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74-0096

The Honorable Thaddeus J. Dulski
Chairman, Committee on Post Office and Civil Service
House of Representatives

Dear Mr. Chairman:

Pursuant to your request of March 19, 1973, and a subsequent discussion with our representatives, we examined the quality of mail service provided by the New Orleans Post Office and obtained information on the arguments for and against the transfer of foreign mail operations from New Orleans to the New York Bulk Mail Facility. On November 9, 1973, we briefed staff members of the House Committee on Post Office and Civil Service and the Subcommittee on Postal Service on the results of our examination and gave them copies of the charts (see encs. I to X) used in the briefing. The Subcommittee used this data during its hearings in New Orleans.

To obtain the information in this letter, we examined Postal Service records, visited the New Orleans Post Office, and interviewed both headquarters and local postal officials.

The New Orleans office, in general, had met the Postal Service's overnight delivery standards for local first-class mail but generally did not meet its standards for first-class-mail delivery to more distant areas. Sorting errors, however, caused significant quantities of first-class mail to be sent to the wrong destinations with consequent delays in delivery.

BACKGROUND

The New Orleans Post Office handles about 900 million pieces of mail annually, or about 2.5 million pieces daily.

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delivery may not be important to--or even noticed by--some mailers, it could cause hardships for persons waiting for pension checks or financial losses for recipients if the mail concerned financial transactions.

New Orleans postal officials had some data on the amount of errors letter-sorting machine operators made but did not have any data on the amount of misdirected mail. Therefore we statistically sampled mail processed on letter-sorting machines between September 24 and 27, 1973, to determine how much mail was being sent to the wrong destination. Our tests showed that about 9.7 percent of the mail was misdirected because of sorting errors and mislabeling of pouches. On this basis, about 310,400 pieces of mail were missent during this 4-day period.

To correct this problem, New Orleans postal officials said (1) mail processing procedures would be revised and improved, (2) increased emphasis would be placed on this problem area by the New Orleans quality control group, and (3) mislabeling of pouches would be given additional attention.

The Postal Service has developed a device for checking the performance of letter-sorting machines to determine machine errors and operator errors. Operators who have a high error rate could receive additional training. Because of the machine error rate of at least 1 percent, it is questionable whether the Postal Service will succeed in reducing the error rate experienced in machine sorting to that experienced in manual sorting--estimated by postal officials to be 1 percent or less.

TRANSFER OF FOREIGN MAIL OPERATIONS TO NEW YORK

2 The Postal Service made a study of the surface movement of mail destined for foreign delivery to develop a nationwide system which would complement the Postal Service's Bulk Mail

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When the Service's study was announced in March 1973, several parties, including the New Orleans Chamber of Commerce, Port Executive Director and General Manager, and the New Orleans Post Office, raised objections. Some of their arguments included (1) loss of shipping to New Orleans with a consequent loss of revenue, (2) slower mail service, and (3) damage to postal employee morale.

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New Orleans postal officials generally agreed with our findings. We do not plan to distribute this report further unless you agree or publicly announce its contents.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James B. Stacks". The signature is written in a cursive style with a large initial "J".

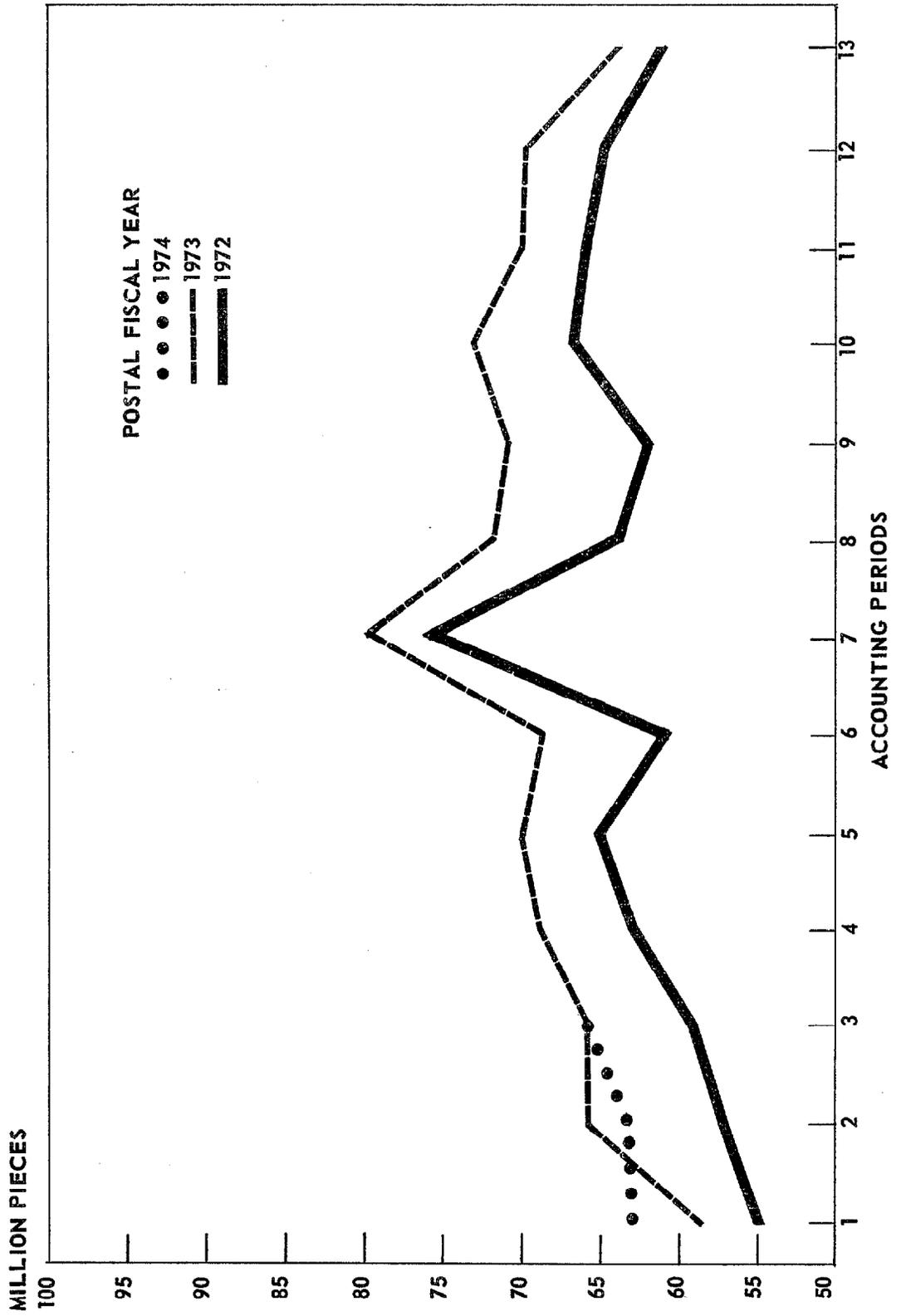
Comptroller General
of the United States

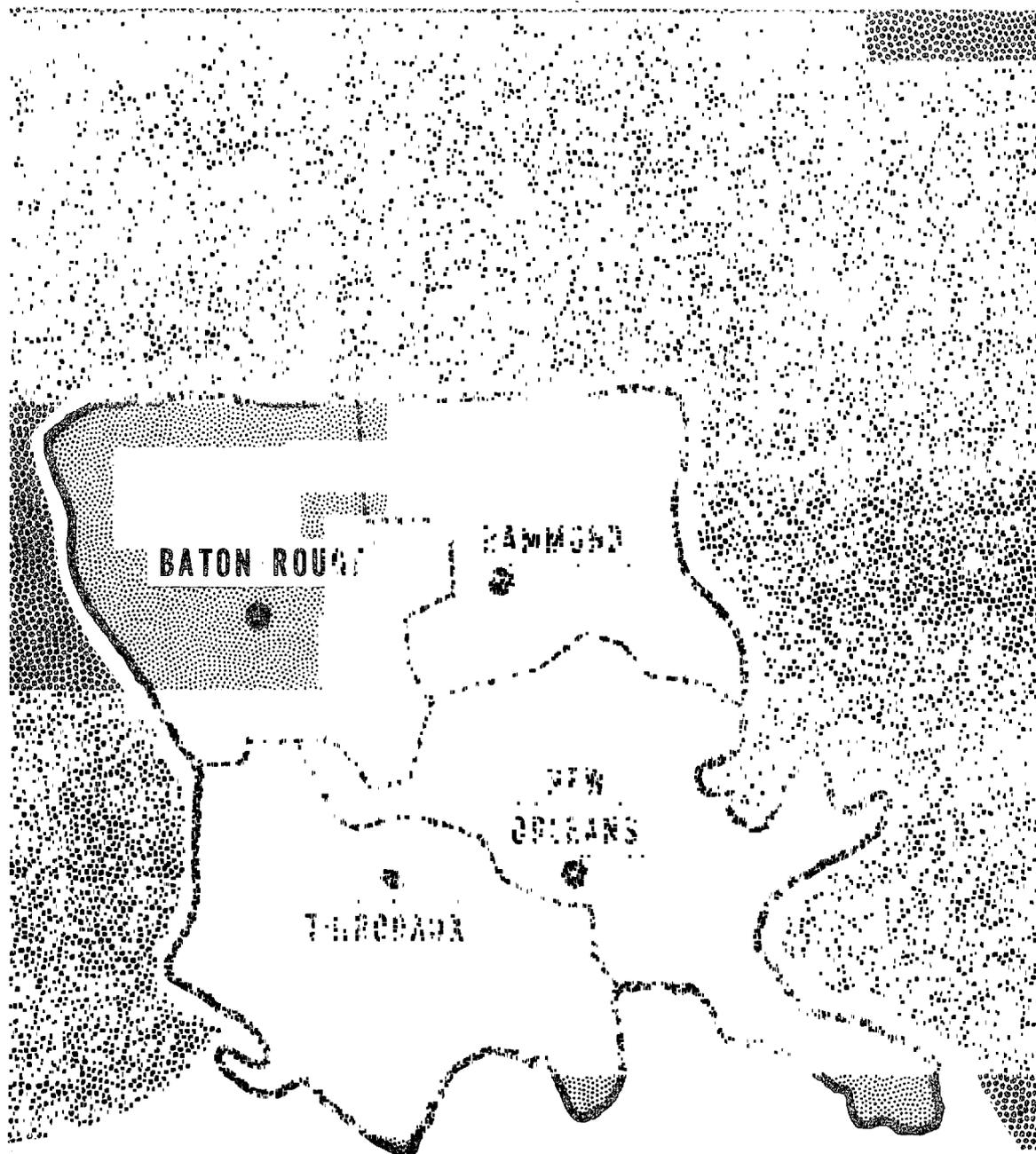
Enclosures - 10

**MAIL VOLUME AND MANPOWER VARIATIONS
IN NEW ORLEANS POST OFFICE**

	<u>DIFFERENCES BETWEEN PFY 1972 AND PFY 1973</u>
MAIL VOLUME	9.5%
EMPLOYEES	(4.2%)
OVERTIME	60.5%

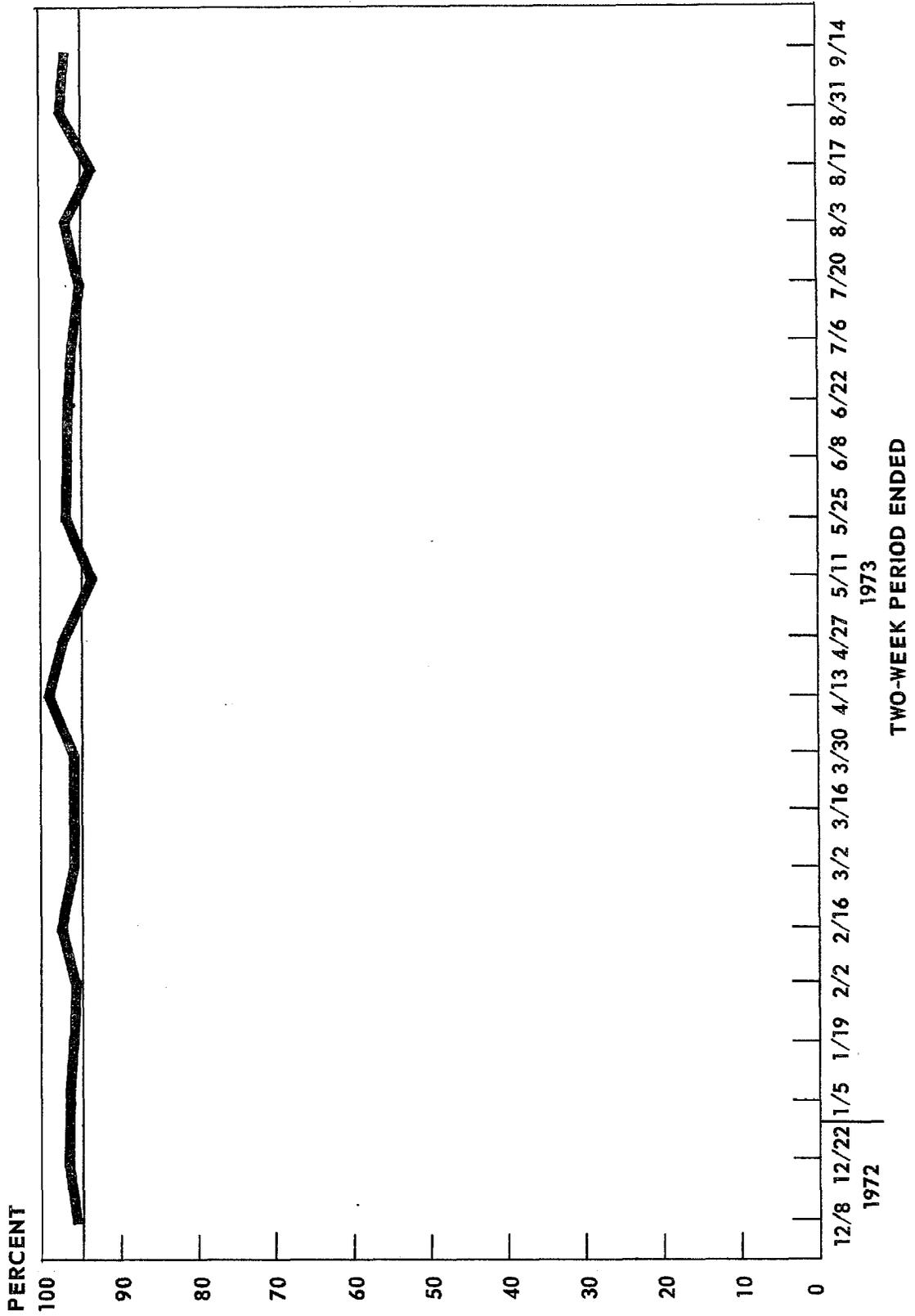
MAIL VOLUME -- NEW ORLEANS POST OFFICE





NEW ORLEANS
OVERNIGHT COMMITTED AREA

TOTAL PERCENTAGE OF MAIL DELIVERED
TO NEW ORLEANS FROM OVERNIGHT AREAS



**PERCENT OF MAIL DELIVERED FROM NEW ORLEANS TO THREE
DAY STANDARD DESTINATION STATES
(8-18-73-9-14-73)**

