



RELEASED

74-0107

B-114874

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

JUL 20 1973

Dear Mr. Chairman:

Pursuant to your request of March 19, 1973, we examined into the quality of mail service provided by the Manhattan, New York Post Office. On April 9, 1973, we briefed staff members of the Subcommittee on Postal Service on the results of our examination and gave them copies of the charts (enc. I to XIX) used in the briefing. The Subcommittee later used this data during its hearings in New York City. As requested, this letter summarizes that briefing.

The Manhattan office, in general, had not met the Postal Service's mail delivery standards. Sorting errors, which caused mail to be sent to the wrong destination, and processing delays prevented significant quantities of first-class mail from being delivered on time. Also, the number of mail-processing employees decreased while the volume of mail increased, and the post office did not receive four letter sorting machines and one advanced optical character reader in time for the 1972 Christmas mail surge. These machines and two more letter sorting machines are now scheduled for operation by November 1973.

We concentrated our efforts on the Manhattan-Bronx District's Manhattan office, because this office processes about one-third of the mail handled by the New York region. This office has three processing terminals--General Post Office, Grand Central Station, and Church Street Station. These terminals handle about 7.5 billion pieces of mail annually and about 20.5 million pieces daily.

TRENDS IN MANPOWER AND MAIL VOLUME

From January 1972 to January 1973, the number of mail-processing employees in the Manhattan office decreased from 35,370 to 30,249--a decrease of 14.5 percent--while the

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volume of mail increased by about 67 million pieces--an increase of about 11.7 percent. To process this increased volume in January 1973, the employees worked 190,414 hours of overtime, an increase of 156,861 hours, or 467.5 percent, over the overtime in January 1972.

Although the New York region approved a 0.4 percent increase in the Manhattan's office workload--the total number of times pieces of mail are handled--through the first 7 months of postal fiscal year (PFY) 1973, the actual increase was 1.9 percent, or about five times more than budgeted.

PRODUCTIVITY TRENDS

Despite the increased volume of mail, the Manhattan office has steadily increased its productivity. Through the first 7 months of PFY 1973, productivity rose from 413 to 488 total distributed pieces handled per man-hour, an increase of 18 percent. Productivity increased even during the peak Christmas season.

New York postal officials stated that they were able to handle more mail with fewer people because (1) management and supervision improved, (2) an advanced optical character reader capable of sorting more than twice as much mail as older models was installed in December 1972, (3) the amount of bulk mail decreased, and (4) letter sorting machine operators became more proficient.

DELIVERY STANDARDS

Postal Service standards state that 95 percent of first-class mail should be delivered in 1, 2, or 3 days depending on the area or the distance it must travel. (See enc. X.) For example, 95 percent of intrasectional center facility mail (origin and destination within Manhattan) should be delivered in 1 day. The Manhattan office generally met this standard, except during Christmas. However, the standard of 1-day mail delivery to areas outside Manhattan but within the New York region generally was not met.

Also, 95 percent of the mail going outside the New York region was not delivered within 2 or 3 days. From January 6 through February 2, 1973, only 58 percent of the mail that was designated to be delivered in 2 days was delivered within that time frame and only 83 percent of this mail was delivered within 3 days. Of the 16 States and the District of Columbia that were designated to receive 2-day delivery, not one had 95 percent of its mail delivered within 2 days. Of the mail going to the 33 States that were designated to receive 3-day delivery, only 73 percent of the mail was delivered within that time frame. Only mail going to Illinois met the 95 percent 3-day delivery standard.

Delayed mail

Despite increased productivity, significant quantities of first-class mail did not meet the delivery standards due to transportation and processing delays. For example, during the 3 months ended January 1973, at least 236.3 million pieces of first-class mail were delayed. Although a 1-day delay in mail deliveries may not be important to--or even noticed by--most mailers, it could cause hardships for persons waiting for pension checks and financial losses for recipients of mail from Wall Street--the financial hub of the Nation.

The 236.3 million pieces of delayed first-class mail represented about 12.5 percent of the total mail volume (all classes) the Manhattan office processed during the 3 months. About one-half of the delayed mail--133 million pieces--occurred in December 1972 and represented about 20 percent of the total volume processed in that month.

New York postal officials said that much of the delayed mail was caused (1) by the failure to receive the additional letter sorting machines scheduled for delivery in December 1972 and (2) by the volume of unsorted mail received under the Managed Mail Program (MMP). Under MMP, all mail destined for the New York region was sent to the Manhattan office, which had to separate the mail for Manhattan from the mail for other New York destinations in the New York region.

B-114874

Before MMP, most of the mail received by the Manhattan office was destined for Manhattan.

Because of the delays resulting under MMP, the Postal Service is reverting to a modified version of the former system. This change has come about since a February 5, 1973, meeting of Postal Service top management and its District Managers which apparently enlightened top management on the problems in the field. The change should lessen the Manhattan office's mail-sorting workload.

Missent mail

The Manhattan office sent significant quantities of mail to the wrong destinations. According to a Manhattan postal official, if a piece of mail being sent from Wall Street to Boston is mistakenly routed to California or any other State, it usually will be delayed 5 days in delivery.

From July 1972 through January 1973, missent mail resulting from letter sorting machine errors totaled 22.7 million pieces--13.1 million pieces at the General Post Office terminal and 9.6 million at the Church Street Station terminal--or about 2.9 percent of the total volume of machine-sorted mail. The Grand Central Station terminal only processes mail manually.

From July 1972 to January 1973, the letter sorting machine error rate at the Church Street Station was 4.6 percent and at the General Post Office was 2.3 percent. The higher error rate at Church Street Station takes on added significance because the station serves the financial district of Manhattan. According to postal officials, the higher error rate at the Church Street Station was due to the age of the machines.

Because most mail is manually sorted and the average manual sorting error rate is about 5 percent, the quantity of mail missent as a result of manual sorting errors greatly exceeds that missent as a result of machine sorting errors. The manual sorting error rate of 5 percent is higher than

the national manual sorting error rate estimated by postal officials to be about 1 percent or less. In our opinion, the widely held view that mail service in New York City has deteriorated may be attributable to the large quantity of delayed and missent mail.

CUSTOMER COMPLAINTS

From July 22, 1972, to March 2, 1973, the Manhattan office received 10,596 complaints--about 55 percent of which dealt with delayed mail. Postal officials had reviewed 7,086 of the complaints and had determined that 12 percent resulted from carrier errors (e.g., delivery to the wrong address), less than 1 percent resulted from processing errors, and 33 percent resulted from numerous other errors; they were unable to determine the causes for the rest of the complaints.

Perhaps related to these complaints are several reductions in delivery services. For example, since July 1971 the Manhattan office has reduced the number of daily trips for special delivery of business mail from seven to five and for delivery of residential mail from seven to four. Only two of the five trips for special delivery business mail, however, are made by a special delivery carrier--one in the late afternoon and the other in the early evening. Business collections also have been reduced from 13 to 11 each day.

To obtain further information on how the public viewed postal services in New York City, we conducted a telephone survey of 50 residences and 50 businesses. Of those surveyed, 67 percent were satisfied with the service and 33 percent were not. Dissatisfied customers complained most about delayed delivery, but they also cited mail pilferage and damage and poor service by postal employees.

EMPLOYEE MORALE

We obtained information on the status of labor/management relations in the Manhattan office--specifically whether employees' morale was low and, if so, why--by interviewing officials of four postal employee unions. All officials agreed morale was low but disagreed on the causes.

An official of the National Post Office Mailhandlers Division of the Labors' International Union of North America, which represents about 15 percent of the Manhattan office mailhandlers, told us that (1) the poor working environment, e.g., inadequate facilities and defective and unsafe equipment and (2) the assignment of clerks who receive higher pay to mailhandlers' jobs were most responsible for low morale. The representative of the National Association of Postal Supervisors was concerned primarily about the Job Evaluation Program,¹ under which many supervisory positions had been downgraded.

An official of the National Association of Letter Carriers said his members were most demoralized by the deterioration in the service provided to the public. Members of this union are more likely to meet and deal with the public. The representative of the American Postal Workers Union, which represents the Manhattan office clerks and about 85 percent of the mailhandlers, said that the major reasons for low morale were night duty, rigid discipline, and delays in resolving grievances. Of about 2,200 unsettled grievances nationwide, the Manhattan office has 300.

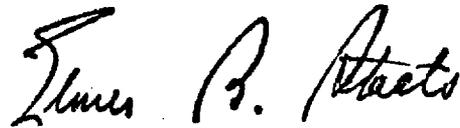
All the union officials cited a "who cares" attitude of postal management as a major cause of low morale. They said that this attitude was reflected in an overriding concern for the budget at the expense of service.

¹ The Postal Service's Job Evaluation Program is a study of all Postal Service jobs with the intention of making postal pay equal to the compensation for comparable skills in private industry.

B-114874

Manhattan postal officials expressed general agreement with our findings. We do not plan to distribute this letter further unless you agree or publicly announce its contents.

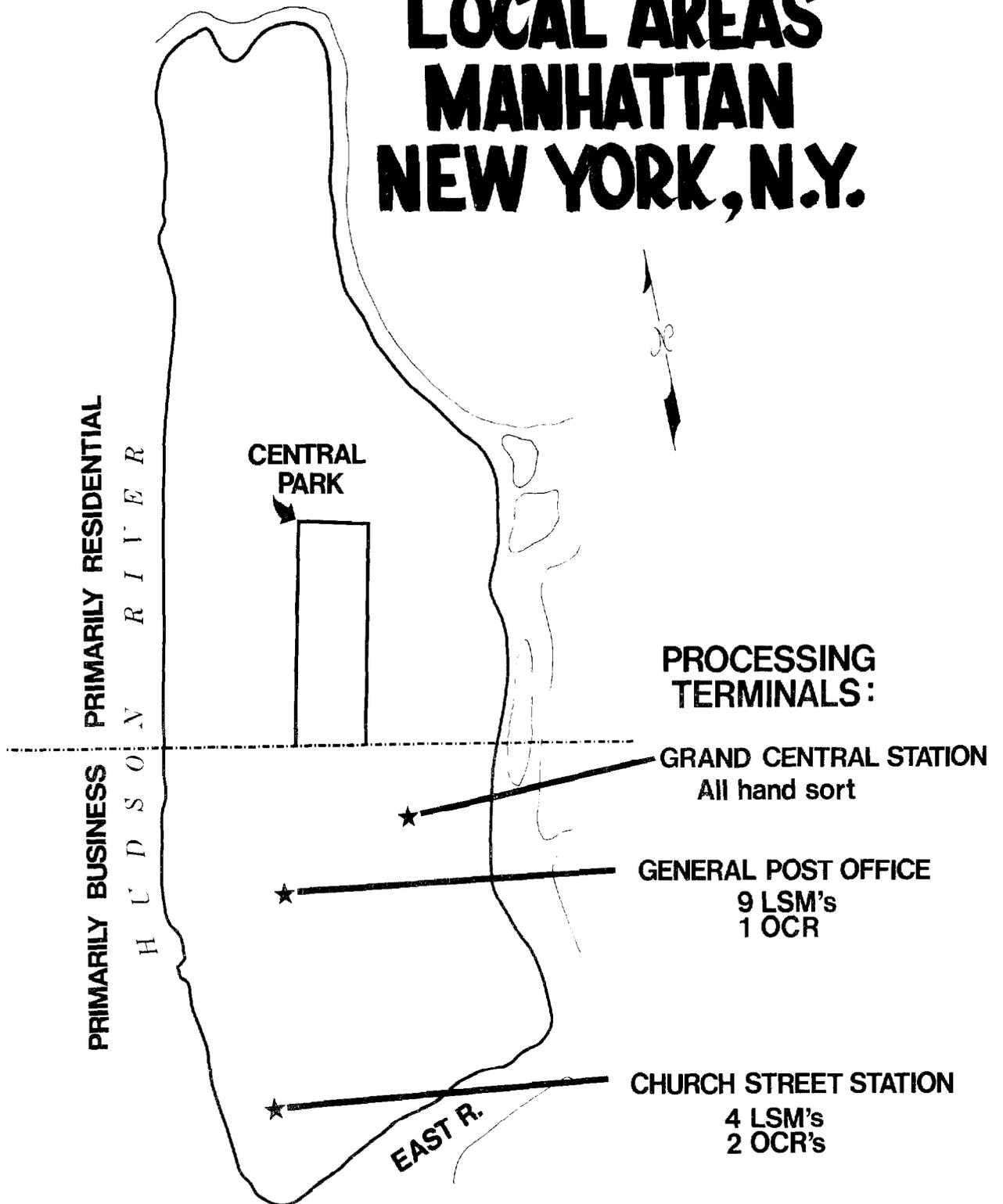
Sincerely yours,

A handwritten signature in cursive script that reads "James B. Adams". The signature is written in dark ink and is positioned above the typed name.

Comptroller General
of the United States

Enclosures - 19

ZIP CODE LOCAL AREAS MANHATTAN NEW YORK, N.Y.



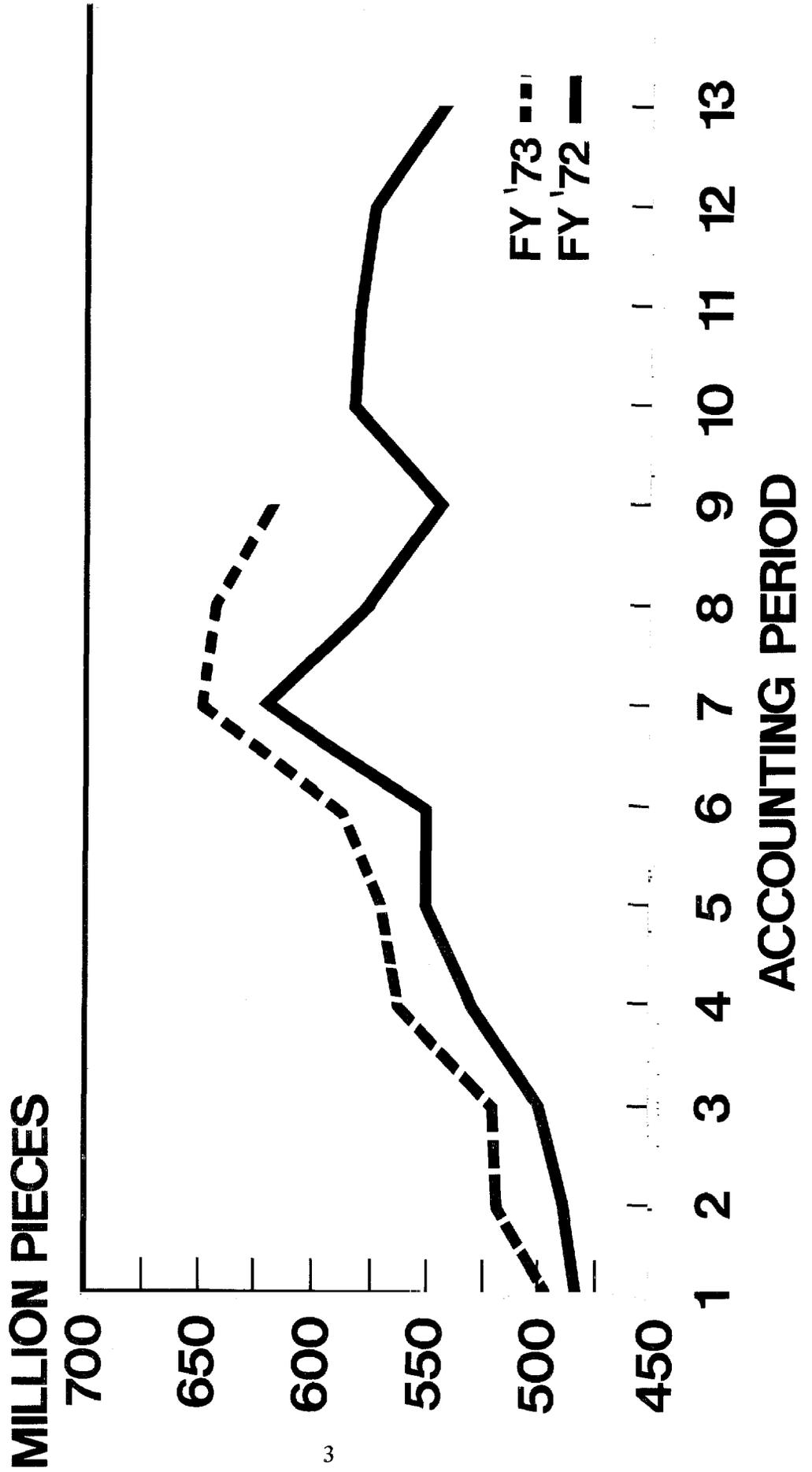
MAIL VOLUME & MANPOWER VARIATIONS IN NEW YORK

DIFFERENCES BETWEEN
JAN., 72 & JAN., 73

MAIL VOLUME	11.7%
EMPLOYEES	-14.5%
OVERTIME	467.5%

MAIL VOLUME-NEW YORK POST OFFICE

ENCLOSURE III



**ANTICIPATED MAIL VOLUME
INCREASE-NEW YORK
POST OFFICE AREA**

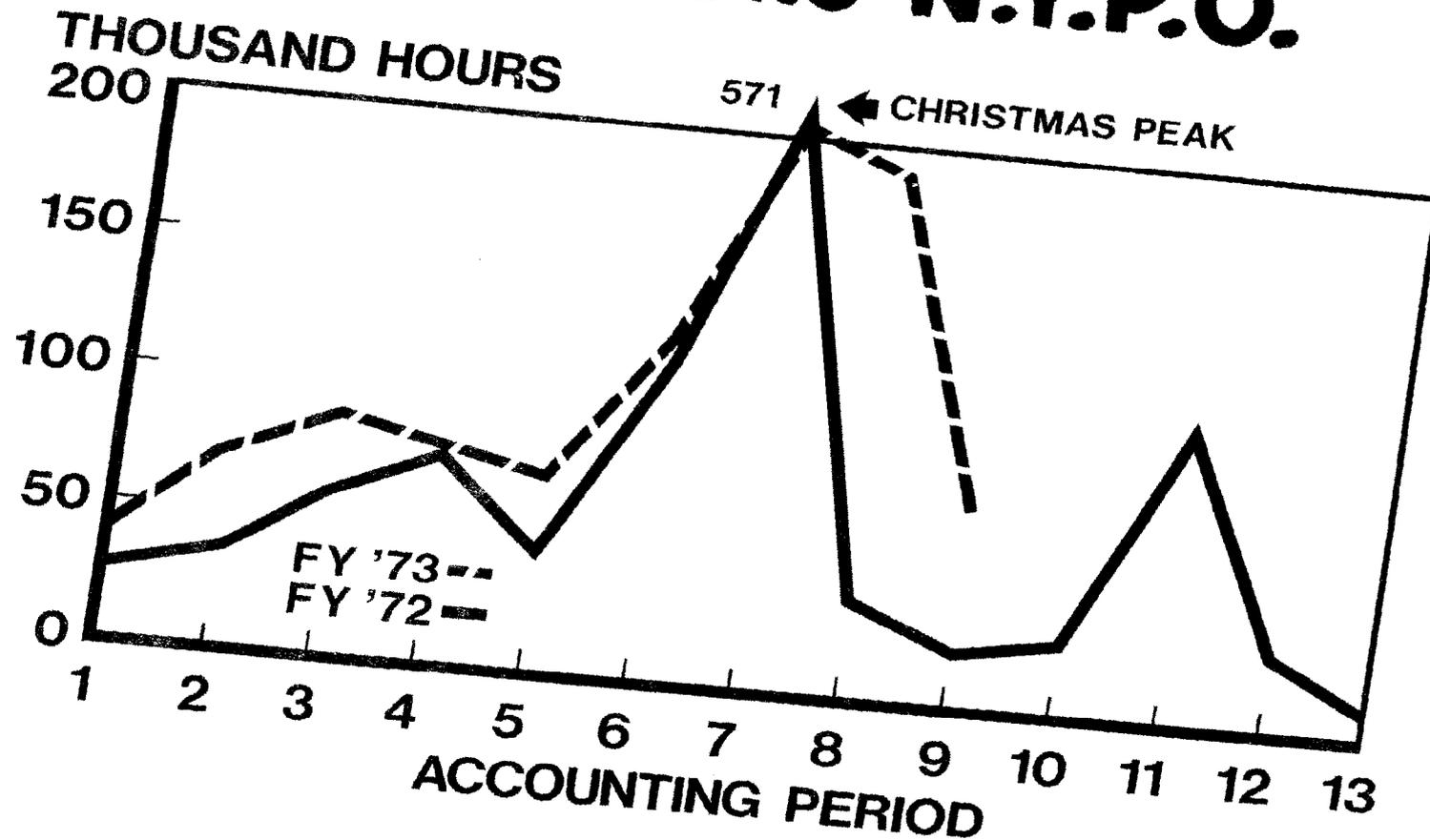
**INCREASE BUDGETED
BY REGION**

0.4%

**INCREASE ACTUALLY
EXPERIENCED**

1.9%

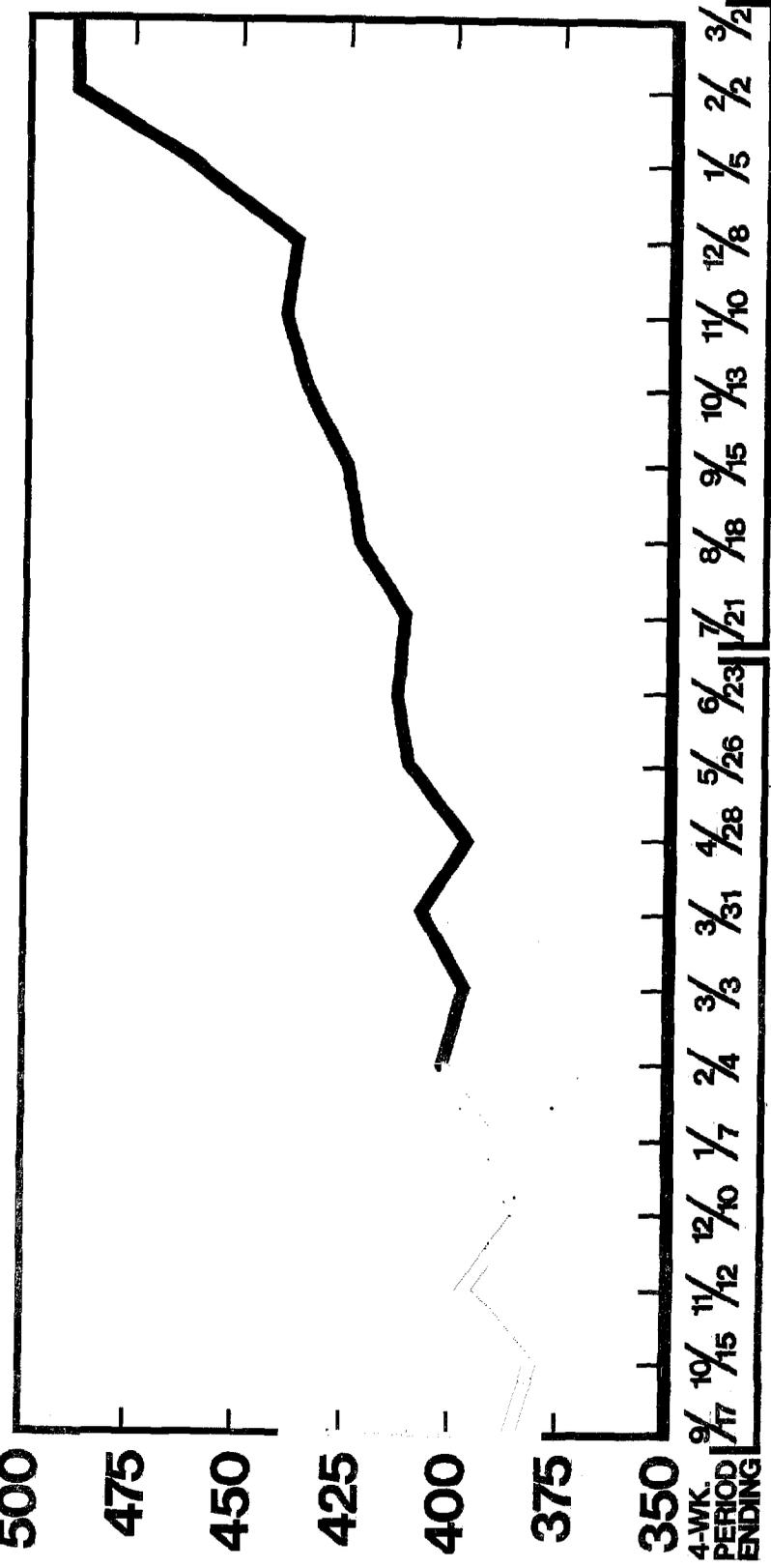
OVERTIME HOURS-N.Y.P.O.



ENCLOSURE V

PRODUCTIVITY MEASUREMENT FOR N.Y. POST OFFICE

TOTAL DISTRIBUTION PIECE HANDLINGS



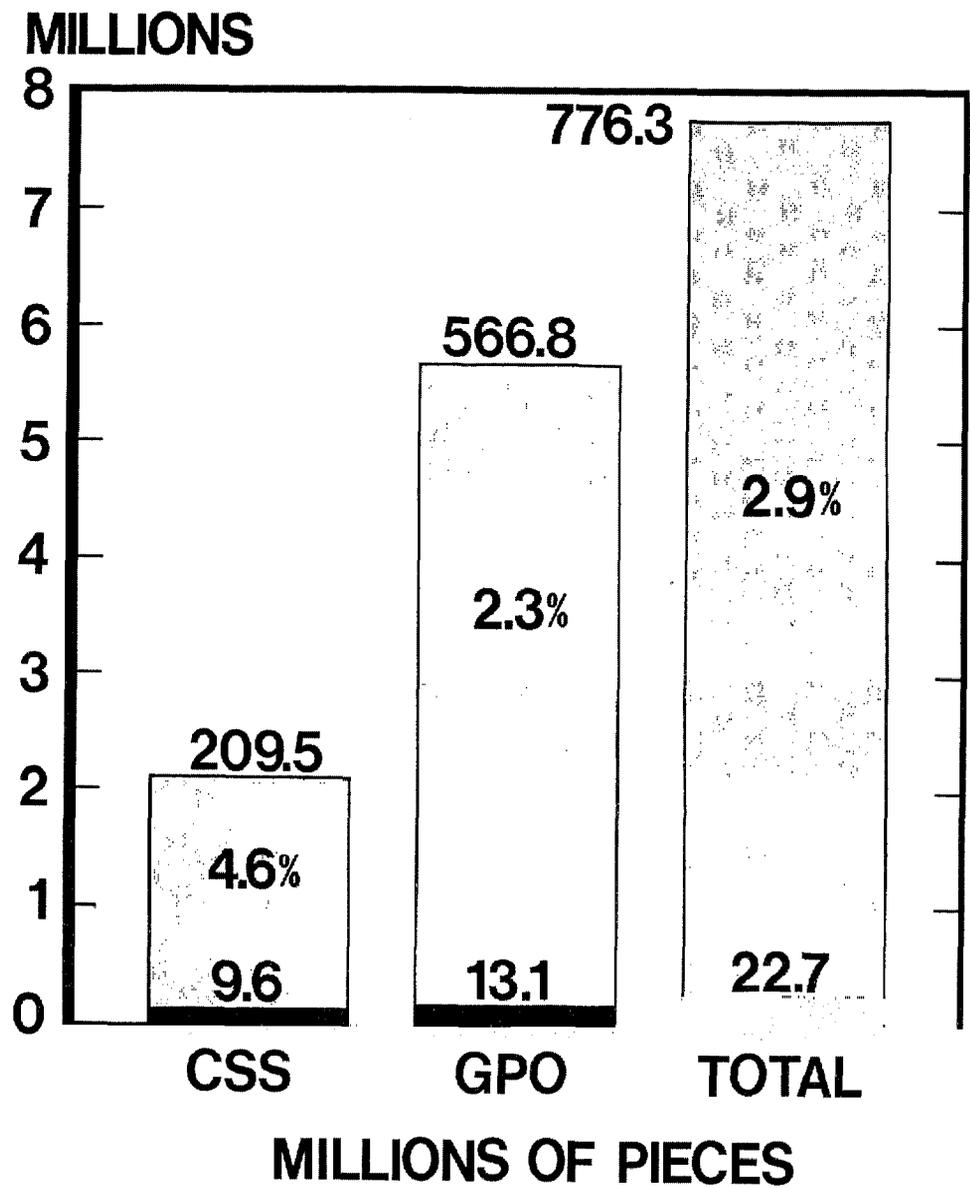
PFY 1972

PFY 1973

DELAYED FIRST-CLASS MAIL
NOV. 1972 THRU JAN. 1973

POST OFFICE	NUMBER OF PIECES (000)
NEW YORK	236,283.0

PERCENT OF LSM MAIL MIS-SENT JULY 1972-JANUARY 1973



■ MIS-SENT

SERVICE STANDARDS

BEFORE

AFTER

REORGANIZATION

FIRST CLASS

OVERNIGHT: INTRA-SCF & ADJOINING SCF₂ DESIGNATED
LOCALLY

SECOND DAY: 600 MILES

THIRD DAY: NATIONWIDE

NONE

AIRMAIL

OVERNIGHT: 600 MI. PLUS DESIGNATED AREAS

SECOND DAY: NATIONWIDE CONTIGUOUS STATES

OVERNIGHT DELIVERY REQUIREMENTS

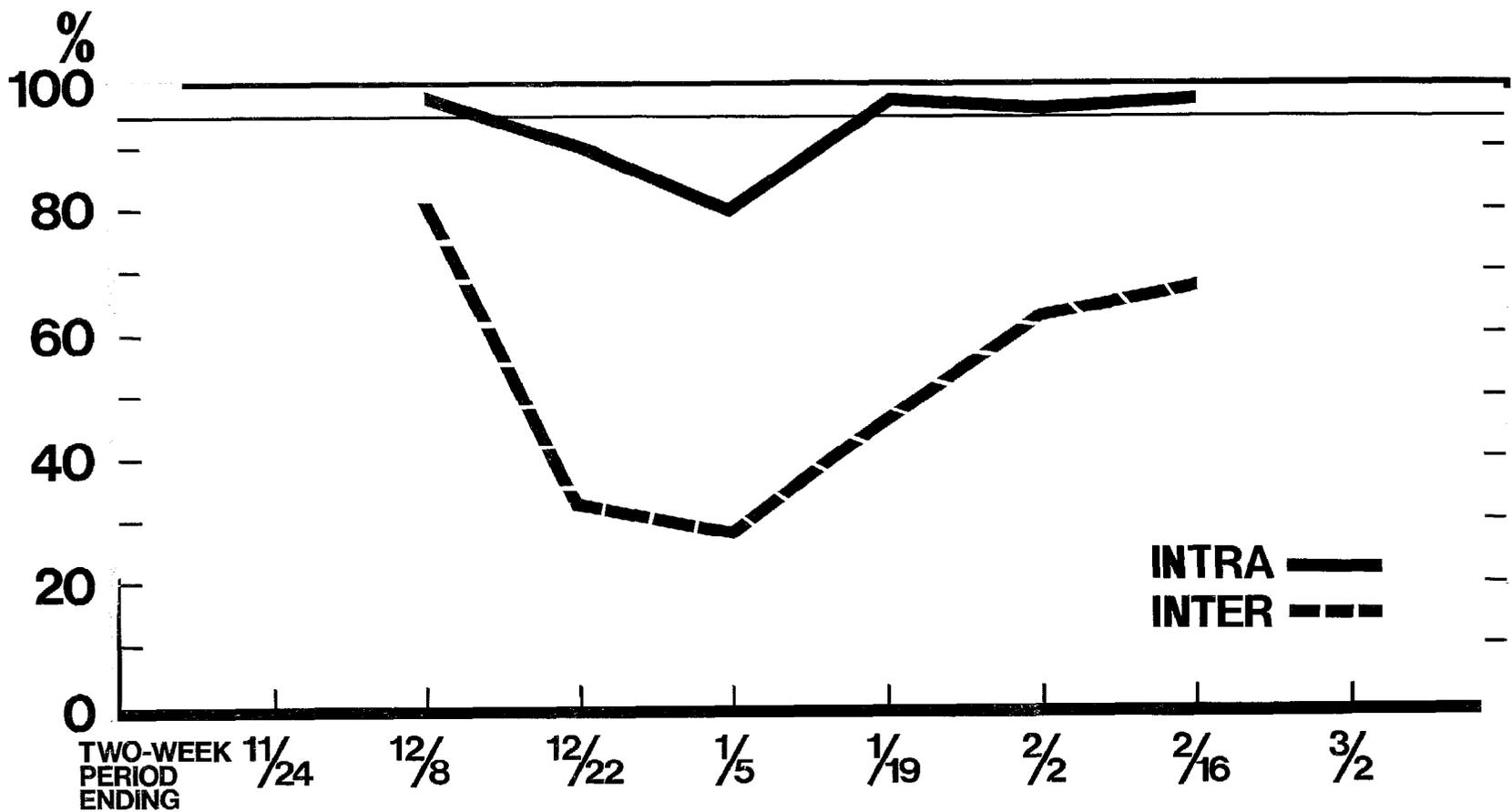
FIRST CLASS

MAILED BY 5:00 P.M.
AT POST OFFICE
OR COLLECTION
BOXES MARKED
WITH STAR

AIRMAIL

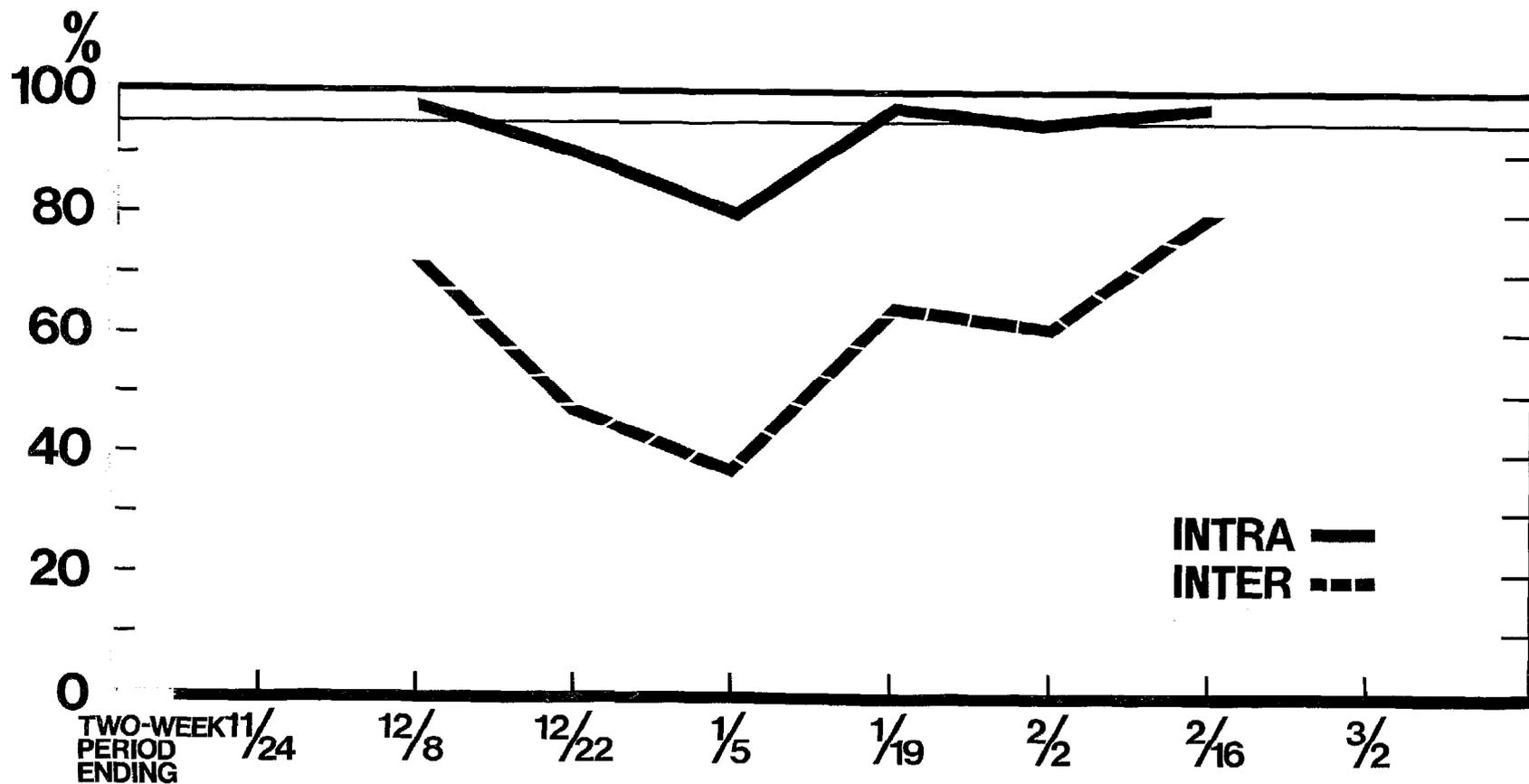
MAILED BY 4:00 P.M.
AT POST OFFICE
OR WHITE TOP
COLLECTION BOXES

PERCENTAGE OF MAIL DELIVERED OVERNIGHT FROM N.Y. TO INTRA-AND INTER-SCF AREAS



12

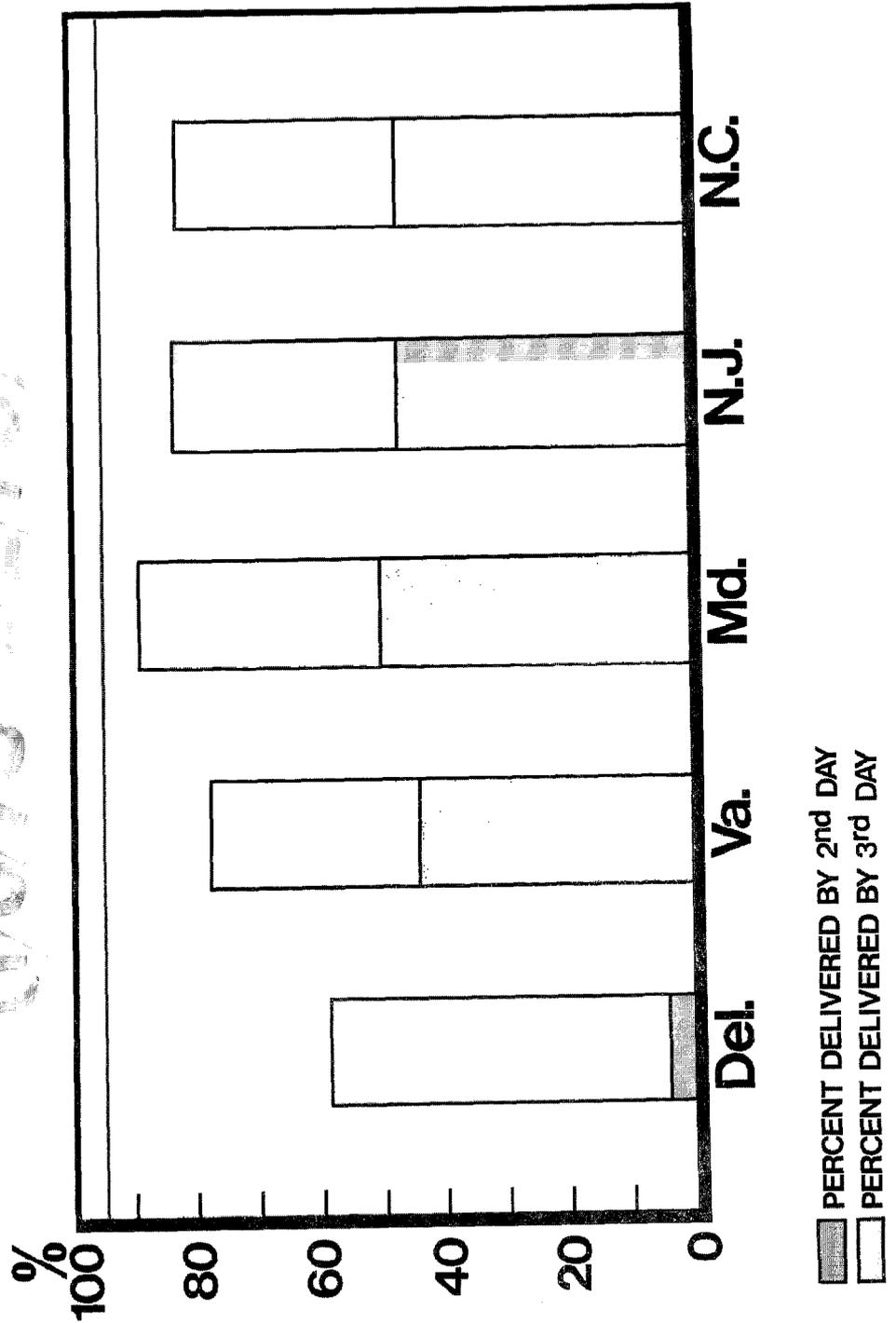
PERCENTAGE OF MAIL DELIVERED OVERNIGHT FROM INTRA-AND INTER-SCF AREAS TO N.Y.



13

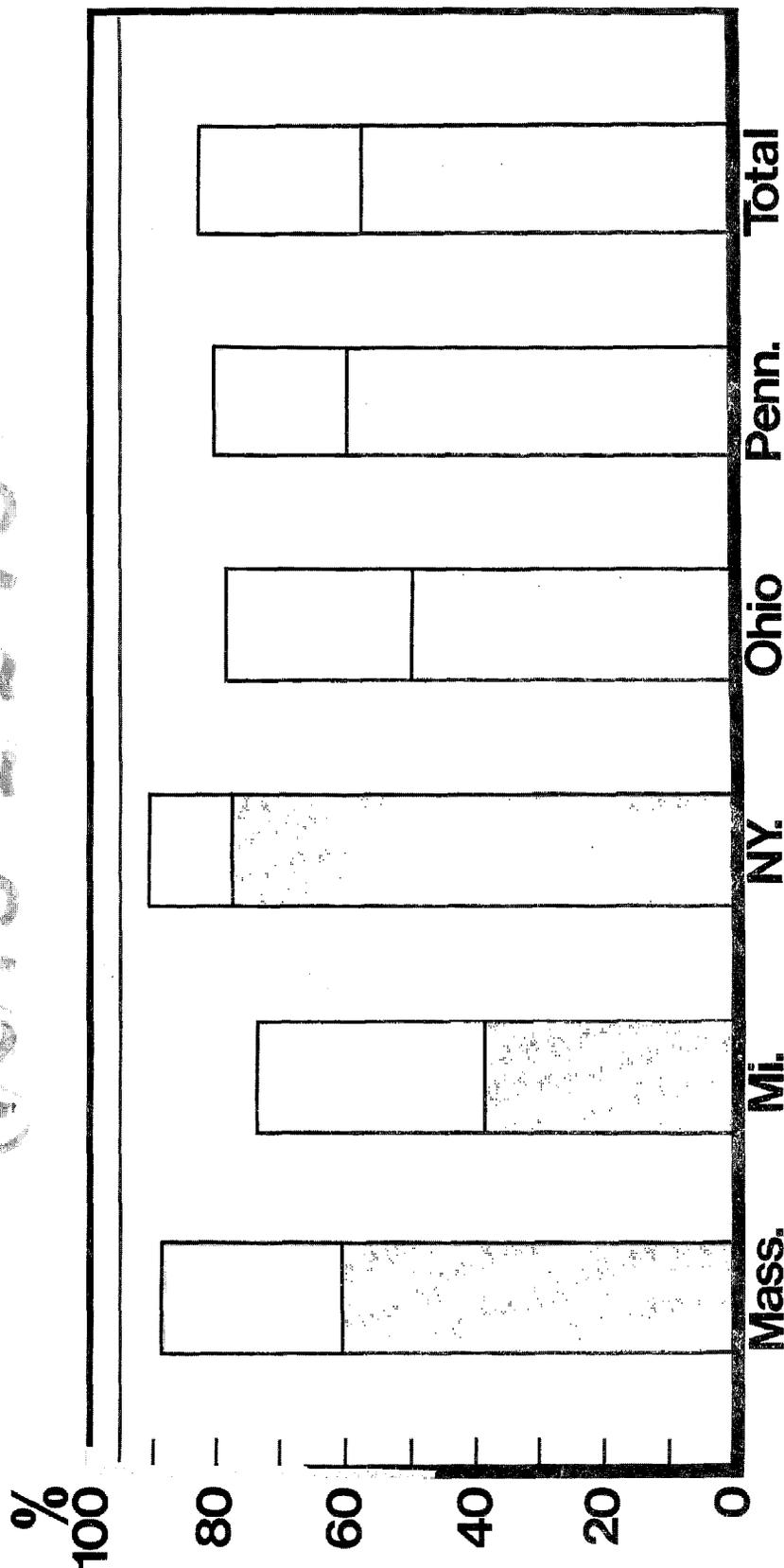
PERCENT OF MAIL DELIVERED FROM N.Y. TO TWO DAY STANDARD DESTINATION STATES

(1/6/73-2/2/73)



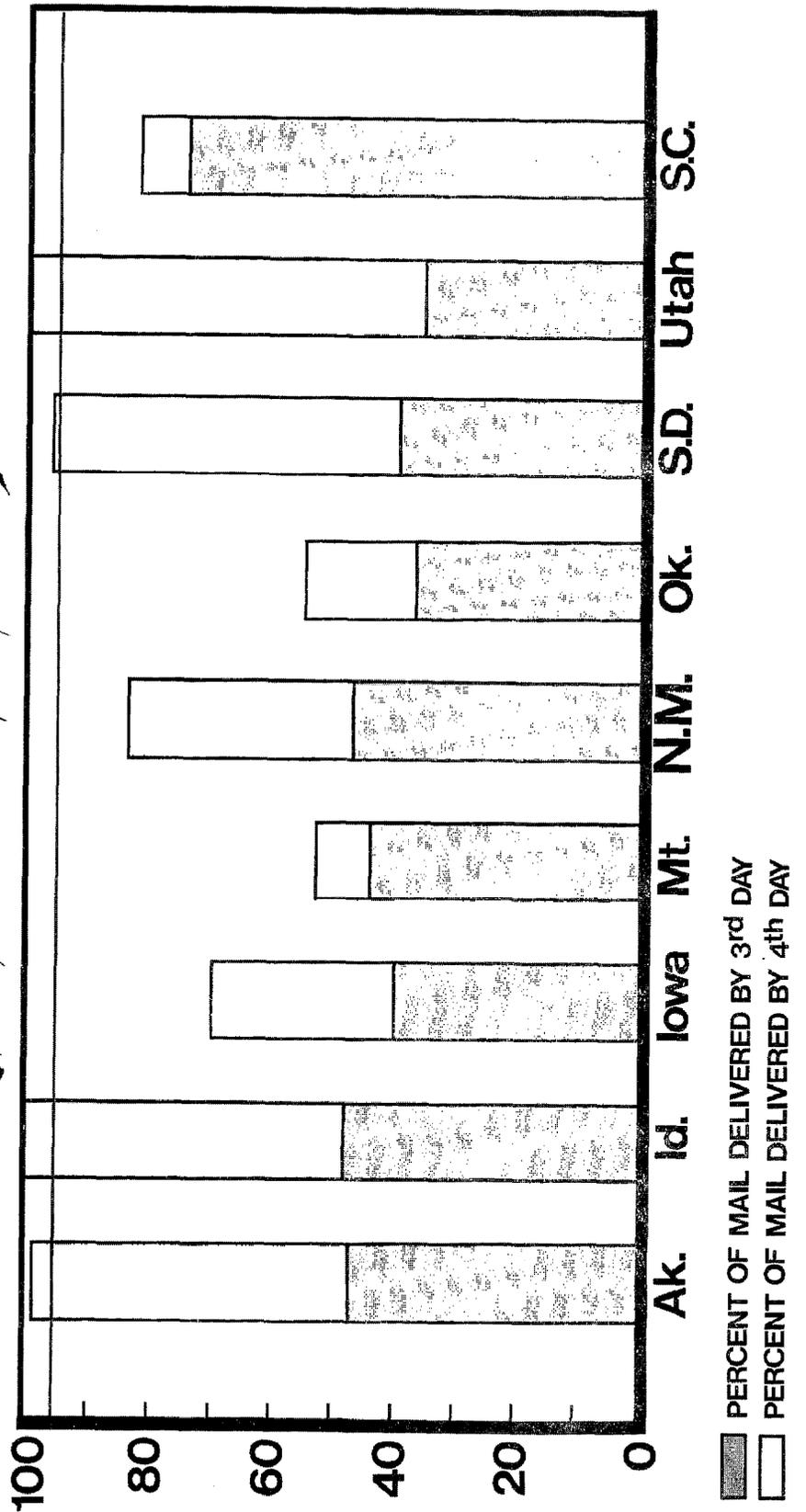
PERCENT OF MAIL DELIVERED FROM N.Y. TO TWO DAY STANDARD DESTINATION STATES

(1/6/73 - 2/2/73)

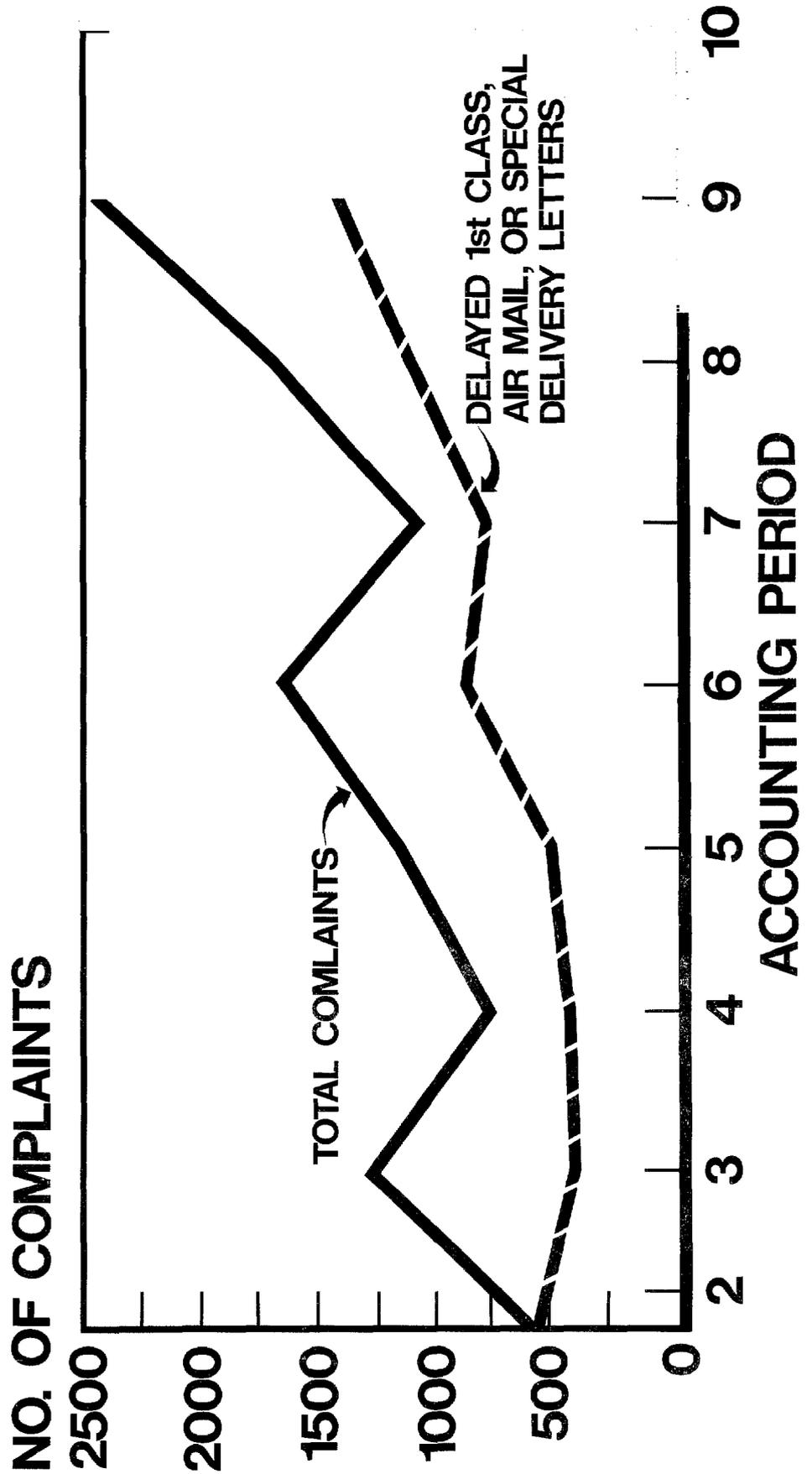


PERCENT DELIVERED BY 2nd DAY
PERCENT DELIVERED BY 3rd DAY

PERCENT OF MAIL DELIVERED FROM N.Y. TO 3-DAY STANDARD DESTINATION STATES (1/6/73-2/2/73)



CUSTOMER COMPLAINTS - PFY '73



ATTITUDE SURVEY (PERFORMED BY GAO)

PERSONS SATISFIED
WITH SERVICE 67%

PERSONS DISSATISFIED
WITH SERVICE 33%

COMPLAINT AREAS:

- DELAYED MAIL
- PILFERAGE-DAMAGE
- POOR SERVICE
FROM EMPLOYEES

LOW EMPLOYEE MORALE RESULTING FROM

- **"WHO CARES" ATTITUDE OF MANAGEMENT**
- **NIGHT AND WEEKEND WORK TOURS**
- **UNDESIRABLE WORKING CONDITIONS**
- **LOSS OF JOB SECURITY AND RIGID DISCIPLINE**
- **BACKLOG OF FORMAL GRIEVANCES**
- **JOB EVALUATION PROGRAM**