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# REPORT TO THE CONGRESS

## Transfer Of Regional Activities To Local Post Offices Inconsistent With Congressional Intent B-159768

Post Office Department 52

BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES

NOV. 13, 1970

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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON DC 20548

B-159768

To the President of the Senate and the  
Speaker of the House of Representatives

This is our report on the Post Office Department's transfer of regional activities to local post offices, which we believe to be inconsistent with congressional intent. Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the act of September 2, 1960 (39 U.S.C. 2206).

Copies are being sent to the Director, Office of Management and Budget, and to the Postmaster General.

A handwritten signature in cursive script, reading "James B. Stacks".

Comptroller General  
of the United States

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D I G E S T

WHY THE REVIEW WAS MADE

The House and Senate Committees on Appropriations have, in recent years, expressed concern about the amount of expenditures and the size of the staffs of the Post Office Department's regional offices, and the Congress has placed ceilings on the staffing of the Department's regional offices. (See p. 4.)

The Post Office Department, in November 1967, ordered the transfer of 15 activities and related positions from its regional offices to local post offices. This review was made by the General Accounting Office (GAO) to determine whether this transfer was consistent with congressional intent to limit the staffing of postal regional offices.

The Postal Reorganization Act, approved in August 1970, will make the Department an independent establishment in the executive branch of the Government. The act does not specifically indicate whether the Congress intends to impose restrictions on regional office staffing and expenditures, the subject of this report.

FINDINGS AND CONCLUSIONS

The 15 transferred activities are essentially regional ones, and the post office employees engaged in them are under the technical supervision of the regional offices. (See p. 7.)

GAO visited six postal regions and found that, in each, the number of employees performing regional-type duties exceeded the number allocated to the region by the Post Office Department under the overall ceiling established by the Congress. The salaries and fringe benefits of the local post office employees involved were charged against the appropriation for operation of local post offices. Thus the cost of local post office operations was overstated, and the cost of administration and regional operations was understated.

Based on pay rates in effect on October 1, 1969, the annual cost of salaries and fringe benefits for the 278 local post office employees performing these regional activities in the six regions amounted to an estimated \$3.1 million. (See p. 12.)

Because the Department's November 1967 instructions transferring activities from regional offices to post offices were issued to all postal regional offices, it seems likely that transfers were also made in the other nine postal regions.

The Department's transfer of regional activities did not appear to be consistent with congressional intent regarding ceilings on regional staffing and costs. Also, regional employees stated that a loss of efficiency in regional offices resulted from the transfer of activities. (See p. 12.)

#### RECOMMENDATIONS OR SUGGESTIONS

GAO recommends that the Department discontinue its practices of having local post office employees perform activities of a regional nature under the technical supervision of the regional office and of charging the cost of the salaries and fringe benefits of such employees to the appropriation that covers local post office operations. (See p. 19.)

#### AGENCY ACTIONS AND UNRESOLVED ISSUES

The Postmaster General said that the transfers were part of a broader move toward decentralization and were not designed to avoid the ceilings on staffing and expenditures for regional offices.

He said also that the Department had concluded that some of the transferred activities could be more efficiently handled in the regional offices and that these activities were being retransferred to the regional offices as quickly as they could be absorbed within the current personnel ceilings.

After receiving GAO's report, the Department polled its regional offices for recommendations on which of the transferred activities should be retransferred to the regions. The majority voted that 11 of the 15 activities should be returned. The Department then arranged for retransfer to the regional offices of 143 positions nationwide, which related to four of the 11 activities. The Department informed GAO that regional office personnel ceilings prevented retransfer of more positions. (See p. 18.)

GAO believes that further action is needed to ensure that other regional activities are assigned to the regional offices and that costs are charged against the appropriation for administration and regional operations.

MATTERS FOR CONSIDERATION BY THE CONGRESS

GAO is reporting this matter to Congress in view of the interest expressed by the Appropriation Committees in restricting the number of employees and the costs of administration and regional operations and because GAO believes that Department practices have not been consistent with congressional intent.

## CHAPTER 1

### INTRODUCTION

The General Accounting Office has reviewed the Post Office Department's transfer of certain activities from postal regional offices to post offices to determine whether this transfer was consistent with congressional intent. The scope of our review is described on page 20 of this report. A list of the principal management officials of the Department responsible for the administration of activities discussed in this report is included as appendix III.

The House and Senate Committees on Appropriations have, in recent years, expressed concern about the amount of expenditures and the size of the staffs of the Department's regional offices. The Committees were particularly concerned with the Department's practices of detailing employees of post offices to assignments in regional offices for extended periods and of charging the cost of salaries and fringe benefits for these employees to operations of post offices.

At the request of the Chairman, Treasury, Post Office and Executive Office Subcommittee, House Committee on Appropriations, GAO issued a report entitled "Review of Selected Aspects of the Staffing and Functions of the Postal Regional Offices" (B-159768, February 23, 1967), to the Subcommittee. The report discussed the Department's practice of detailing employees of post offices to the postal regional offices. In appropriation hearings for fiscal years 1968 and 1969, the Subcommittee expressed disapproval of this practice because it permitted circumvention of congressional ceilings on the staffing and expenditures of the Department's regional offices. Also, costs of operating regional offices were not being fully shown.

In August 1967 the Department issued general instructions providing for the termination of many of these details and limiting, to 90 days or less, future details of employees of post offices to regional offices when necessary to handle temporary peaks in workload or other emergency circumstances. In November 1967 the Department issued instructions providing for the transfer of 15 activities from the

regional offices to the post offices (see app. I) and requiring that the detailing of employees of post offices to regional offices be terminated by December 15, 1967. The transfers of the activities were to be completed by January 1, 1968. Regarding these actions, the House Committee on Appropriations, in its April 1968 report on the Department's appropriation bill for 1969, stated:

"The Committee heartily endorses the action of the Department in giving postmasters and sectional center supervisors greater authority over their respective establishments in the interest of greater effectiveness in postal service, and the record indicates that this was a desirable move. \*\*\* The Committee was pleased to note that the Department has resolved the problem of excessive numbers of personnel being detailed from post offices to regional operations. In this connection, the Committee does not favor the transfer to post offices of duties which are essentially regional in nature in order to live within the existing personnel ceiling of the regions." (Underscoring supplied.)

For fiscal year 1969, the Congress appropriated \$119 million for the Department's Administration and Regional Operations, which involves expenses necessary for administration of the postal service, operation of the postal inspection service and regional offices, and certain other operations. Funds for operating post offices were included in a separate appropriation.

Of the \$119 million, the Department allotted \$45.3 million to regional operations, of which \$45.1 million was obligated by the 15 regional offices. During fiscal year 1969, the authorized personnel ceiling for regional administration was 3,210 positions.

The Postal Reorganization Act (84 Stat. 719), approved on August 12, 1970, will make the Department an independent establishment in the executive branch of the Government. The provisions of the act do not specifically indicate whether the Congress intends to impose restrictions on regional office staffing and expenditures.

The Assistant Postmaster General, Bureau of Operations, provides direction for carrying out policies, programs, regulations, and procedures for regional office activities. Each of the regional offices is headed by a director who is responsible for the operations of all post offices and other postal installations within the region. Postmasters are generally responsible for postal operations in the geographical area served by their post office.

The Assistant Postmaster General, Bureau of Finance and Administration, is responsible for financial policies, preparation, and administration of the Department's budget and financial management program, including the Department's 5-year program and financial plan, and presentation of testimony at appropriation hearings.

## CHAPTER 2

### TRANSFER OF REGIONAL ACTIVITIES TO LOCAL POST OFFICES

#### INCONSISTENT WITH CONGRESSIONAL INTENT

At the six postal regional offices where we made our review, the Department, in accordance with the wishes of the House Committee on Appropriations, had eliminated the practice of detailing employees of post offices to regional offices for extended periods to supplement the regional office staffs. Department records, however, indicated that, to remain within the staffing and expenditure limitations imposed by the Congress on regional administration, 15 activities had been transferred from regional offices to selected post offices, as directed by the Department's November 1967 instructions. (See app. I.) We believe that these activities are essentially regional in nature because they

- related to all post offices in the region or assigned area rather than to the post offices to which the personnel performing the activities were officially assigned and
- were under the technical direction and supervision of the regional office.

In connection with the transfer of activities, the six regional offices included in our review transferred 300 positions from the regional offices to selected post offices within the regions. As of October 1, 1969, 278 of the transferred positions were filled and 22 were vacant. We estimate that the cost of salaries and fringe benefits for the 278 employees is \$3.1 million a year on the basis of the pay rates in effect on October 1, 1969. Inasmuch as the Department's instructions of November 1967 were issued to all postal regions, we believe it to be likely that transfers were also made in the regions we did not visit.

We believe that the practice of supplementing regional office staffs by assigning regional activities under the technical direction and supervision of the regional office to employees of local post offices is not consistent with

congressional intent to limit the staffing and expenditures of regional offices and results in overstating the costs of post office operations and understating the costs of regional office administration. Also, we were informed by postal employees that this practice resulted in a loss of efficiency in administering regional activities.

#### REGIONAL NATURE OF ACTIVITIES TRANSFERRED

The job descriptions for the positions relating to the activities transferred to local post offices were identical to or essentially the same as those when the activities were performed at the regional office.

For example, at the San Francisco region, we reviewed the 24 job descriptions established for the 34 positions occupied by the San Francisco Post Office employees who were performing duties relating to the activities transferred from the regional office. (Job descriptions for similar positions at other post offices in the San Francisco region were not readily available for our review.) Our comparison of the job descriptions for these positions before and after transfer of the activities showed that, in all instances, the descriptions were either identical or essentially the same.

Job descriptions before and after the activities were transferred were identical for the position of schemes technician at the San Francisco region. The statement of the basic function of this position--"Prepares for publication domestic and foreign air and surface schemes of all types and issues instructions for proper makeup, labeling, dispatch and routing of all classes of mail in a region"--evidences the regional nature of the activities involved, as detailed below.

"(A) Prepares schemes \*\*\* for use at sectional centers, AMFs [Airmail Facilities] and other large post offices in the region.

"(B) Prepares dispatching instructions \*\*\* and coordinates with other regions \*\*\*."

Job descriptions before and after the activities were transferred were essentially identical for the position of suggestions specialist at the San Francisco region. The former job description states:

"Serves as technical assistant and analyst in the Regional Suggestions and Awards office in one of the largest regions investigating the merits of suggestion and award recommendations and recommends decision on actions assigned."

The current job description states:

"Serves as technical assistant and analyst in the Suggestions and Awards program investigating the merits of suggestion and award recommendations and recommends decision on actions assigned. This position is used where the program covers post offices having an aggregate complement of 70,000 employees or more."

Our discussions with (1) employees carrying out the activities which had been transferred from regional offices, (2) employees' supervisors, and (3) regional and local post office officials confirmed the regional nature of the transferred activities being performed by local post office employees in the six regions we visited.

To illustrate, the Manager of the Plant Maintenance Section at a regional office, in explaining his relationship with the Plant Maintenance Officer who was assigned to carrying out the activities transferred to a local post office, stated that he and the Plant Maintenance Officer occupied the same room as before the transfer and worked as a two-man team on regional matters. He said that the transfer had not brought about any changes in supervision and duties and that they still used the same files and records. He said also that, in his absence, the Maintenance Officer served as acting Manager of the Plant Maintenance Section in the regional office.

He said that the Maintenance Officer visited post offices in all States under the region's jurisdiction to

evaluate the adequacy of national plant maintenance programs and to recommend corrective actions as appropriate, participated with regional staff in developing and implementing training programs in Maintenance techniques, and was responsible for technical supervision over the area maintenance offices located within the region.

Following are examples which are typical of the comments made to us at various locations.

- A methods technician at a local post office told us that his duties pertained to all States in the region, that technical supervision of his activities was provided by regional office staff, and that, for all intents and purposes, he was a regional office employee.
- A highway transportation supervisor at a regional office advised us that she provided technical supervision to five local post office employees who were mail messenger and star route specialists and whose duties pertained to all the States in the region. She stated that other employees of the post office to which the five specialists were assigned did not visit her unit on technical matters.
- A chief of the Personnel Programs Branch at a regional office stated that local post office employees of the Suggestions and Awards Section and the Training Section were performing regional functions and should have been on the regional office staff.
- An acting chief of Personnel of a post office, said that the employees assigned to carrying out the activities which were transferred from the regional office received guidance and supervision from regional office staff and that he did not consider them as employees of the local post office.
- The Director of a regional office stated that he was aware that some local post office employees were carrying out activities of a regional nature and that he did not approve of this arrangement. He said that

his regional office was understaffed by approximately the number of local post office employees carrying out such regional activities and that these employees and the activities should be transferred to the regional office where they belong. He said that he had discussed this matter with other Regional Directors, who also were dissatisfied with the present arrangement.

Employees carrying out regional office activities

The Department administratively allocates to its 15 regional offices the positions authorized by the Congress for regional office administration. The following table compares the number of positions allocated to each of the six regional offices where we made our review with the number of employees at both post offices and regional offices performing regional activities as of October 1, 1969.

	Authorized positions allocated to regional offices	Regional positions transferred to local post offices	Number of employees performing regional activities			Excess over authorized positions allocated to regional offices
			Assigned to		Total	
			Regional offices	Post offices		
Dallas	217	54	212	52	264	47
Denver	171	36	163	34	197	26
Philadelphia	276	75	265	73	338	62
San Francisco	239	50	224	47	271	32
Washington	210	49	195	38	233	23
Wichita	<u>182</u>	<u>36</u>	<u>172</u>	<u>34</u>	<u>206</u>	<u>24</u>
Total	<u>1,295</u>	<u>300</u>	<u>1,231</u>	<u>278</u>	<u>1,509</u>	<u>214</u>

The 214 employees performing regional activities in excess of the authorized positions allocated to the regional offices represent about 17 percent of the authorized positions allocated to the six regional offices. Including the 64 vacancies in the regional offices and the 22 vacancies in the post offices, the number of positions involving regional activities (1,595) exceeded the number of positions authorized (1,295) by 300, or about 23 percent.

ADMINISTRATION AND REGIONAL  
OPERATIONS COSTS NOT FULLY DISCLOSED

The Department's practices of transferring certain regional activities to post offices and of charging the post office operations appropriation with the cost of salaries and fringe benefits for the employees performing these activities results in understating the reported costs of administration and regional operations and in overstating the reported cost of post office operations. For the six regions included in our review, we estimate that, as of October 1, 1969, the total annual cost of salaries and fringe benefits for the 278 post office employees performing regional activities was about \$3.1 million.

Inasmuch as the Department's policy of transferring certain regional activities from regional offices to post offices applies Department-wide, we believe that the conditions we noted likely exist at other locations and that the Department-wide cost of salaries and fringe benefits for local post office employees performing regional activities would be substantially greater than \$3.1 million. We believe also that the salaries and related expenses applicable to the activities should have been charged to the administration and regional operations appropriation, in order to disclose the total cost of regional operations.

EFFECT OF TRANSFERS ON  
REGIONAL OFFICE OPERATIONS

Regional employees informed us that the efficiency of regional office operations had been impaired to some extent because of the transfers of activities to local post offices.

In each of the regions we visited, employees advised us that communication problems had arisen as a result of the separation of employees from their supervisors. The communication problems included such matters as delays in relaying supervisors' instructions to staff, duplication of files, and transfer of files between offices. Typical comments of employees are listed below.

- Direct supervision would be preferable.
- Representatives from the region are constantly visiting the local post office.
- Regional work at times is not current because of the separation of the staff from the regional office.
- The work being done is regional in nature and therefore cannot be adequately controlled when the employees are separated from the region. Whenever work is to be discussed, a telephone call or a visit is necessary, and informal personal discussions that usually occur as the work progresses are not held as often as desirable
- Delays in processing work, because of the separation of supervisor and staff, harm the job. Frequent travel between local post office and regional office is necessary.
- Telephone contact rather than personal contact makes the job more difficult.
- Transferring correspondence and files between buildings causes delays.

In some instances, activities were transferred to local post offices in cities other than the city where the regional office was located. In other instances, the separation of supervisors from their staffs was only a few city blocks, or the staffs remained in the same building as their supervisors, or no separation of supervisors from their staffs occurred.

For example, the Dallas Regional Office is located in the Dallas Post Office Building. When certain of the regional activities were transferred from the Dallas Regional Office to the Dallas Post Office, the employees assigned to these activities were moved to a building across the street from the Dallas Post Office. The activities transferred from the Dallas Regional Office to the Fort Worth Post Office entailed little movement of staff because the employees assigned to these activities already were located in

Fort Worth. In this instance the employees assigned to the transferred activities were moved to an adjacent room to separate them from the regional staff, a connecting door was blocked, and windows between the rooms were painted to render them opaque.

A regional office official said that supervisors could not be transferred to a local post office because local post offices in the region would not want to deal directly with the post office to which the regional activities were transferred.

COMMENTS OF REGIONAL OFFICE  
AND LOCAL POST OFFICE EMPLOYEES

Officials of the regional offices that we visited concurred in general in our observations that (1) the activities transferred to local post offices were being supervised by regional staff and involved duties of a regional nature and that (2) these transfers resulted in some loss of efficiency in regional operations. Officials of some post offices in the six regions agreed that the activities transferred were generally thought of as regional responsibilities. They indicated that the transfers generally had not affected the efficiency of the post offices, but several of the officials pointed out that statistics used as an indicator of efficiency (ratio of number of pieces of mail handled to number of post office employees) had been distorted because of the transfer of activities.

## CHAPTER 3

### AGENCY COMMENTS AND GAO EVALUATION AND RECOMMENDATION

The Postmaster General, in a letter dated June 1, 1970, commented on a draft of this report. (See app. II.) The Postmaster General's comments and our evaluation follow.

The Postmaster General stated that the purpose of the Department's transferring certain duties from the regional offices to selected post offices was not to avoid staffing and expenditure ceilings in the regional offices but was part of a broader policy of decentralization. He said that the instructions specifically stated that the individuals performing the delegated activities would be under the technical direction of the regional offices and that congressional committees had been informed of the Department's policy and actions in delegating responsibilities to the regions.

During the hearings on the Department's appropriation bill for fiscal year 1969, the Director of the Department's Office of Regional Administration informed the Treasury, Post Office and Executive Office Subcommittee, House Committee on Appropriations, of the Department's decision to delegate activities to the local post offices. The Director said that:

"Faced with a workload in excess of available ceiling, we considered reducing the number of regional offices. I am sure the members of the committee can appreciate the problems that such a move would create. \*\*\* It was then decided to move activities into post offices to the extent necessary to eliminate details \*\*\*."

We believe that the Director's statement indicates that personnel ceilings and the elimination of detailing employees were important considerations in the Department's transfer of certain activities from regional offices to local post offices. Moreover, our review shows that the activities transferred are essentially regional in nature; therefore we believe that the Department's action is inconsistent

with the expressed position of the House Committee on Appropriations that:

"\*\*\* the Committee does not favor the transfer to post offices of duties which are essentially regional in nature in order to live within the existing personnel ceiling of the regions."

- - - -

The Postmaster General said that a primary influencing factor in delegating the activities to the post offices was to broaden the role of the postmaster in total management. The Postmaster General advised us that the Department was giving particular emphasis to delegations of authority and that this was consistent with the recommendation in the House Appropriations Subcommittee report on the Department's fiscal year 1970 appropriations that as much authority and responsibility as possible be given to postmasters who are the front-line managers for the Department.

We do not disagree with the view that postmasters should have the necessary authority and responsibility to perform their management tasks effectively. We do not believe, however, that this was accomplished by the November 1967 action which provided for the transfer of certain activities from the regional offices to the post offices because the November 1967 implementing instructions stated that the regional offices would retain responsibility for technical direction of the transferred activities. We believe that delegation of responsibility for administrative support without commensurate delegation of responsibility for technical direction of an activity lessens the effectiveness of a decentralization program and contributes little to broadening the role of the postmaster in total management.

The Postmaster General said that the actions of the Department also seemed consistent with a 1967 GAO report to the Congress, entitled "Potential Economies and Improvements in Service Through Modernization of the Postal Field Service, Post Office Department" (B-114874, December 7, 1967), in which GAO recommended that, as a

long-range objective, the Department should move toward complete consolidation of mail-processing operations and administrative and financial functions at sectional center facilities. He indicated that this report also suggested that, regardless of their position titles, the heads of associate post offices should be responsible to the director of the sectional center facilities rather than to the Regional Director.

We do not agree that the Department's actions are consistent with our 1967 report to the Congress. In that report, we pointed out that one of the problems of the sectional center concept was that, although the sectional center was the focal point for mail entering or leaving the sectional area, the sectional facility postmaster had no management authority over the associate post offices. We concluded that the Department should move toward consolidation of mail-processing operations and administrative and financial functions at sectional center facilities and that postmasters of associate post offices should be responsible to the director of the sectional center facility rather than to the Regional Director.

As pointed out on page 16 of this report, the technical responsibility for supervising the employees carrying out the transferred activities was retained by the regional offices even though the activities were officially transferred to post offices. Therefore, we do not believe that the Department's action transferring the regional-type activities and positions to post offices was consistent with our 1967 report since management authority to service surrounding areas was not delegated to postmasters.

The Postmaster General said that our current report apparently assumed that any position established in a post office should not be involved in servicing other post offices and that he could not concur in this assumption because the nature of many management programs makes it desirable to place technical responsibility in a post office to service a surrounding area rather than depend upon a limited staff in the regional offices to supply prompt, effective service.

We disagree that this report assumes that any position established in a post office should not be involved in servicing other post offices. This report does not discuss the placement of technical responsibility in post offices to service surrounding areas.

The Postmaster General said that the Congress evidently agrees with the Department's actions to delegate authority since the Congress approved the Department's fiscal year 1970 request for increases in the number of technicians charged to post office operations. He further stated that the Department had taken many other actions in furtherance of its policy of delegation of authority, including establishing compensation centers at 58 locations to provide service to all post offices in the surrounding areas.

Our review concerned the fifteen activities that were transferred from the regions to local post offices in accordance with the November 1967 instructions and did not include an evaluation of other actions by the Department to delegate authority. However, in the case of the compensation centers, the regional offices exercise technical direction of the activity through the local post offices. Thus the post offices may exercise some degree of control over the technical aspects of the activity. Also a Department official informed us that recently post offices have been delegated some responsibility for technical direction of other activities.

The Postmaster General stated that the Department had found that certain delegations to post offices could be performed more efficiently in regional offices and that these activities were being returned to the regions as quickly as they could be absorbed within existing personnel ceilings. He stated, however, that, for the most part, the delegations were most effective and that the Department would continue to seek opportunities to decentralize.

Subsequent to the Department's receipt of our draft report, the Bureau of Operations notified all Regional Directors by memorandum dated April 7, 1970, that it was

considering retransferring to regional offices the activities transferred to post offices in November 1967. The memorandum stated that the issue had been raised that employees performing essentially regional activities had been assigned to post offices. The memorandum stated also that the regional offices, in deciding which activities should be returned to the regions, should consider the propriety of the work being performed in the post office.

A summary of the regional office replies to the memorandum showed that a majority of the regional offices recommended that eleven of the fifteen activities that had been transferred to the post offices in November 1967 be retransferred to the regional offices. Subsequently, the Bureau of Operations initiated action to retransfer to the regional offices 143 positions nationwide relating to four of the fifteen activities. Department officials informed us that more positions had not been retransferred to the regional offices because the regional office personnel ceiling had been reached.

Regarding the Postmaster General's comment that delegations of authority are effective and that the Department is continuing to seek opportunities to decentralize, we believe that more effective decentralization is accomplished when an operating unit is delegated responsibility for both the administrative and the technical direction of an activity.

#### RECOMMENDATION TO THE POSTMASTER GENERAL

We recommend that the Department discontinue its practices of having local post office employees perform activities of a regional nature under the technical direction and supervision of the regional office and of charging the cost of the salaries and fringe benefits of such employees to the appropriation for operating post offices.

CHAPTER 4SCOPE OF REVIEW

Our review was made at the Department's regional offices and at post offices in Washington, D.C.; Philadelphia, Pennsylvania; Dallas, Texas; Wichita, Kansas; Denver, Colorado; and San Francisco, California.

We reviewed legislation and records of hearings of the House and Senate Committees on Appropriations pertaining to cost and personnel restrictions. At the regional offices, we examined records, correspondence files, job descriptions, and other data and held discussions with representatives of the regional offices and the post offices.

Data contained in this report on positions transferred to local post offices is based on statistics available as of October 1, 1969, and does not give effect to transfers and retransfers that may have occurred after that date.

APPENDIXES

REGIONAL OFFICE ACTIVITIES  
DELEGATED TO POST OFFICES PURSUANT TO  
REGIONAL INSTRUCTIONS 154-G-20  
DATED NOVEMBER 15, 1967

1. Regional mail room and duplication
2. Cost ascertainment edit and review
3. Contract compliance examiners
4. Hearing officer investigator
5. Suggestions and awards officer/technician
6. Processing rural carrier appointments
7. Compensation (below branch chief)
8. Training (below branch chief)
9. Service analyst
10. Methods technician
11. Schemes technician
12. Railway transportation assistant
13. Mail messenger and star route specialist
14. Plant maintenance (below branch chief)
15. Vehicle maintenance (below branch chief)



The Postmaster General  
Washington, D.C. 20260

June 1, 1970

Dear Mr. Neuwirth:

We appreciate the opportunity to review your proposed report to the Congress entitled "Regional Office Staff Supplemented with Employees of Post Offices." I have several comments concerning the conclusions.

The purpose of the Department's transfer of certain duties from regional offices to selected post offices was not for the purpose of avoiding staff and expenditure ceilings in the regional offices, as concluded in your report, but is part of a broader policy of decentralization.

The Department first enunciated a policy of delegating maximum feasible authority to the field in 1967, after informing the Congressional committees in detail of its plans (pages 116-127, House Hearings on Appropriations for FY 1969).

The instructions which were discussed with the committees were issued November 15, 1967, directing all the Department's bureaus and offices to give the regions wide latitude for action and for assuming greater management responsibility. The instructions specifically stated that the individuals performing the delegated activities would be under the technical direction of the regional offices. As we informed the Subcommittee, a primary influencing factor in our delegations is to broaden the role of the postmaster in total management.

We have given particular emphasis during recent months to delegations of authority, as central to our concept of good management. It also is consistent with the recommendation of the House Appropriations Subcommittee in its Report 91-264 on FY 1970 appropriations

"As the Committee has stated previously, it feels that further study should be made of the regional administration and as much authority and responsibility as possible should be given to postmasters who are, in the final analysis, the front line managers for the Post Office Department. "

We believe it is evident the Congress agrees with our actions since it approved our FY 1970 request for increases in the number of technicians charged to post office operations.

Our actions, furthermore, seem consistent with your report to the Congress on "Potential Economies and Improvements in Service Through Modernization of the Postal Field Service," dated December 7, 1967, which stated on page 29

"As a long-range objective, we believe that the Department should move toward complete consolidation of mail processing operations and administrative and financial functions at SCFs. "

That report also suggested that, regardless of their position titles, the heads of associate post offices should be responsible to the director of the Sectional Center Facilities rather than to the regional director. However, your current draft report apparently assumes that any position established in a post office should not be involved in servicing other post offices. We cannot concur in this assumption because the nature of the many management programs makes it desirable to place technical responsibility in a post office to service a surrounding area rather than depend upon a limited staff in the regional offices to supply prompt, effective service.

We have taken many other actions in furtherance of our policy of delegation of authority, including establishing compensation centers at 58 locations to provide service to all post offices in the surrounding areas.

In summary, we have kept the Congressional committees informed of our policy and actions in delegating authority to regional offices and post offices. We have found, as indicated in your report, that certain delegations to the post offices could be performed more efficiently in the regional offices. These activities are being returned to the regions as quickly as they can be absorbed within existing personnel ceilings.

For the most part, however, we have found that the delegations are most effective, and we are continuing to seek opportunities to decentralize. We have issued 125 individual items of authority thus far -- 68 to regional directors and 57 to postmasters.

I believe you will find that the delegations discussed in your report fit within the scope of this policy.

Sincerely,



Winton M. Blount

Mr. Max A. Neuwirth  
Associate Director, Civil Division  
U. S. General Accounting Office  
Washington, D. C. 20548

PRINCIPAL MANAGEMENT OFFICIALS  
OF THE  
POST OFFICE DEPARTMENT  
RESPONSIBLE FOR THE ADMINISTRATION OF ACTIVITIES  
DISCUSSED IN THIS REPORT

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
POSTMASTER GENERAL:		
Winton M. Blount	Jan. 1969	Present
W. Marvin Watson	Apr. 1968	Jan. 1969
Lawrence F. O'Brien	Nov. 1965	Apr. 1968
DEPUTY POSTMASTER GENERAL:		
Elmer T. Klassen	Feb. 1969	Present
Frederick C. Belen	Feb. 1964	Jan. 1969
ASSISTANT POSTMASTER GENERAL, BUREAU OF OPERATIONS:		
Frank J. Nunlist	Apr. 1969	Present
Vacant	Dec. 1968	Apr. 1969
William M. McMillan	Feb. 1964	Dec. 1968
ASSISTANT POSTMASTER GENERAL, BUREAU OF FINANCE AND ADMINIS- TRATION:		
James W. Hargrove	Feb. 1969	Present
Ralph W. Nicholson	Mar. 1961	Feb. 1969
DIRECTOR, OFFICE OF REGIONAL ADMINISTRATION (note a):		
James E. Josendale	Feb. 1969	July 1969
Stanley L. Greigg	Nov. 1968	Feb. 1969
Vacant	Sept. 1968	Nov. 1968
Stanley L. Greigg	Sept. 1967	Sept. 1968

PRINCIPAL MANAGEMENT OFFICIALS  
 OF THE  
 POST OFFICE DEPARTMENT  
 RESPONSIBLE FOR THE ADMINISTRATION OF ACTIVITIES  
 DISCUSSED IN THIS REPORT (continued)

	Tenure of office	
	From	To
DIRECTOR, OFFICE OF REGIONAL ADMINISTRATION (note a ) (continued):		
Mike E. Chapin	Mar. 1967	Sept. 1967
Johnnie P. Carter	Feb. 1965	Mar. 1967

<sup>a</sup>The Office of Regional Administration was abolished in July 1969. Its functions and responsibilities were transferred to the Bureau of Operations and the Bureau of Finance and Administration.