July 23, 2008

JO ANN FEINDT
VICE PRESIDENT, GREAT LAKES AREA OPERATIONS

ALEXANDER E. LAZAROFF
CHIEF POSTAL INSPECTOR

SUBJECT: Audit Report – Postal Service Continuity of Operations
          for the Great Lakes Area (Report Number SA-AR-08-009)

This report presents the results of our audit of the Postal Service Continuity of
Operations (COOP) for the Great Lakes Area (Project Number 08YG013SA000). Our
objective was to determine whether the Postal Service has a viable COOP capability to
ensure the performance of its essential functions during any emergency that may
disrupt normal operations. We conducted this self-initiated audit because emergency
preparedness (EP) is a critical area for the Postal Service. Click here to go to Appendix
A for additional information about this audit.

Conclusion

We determined management in the Great Lakes Area could enhance their COOP
capability to ensure they can effectively and efficiently continue essential functions
during emergencies that may disrupt normal operations. Based on our audit and the
Postal Service's response to prior emergencies, we believe they have the capability to
continue mail operations in an emergency. However, the Postal Service has not
implemented sufficient internal controls, and as a result, responsible officials are not
fully prepared to effectively and efficiently continue essential functions during
emergencies that require COOP activation. This could expose employees, mail, critical
assets, and revenue to increased risk. Click here to go to Appendix B for our detailed
analysis of this topic.

Completion of Continuity of Operations Plans

We reviewed a sample of COOP plans[1] for the Great Lakes Area and determined that
responsible area officials did not always establish and maintain area, district, and facility
COOP plans in accordance with federal and Postal Service guidance. In addition,
personnel with COOP-related responsibilities did not always update and maintain
COOP plans in the Postal Alert Notification System (PANS) to facilitate EP and
response activities. For example:

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[1] The audit team requested COOP plans from 21 sites and received 19 COOP plans for review: one area plan, four
district plans, and 14 facility plans. Two facilities did not have a COOP plan.

- COOP plans were not always completed or updated annually, as required.

- The COOP plans we reviewed did not contain all pertinent information, such as essential functions, staffing needs, offload plans, and current contact information.

This occurred because Postal Service management did not establish sufficient internal controls and requirements to ensure COOP plans addressed federal and Postal Service guidance. Specifically, management did not ensure responsible personnel updated the contact information of key COOP personnel annually or as needed, and did not establish:

- Requirements for mandatory training for COOP personnel, including PANS training, to ensure COOP plans were properly completed and maintained.

- An internal review and approval process to ensure COOP plans were properly completed, updated annually, and maintained in PANS, as required.

- Guidance to identify and prioritize essential functions.

- An emergency management coordinating committee (EMCC)[2] at the area level to provide oversight to districts and facilities, as required.

We recommend the Chief Postal Inspector establish requirements for personnel responsible for continuity of operations to:

1. Update contact information of key continuity of operations personnel at least semiannually, or more often as changes occur.[3]

2. Complete continuity of operations training, including Postal Alert and Notification System training.

3. Identify and prioritize essential functions.

Management's Comments

Management agreed with our findings and recommendations 1 through 3, and stated they are currently developing a Continuity Management Instruction (MI). The MI will translate the new federal requirements as described in the Homeland Security Presidential Directive (HSPD) 20 and Federal Continuity Directives (FCD) 1 and 2 into Postal Service policy that will be implemented at all levels within the agency. In addition, a continuity handbook and emergency plan templates for installations will be

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[2] *Postal Service Administrative Support Manual* (ASM), September 27, 2007: The ASM requires an EMCC to be established in each area to assist inspectors in charge and district managers in developing emergency plans.
[3] Although the Postal Service requires contact information to be updated annually, we are recommending that the Postal Inspection Service update this information at least semiannually because frequent changes may occur.

developed based on the policy requirements detailed in the MI. The handbook and templates will require contact information for key continuity operations personnel be updated at least semi-annually, and when changes occur. The handbook will also document the supporting tasks for the Postal Service mission essential function, which is to deliver the mail. Management stated the MI, handbook, and emergency plan templates for operations facilities will be completed by December 31, 2008. The templates for non-operational facilities will be completed by June 2009.

Management further stated they agreed that the report recommendations will enhance the Great Lakes Area COOP capability and will ensure they can effectively and efficiently continue essential functions during emergencies that may disrupt operations. However, they do not believe the report adequately reflects the tireless efforts of Postal Service employees and the difficult challenges the Postal Service faced to amend its priorities and philosophy related to homeland security since September 11, 2001. Management's comments, in their entirety, are included in Appendix E.

In supplemental correspondence provided by Postal Inspection Service and Postal Service management, management agreed to establish requirements for personnel responsible for COOP to complete COOP and PANS training by the end of fiscal year (FY) 2009.

Evaluation of Management's Comments

The U.S. Postal Service Office of Inspector General (OIG) considers management's comments responsive to the recommendations, and the corrective actions should resolve the issues identified in the findings.

We recognize in the report that based on our audit and the Postal Service's response to prior emergencies, we believe they have the capability to continue mail operations in an emergency. However, our recommendations, when implemented, should help to improve the Postal Service's ability to effectively and efficiently continue essential functions during emergencies and decrease the risk to employees, mail, critical assets, and revenues.

We recommend the Vice President, Great Lakes Area Operations, in consultation with the Chief Postal Inspector:

4. Establish a formal review process to ensure continuity of operations plans are completed, updated annually, and maintained in the Postal Alert and Notification System, as required.

5. Establish an area emergency management coordinating committee to provide oversight and assistance to district and facility Emergency Management Teams in establishing, implementing, and reviewing emergency management plans.

Management's Comments

Management agreed with our findings and recommendations 4 and 5, and stated they have developed objectives, goals, and performance measures to ensure the completeness of Integrated Emergency Management Plans (IEMP) at districts and installations. National Preparedness templates will be issued by June 2009.

Management also stated the Postal Inspection Service will incorporate requirements for the EMCC into the new Continuity MI and will work with the area offices to establish the EMCCs. They further stated the Great Lakes Area had established their EMCC. However, in supplemental correspondence provided by Great Lakes Area management, management stated they met in March 2008 to discuss their approach for the EMCC, but they had not held any formal meetings. They stated they were waiting for headquarters management to establish the requirement and that they would comply within 90 days after the requirement has been established.

Evaluation of Management's Comments

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

Alternate Facilities

Identification

Responsible Great Lakes Area personnel did not always identify appropriate alternate facilities to ensure they could effectively continue operations. This occurred because management did not establish specific guidance for identifying alternate facilities, such as the number of alternate facilities that should be identified, and criteria for location, mail volume, and mail capacity.

We recommend the Chief Postal Inspector:

6. Establish specific guidance for identifying and selecting alternate facilities, to include, at a minimum, the number of alternate facilities that should be identified, and criteria regarding location, mail volume, and mail capacity.

Management's Comments

Management agreed with the finding and recommendation, and stated the new Continuity MI and handbook will establish guidance for identifying alternate facilities, including criteria regarding location, function, mail volume, and mail capacity. The MI and handbook will be issued by December 31, 2008. Management further stated that the Postal Service's alternate facility selections are constrained by the facility function and geographic location and FCD 1 requires the identification of one alternate facility.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendation, and the corrective actions should resolve the issue identified in the finding. Although FCD 1 does not specifically require agencies to identify more than one alternate facility, having additional alternate facilities could help ensure the continuation of essential functions during emergencies, particularly in an operations-driven environment.

Testing and Exercise

Responsible Great Lakes Area personnel did not always conduct testing and exercises to ensure alternate facilities could effectively receive and process the primary facilities' mail. This occurred because management did not establish sufficient requirements for personnel responsible for COOP at primary and alternate facilities to conduct tests and exercises to ensure alternate facilities could effectively process the primary facilities' mail.

We recommend the Chief Postal Inspector:

7. Require personnel responsible for continuity of operations at primary and alternate facilities to conduct tests and exercises to ensure alternate facilities can effectively process the primary facilities' mail.

Management's Comments

Management partially agreed with the recommendation and stated that each facility's continuity plan will be tailored to measure offload capability to the extent feasible. Full scale exercises to test an alternate facility's capability to handle offload mail volume will not be undertaken due to negative effects on service. The test, training, and exercise program will be issued by June 2009.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendation, and the corrective actions should resolve the issue identified in the finding. Conducting tests and exercises, whether full-scale or smaller, would help ensure the alternate facilities can effectively and efficiently process the primary facilities' mail.

The OIG considers all recommendations significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These recommendations should not be closed in the follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Andrea L. Deadwyler, Director, Inspection Service and Facilities, or me at (703) 248-2100.

E-Signed by Darrell E. Benjamin,
VERIFY authenticity with ApproveIt

Darrell E. Benjamin, Jr.
Deputy Assistant Inspector General
  for Support Operations

Attachments

cc: Pat A. Mendonca
     Zane M. Hill
     Jakki M. Krage
     John F. Bolger
     Katherine S. Banks

APPENDIX A: ADDITIONAL INFORMATION

BACKGROUND

The U.S. Postal Service, an independent establishment of the executive branch of the U.S. government, operates like a business and generated $74.8 billion in revenue in FY 2007.[4] The Postal Service is responsible for the development of plans for actions necessary to maintain itself as a viable part of the federal government during emergencies.

The Postal Inspection Service is responsible for protecting the mail, Postal Service assets, and customers. As the emergency coordinator for the Postal Service, the Chief Postal Inspector is responsible for coordinating emergency planning and civil preparedness programs and providing training and guidance to responsible EP personnel.

Consolidation of Postal Service Homeland Security Responsibilities. In March 2007, all homeland security responsibilities were consolidated under the Postal Inspection Service. These responsibilities included EP and aviation security. These groups realigned to form the Office of National Preparedness (ONP) within the Postal Inspection Service. ONP's key responsibilities include incident management, infrastructure protection, aviation mail security, public health preparedness, and performance measures.

ONP is responsible for developing Postal Service EP policy and guidance, including the Integrated Emergency Management Plan templates. Its mission is to maintain a high state of national preparedness across the Postal Service enterprise through a comprehensive and coordinated approach to planning, integration, and support.

Integrated Emergency Management Plan (IEMP). In January 2004, the Postal Service established the IEMP as the all-hazard, comprehensive plan for the Postal Service to mitigate, prepare for, respond to, and recover from any natural or man-made disaster. The IEMP integrates the Emergency Action Plan[5] (EAP), the COOP plan, and annexes for specific hazards into one plan. District and facility managers are required to update IEMPs at least annually.

Continuity of Operations Plan. The COOP plan is intended to ensure postal facilities are prepared to:

- Continue essential functions in the event of any emergency that disrupts normal operations.

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[4] *United States Postal Service Annual Report 2007.*
[5] The EAP provides evacuation-specific tasks and procedures for the facility.

- Protect essential equipment, vital records (operating, legal, and financial), and assets.

- Reduce or mitigate disruptions to operations by minimizing the loss of resources and by providing timely and orderly recovery from an emergency and the resumption of full service.

The COOP plan also assists emergency management team (EMT) members in all phases of emergency management: mitigation, preparedness, response, and recovery. The Postal Service has developed COOP plan templates for districts and facilities. Responsible district and facility personnel should tailor the COOP plan templates to address site-specific requirements and risks.

Federal Preparedness Circular (FPC) 65, *Federal Executive Branch Continuity of Operations,* June 15, 2004. FPC 65 provides guidance to Federal Executive Branch departments and agencies for developing contingency plans and programs for COOP. FPC 65 establishes COOP planning as the means by which federal departments, agencies, and their subcomponents ensure their essential functions are performed. This includes plans and procedures that delineate essential functions; specify succession to office and the emergency delegation of authority; provide for the safekeeping of vital records and databases; identify alternate operating facilities; provide for interoperable communications; and validate the capability through tests, training, and exercises.[6]

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to determine whether the Great Lakes Area has a viable COOP capability to ensure the performance of its essential functions during any emergency that may disrupt normal operations.

To accomplish our objective, we interviewed Postal Service and Postal Inspection Service officials, including ONP officials; facility heads; and area, district, and facility personnel responsible for COOP plans, to gain an understanding of their roles and responsibilities related to COOP. We reviewed applicable COOP policies and procedures and assessed related internal controls.

We conducted audit fieldwork at Postal Service Headquarters and various judgmentally selected sites in the Great Lakes Area. (See Appendix C for a list of sites reviewed.)

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[6] In February 2008, the Department of Homeland Security issued FCD 1, Federal *Executive Branch National Continuity Program*, and FCD 2, *Federal Executive Branch Mission Essential Function and Primary Mission Essential Function Identification and Submission Process.* These directives supersede FPC-65 and establish continuity planning requirements, including continuity plan templates, to assist departments and agencies in developing internal continuity processes and procedures. FCDs 1 and 2 are applicable to the Postal Service, and Postal Service management has indicated they will comply with the directives.

We assessed COOP plans for the area, districts, and critical facilities,[7][8] to determine whether they addressed Postal Service and federal guidance. In addition, we reviewed training records from the National Training Database to determine whether key personnel responsible for COOP completed training provided by the Postal Service and suggested by the Federal Emergency Management Agency (FEMA). We also accessed data in PANS to determine whether responsible officials updated and maintained current COOP plans in the system. Although we did not conduct extensive tests of the accuracy of computer-generated data, we discussed the training records and PANS data with applicable personnel and compared the data to other source documents. As a result, we consider the data sufficiently reliable to support the opinions and conclusions in this report.

We conducted this performance audit from January through June 2008 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 officials on May 9, 2008, and included their comments where appropriate.

PRIOR AUDIT COVERAGE

In the past 3 years, the OIG issued 11 reports regarding Postal Service emergency preparedness plans. Eight of the 11 audits related to our review of the Postal Service's response to Hurricanes Katrina and Rita. In these reviews, we found that while the Postal Service took noteworthy actions in responding to the hurricanes, opportunities existed to enhance emergency preparedness planning and response. Management generally agreed with our recommendations. Two of the audits related to our review of emergency plans in the New York Metro and Western Areas. The reports concluded that Postal Service emergency plans were not always completed in accordance with federal and Postal Service guidance and did not fully address risk vulnerabilities. We made five recommendations to improve the EP program. Management agreed with our recommendations to revise the IEMP, identify facilities that require an IEMP, and establish performance measures. Management partially agreed with our recommendations to establish training requirements for EP personnel and to establish an area EMCC.

In addition, the U. S. Government Accountability Office (GAO) issued four reports on federal emergency preparedness planning. Overall, the reports concluded that emergency planning could be improved by providing more effective oversight and

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[7] Critical facilities are facilities essential for the delivery of vital services. The Postal Inspection Service provided the OIG with a list of facilities they determined critical to the Postal Service.
[8] We assessed one facility that was not considered critical; however, the facility ranked second in the nation for total mail pieces handled.

conducting test, training, and exercises. GAO made numerous recommendations to improve emergency planning.

REPORT TITLE	REPORT NUMBER	REPORT DATE
OIG Reports		
Postal Service Emergency Preparedness Plans for the New York Metro Area	SA-AR-08-005	March 21, 2008
Postal Service Emergency Preparedness Plans for the Western Area	SA-AR-08-006	March 21, 2008
Postal Service Emergency Preparedness for Hurricanes Katrina and Rita	SA-AR-06-007	August 3, 2006
Hurricane Katrina – The Effectiveness of the Postal Service Transportation and Logistics Network	NL-AR-06-006	June 29, 2006
Postal Inspection Service Emergency Preparedness for Hurricane Katrina	SA-AR-06-005	June 5, 2006
Postal Inspection Service's Procurement Transactions Related to Hurricane Katrina Response, Recovery, and Reconstruction Efforts	SA-AR-06-004	May 30, 2006
Review of Postal Service's Replacement and Repair of Facilities Affected by Hurricane Katrina	FA-MA-06-001	May 26, 2006
National Change of Address – Emergency Preparedness	IS-AR-06-005	March 30, 2006
Mail Processing Operations in the Wake of Hurricanes Katrina and Rita	NO-MA-06-002	March 27,2006
Postal Service Actions to Safeguard Employees from Hurricane Katrina	HM-AR-06-002	February 15, 2006
Postal Inspection Service Emergency Preparedness	SA-AR-05-001	January 5, 2005
GAO Reports		
The Federal Workplace: Additional Steps Needed to Take Advantage of Federal Executive Boards' Ability to Contribute to Emergency Operations	GAO-07-515	May 2007
Catastrophic Disasters: Enhanced Leadership, Capabilities, and Accountability Controls Will Improve the Effectiveness of the Nation's Preparedness, Response, and Recovery System	GAO-06-618	September 2006

REPORT TITLE	REPORT NUMBER	REPORT DATE
GAO Reports, continued		
Continuity of Operations: Selected Agencies Could Improve Planning for Use of Alternate Facilities and Telework during Disruptions	GAO-06-713	May 2006
Continuity of Operations: Agency Plans Have Improved, but Better Oversight Could Assist Agencies in Preparing for Emergencies	GAO-05-577	April 2005

<h1 style="color:blue; text-align:center">APPENDIX B: DETAILED ANALYSIS</h1>

Completion of Continuity of Operations Plans

Responsible Postal Service officials in the Great Lakes Area did not always establish and maintain COOP plans for area, districts, and facilities[9] in accordance with federal and Postal Service guidance. In addition, personnel with COOP responsibilities did not always update and maintain all COOP plans in PANS[10] to facilitate emergency preparedness and response activities. For example:

1. COOP plans were not always completed or updated annually, as required. (See Appendix D.) Specifically:

   - Two facilities did not have a COOP plan.[11] In addition, two facility COOP plans were not updated annually.

   - Thirteen COOP plans reviewed were not updated or maintained in PANS.[12]

2. The COOP plans we reviewed did not contain all pertinent information, such as essential functions, staffing needs, offload plans, and current contact information. Specifically:

   - Three of the four district COOP plans did not identify essential functions, as required. Although responsibilities were identified for some functional areas, such as marketing business service network and finance, districts did not identify those critical activities necessary to continue operations in the event of a COOP activation.

   - None of the 14 facility COOP plans we reviewed identified essential functions.[13]

   - Four of the 14 facility COOP plans we reviewed did not identify staffing needs.[14]

   - Five of the 14[15] facility COOP plans we reviewed did not have offload plans.

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[9] The audit team requested COOP plans from 21 sites and received 19 COOP plans for review: one area plan, four district plans, and 14 facility plans. Two facilities did not have COOP plans.

[10] PANS provides Postal Service EMTs with a mechanism to communicate, coordinate, and collaborate effectively during times of crisis. It is a web-based application that enables a nationwide staff to create, track, and manage emergencies through all stages.

[11] During our audit, personnel at one facility developed that facility's first COOP plan.

[12] In May 2006, the Vice President of Emergency Preparedness issued a memorandum requiring personnel to update and maintain COOP plans in the Postal Emergency Management System (PEMS). In September 2006, Postal Service management changed the name of the system from PEMS to PANS. The name change did not affect the system's mission and functions.

[13] The facility's COOP plan template did not require the identification of essential functions.

[14] The staffing that is required at offload locations to support the volume and operations being diverted, as well as the continuation of other essential operations activities.

[15] Installation offload plans are used to identify offload sites to process mail when the installation is closed and its COOP plan is activated.

These situations occurred because Postal Service management did not establish sufficient internal controls and requirements to ensure COOP plans addressed federal and Postal Service guidance. Specifically, management did not ensure responsible personnel updated the contact information of key COOP personnel at least annually.[16] In addition, management did not establish:
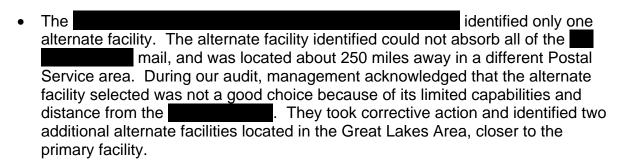
- Requirements for mandatory training, including PANS training, for COOP personnel to ensure COOP plans were properly completed and maintained.[17] Fourteen of 20 personnel interviewed did not receive PANS training.

- An internal review and approval process to ensure COOP plans were properly completed, updated annually, and maintained in PANS.

- Guidance to identify and prioritize essential functions.[18]

- An EMCC[19] at the area level to provide oversight to districts and facilities.

Alternate Facilities

Identification

Responsible Great Lakes Area personnel did not always identify appropriate alternate facilities[20] to ensure they could effectively continue operations. For example:

- Great Lakes Area officials identified two alternate facilities for the area office. However, both facilities were located within a 3-mile radius of the area office. Using alternate facilities within 3 miles of the primary site increases the risk that a single incident, such as a power outage or act of terrorism, could affect the primary and alternate sites.

- The ██ identified only one alternate facility. The alternate facility identified could not absorb all of the ██ ███████████ mail, and was located about 250 miles away in a different Postal Service area. During our audit, management acknowledged that the alternate facility selected was not a good choice because of its limited capabilities and distance from the ███████████. They took corrective action and identified two additional alternate facilities located in the Great Lakes Area, closer to the primary facility.

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[16] The Postal Service IEMPs for districts and installations require the responsible managers to update COOP plans annually or whenever circumstances dictate.

[17] FEMA offers several online COOP courses at no charge, including "Continuity of Operations Awareness Course," IS-546, and "Introduction to Continuity of Operations," IS-547. In addition, the Postal Service has provided IEMP and other COOP related training.

[18] FEMA's FPC 65 states that essential functions should be identified and prioritized.

[19] The ASM requires that EMCCs be established in each area to assist inspectors in charge and district managers in developing emergency plans.

[20] FPC 65 provides guidance to identify and prepare alternate operating facilities as part of their COOP plans. To minimize risks, distance and geographical location should be considered when selecting alternate facilities.

These situations occurred because management did not establish specific guidance for identifying alternate facilities, such as the number of alternate facilities that should be identified, and criteria for location and mail volume or capacity. According to guidance provided by FEMA in FPC 65, at a minimum, an all-hazard risk assessment should be performed when selecting alternate operating facilities to ensure COOP.

Testing and Exercises

Responsible Great Lakes Area personnel did not always conduct tests and exercises to ensure alternate facilities could effectively receive and process the primary facilities' mail.[21] For example, the ▮▮▮▮▮▮▮▮ and Bulk Mail Center did not conduct any exercises or tests of alternate facilities.

This occurred because management did not establish sufficient requirements for personnel responsible for COOP at primary and alternate facilities to conduct tests and exercises to ensure alternate facilities could effectively process the primary facilities' mail. For example, personnel at alternate facilities did not download sort plans in mail processing equipment to ensure the equipment could effectively handle mail from primary facilities.

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[21] FPC 65 provides guidance to plan, conduct, and document annual tests and exercises to demonstrate the plan's viability and identify deficiencies

APPENDIX C: GREAT LAKES AREA, DISTRICTS, AND FACILITIES

		GREAT LAKES AREA			
		NAME		CITY	STATE
1		███████████████		Bloomingdale	Illinois
		DISTRICTS			
		NAME		CITY	STATE
1		████		Chicago	Illinois
2		████		St. Louis	Missouri
3		████		Milwaukee	Wisconsin
4		███████		Carol Stream	Illinois
		FACILITIES			
		NAME		CITY	STATE
1		██████████████████████		Carol Stream	Illinois
2		█████████████████████		Champaign	Illinois
3		████████████████		Forest Park	Illinois
4		████████████████		Chicago	Illinois
5		██████████████		Chicago	Illinois
6		█████████████		Detroit	Michigan
7		█████████████		Fort Wayne	Indiana
8		██████████████		Grand Rapids	Michigan
9		x ████████████████████		Grand Rapids	Michigan
10		█████████████████		Indianapolis	Indiana
11		███████████████████		Madison	Wisconsin
12		███████████████████		Milwaukee	Wisconsin
13		███████████████████		Palatine	Illinois
14		███████████		St. Louis	Missouri
15		███████████████████		St. Louis	Missouri
16		██████████████		Southfield	Michigan

APPENDIX D: STATUS OF CONTINUITY OF OPERATIONS PLANS

	Name	Completed or Updated Annually	Identified Essential Functions	Updated and Maintained in PANS
1	██████████████	Yes	Yes	No
	DISTRICTS			
	Name	Completed or Updated Annually	Identified Essential Functions	Updated and Maintained in PANS
1	████	Yes	No	No
2	████	Yes	No	Yes
3	████	Yes	Yes	Yes
4	██████	Yes	No	No
	FACILITIES			
	Name	Completed or Updated Annually[22]	Identified Essential Function	Updated and Maintained in PANS
1	████████████	Yes	No	No
2	████████████	Yes	No	Yes
3	████████████	Yes	No	No
4	██████████	Yes	No	No
5	██████████████	Yes	No	No
6	████████████	No	No	No
7	██████████████	No	N/A[23]	N/A
8	████████████	Yes	No	No
9	████████████	Yes	No	Yes
10	██████████████	Yes	No	No
11	████████████████	Yes	No	Yes

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[22] The ████████████████████ and ████████████████ did not have a COOP plan. In addition, the ████████████████ and ████████ COOP plans were not updated annually as required. The latest plans were dated September 2004 and September 2006, respectively.

[23] Not applicable because plan was not completed.

	Center			
	Name	**Completed or Updated Annually**	**Identified Essential Functions**	**Updated and Maintained in PANS**
12	███████████████	No	No	No
13	███████████████	Yes	No	No
14	███████████████	Yes	No	No
15	███████████████	Yes	No	Yes
16	███████████████	No	N/A	N/A

APPENDIX E: MANAGEMENT'S COMMENTS

UNITED STATES
POSTAL SERVICE

July 2, 2008

BRIAN NEWMAN
ACTING DIRECTOR, AUDIT OPERATIONS
U. S. POSTAL SERVICE
OFFICE OF INSPECTOR GENERAL

SUBJECT: Management response to the audit report – Postal Service Continuity
of Operations for the Great Lakes Area (Report Number SA-AR-08-
DRAFT)

We appreciate the opportunity to provide comment to the audit report of the Postal Service Continuity of Operations for the Great Lakes Area. The attached represents management's joint response to the USPS Office of Inspector General recommendations.

If you have any questions, please contact Mr. Patrick Mendonca, Continuity Coordinator at 202-268-6070, Mr. Alan Grimes, Acting Director of National Preparedness at 202-268-7917 (who will represent the Inspection Service), or Mr. Thomas Tumminaro, at 630-539-4717 (who will represent the Great Lakes Area).

Zane Hill, Jr
Deputy Chief Inspector

Patrick Mendonca
Continuity Coordinator

Attachment

cc: Jo Ann Feindt, Vice President, Great Lakes Area Operations
        Mike Daly, Vice President, Pacific Area Operations
        A. E. Lazaroff, Chief Postal Inspector
        Alan Grimes, Acting Director of National Preparedness
        T. P. Brady, Inspector in Charge, Chicago Division
        J. A Pirone, Inspector in Charge, Detroit Division
        T. Tumminaro, Manager National Preparedness Great lakes Area

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**Response to USPS-OIG Audit of – Postal Service Continuity of Operations
for the Great Lakes Area**

Summary of Management Response

We have reviewed the draft report of the Postal Service Continuity of Operations for the Great Lakes Area. The report contains no confidential business sensitive or law enforcement sensitive information that would preclude disclosure under the Freedom of Information Act. We are in agreement with several of the conclusions reached in the report, and concur completely with five recommendations and partially with two recommendations.

As the OIG points out, there have been several significant events both internal to the Postal Service and external that have caused the existing COOP guidance to become dated. These require an update to Postal Continuity policy. The majority of the OIG recommendations will be incorporated into the updated policy.

Federal Preparedness Circular (FPC 65) has been superceded by National Security Presidential Directive (NSPD 51)/Homeland Security Presidential Directive (HSPD 20), National Continuity Policy; Federal Continuity Directive (FCD) 1, "Federal Executive Branch National Continuity Program", February 2008, and FCD 2, "Federal Executive Branch Mission Essential Function; and Primary Mission Essential Function Identification and Submission Process", February 2008. These directives establish the designation of the agency Continuity Coordinator and the continuity planning requirements for departments and agencies to use in developing internal continuity processes and procedures. NSPD 51/HSPD 20 and FCDs 1 and 2 are applicable to the Postal Service, and Postal Service management will comply with the directives. The first action to comply with NSPD 51/HSPD 20 was to name the Continuity Coordinator for the Postal Service. The Postmaster General (PMG) designated Pat Mendonca of the Deputy Postmaster General, Chief Operating Officers (DPMG/COO) office, to fill this role. This was documented in a letter from the PMG to Fran Townsend, the former Assistant to the President for Homeland Security and Counterterrorism.

As a result, the recommendations regarding continuity policy will be addressed by the Office of the DPMG/COO. The Continuity Coordinator is responsible for this effort. Continuity policy changes and clarifications will be incorporated into a Continuity Management Instruction (MI). The MI will bring COOP policy into compliance with NSPD 51/HSPD 20 and FCDs 1 and 2 to the extent it is practical for the Postal Service.

Additionally, USPIS National Preparedness (NP) is drafting a Preparedness MI that will incorporate some of the recommendations that are not directly applicable to the Continuity MI, such as the recommendation to create the EMCC.

These two MI (and the two respective programs they cover) have interdependencies in scope and responsibilities. In general, the Continuity Coordinator is responsible for the development of Continuity policy. The policy will be implemented through a Continuity Handbook, and through Continuity field templates to be incorporated within Integrated Emergency Management Plan (IEMP) templates. This is a joint effort between Operations and NP. Execution of the Continuity program (the completion of Continuity plans based on the templates and actual use during incident) is the responsibility of the lead manager at each installation (i.e. Headquarters, Area office, District office, and

installation). The review of these plans, as part of IEMP reviews, is the responsibility of Inspection Service, through their Area Preparedness Managers and District Homeland Security Coordinators (HSCs).

This response is applicable to the recent OIG audit of the Pacific Area. That response had been submitted prior to the completion of this management response. However, a summary response from the Continuity Coordinator was included as an attachment. That attachment is also included here for reference.

We jointly agree that many of the recommendations in the report will serve to enhance the Great Lakes Area Continuity of Operations (COOP) capability and will ensure they can effectively and efficiently continue essential functions during emergencies that may disrupt normal operations. However, we do not believe the draft report adequately reflects the tireless efforts of many U.S. Postal Service employees as well as the difficult challenges faced by the Postal Service to amend its priorities and philosophy related to homeland security since September 11, 2001.

As detailed below, we are in agreement with many of the recommendations to improve the Postal Service's ability to execute COOP.

OIG Recommendations 1 and 2

The Chief Postal Inspector establishes requirements for personnel responsible for continuity of operations to:
1. Update contact information of key continuity of operations personnel at least semiannually, or more often as changes occur.
2. Complete continuity of operations training, including Postal Alert and Notification System training.

Management Response

Management agrees with the recommendation's substance, but responsibility belongs to the Continuity Coordinator as described above. The Office of the DPMG/COO is currently developing a Continuity Management Instruction (MI). The MI will translate the new federal requirements described above (i.e. Homeland Security Presidential Directive (HSPD) 20 and Federal Continuity Directives (FCD) 1 and 2) into USPS policy that will be implemented at all levels within the agency. The draft MI will be completed for review and approval through the Enterprise Risk Management (ERM) process, initiated by the OIG, by the end of 2008.

A Continuity Handbook and plan templates for installations will be developed based on the policy requirements detailed in the Continuity MI. The Handbook and templates will require contact information for key continuity operations personnel be updated at least semiannually, and when changes occur. The Handbook and templates for Operations facilities (for example, a Processing & Distribution Center or a Delivery Unit) will be completed by the end of 2008. Templates for non-Operationsal facilities (for example a data processing center) will be completed FY 09 Quarter 3 (June 2009).

NP is developing a Preparedness MI to provide a policy foundation for the IEMP. The Preparedness MI will reference the Continuity MI. Additionally, the Continuity templates

will be incorporated wholly within the existing and future NP templates as appropriate. NP will provide guidance to the field on using the Postal Alert and Notification System.

OIG Recommendation 3

3. Identify and prioritize essential functions.

Pursuant to FCD 1, Mission Essential Functions (MEF) are determined at an Agency level. The identified Agency MEF is then used to identify supporting tasks and resources that must be included in the agency's continuity planning process. For the Postal Service, the MEF is to deliver the mail.

These supporting tasks and required resources will be described in the Handbook and identified to the field through the Handbook and Continuity templates. There will not be a requirement for an individual installation to identify Mission Essential functions.

OIG Recommendation No. 4

Establish a formal review process to ensure continuity of operations plans are completed, updated annually, and maintained in the Postal Alert and Notification System as required.

Management Response

Management jointly agrees with the recommendation. The Inspection Service has developed objectives, goals, and performance measures to ensure the completeness of IEMP Plans at Districts and installations. The Office of the DPMG/COO will work with NP to ensure that the standardized assessment process, developed to track the status of IEMP, incorporates appropriate Continuity measurements, as well as providing focused and actionable recommendations. The process will assess the maintenance status of Continuity Plans in the Postal Alert and Notification System.

NP templates will be issued by FY 09 Quarter 3 (June 2009).

OIG Recommendation No. 5

Establish an area emergency management coordinating committee to provide oversight and assistance to District and facility Emergency Management Teams in establishing, implementing, and reviewing emergency management plans.

Management Response

Management agrees with the recommendation. The Inspection Service will incorporate the EMCC into the Preparedness MI and will work with the Area Offices to establish Area Emergency Management Coordinating Committees to provide oversight and assistance to District and facility Emergency Management Teams in establishing, implementing, and reviewing emergency management plans. Proactively, the Emergency Management Coordinating Committee for the Great Lakes Area has been established.

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OIG Recommendation No. 6

Establish specific guidance for identifying and selecting alternate facilities, to include, at a minimum, the number of alternate facilities that should be identified, and criteria regarding location, mail volume, and mail capacity.

Management Response

Management agrees with the recommendation. Alternate facility selection for the Postal Service is constrained by both the facility function and geographic location. "Alternate facilities" refers to not only other locations, but also nontraditional options such as mobile-retail units or temporary facilities such as tents used in the parking lots of existing facilities.

FCD 1 requires identification of a single alternate facility. The Continuity MI and Handbook will establish specific guidance for identifying and selecting alternate facilities, to include, at a minimum, the criteria regarding location, function, mail volume, and mail capacity.

The Continuity templates will be issued by end of calendar year 2008.

OIG Recommendation No.7

Require personnel responsible for continuity of operations at primary and alternate facilities to conduct tests and exercise to ensure alternate facilities can effectively process the primary facilities' mail.

Management Response

Management partially agrees with the recommendation. Each installation/facility's Test, Train, and Exercise (TT&E) portion of the Continuity Plan (within the NP framework) will be tailored to measure offload capability to the extent feasible. Full scale exercises to test an alternate facility's capability to handle offloaded mail volume will not be undertaken due to the negative effects on service.

The TT&E program will be issued by FY 09 Quarter 3 (June 2009).

OFFICE OF THE DEPUTY POSTMASTER GENERAL
  AND CHIEF OPERATING OFFICER

UNITED STATES
POSTAL SERVICE

June 30, 2008

OFFICE OF THE INSPECTOR GENERAL

SUBJECT: Continuity Coordinator Response to Great Lakes Area and
          Pacific Area Office of Inspector General Continuity of
          Operations Audit

On June 9 and June 13, the Office of Inspector General (OIG) issued findings in a two self initiated audits of the Continuity of Operations Plan (COOP) for the Great Lakes and Pacific Areas, respectively.

Because most of the findings and recommendations deal with continuity policy at the headquarters level, this response presents the Postal Service Continuity Coordinator's position on the OIG recommendations for both audits.

As the OIG points out, there have been significant events both internal and external to the Postal Service that caused existing COOP guidance to become outdated. These events require an update to Postal policy that will address most, if not all, of the findings and recommendations.

Federal Preparedness Circular (FPC 65) has been superceded by National Security Presidential Directive (NSPD 51)/Homeland Security Presidential Directive (HSPD 20), National Continuity Policy; Federal Continuity Directive (FCD) 1, "Federal Executive Branch National Continuity Program", February 2008, and FCD 2, "Federal Executive Branch Mission Essential Function; and Primary Mission Essential Function Identification and Submission Process", February 2008. These directives establish the designation of the agency Continuity Coordinator and the continuity planning requirements for departments and agencies to use in developing internal continuity processes and procedures. NSPD 51/HSPD 20 and FCDs 1 and 2 are applicable to the Postal Service, and Postal Service management will comply with the directives. The first action to comply with NSPD 51/HSPD 20 was to name the Continuity Coordinator for the Postal Service. The Postmaster General (PMG) designated Pat Mendonca of the Deputy Postmaster General, Chief Operating Officers (DPMG/COO) office, to fill this role. This was documented in a letter from the PMG to Fran Townsend the former Assistant to the President for Homeland Security and Counterterrorism.

As a result, the recommendations regarding continuity policy will be addressed by the Office of the DPMG/COO. The Continuity Coordinator is responsible for this effort. Continuity policy changes and clarifications will be incorporated into a Management Instruction (MI) specific to Continuity. The MI will bring COOP policy into compliance with NSPD 51/HSPD 20 and FCDs 1 and 2 to the extent it is practical for the Postal Service.

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The Integrated Emergency Management Plan (IEMP) is referenced as including the COOP and being required for all district and facility managers. This is inaccurate. The IEMP was required for those facilities (Processing & Distribution Centers) receiving Biohazard Detection System (BDS). Therefore, for any facility other than a P&DCs, the IEMP does not require a COOP.

Additionally, the OIG report describes the methodologies utilized for the audit. It furthers explains that "critical facilities" were included in their review. However, the report is vague as to what criteria was used to determine if a facility was critical.

The MI will be developed with an Operations focus, but will use an Enterprise Risk Management (ERM) platform to ensure cross-functional input and acceptance.

Along with the MI, a handbook, Facility level Continuity templates, associated training, and further guidance to the field will be developed by the Office of the DPMG/COO.

The OIG audit references the viability of the COOP for the Great Lakes Area. Please note that the scope of the audit was continuity of operations planning, not demonstrated continuity of operations capability. Should the OIG want to assess the capability of the Postal Service to execute a COOP, they should monitor real events, which actually happen somewhere in the Postal Service on an almost daily basis. Our performance record for events such as the 2001 Anthrax attacks, Hurricane Katrina, annual wildfires in California, and the recent floods in the Midwest indicates that USPS operations is capable of continuing to deliver the mail. This is the true measure of a viable Continuity program. Therefore, exercises to test capacity of alternate facilities to handle the planned off-load from a primary facility during normal business operations will not be utilized.

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