Sorting the Savings

Processing packages from abroad, especially into the U.S. Postal Service’s JFK International Service Center in New York City, can be a challenge.

Based on the volume, the Postal Service approved $32 million in 2017 to buy a second High Throughput Package Sorter (HTPS) and install it at the Queens, NY, Processing and Distribution Center (P&DC). (The first HTPS the Postal Service bought is in Denver.) The expectation was that an HTPS at the Queens P&DC would save transportation costs of $131 million over 11 years, starting in fiscal year (FY) 2018, by eliminating trips to processing sites located outside the Queens district that had sufficient processing capacity.

Our recent audit [report](https://www.uspsoig.gov/sites/default/files/document-library-files/2018/NO-AR-19-004.pdf) indicates the HTPS machine at the Queens P&DC did not meet its performance and functionality goals and thus achieved only half the $8 million in transportation savings projected for FY 2018.

Why the shortfall? About 17 percent of the machine’s trays were occupied with recirculating packages – a delay that occurs when the sorter can’t read the address on the package. When that happens, the HTPS sends an electronic image to a remote center where an employee electronically sends back the correct information to the HTPS so that the package can be sorted. But if that doesn’t work, the package can circulate on the sorter up to three times before it is rejected, which lowers throughput (number of packages processed through the machine divided by the number of hours the machine is in use).

We recommended management develop a plan to reduce the number of packages recirculated or rejected by the Queens HTPS machine to achieve daily volume and throughput goals.

Do you have any thoughts on how the Postal Service could reduce recirculating or rejected packages on the HTPS? How often do you send or receive international packages?