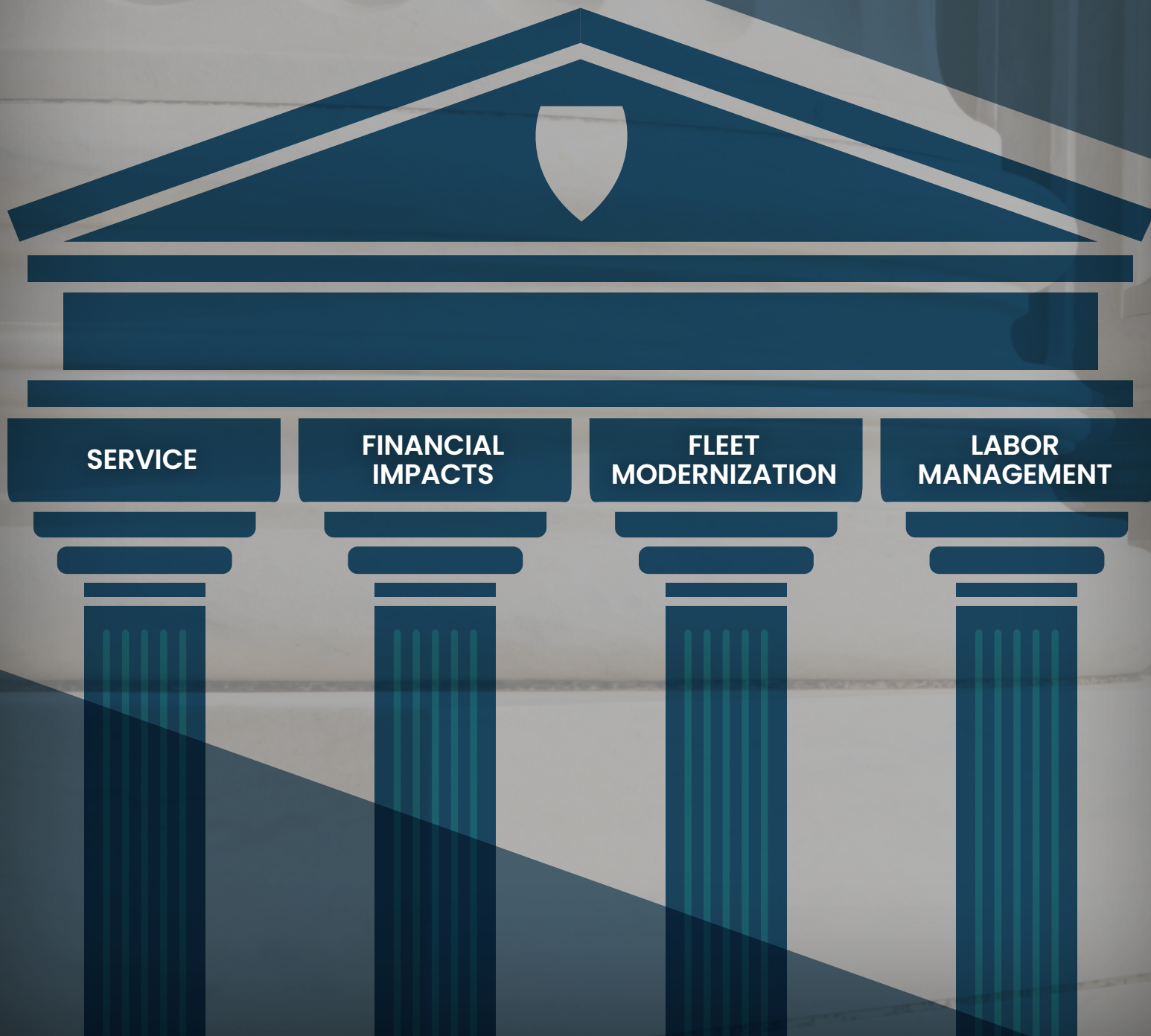




# The OIG's Oversight of the U.S. Postal Service's Delivering for America Plan

## Volume 2

APRIL 29, 2025 | PROJECT NUMBER 25-034-R25



**SERVICE**

**FINANCIAL  
IMPACTS**

**FLEET  
MODERNIZATION**

**LABOR  
MANAGEMENT**

# Contents

Cover .....1

Our Perspective .....3

This Edition’s Spotlight: Transportation ..... 4

I. Service.....5

II. Financials ..... 6

III. Fleet Modernization.....7

IV. Labor Management.....8

Concluding Observations..... 9

Postal Service Response..... 9

OIG Evaluation..... 9

Appendix A. Additional Information.....10

    Scope and Methodology .....10

    Related OIG Products ..... 11

Appendix B. Management’s Comments..... 12

Contact Information .....16



# Our Perspective



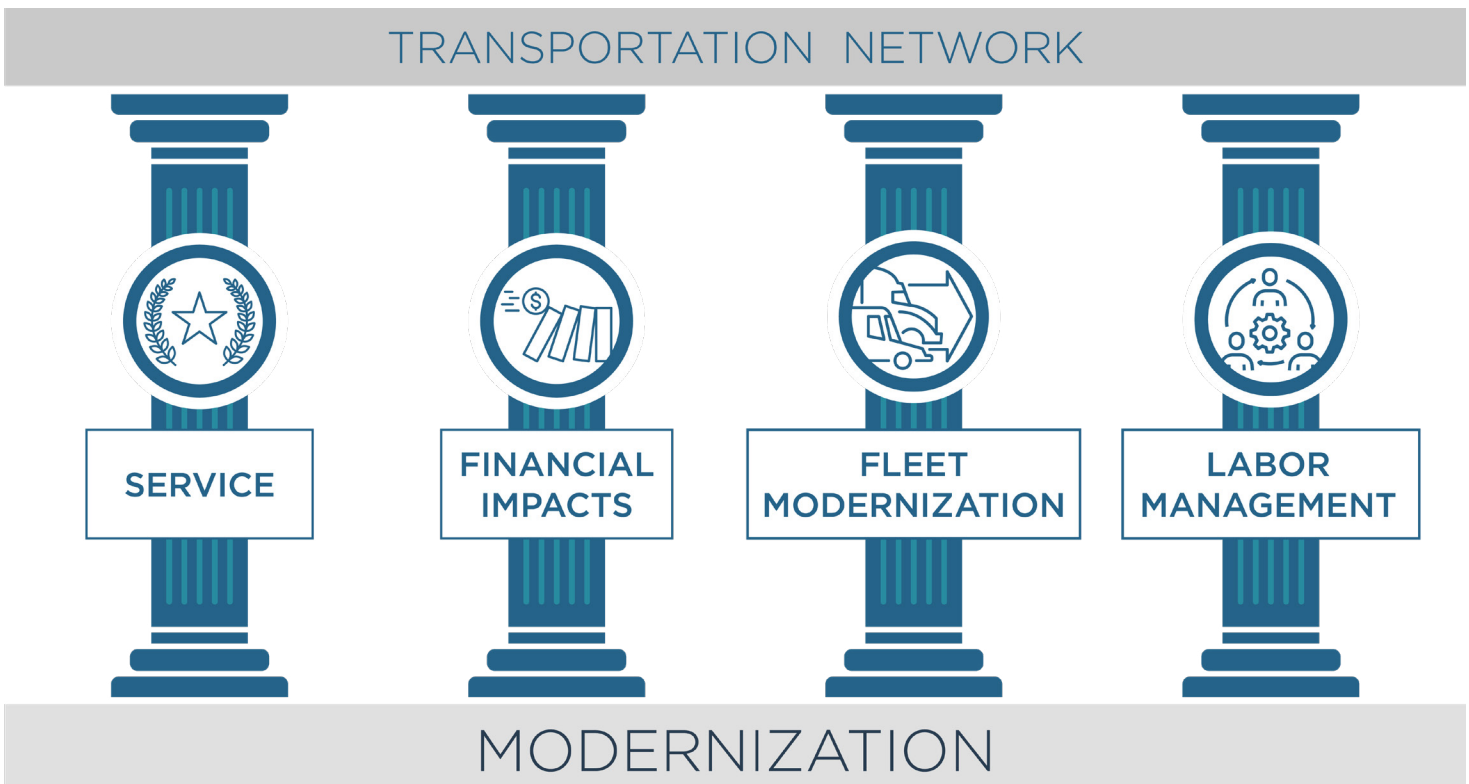
In March 2021, the Postal Service released a 10-year strategic plan<sup>1</sup> to address continuing annual financial losses, unmet service performance goals, and diminishing market relevancy as consumer behaviors have changed. On September 30, 2024, the Postal Service released *Delivering for America (DFA) 2.0: Fulfilling the Promise*, to revisit and re-examine the factors contributing to the development of the plan and detail the evolution of its strategies, focusing on service excellence and financial stability.

The Postal Service is statutorily required to fulfill its Universal Service mission by delivering mail and packages through an integrated network that, importantly, is financially self-sustaining. Characteristics of this organization would include best-in-class mail and package processing and a fully optimized surface and air transportation network. In support of this vision, as of November 30, 2024, the Postal Service has significantly or partially completed 11 Regional Processing and Distribution Centers (RPDC), with two more upcoming in fiscal year (FY) 2025;

14 local processing centers (LPC); and 83 sorting and delivery centers (S&DC) with another 41 planned to be opened by the end of FY 2025.

We, the U.S. Postal Service Office of Inspector General (OIG), have provided essential oversight of the Postal Service for nearly 30 years, and since the release of the DFA plan, we have worked to integrate an independent and objective review of the plan into our work. This is the second in a series of reports, which will be issued every six months, that discusses our oversight work of the DFA plan and the Postal Service's progress toward meeting the essential goal of being a high performing organization through service excellence and financial stability.

This six-month update, in particular, highlights the successes and challenges the Postal Service experienced with a key strategy of the DFA, which is to fully optimize its surface and air transportation network.



<sup>1</sup> *Delivering For America: Our Vision and Ten-Year Plan to Achieve Financial Sustainability and Service Excellence*; published March 23, 2021.

# This Edition’s Spotlight: Transportation

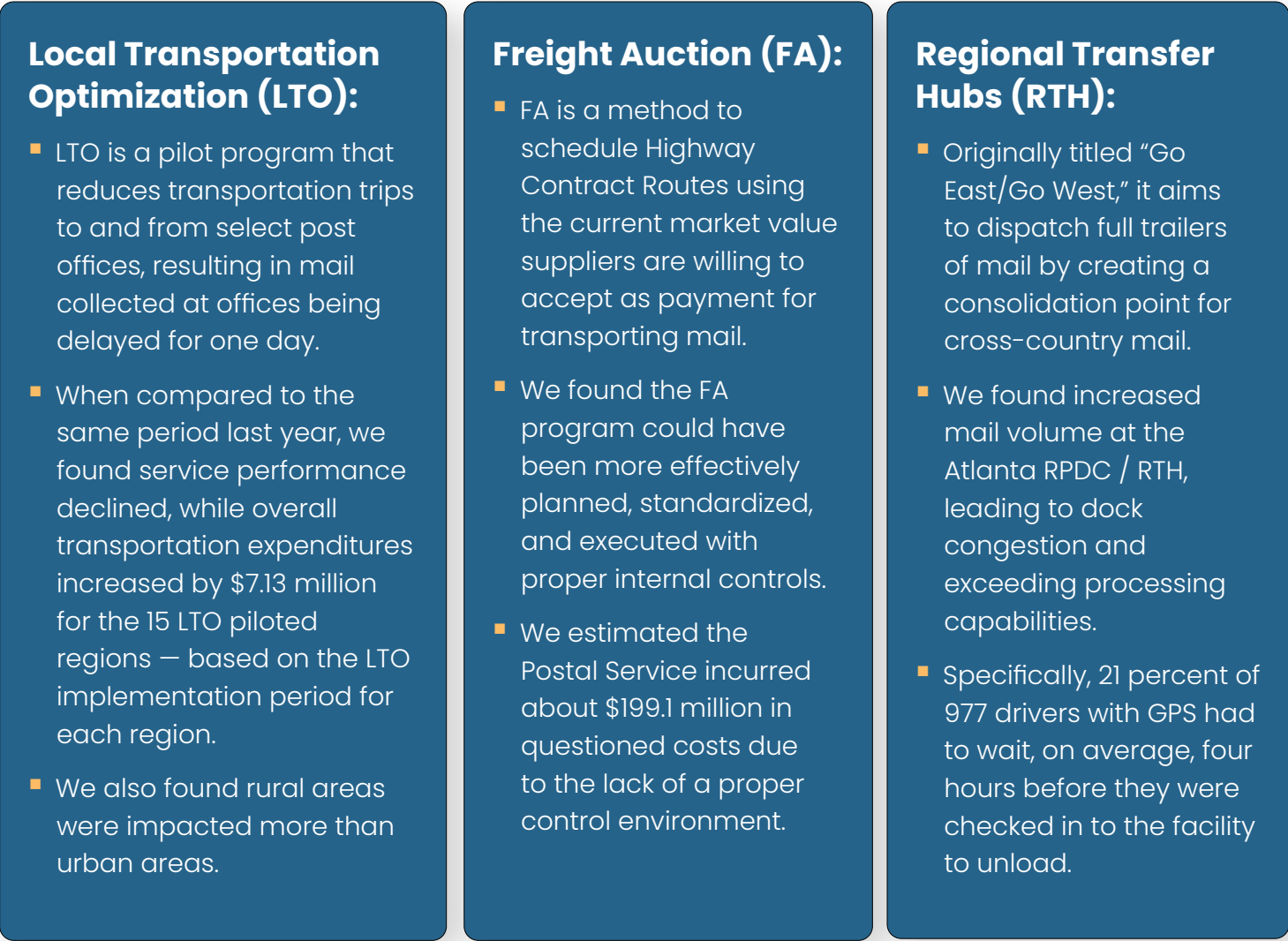
The Postal Service has focused significant efforts on reducing costs in its transportation portfolio. These efforts have included significantly reducing the volume of mail that travels via air network by leveraging the expansion of service standards that the Postal Service pursued as it began its DFA implementation. In addition, the Postal Service has increased the use of [freight auctions](#) in lieu of regular contracts for trips, and it has significantly insourced efforts to consolidate cross-country mail as it aims for full trucks. Finally, starting in January 2024, the Postal Service reduced trips that take mail from certain post offices more than 50 miles away from mail processing facilities. It expanded on this vision and filed for a service

standard change near the end of 2024 to limit these trips [nationwide](#).

Recent cost cutting efforts related to transportation have resulted in measurable impacts. The Postal Service reduced its transportation costs by \$170 million in 2023 and \$1.3 billion in 2024. Cost cutting efforts in transportation will continue, as the Postal Service has a goal of reducing transportation costs by another \$600 million in 2025.

However, as is often the case when cost cutting measures are pursued, our work has shown that the savings have come with operational challenges and control weaknesses (see Figure 1). We will continue to conduct key oversight as these challenges and weaknesses are addressed.

FIGURE 1: CHANGES TO THE TRANSPORTATION NETWORK AND RELATED OIG FINDINGS





# I. Service

A DFA goal is to deliver 95 percent of all mail and shipping products on time. While this continues to be its ultimate goal for service, the Postal Service has reduced its annual service performance goals — as it makes operational changes — to a goal of 90 percent on time for 2024 and 80 percent for 2025.<sup>2</sup>

In October 2024, the Postal Service filed a request for an advisory opinion from the Postal Regulatory Commission, proposing to revise its service standards to align with its operational initiatives, which include creating a nationwide network of RPDCs, LPCs, and implementing its Regional Transportation Optimization (RTO)<sup>3</sup> initiative nationwide. The Postal Service asserted that despite these changes, it will preserve the existing ranges for First-Class Mail service, which is 1-5 days, and its Ground Advantage package service, which is 2-5 days. From July through December 2024, the Postal Service delivered 86.5 percent of mail on time.

## OIG REVIEW AND RESULTS

As the Postal Service implements significant changes to its processing network as part of the DFA plan, it has struggled to achieve its service performance goals, even when they have been lowered to account for network changes. We saw nationwide service performance for Single Piece First-Class Mail (letters and flats from individual customers) range from 64 percent on time to 86 percent on time, during the last three quarters.<sup>4</sup>

In our recent work, we did see some stabilization in service performance in [Richmond](#) and [Atlanta](#) where the launch of RPDCs had disrupted service dramatically in 2023 and 2024. Although service did not rebound to pre-implementation levels, it did rise significantly and was generally consistent with nationwide service performance in both locations.

However, the changes being implemented by the Postal Service to its transportation and processing networks resulted in slower, and in some cases, disproportionate service. The LTO initiative, which delays the mail from impacted offices being introduced into the network by one day, was piloted in 15 regions across the country. LTO resulted in declines in service performance scores for First-Class Mail in those regions, more significantly impacting the rural population. We will continue our oversight as the Postal Service rolls out the recently announced changes to nationwide service standards to evaluate whether these changes can be absorbed within the 5-day service standard window.

Finally, our work on Political and Election Mail for the [2024 general election](#) showed service performance for Election and Political mail was above targets for the period. This mail is critical, and although the Postal Service did not always follow its own established policies and procedures, the ballots and corresponding Election and Political Mail were consistently prioritized and processed timely and effectively.

<sup>2</sup> These goals are for Single-Piece First-Class Mail Three-to-Five-Day.

<sup>3</sup> LTO is the pilot that impacts post offices greater than 50 miles from the local processing centers. RTO is the planned national rollout that impacts all postal facilities that are in a 5-digit ZIP Code where at least one facility is greater than 50 miles from the RPDCs.

<sup>4</sup> For Single-Piece First-Class Mail, Two-Day and Three-To-Five-Day delivery.



## II. Financials

As the Postal Service continues to have annual losses, it stated in DFA 2.0 it will focus on revenue generating and cost cutting initiatives. The Postal Service focuses on controllable income (losses)<sup>5</sup> when assessing its financial situation and the goal of financial stability. However, the Postal Service has not updated when it expects to achieve breakeven financial performance.

### OIG REVIEW AND RESULTS

At the end of FY 2024, the Postal Service reported a controllable loss of \$1.8 billion compared to a net loss of \$9.5 billion. While revenue increased by \$1.2 billion, operating expenses also increased by \$4.1 billion compared to the prior fiscal year, which added to overall cumulative losses and liquidity concerns to sustain operations.

However, the first quarter of 2025 showed better results, likely driven by volume increases attributable to the election and peak season. The Postal Service reported controllable income of \$968 million compared to a net income of \$144 million for the quarter ended December 31, 2024, signaling some DFA plan initiatives savings.

As discussed earlier, savings were largely achieved in transportation. We also found in our follow-up review of the implementation of the Richmond RPDC, the Postal Service achieved over \$21 million of savings in workhours and transportation costs. However, some of the other initiatives were challenged to achieve savings, at least early in their implementation. For example, we found that overall transportation costs increased by \$7.13 million for the 15 piloted LTO regions when compared to the same period last year based on the LTO implementation period for each region.

Our research work found that many other posts around the world were also experiencing financial [challenges](#). While the Postal Service delivers nearly half of the world's mail, we evaluated the 25 posts that were most comparable to the Postal Service in area served and revenue collected. We found that nearly half of these posts lost money in 2023. Like the Postal Service, these international posts face a challenging postal market and uncertain path to long-term financial resilience.

<sup>5</sup> The Postal Service calculates controllable income by excluding the portion of the workers' compensation expense that makes up the non-cash adjustment due to changes in interest rates and the payment due to amortize the unfunded pension liabilities.





### III. Fleet Modernization

The Postal Service's fleet of vehicles is an integral part of the agency providing the nation with reliable, affordable, and universal mail [service](#). To modernize its aging fleet and reduce maintenance costs, the Postal Service plans to acquire more than 106,000 new delivery vehicles by the end of FY 2028. This modernization is critical to the delivery capability of the Postal Service, and we are continuing to conduct work to evaluate its implementation.

#### OIG REVIEW AND RESULTS

The Postal Service has had mixed results with obtaining vehicles in a timely manner, with some arriving on time, while others experienced months-long delays due to supplier design, production, and supply chain issues, or inadequate Postal Service infrastructure preparedness. It acquired over 22,500 new delivery vehicles between March 2023 and June 2024, of which 95 percent were internal combustion engine (ICE) vehicles, and 5 percent were battery electric vehicles (BEV). See Figure 2 for the Postal Service's vehicle acquisitions as of June 2024:

**FIGURE 2. USPS VEHICLE ACQUISITIONS, MARCH 2023–JUNE 2024**

| Vehicle Type   | Quantity Acquired | Current Plan  | Difference (Acquired vs. Current Plan) | Original Plan | Difference (Acquired vs. Original Plan) |
|--|-------------------|---------------|--|---------------|---|
| Left-Hand Drive Commercial Off The Shelf (COTS) ICE            | 7,403             | 6,606         | 797 (▲12%)                             | 6,752         | 651 (▲10%)                              |
| Right-Hand Drive COTS ICE                                      | 14,002            | 14,500        | -498 (▼3%)                             | 14,500        | -498 (▼3%)                              |
| Left-Hand Drive COTS BEV                                       | 1,076             | 1,701         | -625 (▼37%)                            | 4,800         | -3,724 (▼78%)                           |
| Right-Hand Drive Purpose-built BEV and ICE – NGDV <sup>a</sup> | 28                | 28            | 0 (0%)                                 | 3,051         | -3,023 (▼99%)                           |
| <b>Total</b>   | <b>22,509</b>     | <b>22,835</b> | <b>-326 (▼1%)</b>                      | <b>29,103</b> | <b>-6,594 (▼23%)</b>                    |

Source: OIG analysis of Postal Service documentation associated with current acquisition plan.  
<sup>a</sup> Twelve of these Next Generation Delivery Vehicles (NGDV) are training vehicles – six BEV and six ICE.

To use BEVs, the Postal Service needed to first equip delivery units with charging station infrastructure to support daily charging. The Postal Service generally combined its EV infrastructure efforts with converting facilities into [S&DCs](#). At both the [Topeka](#) and [Terre Haute](#) S&DCs, two of the first facilities selected for fleet electrification, the Postal Service properly planned for charging station infrastructure and vehicle deployment. However, at both Topeka and Terre Haute, some EV chargers were non-functioning, and there were infrastructure and equipment security issues present. Additionally, at other S&DCs, we found weather, additional site-specific construction, and utility regulations and coordination generally delayed construction.



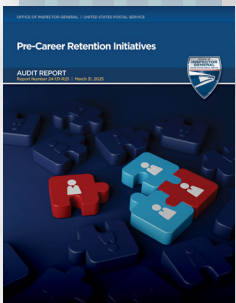
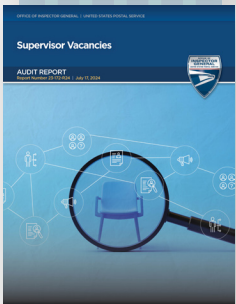
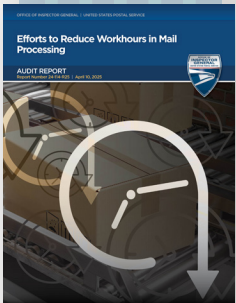
## IV. Labor Management

The United States has experienced a challenging labor market in recent years, making it difficult in some locations for organizations to hire and retain the employees they [need](#). One DFA strategy is to create a stable and empowered workforce, which should improve service performance by allowing employees autonomy over their work and increasing their engagement and motivation to deliver exceptional service. To stabilize its workforce, the Postal Service converted pre-career employees to career status and hired fewer seasonal employees. Additionally, in January 2025, the Postal Service offered certain eligible full-time career employees a voluntary early retirement incentive<sup>6</sup> to address overstaffing in select facilities.

### OIG REVIEW AND RESULTS

The Postal Service's focus on conversion of pre-career to career employees, as part of its year-round staffing strategy, enabled successful operations for the 2024 general election and peak season. We also saw some improvements to filling supervisor and pre-career vacancies. However, hiring challenges still existed due to both internal and external factors, such as a lack of qualified applicants and hardships in certain [geographic locations](#). Specifically, the Postal Service experienced challenges with hiring and retaining employees in high cost of living areas, particularly among [pre-career employees](#). We also found challenges with filling supervisor vacancies at new RPDCs, such as at the Atlanta RPDC, where 57 percent of frontline supervisor positions were vacant for at least four months.

Further, as the Postal Service works to control labor costs through its goal of right-sizing workhours to match the volume of work, we found mail processing [workhours](#) exceeded planned hours by an average of 2 percent during FYs 2022 through 2024, resulting in an additional \$175 million in unplanned costs. Our work highlighted opportunities to further reduce workhours by stabilizing or increasing productivity from year to year. Finally, for those employees on the rolls, we found nationwide employee availability generally trended downward since COVID, which negatively impacted the work environment, decreased productivity, and contributed to mail [delays](#). The lower employee availability was attributed to supervisors' unwillingness to take action on employees who did not regularly attend [work](#) or being untrained to administer leave programs. When employees who do not report to work are not removed timely, facilities will remain short-staffed as positions cannot be backfilled when employees are on the rolls.



<sup>6</sup> Eligible employees had until March 7, 2025, to accept the early retirement and would need to retire effective April 30, 2025.



# Concluding Observations

The Postal Service released the DFA plans to transform the agency, with a focus on service excellence and financial stability. It is required to fulfill its Universal Service mission with best-in-class processing and delivery, a stable and empowered workforce, and a fully optimized surface and air transportation network — all by an organization that is financially self-sustaining.

While there has been progress, and the Postal Service realized \$1.3 billion in overall transportation savings in FY 2024, the planning and early implementation of this transformation has resulted in negative service

impacts to communities, and efforts to address those impacts are critical to ensuring support for further implementation of the plan. And while the Postal Service experienced a significant loss in FY 2024, Q1 of FY 2025 saw a controllable income of \$968 million and a net income of \$144 million. As the focus on the financial challenges facing the Postal Service is increasing, continued progress in this area is critical. We will continue our oversight work to provide transparency, insights, and actionable solutions to promote a viable Postal Service.

## Postal Service Response

Management provided comments to the report, which can be reviewed in their entirety in [Appendix B](#). In summary, management stated that the report fails to include relevant context from management responses to audits referenced in the report or describe how the Postal Service has addressed prior OIG recommendations to correct or mitigate any execution issues that the OIG identified. Additionally, management stated several prior recommendations were acted upon swiftly and fully resolved, to include many that were closed, and others that are actively in progress by the Postal Service to correct identified opportunities. Also, management stated that some of the referenced audits are currently in progress and were not published at the time of these comments. Further, management provided many notable achievements since implementation of the DFA plan.

## OIG Evaluation

In the report, the OIG recognized achievements in the Postal Service's above target service performance during the 2024 general election and how its conversion of pre-career to career employees enabled successful operations for the 2024 general election as well as peak season. Additionally, the Postal Service was successful in reducing transportation costs, by reducing the volume of mail that travels by air, increasing the use of freight auctions, and insourcing and consolidating cross-country mail. However, we also noted that these initiatives have not been without challenges and service impacts. We also recognized that the Postal Service is still implementing its strategic plan, and we expect lessons learned will be applied to future implementation efforts. All referenced audits in this report have been issued and published at the time these comments were received. We will continue our oversight of network modernization efforts and will highlight future successes and challenges as the rollout continues.

# Appendix A. Additional Information

## SCOPE AND METHODOLOGY

Our report is primarily based on the oversight work performed largely between July 1, 2024, and December 31, 2024. Our objective was to evaluate the extent to which the U.S. Postal Service's DFA plan's changes impact service, financial conditions, fleet modernization, and labor management. To achieve our objective, we completed the following:

- Identified and reviewed DFA plan oversight reports, white papers, and other noteworthy reports related to our objective.
- Analyzed trends and observations in reports and white papers with an impact on Postal Service's service, financial impacts, fleet modernization, and labor management, including observations around the Postal Service's utilization of its transportation network.
- Reviewed the DFA plan initiatives as they relate to the Postal Service's service, financial impacts, fleet modernization, labor management, and network modernization goals.

We conducted this evaluation from December 2024 through April 2025, in accordance with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation. Those standards require that we collect and analyze evidence consistent with objectives related to the program, policy, or entity being evaluated. They also require evidence to sufficiently and appropriately support evaluation findings and provide a reasonable basis for conclusions. We believe that the evidence obtained sufficiently and appropriately supports our findings and conclusions based on our objective. We discussed our observations and conclusions with management on April 7, 2025, and included its comments where appropriate.

We assessed the reliability of enterprise data warehouse data for electric vehicle and infrastructure disbursements by reconciling the total amount to the amount recorded as disbursed within the U.S. Treasury's Central Accounting Reporting System (CARS). We determined that the data were sufficiently reliable for the purposes of this report.

## RELATED OIG PRODUCTS

1. Mail Service During the Early Stages of the COVID-19 Pandemic (20-275-R21), January 4, 2021.
2. Fleet Modernization – Charging Station Deployment Timelines (23-170-R24), July 16, 2024.
3. Supervisor Vacancies (23-172-R24), July 17, 2024.
4. Evaluation of Freight Auction (23-162-R24), August 6, 2024.
5. Examining Trends in the Postal Service's Workforce Composition, (RISC-RI-24-007), August 15, 2024.
6. Effectiveness of the New Regional Processing and Distribution Center in Atlanta, GA (24-074-R24), August 28, 2024.
7. Employee Availability (23-175-R24), August 29, 2024.
8. Fleet Modernization: Delivery Vehicle Acquisition Status (24-051-R25), October 3, 2024.
9. Network Changes: Local Transportation Optimization (24-142-R25), December 18, 2024.
10. Fleet Modernization: Facility Preparedness for Electric Vehicles at the Topeka Sorting and Delivery Center (24-056-R25), January 8, 2025.
11. Network Changes – Progress on Improvements at the Richmond, VA, Regional Processing and Distribution Center (24-152-R25), January 27, 2025.
12. A Comparative Study of International Postal Models (RISC-WP-25-001), February 27, 2025.
13. Pre-Career Retention Initiatives (24-131-R25), March 31, 2025.
14. Efforts to Reduce Workhours in Mail Processing (24-114-R25), April 10, 2025.
15. Fleet Modernization: Facility Preparedness for Electric Vehicles at the Terre Haute Sorting and Delivery Center (24-166-R25), April 14, 2025.
16. Service Performance of Election and Political Mail During the 2024 General Election (24-143-R25), April 21, 2025.



# Appendix B. Management's Comments



April 24, 2025

VICTORIA SMITH  
ACTING DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: The OIG's Oversight of the U.S. Postal  
Service's Delivering for America Plan (25-034-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the Office of the Inspector General's (OIG's) draft audit report: *The OIG's Oversight of the U.S. Postal Service's Delivering for America Plan (25-034)*.

Through the implementation of our *Delivering for America Plan* in March 2021 and our subsequent *Delivering for America 2.0 – Fulfilling the Promise Plan* in September 2024, we are continuing down the ten-year path to reverse years of financial and operational deterioration by comprehensively and systematically transforming the Postal Service into a modern, high-performing organization centered on financial stability and sustained service excellence. The OIG continues to examine certain discrete aspects of our various Delivering for America initiatives through audits and white papers, including this series of six-month updates on oversight of the Plan. While this second edition purportedly aims to provide oversight of progress towards our ten-year plan via an expressed focus on our transportation initiatives and an overview of the OIG's oversight work over the six months, the report does not effectively achieve this purpose.

Primarily, and as discussed in our previous response regarding the OIG's initial report in this series, this report both fails to include relevant context from management responses to the audits referenced in the report and fails to describe how the Postal Service has addressed prior OIG recommendations to correct or mitigate any execution issues that the OIG identified. In numerous instances those prior recommendations were acted upon swiftly and fully resolved, although you would not gather that from this report. Specifically, within this second edition, the OIG refers to 16 audits containing 49 recommendations, 31 of which are now closed due to resolution and 18 of which are actively in progress, without mention of the ongoing steps being taken by the Postal Service to correct identified opportunities.

Secondly, this update does not acknowledge the Postal Service's concerns with certain findings, which leads to a deficient presentation of recent progress by repackaging various, and often erroneous or outdated, conclusions:

- For instance, Figure 1 inaccurately describes the Local Transportation Optimization (LTO) pilots as "*delaying mail by a day*" while also erroneously asserting that LTO had a purported cost of \$7.13 million.
  - As the LTO pilots were implemented concurrently with other initiatives, the respective costs cannot be isolated and the noted increase in transportation expenditure is not an indicator of LTO performance.
  - Additionally, the statement does not accurately describe the service impacts of the LTO initiative or provide necessary context. As an initial matter, LTO did not

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- necessarily delay mail *delivery* for one day but instead delayed by one day when some mail will be entered into the processing network.
- o Moreover, while LTO did result in some service performance declines, the Postal Service has taken steps to address these issues.
  - o In particular, the LTO pilots were initiated to address operational deficiencies by assessing the impacts of consolidating local transportation operations which was initially expected to be feasible within the current service standards. However, based on the LTO pilots, we determined that service standard changes were necessary and changes in the operational approach were needed to optimize transportation operations in a financially stable manner. The Postal Service subsequently requested an advisory opinion from the Postal Regulatory Commission which covered, among other changes, the Regional Transportation Optimization (RTO) initiative, which evolved from LTO, and changes to our service standards to align with RTO (as well as certain other operational initiatives we are pursuing). We are implementing these service standards in phases, with the first phase implemented on April 1, 2025, and the second phase to be implemented on July 1, 2025.

This consolidated presentation of audit findings, which does not articulate relevant, critical information from subsequent management responses nor recent changes and improvements implemented by the Postal Service, is a massive disservice to readers as it only presents limited aspects of recent changes to our network without the larger, holistic context.

Thirdly, this report lacks a targeted scope and purpose, and instead cherry picks data from referenced audits where the oversight work was conducted outside the stated six-month timeframe of this report, and provides incomplete and conflating information regarding multiple audits, some of which are not completed:

- Four of the referenced audits are currently in progress which, as of the timing of this management response, have not been published and are not discussed in the narrative of the report.
- Seven of the cited audits have scopes that encompass time periods wholly prior to July 1, 2024, the stated beginning of the six-month scope of this report.
- There are two separate audits cited concerning electric vehicle charging stations at Topeka and Terre Haute, which are discussed jointly despite differences in the OIG's audit reports, including the relevant timeframe, and the Terre Haute audit is incomplete as of the timing of this management response. As this review has not been finalized, included references to the ongoing review can result in the reader assuming that the information referenced is final and accurate. Without allowing the audit process to conclude, including through the receipt and consideration of Postal Service management responses, that is not the case.
- Figure 2 provides data on USPS Vehicle Acquisitions for the timeframe of March 2023 – June 2024, which is before the stated scope of this paper, erroneously implying that no vehicle acquisition actions have taken place within the last six months.

By not excluding findings or audits outside the scope of the paper, the OIG does not stay true to its stated objective for this report and further misrepresents the significant progress the Postal Service achieved in implementing the Delivering for America initiatives within this six-month period.

Ultimately, the report does not achieve its stated purposes to enable readers to evaluate our progress by failing to provide all necessary context or acknowledge or recognize that the operational elements of the Plan are not only comprehensive, but also holistic in nature. Isolating and dissecting certain discrete component parts of the individual initiatives during implementation (and even then, incompletely), and cobbling them together into a purported compendium report does not fairly portray the success of the Plan even to date, let alone over the longer term.



Instead, this report merely summarizes OIG audit findings, many of which are before or beyond the stated six-month scope of time, and ultimately provides a narrow, conflicting, and outdated perspective on how the Postal Service is currently performing against the Plan.

Our Delivering for America and Delivering for America 2.0 - Fulfilling the Promise Plans both recognize and reinforce the importance that the Postal Service plays in American life today and will continue to play in the future. It is the best and only comprehensive path towards achieving service excellence and financial stability, thereby enabling us to achieve our statutory mandate of financial stability and sustained service excellence.

We are a very different Postal Service from where we were four years ago. We now have a unified vision for our operations, are developing a streamlined, modern network, and have developed clear targets for success. While this report claims to discuss the progress towards implementing the Delivering for America Plan, that cannot be done without also fully accounting for the remarkable achievements we have had since the Plan's inception, including accomplishing the following through our transportation strategies:

- By shifting volume to our surface network, we reduced dependence on more unreliable and costly air transportation and have saved more than \$1 billion and 281,000 metric tons of CO<sub>2</sub> emissions since the initiative launched in 2021.
- Through developing a rationalized transportation network, we have made surface routes more efficient by eliminating more than 2.8 million underutilized trips, resulting in \$977 million in cost savings and avoiding more than 550,721 metric tons of CO<sub>2</sub> emissions by eliminating underutilized trips.
- We have diversified our reliance on third-party carriers and added more than 7,700 career Postal Vehicle Operators to insource surface routes. This resulted in a reduction in overtime hours of over 700,000 hours.
- We have utilized technology to deploy a high-end, state-of-the-art Integrated Logistics Ecosystem, allowing us to better track every mail piece as it travels through our network which reduces costs and increases efficiencies for 100% of Highway Contract Route (HCR) Network trips and 99.9% of HCR local trips while achieving ground transportation GPS tracking visibility of 58%.

Excluding these accomplishments while discussing progress on discrete transportation initiatives where the OIG has undertaken audit activity (all without acknowledging corresponding management responses) fails to recognize the overall impact of the Delivering for America Plan on the Postal Service's operations, painting an incomplete picture of the monumental change we are undertaking.

That said, the transformation of the Postal Service will take time by necessity, and in any endeavor of this magnitude, execution challenges will arise. The OIG has identified certain such issues through its reports, and the Postal Service is committed to addressing opportunities that arise as appropriate and adapting our processes to ensure that our Plan initiatives are implemented in a successful manner.

Ultimately, the Postal Service believes this report misrepresents the implementation of the *Delivering for America Plan*, further refined in our recent update, *Delivering for America 2.0 - Fulfilling the Promise*, as it fails to provide the full context as discussed above. In the future, the Postal Service hopes that these reports will provide a more holistic approach to describing Delivering for America's initiatives rather than citing outdated, closed recommendations, excluding relevant context from management responses and recent related actions, and omitting the Postal Service's successes.

Additionally, the Postal Service noted discrepancies with three of the findings cited throughout this report, which are provided in Attachment A to this management response.





\_\_\_\_\_  
Luke T. Grossmann  
Chief Financial Officer and Executive Vice President



\_\_\_\_\_  
Thomas J. Marshall  
General Counsel and Executive Vice President

Attachment

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