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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, we examined the quality of mail service provided by the Honolulu, Hawaii, Post Office. On July 23, 1973, we briefed staff members of the Subcommittee on Postal Facilities, Mail, and Labor Management on our examination and gave them copies of the charts (see encs. I to VI) used in the briefing. Subsequently, the Subcommittee used this data during its hearings in Honolulu and Hilo, Hawaii. As requested, this letter summarizes our briefing.

The Honolulu office generally met the Postal Service's mail delivery standards, except during the Christmas period. However, problems such as sorting errors, which caused mail to be sent to the wrong destination, and processing delays, which prevented significant quantities of mail from being delivered on time, were present. Also the number of employees decreased while the mail volume increased.

BACKGROUND

The Honolulu office handles about 400 million pieces of mail annually, or about 1.1 million pieces daily.

During postal fiscal year (PFY) 1973 the number of employees in the Honolulu office decreased from 1,419 at the beginning of the year to 1,373 at the end of the year--a 3.2 percent decrease--while mail volume increased by about 28.4 million pieces--an increase of about 7.6 percent.

The Honolulu office did not have the resources to expeditiously handle the increased mail volume in postal fiscal year 1973 because the increased workload was not anticipated in the office's budget.

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DELIVERY STANDARDS

Postal Service standards state that 95 percent of first-class mail should be delivered in 1, 2, or 3 days depending on its destination or the distance it must travel. (See enc. II.) For example, 95 percent of all intra-Hawaii mail should be delivered in 1 day. Except for the Christmas period, the Honolulu office generally met this standard.

The Honolulu office does not have any areas committed for 2-day delivery, and all mail destined for the continental United States is designated to receive 3-day delivery. However, the Postal Service does not accumulate 3-day delivery standard statistics relating to Hawaii because the long distances which such mail must travel distorts delivery statistics so as to make them useless for any indication of the service being provided by the Honolulu office.

DELAYED MAIL

Significant quantities of first-class mail were not delivered on time. For example, during the 7 months ended May 25, 1973, about 18.5 million pieces of first-class mail were delayed. Although a 1-day delay in mail delivery may not be important to--or even noticed by--many mailers, it could cause hardships for persons waiting for pension checks and financial losses for recipients if the mail concerned financial transactions.

The 18.5 million pieces of first-class mail represented about 8 percent of the total mail volume (all classes) the Honolulu office processed during the 7 months. About 47.8 percent of the delays--8.8 million pieces--occurred in December 1972 and represented about 22.6 percent of the total mail volume processed in that month.

Honolulu postal officials said that some of the delayed mail resulted from severe problems experienced with bulk mail during the 1972 Christmas period. Because of a dock strike on the west coast of the continental United States, bulk mail shipments from Los Angeles and Oakland were delayed, and when

the strike ended early in December, the Honolulu office received large amounts of bulk mail. According to postal officials, between December 19 and December 24--the peak mailing period for first-class mail--the Honolulu office received about 94 containers, each containing between 3,950 and 4,400 pieces of bulk mail, that had been held up because of the strike. As a result, processing of all classes of mail was delayed.

Other conditions contributing to delayed mail were late mailings, late arrival of mail from the mainland because of poor weather conditions, and lack of personnel to handle the workload.

MISDIRECTED MAIL

Mail service can be adversely affected by the use of letter sorting machines. For example, if a letter sent from Honolulu to Denver is mistakenly routed to another State, it could be delayed 5 days in delivery.

Mail sorted on machines can be misdirected because of machine or operator errors. During postal fiscal year 1973, 4.1 percent of the mail leaving the Honolulu office and processed on these machines--about 7.9 million pieces--was misdirected because of such errors.

To reduce the amount of misdirected mail, the Postal Service has developed a device for checking the performance of letter sorting machines which determines (1) machine errors and (2) operator errors. Operators who have high error rates could receive additional training. Because the machine's error rate is 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.

CUSTOMER COMPLAINTS

From February 3 to May 25, 1973, the Honolulu office received 1,421 complaints, of which about 46 percent dealt with lost mail, 20 percent with delayed mail, and 34 percent

with other problems. During the same period postal officials resolved 1,456 complaints and determined that 44.8 percent resulted from lost mail, 1.8 percent from carrier errors (e.g., delivery to the wrong address), 2.2 percent from processing errors, and 44.2 percent from numerous other errors. The officials could not determine the causes for the rest of the complaints. The number of complaints resolved exceeds the number received because some complaints were received before February 3, 1973, and were not resolved until after that date.

Although our visits to major postal facilities in Hawaii generally showed that there were no major problems, there had been several complaints about postal operations at the Hilo Post Office. Honolulu postal district officials acknowledged that there had been some problems and said that a three-man team of district officials had been sent to the Hilo Post Office to review operations and suggest improvements. In a June 1973 report summarizing their findings, the district officials suggested several improvements. Some of the improvements were changes in mail processing procedures that resulted in reduced mail handling, changes in carrier schedules to permit earlier dispatch of mail collected by carriers during the day, and changes in window services provided to customers.

To obtain further information on how the public viewed postal services in Hawaii, during April 1973 we surveyed 60 businesses and 129 residences on the Islands of Kauai, Maui, Oahu and Hawaii. Of those surveyed, 69 percent were satisfied with the service and 31 percent were not. Specifically, 23 businesses and 37 residents were dissatisfied and complained most about delayed delivery, but they also cited lost and damaged mail.

EMPLOYEE MORALE

We obtained information on the status of labor/management relations in the Honolulu office--specifically whether employee morale was low and, if so, why--by interviewing officials of the American Postal Workers Union, the National Association of Letter Carriers, the National Association of Post Office Mailhandlers, and the National Association of Postal Supervisors. They all said that morale was low.

The primary factors contributing to low morale, according to these officials, were

- lack of personnel,
- poor grievance procedures,
- employee restaffing and rescheduling, and
- concern about the Job Evaluation Program¹ under which many supervisory positions had been downgraded.

ACTIONS BEING TAKEN

At a February 1973 meeting with Postal Service district managers from around the country, top management acknowledged that the Postal Service did have problems. This meeting apparently enlightened top management on the true situation in the field, since most of the problems we found were also cited by the district managers.

The Honolulu office has placed more emphasis on service and has improved communications with the Postal Service's western regional office to promote a better understanding of postal problems.

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Honolulu 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,

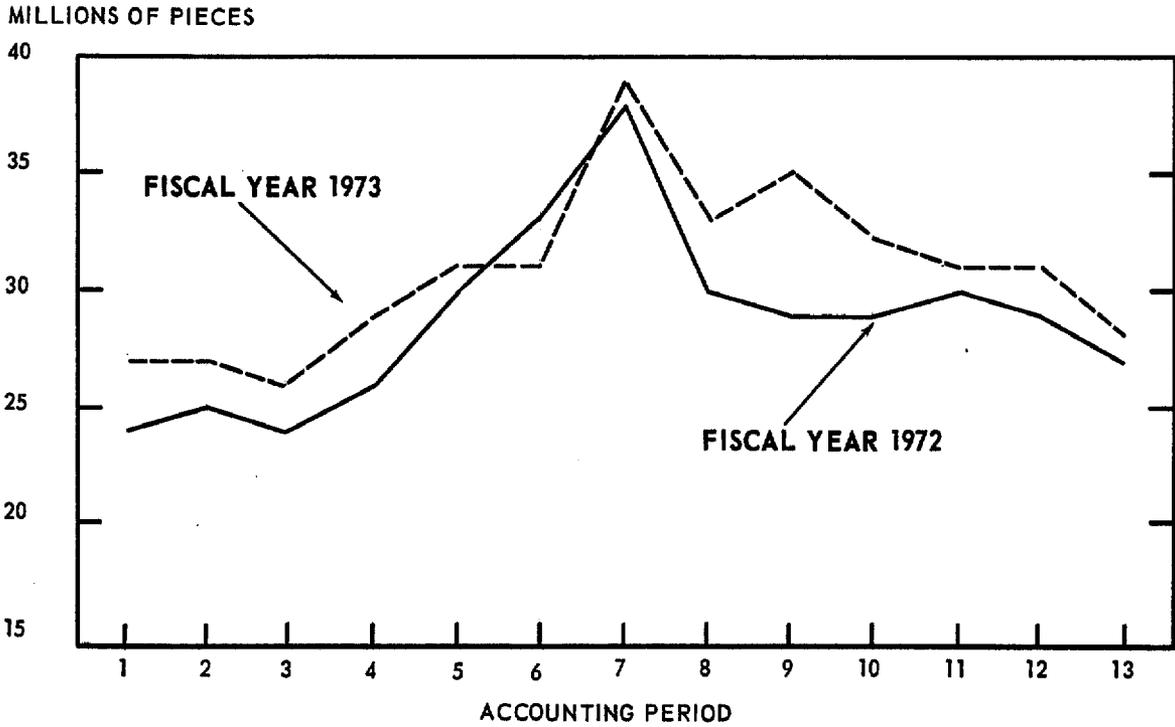


Comptroller General
of the United States

Enclosures - 6

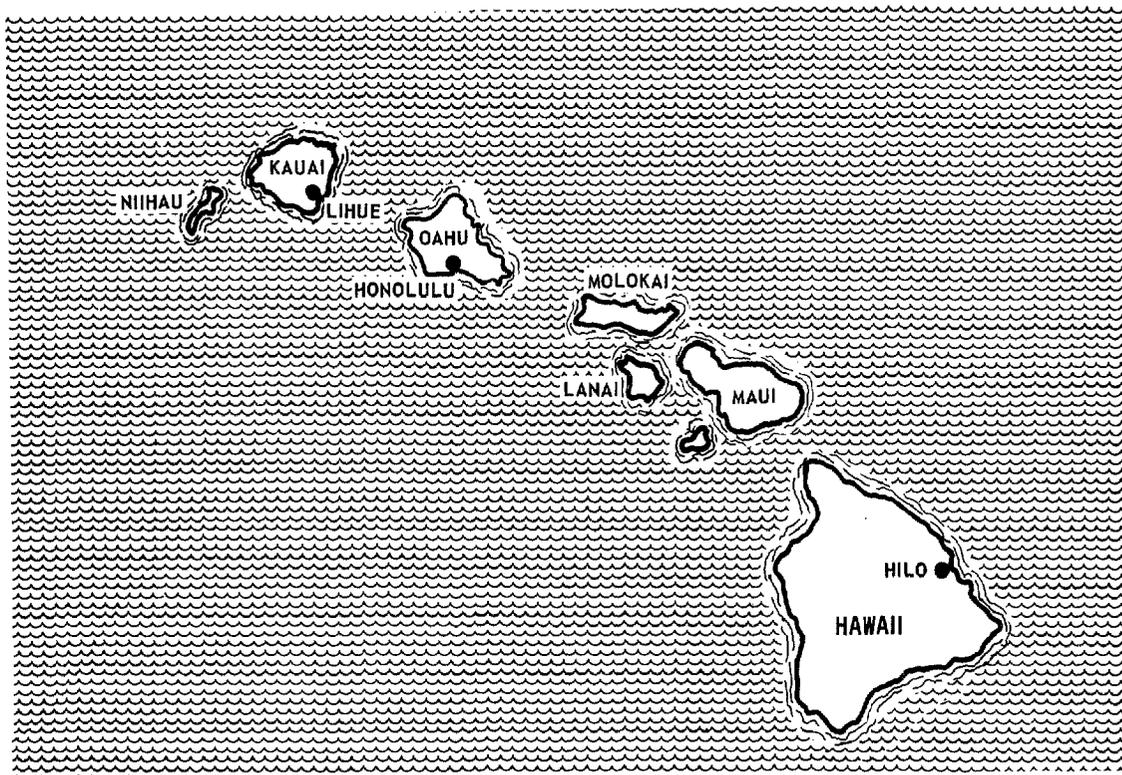
¹A study of all Postal Service jobs with the intention of making postal pay equal to the pay for comparable skills in private industry.

MAIL VOLUME - HONOLULU POST OFFICE



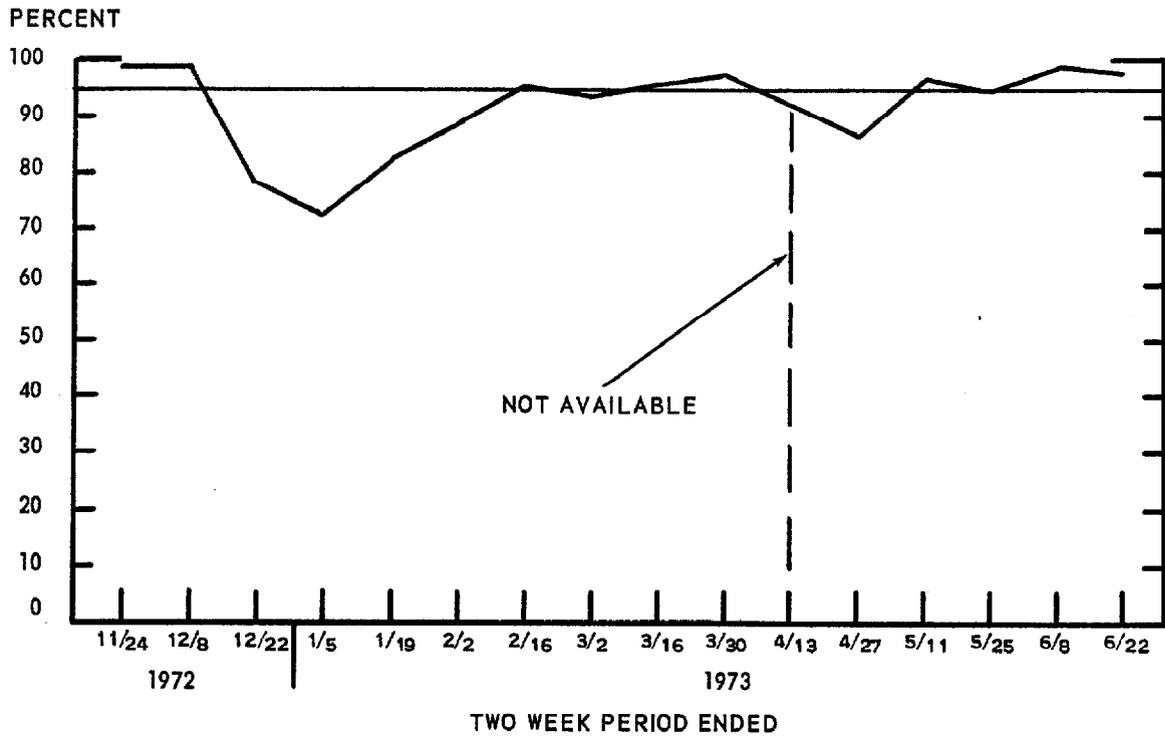
SERVICE STANDARDS	
BEFORE REORGANIZATION	AFTER REORGANIZATION
NONE	FIRST CLASS OVERNIGHT: INTRA-SCF & ADJOINING SCF S DESIGNATED LOCALLY SECOND DAY: 6 00 MILES THIRD DAY: NATIONWIDE
	AIRMAIL OVERNIGHT: 600 MILES PLUS DESIGNATED AREAS SECOND DAY: NATIONWIDE CONTIGUOUS STATES

GUARANTEED OVERNIGHT DELIVERY AREAS HONOLULU



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**PERCENTAGE OF MAIL DELIVERED OVERNIGHT
FROM LOCAL AND INTRA - SCF AREAS TO:
HONOLULU**



**CUSTOMER COMPLAINTS
FEBRUARY 3 - MAY 25, PFY 1973**

