keep this recommendation open until management provides this information.

## Finding #4: Management Was Not in Place to Supervise Operations

The Postal Service did not fill all management positions at the Atlanta RPDC before launch and vacant positions persisted at least four months after the launch. Specifically, 42 (57 percent) necessary front line supervisory positions were vacant at launch. The Postal Service placed employees in temporary management positions and brought in experienced management staffing from around the country to close the gap and provide oversight of mail processing operations. However, these managers from other locations were unfamiliar with the layout and planned operations of the RPDC. We noted a similar issue in our prior audit,<sup>16</sup> where the Postal Service changed job descriptions for many manager and supervisor positions at the Richmond RPDC and some local managers and supervisors didn't fully understand new operations and mail flow.

Additionally, the Postal Service did not have a manager, processing support, in place until four weeks after the facility went live. The manager,

processing support, is a key member of the executive team who works collaboratively with the plant manager to develop machine run plans, align employee schedules, and works with logistics and operations to meet scheduled operating plans. See Table 1 for the number of management staff in place at the RPDC compared to the authorized number.

We observed issues throughout the facility due to insufficient supervision. This included operations such as manual mail, Postal Automated Redirection System (PARS) mail, package induction, and hazardous material handling that were not properly supervised.<sup>17</sup> Throughout the facility, we found mail that had not moved; was not staged and organized in a first-in, first-out order; or was not placarded correctly. For example, we found PARS mail that was not processed and sitting on the collection dock for more than 3 weeks.<sup>18</sup> See Figure 13 for examples of insufficient supervision.

**Table 1. Number of Managers and Supervisors by Month**

Title	Authorized	Permanent			
		February	March	April	May
Manager, Distribution Operations	9	0	4	4	4
Supervisor, Distribution Operations	65	32	35	35	52

Source: OIG analysis of Workforce data.

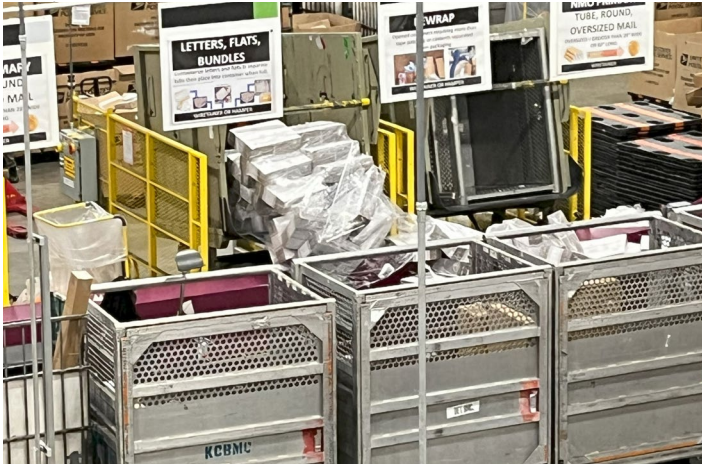
<sup>16</sup> *Effectiveness of the New Regional Processing and Distribution Center in Richmond, VA* (23-161-R24) dated March 28, 2024.

<sup>17</sup> PARS is mail that is undeliverable as addressed and is forwarded to a new address or returned to sender.

<sup>18</sup> On June 25, 2024, we received a request from Senator Jon Ossoff related to concerns with "return to sender" mail that we will be reviewing separately from this report.

### Figure 13. Inadequate Supervision

Wrapped Pallet of Mail Inducted into Processing



Forklift Lifting Damaged Container of Mail



Broken Equipment Still in Service



Source: OIG photographs taken at the Atlanta RPDC from March to May 2024.

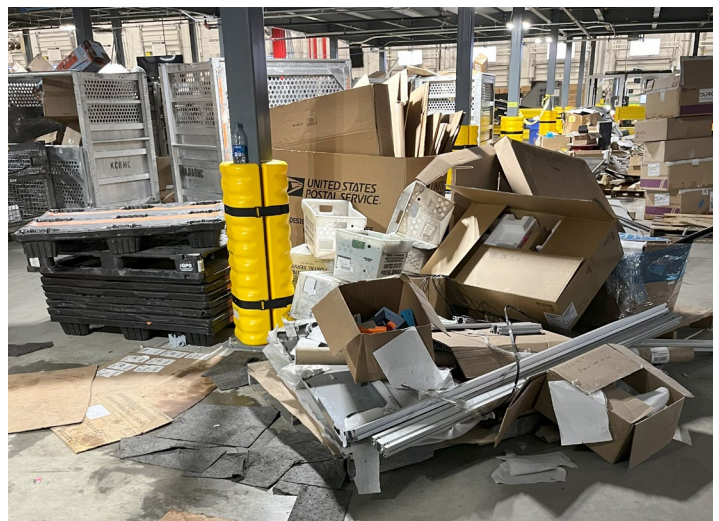
Slip Hazard



Unidentified Powder Spill Not Attended



Trash Under the MaRS



We also found that management did not oversee employees to ensure all required scans were performed. Specifically, dock personnel only completed 83 percent of required scans<sup>19</sup> during the first 12-weeks after launch. These scans are important to provide the customers and the Postal Service with mail visibility and performance data. Managers are responsible for making sure mail is properly staged, labelled, processed, and dispatched according to operating plans.

The Postal Service sets a ratio of one supervisor for every 25 employees to oversee processing operations. However, the Postal Service did not address known management staffing shortages in the Atlanta region before reassigning staff and mail volume to the RPDC.

“Management staff were unfamiliar with the layout and planned operations of the RPDC.”

Without permanent and stable supervision, the Postal Service hinders the ability of the facility to efficiently function and does not grow the operational knowledge of those who oversee the RPDC. Newly assigned management staff lacked the appropriate guidance and oversight to complete their assigned tasks resulting in decreased plant efficiency and low morale and contributed to the significant decrease in service performance.

#### **Recommendation #6**

We recommend the **Vice President, Processing Operations**, develop plans to provide facility specific training to management staff before they oversee the new mail processing operations.

#### **Recommendation #7**

We recommend the **Vice President, Processing Operations**, implement plans to hire sufficient managerial staff when implementing future network changes.

#### **Postal Service Response**

Management disagreed with finding 4 and recommendation 7 but agreed with recommendation 6.

Regarding recommendation 6, management stated that plans were already in place prior to the conclusion of this audit and recognized that additional training was needed for managerial staff in the Atlanta RPDC. Management requested closure of the recommendation and provided a target implementation date of February 28, 2025.

Regarding recommendation 7, management stated they fundamentally disagree with the recommendation, citing they do not see the need to deviate from existing procedures.

#### **OIG Evaluation**

Regarding recommendation 6, while management stated plans are in place to provide facility-specific training for future network changes, they did not provide the OIG with documentation to support this assertion. We will keep this recommendation open until management provides this information.

Regarding recommendation 7, management stated vacant Atlanta RPDC managerial positions were addressed with temporary management. However, we observed multiple instances of insufficient supervision as temporary staff lacked the appropriate training, guidance, and oversight to positively impact service performance. We view the disagreement as unresolved and will work with management through the formal audit resolution process.

<sup>19</sup> Surface Visibility Program User Booklet, November 14, 2023.



## Finding #5: Mail Processing Facility Review Process Not Followed

The Postal Service completed public outreach at only two of six mail processing facilities before consolidating operations into the Atlanta RPDC.

The Postal Service is legally required to provide adequate public notice to communities affected when closing or consolidating a processing facility.<sup>20</sup> This includes providing information regarding service changes and affording those communities the opportunity to provide input on the decision. Then, the Postal Service must consider that input before making a final decision.

To comply with the law, the Postal Service developed the Mail Processing Facility Review (MPFR) process, requiring it to conduct an MPFR when consolidating all originating or destinating mail distribution operations from one postal facility to another.<sup>21</sup> An MPFR also reviews the service standard impacts for all classes of mail, considers issues that customers may encounter, identifies impacts to staffing, and analyzes the savings and costs associated with moving mail

“The Postal Service completed public outreach at only two of six mail processing facilities before consolidating operations.”

processing operations. As part of the MPFR process, the Postal Service must communicate these impacts to its stakeholders, hold a public input meeting, and allow submission of written comments. After the meeting, the Postal Service must take any resulting input into account before making a final decision.

The consolidation of mail processing operations from the Atlanta NDC, Peachtree P&DC, and North Metro P&DC appears to meet the requirements to trigger an MPFR. However, the Postal Service did not complete MPFRs for those facilities (see Table 2).

**Table 2. Summary of Processing Facilities Consolidated into the Atlanta RPDC**

Facility Name	Consolidated all Originating and/or Destinating Operations	Conducted MPFR	Future/Current Operations of Facility
Atlanta NDC	Yes	No	Closure or S&DC
Atlanta P&DC	No	No	LPC
Augusta P&DC	Yes	Yes	LPC
Macon P&DC	Yes	Yes	LPC
North Metro P&DC	Yes	No	LPC
Peachtree P&DC	Yes	No	Closure

Source: OIG analysis of processing changes in Atlanta region.

<sup>20</sup> Codified at 39 USC §3691 Section Note (c)(3)(D), Establishment of modern service standards.

<sup>21</sup> Handbook PO-408 *Mail Processing Facility Review* (issued July 2023).

Postal Service management stated that closing the Atlanta NDC and Peachtree P&DC did not change the service standards; therefore, no other actions were required. Further, management stated its long-standing interpretation of this requirement is the review process is only required when all operations move outside of a "service area"; therefore, no action was required for the North Metro P&DC. We made a recommendation in our Richmond RPDC report to clearly define when Mail Processing Facility Reviews are required. The Postal Service agreed and is in the process of implementing this recommendation by May 31, 2025. We also recommended the Postal Service communicate any impacts to customers when permanently moving processing operations of a three-digit ZIP Code to another processing facility. The Postal Service disagreed with this recommendation and as of July 2024, it remains in the formal audit resolution process. Therefore, we are not making an additional recommendation on this issue but will continue to discuss the process with Postal Service leadership.

When the Postal Service's policy for conducting MPFRs is not clear and service changes are not communicated to affected areas, it harms the Postal Services reputation and public trust.

#### **Postal Service Response**

Management disagreed with finding 5, saying that they did not need to perform an MPFR for the Atlanta NDC, Peachtree P&DC, and North Metro P&DC because they are in the same service area.

#### **OIG Evaluation**

The requirement that mail distribution operations moves outside the service area to require an MPFR is not clearly defined in the policy. We did not issue a recommendation to this finding as we already recommended management update their policy to include the definition of a service area, and clearly define when MPFRs are required in our Richmond RPDC audit. Management provided a target implementation date of May 31, 2025, for their corrective actions.

# Appendices

<b>Appendix A: Additional Information</b> .....	26
Scope and Methodology .....	26
Prior Audit Coverage .....	27
<b>Appendix B: Management’s Comments</b> .....	28



UNITED STATES  
POSTAL SERVICE

Atlanta RPDC

# Appendix A: Additional Information

## Scope and Methodology

The team evaluated mail processing operations in the Atlanta, GA, region from February 24, 2024, through June 7, 2024.

To accomplish our objective, we:

- Reviewed policies, procedures, manuals, training materials, and the Delivering for America strategic plan to gain an understanding of how the Postal Service planned to operate, manage, monitor, and oversee operations in the Atlanta region.
- Interviewed Postal Service management to gain an understanding of management responsibilities, metrics for success, the internal control environment, and the establishment of the RPDC.
- Reviewed Decision Analysis and Detailed Capital Investment reports to understand capital investment justifications and the anticipated return on investment.
- Reviewed and compared operating plans including clearance, dispatch and departure times, processing performance, operating expenses, and trip schedules to identify changes after consolidating operations.
- Analyzed and reviewed staffing, workhours, and overtime from Time and Attendance Collection System data.
- Visited the Atlanta RPDC to observe collections, mail processing, and dispatch operations and terminal handling service operations. We observed facility conditions and interviewed processing facility personnel to identify successes and challenges from the launch of the RPDC.
- Judgmentally selected the Macon, GA S&DC, and three LPCs to observe how operations aligned with the Atlanta RPDC.

- Interviewed local management including plant managers; manager, distribution operations; managers, program support; supervisors, and logistics personnel to discuss changes to operations.

We conducted this performance audit from March through August 2024 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 August 1, 2024, and included their comments where appropriate.

In planning and conducting the audit, we obtained an understanding of the RPDC internal control structure 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 three components were significant to our audit objective:

- Control Activities
- Information and Communication
- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to 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 used data from the Enterprise Data Warehouse, Informed Visibility, Surface Visibility, Time and Attendance Collection System, Transportation Contract Support System, Human Capital Enterprise System, Web Management Operating Data System, Workforce, Web Complement Information System, and Web End of Run. We assessed the reliability of this data by interviewing Postal Service officials knowledgeable about the data and performing tests for completeness, reasonableness, accuracy, and validity. 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 (in Millions)
<i>Impacts Associated with Local Transportation Optimization in Richmond, Virginia</i>	To determine impacts associated with the Local Transportation Optimization initiative.	23-161-1-R24	4/12/24	\$0
<i>Effectiveness of the New Regional Processing and Distribution Center in Richmond, VA</i>	To assess the operational impacts related to the launch of the RPDC and identify successes, opportunities, and lessons learned	23-161-R24	3/28/24	\$8.1
<i>US Postal Service: Better Incorporating Leading Practices for Project Management Could Benefit Strategic Plan Implementation</i>	<ol style="list-style-type: none"> <li>To examine the progress USPS has made toward meeting the two primary goals of improved service performance and financial sustainability established in its 2021 Strategic Plan.</li> <li>To examine how USPS has implemented and monitored the 2021 Strategic Plan.</li> <li>To examine the extent to which USPS policies for implementing Strategic Plan projects incorporate leading practices for project management.</li> </ol>	GAO-23-105297	9/19/2023	\$0
<i>Efficiency of Operations at the Atlanta, GA Processing and Distribution Center</i>	To evaluate the efficiency of operations at the Atlanta P&DC.	22-179-R23	11/1/2022	\$0
<i>Transfer of Mail Processing Operations from Selected Facilities</i>	To review the U.S. Postal Service's plan to transfer processing operations from 18 mail processing facilities and analyze its adherence to established policy as well as identify any associated risks and opportunities.	21-240-R22	5/4/2022	\$0
<i>Transportation Network Optimization and Service Performance</i>	To identify opportunities to optimize the U.S. Postal Service's transportation network and its impact on service performance.	20-144-R20	6/5/2020	\$199.6
<i>U.S. Postal Service Processing Network Optimization</i>	To evaluate trends and practices used to optimize the U.S. Postal Service's processing network.	NO-AR-19-006	9/9/2019	\$0

# Appendix B: Management's Comments



August 21, 2024

JOHN CIHOTA  
DIRECTOR, AUDIT SERVICES

*SUBJECT: Management Response: Effectiveness of the New Regional Processing and Distribution Center in Atlanta, GA (#24-074-DRAFT)*

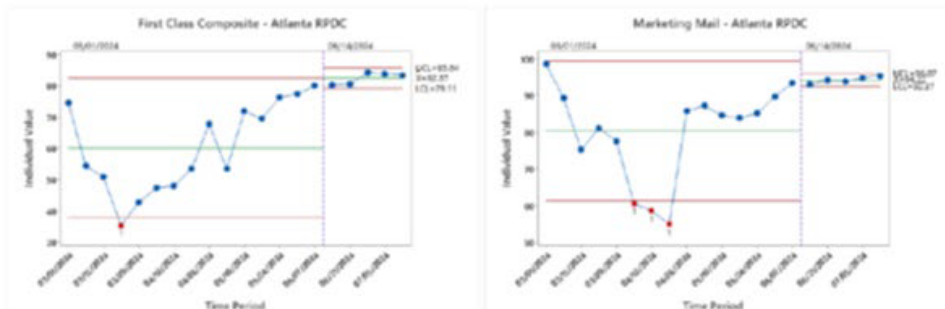
Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the draft audit report, Effectiveness of the New Regional Processing and Distribution Center in Atlanta, GA (24-074-DRAFT). This audit was conducted very early in the implementation process and reflects the challenges expected as well as the action taken to mitigate those challenges.

At the time, the Atlanta region activation represented the most complex launch to date within the network; the RPDC processes around 1 million packages per day, and activation encompassed 5 distinct processing facilities, 8 S&DCs, 547 offices, 16 3-digit zip codes, and 740 5-digit zip codes, which required executing extensive change across the region. Furthermore, activation involved cutting over to the Postal Vehicle Service (PVS) fleet rather than contracting private transportation services, which required a high degree of change management. Many changes were centered around the contractual employee move date of 2/24/24. To help mitigate the high degree of change scheduled to take place on 2/24/24, management prioritized moves that could be successfully conducted ahead of the 2/24/24 launch wherever possible, including aggregating originating package volume and aggregating destinating Non-Machinable Outsides.

As we approached this activation, we applied all the learnings from the Richmond RPDC launch. We had pre-launch communications, pre-launch operational ramp up, activation readiness reference guide, integrated 5-digit validation workshop, extensive on-site support and management presence, integrated go-live planning, risk monitoring, and post-launch monitoring. Despite all the preparatory work and application of lessons learned, we still encountered challenges around transportation, staffing and docks. We have worked around and through those challenges using daily issue resolution meetings – adding shuttle trips as needed, addressing employee availability and improving dock management and flows. Staffing issues in Atlanta were compounded by the number of facilities involved and the distances between those facilities. The inability to utilize pre-career employees, based on contractual obligations, impacted flexibility. The unexpected insourcing of the STC on 10/14/23, caused by the bankruptcy of a supplier, added complexity to the RPDC project and required resources not originally planned for to support the operation in another building.

Since the period of this audit, we have seen many positive improvements in the Atlanta RPDC region. Specifically, service has significantly improved.

In the audit, the service trend charts only go through June 7, 2024. Included below are trends showing the trend comparisons including the data elements shown by the OIG in Figure's 3 & 4 within the audit, as well as additional data. As these charts show, there has been statistically significant improvements and process stabilization.



Many of the biggest challenges around the Atlanta RPDC activation were unique to the Atlanta RPDC region and we do not anticipate many future RPDC activations with the same scale and scope. We will continue to collect and review all lessons learned from this launch and apply them to future RPDC implementations.

**Finding #1: Lessons Learned from the Atlanta RPDC Launch**

Management disagrees with the contention that the lessons learned from the Richmond RPDC were not used to address barriers to success in Atlanta. As discussed in the report, the Atlanta campus relied on 11 different facilities to process mail in the region. The unexpected challenges related to the scale and complexity of this implementation were identified and mitigated.

**Finding #2: Challenges Executing Operations with New Plant Design**

Management agrees that there were unexpected issues and lessons learned. Management took immediate and effective corrective action to alleviate wait times and congestion.

**Finding #3: Staffing Challenges at the RPDC Resulted in Inefficient Operations**

Management disagrees with the finding. We acknowledge that certain circumstances around the Atlanta RPDC activation did result in temporary inefficiencies, which were mitigated to the extent possible. We recognize that staffing challenges existed, and these are challenges we were actively working to resolve at the time of the audit and that have since been resolved. We disagree with assertion that we were not aware of the challenges and/or not actively working to resolve.

The OIG failed to cite any facts establishing the Postal Service's assignment of employees to the Atlanta RPDC in accordance with the parties' National Agreements resulted in the understaffing of the Atlanta LPC or inefficient operations in the Atlanta Region. Under the provisions of the parties' National Agreements, the initial volunteers from the Atlanta and North Atlanta bid clusters did not have the option of electing to stay at the Atlanta RPDC once the Postal Service implemented the contractually mandated excessing provisions enumerated in Article 12. The original employee volunteers were utilized exclusively for the equipment "burn-in" period at the Atlanta RPDC. The February 24, 2024, excessing from the Atlanta bid cluster to the Atlanta RPDC did not leave the Atlanta LPC understaffed. While 139 PSEs were separated due to the February 24, 2024, Article 12 excessing to the Atlanta RPDC, 84 career clerks above the authorized earned complement remained at the Atlanta LPC following the excessing to provide continued scheduling flexibility. In addition, the Duluth LPC had 120 excess career clerks available on February 24, 2024. In June 2024, Clerk retreat rights back from the Palmetto RPDC to the Atlanta and Duluth LPCs had been exhausted, and Human Resources hired 67 PSEs that were assigned to the Atlanta LPC.

The OIG's audit also failed to properly assess the negative impact of insourcing due to the STC contractor's fall 2023 bankruptcy that led to staffing and operations issues beyond the Postal Service's control.

**Finding #4: Management Was Not in Place to Supervise Operations**

Management disagrees with the findings. There are very specific HR policies and procedures in place that govern the placement of managerial employees. RIF timeline requirements added challenges to placing EAS personnel in advance of implementation. Travel distance, travel time, and commuting costs between facilities discouraged voluntary moves. We recognize that we had supervisory and management positions vacant at launch, but it was known due to RIF timeline requirements, and we supplemented with temporary managers and supervisors.

**Finding #5: Mail Processing Facility Review Process Not Followed**

Management disagrees with this finding. The Mail Processing Facility Review (MPFR) process was followed correctly for the Atlanta RPDC. An MPFR was not needed for the Atlanta NDC, Peachtree P&DC, or the North Metro P&DC because they were in the same service area. A service area is considered the Sectional Center Facility (SCF) ZIP codes for which a facility processes mail. If an MPFR is not needed, the Postal Service is not required to communicate impacts to stakeholders or hold a public input meeting to allow submissions of written comments.



**Recommendation #1: We recommend the Vice President, Processing Operations, develop a platform operation plan with established procedures for tracking, staging, and organizing any mail moved off the docks to ensure it is timely entered into mail processing.**

Management Response/Action Plan:

Management agrees with this recommendation. The Atlanta RPDC platform operation plan was adjusted and enhanced post implementation. We have successfully established adequate transportation schedules and processing and logistics procedures to ensure that the dock and yard remain fluid.

We request closure of this recommendation based on the documentation provided.

Target Implementation Date: 9/15/24

Responsible Official: Sr Division Director Southeast Processing

**Recommendation #2: We recommend the Vice President, Logistics, in coordination with the Vice President, Processing Operations, communicate to management and follow a yard management plan at the Atlanta Regional Processing and Distribution Center (RPDC) and future RPDC sites.**

Management Response/Action Plan:

Management agrees that a yard management plan should exist for all current and future RPDCs and that the yard management plan should be communicated with all stakeholders. This is in place in Atlanta and is continually updated by Logistics and Mail Processing within the RPDC.

Documents have been provided to show the design plan, the role of the dispatch coordinator and logistics control room, the defined inbound and outbound doors to include the preload dispatches. In addition, management can provide the daily updates to include reports of cycle times, oldest trailers on dock and other critical indicators that provide actionable data for the team in the facility.

The Logistics Network Implementation team is replicating the same processes across the remaining RPDCs and will incorporate into the planning/implementation of future RPDCs.

We request closure of this recommendation based on the documentation provided.

Target Implementation Date: 1/31/25

Responsible Official: Sr Director Logistics Network Transformation

**Recommendation #3: We recommend the Vice President, Processing Operations, develop plans to orient and train employees to effectively perform operations before they start completing the new mail processing operations.**

Management Response/Action Plan:

Management agrees with this recommendation. Training is ongoing for all employees and includes extensive OJT. Job aids and standard work instructions are posted in prominent locations.

We request closure of this recommendation based on the documentation provided.

Target Implementation Date: 2/28/25

Responsible Official: Dir Process Design

**Recommendation #4: We recommend the Vice President, Labor Relations, work with labor unions to successfully staff future Regional Processing and Distribution Centers to allow for successful transitions for the Postal Service and its employees.**

Management Response/Action Plan:

Management disagrees with this recommendation. The OIG failed to collect and consider the relevant information and data necessary to draw accurate findings and issue recommendations regarding staffing levels and training and failed to properly apply and interpret the parties' National Agreements.

While the OIG's Draft Report Finding #3 acknowledges, "The Postal Service worked extensively with labor unions to staff the Atlanta RPDC . . ." (DR, pg. 17), Recommendation #4 infers we need to do more which is incorrect and fails to acknowledge the two years of consultations, briefings, and working with the unions before and following the February 24, 2024, Atlanta Go Live. In June 2022, Labor Relations began providing the unions with weekly Delivering for America (DFA) briefings, presented by the Project Managers for the S&DCs and RPDCs/LPCS, including weekly detailed PowerPoint presentations outlining the developing plans for the new plants and S&DC offices by location and facility. In the fall of 2023, the unions requested individual DFA briefings to address craft specific issues, resulting in the DFA briefings being provided bi-weekly to each unions' executive leadership and the Management Associations' Presidents.

Recommendation #4 fails to acknowledge the extensive work completed by the Postal Service's Labor Relations and Human Resources functions (LR & HR) at the Headquarters, Regional, and District levels to timely negotiate and properly staff the RPDC, LPCs and S&DCs/HUB offices for the February 24, 2024, Atlanta Region Go Live implementation.

All contract provisions relevant to the movement of the people required by Article 12 were adhered to, while also negotiating multiple Memoranda of Understanding (MOUs) with the Mail Handlers (MHs) and American Postal Workers Union (APWU) to provide over-the-cap Mail Handler Associate (MHA) staffing required for the equipment burn-in period and February 24, 2024, Atlanta Region Go Live. On February 24, 2024, the Postal Service had timely hired, relocated, and filled all bargaining unit positions in compliance with the complement implementation plan for the Atlanta RPDC, as well as the Atlanta and Duluth LPCs.

The OIG's Draft Report failed to cite the required complement numbers to accurately assess staffing for each of the three Atlanta plants or account for the staffing provided for the insourcing of the Atlanta STC and THC, as well as standing up the South Atlanta S&DC/HUB operations.

Likewise, the OIG failed to acknowledge that the Atlanta District Labor Relations Team provided all MDOs and Supervisors on-site, on-the-clock training on Managing Attendance and Corrective Actions on all three tours at the Atlanta LPC on April 24, 2024, Duluth LPC on April 25, 2024, and the Macon LPC on May 6, 7, and 9, 2024. Additional, off-the-clock Time and Attendance Training was offered at the Atlanta LPC on July 1, and August 14, 2024.

In summary, the Postal Service successfully accomplished the intent of OIG Recommendation No. 4 having worked extensively with the unions to excess and fully staff the Atlanta RPDC, Atlanta and Duluth LPCs for the February 24, 2024, Atlanta Go Live.

Target Implementation Date: N/A

Responsible Official: N/A

**Recommendation #5: We recommend the Vice President, Processing Operations, develop contingency plans to handle low employee availability when implementing network changes.**

Management Response/Action Plan:

Management agrees with this recommendation. We have processes in place to handle low employee availability. Those processes include hiring efforts, retention of career employees, use of pre-career employees where possible, and corrective action on unscheduled absences. We utilized all available options to address staffing challenges in the Atlanta RPDC region. Complement planning for future implementations will be adjusted to account for lower levels of employee availability, potential lack of pre-career flexibility, employee movement and bid churn.

We request closure of this recommendation based on the documentation provided.

Target Implementation Date: 2/28/25

Responsible Official: Sr Dir Processing Operations

**Recommendation #6: We recommend the Vice President, Processing Operations, develop plans to provide facility specific training to management staff before they oversee the new mail processing operations.**

Management Response/Action Plan:

Management agrees with this recommendation, while noting that plans to address this were already in place prior to the conclusion of this audit. USPS recognized that additional training was needed for managerial staff in the Atlanta RPDC. For future implementations, we are working with HR to ensure supervisory and managerial

positions are filled prior to substantial transition activities. This will enable us to train managerial and supervisory employees prior to implementations. Updated training plans have been developed and are currently being used in Houston. The new training includes a comprehensive overview of DFA and the RPDC process, discussion of different situational scenarios that managerial and supervisory staff may encounter, and responsibilities of EAS.

We request closure of this recommendation based on the documentation provided.

Target Implementation Date: 2/28/25

Responsible Official: Sr Division Director, Processing

**Recommendation #7: We recommend the Vice President, Processing Operations, implement plans to hire sufficient managerial staff when implementing future network changes.**

Management Response/Action Plan:

Management fundamentally disagrees with the findings in this audit. While we had vacant managerial positions, we supplemented with temporary managerial and supervisory support to oversee the transition and launch of the Atlanta RPDC. We will continue to execute the standard hiring processes and procedures as we do through all operational changes and at this time management does not see a need to deviate from existing procedures. As we have continued to activate the RPDC campuses, plans were executed to establish the management staffing in advance of the site activation schedule, as evidenced by the North Houston TX RPDC, Chicago IL RPDC, Indianapolis IN RPDC and Jacksonville FL RPDC sites. Therefore, we disagree with this recommendation, as plans to address this were already in place prior to the conclusion of this audit.

Target Implementation Date: N/A

Responsible Official: N/A

E-SIGNED by DANE.A COLEMAN  
on 2024-08-21 17:34:04 EDT

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Dane Coleman  
Vice President, Processing Operations

E-SIGNED by ROBERT CINTRON  
on 2024-08-21 16:46:11 EDT

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Robert Cintron  
Vice President, Logistics

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UNITED STATES



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