



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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MAR 12 1974

B-114874

The Honorable Paul G. Rogers
House of Representatives



Dear Mr. Rogers:

Your letter of July 31, 1973, requested that we determine whether the United States Postal Service's monitoring system verifies a continued delay in mail delivery in Florida as evidenced by an increase in complaints received by your office. You also asked what the Postal Service has done to rectify the problems with Florida's mail service cited in our May 2, 1973, report to you, particularly the increase in Postal Service personnel in Florida since January 1973 and the Postal Service's evaluation of the effect of area mail processing on mail delivery times.

With respect to your principal concern, we found that the Postal Service's monitoring system did verify some continued delay in delivery service in southern Florida. Although delivery service of the Miami Post Office improved significantly, problems associated with the startup of the new Fort Lauderdale facility caused delayed delivery in that area.

The following sections of this report present our findings on

- current delivery performance,
- problems affecting this performance,
- the Area Mail Processing Program,¹ and
- corrective actions taken by the Postal Service.

To obtain this information we examined Postal Service records; interviewed headquarters, Southern region, and Florida postal officials; and visited the Miami and Fort Lauderdale Post Offices.

¹The Area Mail Processing Program is designed to gather mail from small post offices for mechanized processing at larger facilities.

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DELIVERY PERFORMANCE

The Postal Service's monitoring system, the Origin-Destination Information System, measures the elapsed time between the date a piece of mail is postmarked and the date it is received at a delivery point.¹ The system's reports show a continuing delay in mail service in southern Florida. The system does not, however, measure the time required for mail to be collected, prepared for postmarking, sorted for delivery by carriers or clerks, and delivered.

Postal Service standards state that 95 percent of first-class mail should be delivered in 1, 2, or 3 days depending on the destination or the distance it must travel. (See enc. I.) For example, 95 percent of the intrasectional center facility mail (origin and destination in Miami) should be delivered in 1 day. Also, 95 percent of the mail originating in Miami and destined for the Ft. Meyers and Fort Lauderdale sectional center facilities should be delivered in 1 day.

The delivery performance of the Miami Post Office improved since our last report to you. From May 26 through September 28, 1973, the Miami Office generally met the 1-day delivery standard. (See enc. II.)

The 2- and 3-day standards were not generally met during this period. Mail originating in Miami and destined for 2-day delivery met the standards in four of the nine 2-week periods, but the 95-percent standard for mail originating in Miami and designated to be delivered within 3 days was never met. However, most of the mail scheduled for 2- and 3-day delivery was delivered on the third and fourth day, respectively. (See enc. III.)

¹A delivery point is usually the last mail-processing point, such as a post office box section or a carrier station, before delivery to the customer.

The new Fort Lauderdale Office has generally not met the delivery standards because of problems discussed later in this letter. From May 26 through September 28, 1973, the Fort Lauderdale Office met the overnight delivery standard in only two of the nine 2-week periods and met the 2- and 3-day delivery standard only once. (See encs. IV and V.)

PROBLEMS AT
FORT LAUDERDALE POSTAL FACILITY

On June 2, 1973, the Postal Service activated a new, highly mechanized postal facility at Fort Lauderdale. The new facility has six letter-sorting machines, six facer/canceler machines, and a completely automated mail preparation line. The facility was designed to absorb part of the mail volume of neighboring post offices and improve overall mail service in the area. Under the Area Mail Processing Program, the Fort Lauderdale Office now processes outgoing mail which was previously handled by the West Palm Beach Post Office. According to local postal officials, this necessitated many routing changes and disrupted delivery service, especially in the early weeks of the facility's operations.

In addition to problems with mechanization and new logistics schedules, the Fort Lauderdale Office experienced processing difficulties because of the inexperience of many new employees. Between February 2 and September 14, 1973, the number of postal employees at the Fort Lauderdale Office increased from 1,119 to 1,638, or 46 percent. The Fort Lauderdale postmaster stated that, as of September 1973, about 48 percent of his employees had less than 6 months' experience. He also stated that employment will rise to an anticipated 1,650 employees.

The increase in employees, comprised mostly of inexperienced personnel, is a major contributing factor to delayed mail delivery. Both the Miami District Manager and the Fort Lauderdale postmaster stated that new employees make errors which hurt service. We anticipate that, as the employees gain experience, mail service at Fort Lauderdale will continue to improve.

POSTAL SERVICE EVALUATION OF
AREA MAIL PROCESSING PROGRAM

Since 1970, the Area Mail Processing Program has been implemented in many areas of the country including Florida. As of December 1973 the program had been implemented in all Florida sectional center areas except Fort Meyers.

Proposals to implement area mail processing must be approved by one of the five Regional Postmasters General. Concerning the effect that area mail processing may have on delivery service, program guidelines provide that:

- "1. Under no circumstances will any post office be brought into an AMP [Area Mail Processing] plan if such action would result in deterioration of present service being provided.
- "2. Those plans which do not provide the same, or better, service in all post offices involved will not be approved."

C₂ On September 12, 1973, the Director, Logistics Department, United States Postal Service, testified before the House Post Office and Civil Service Committee on the Area Mail Processing Program. He stated that area mail processing, which started in 1970, was an ongoing program which, in September 1973, was in operation in 323 areas. According to the Director, the Postal Service identified the following problems in implementing the program: 02900

- Overextension of the Service area to some post offices too distant from the central processing point to permit an effective return of mail for overnight delivery.
- Overconcentration of mail volume at some processing points.
- Failure to explain the program adequately to postal employees and the public.

--Emphasis on cost reductions at post offices to the detriment of service.

He stated that action had been taken to rectify these problems and that the program had been suspended in some areas pending procedural improvements or the installation of additional equipment.

The Director submitted several charts on mail delivery performance which showed that generally 94 percent or more of the first-class mail scheduled for overnight delivery nationwide was delivered on time. He also stated that the Area Mail Processing Program produced a documented cost reduction of \$24 million for fiscal year 1973 while protecting delivery service.

IMPROVEMENTS

The Postal Service has taken a number of actions to improve mail service in Florida since February 1972.

Increase in postal employees

The number of Florida postal employees increased from 20,471 at February 2, 1973, to 21,558 at August 17, 1973, or 5.3 percent.

Although these increases are necessary to improve Florida service, many new employees are inexperienced and, as previously discussed, Florida postal officials said new employees make errors which delay mail service.

Over one-half of this increase took place at postal facilities in southern Florida¹ where the number of employees increased from 6,925 at February 2, 1973, to 7,576 at September 14, 1973, or 9.4 percent. During the same period, the

¹Includes the Miami Post Office and 14 first-class post offices in Broward and Palm Beach Counties.

number of temporary employees at these facilities decreased from 442 to 297, or 32.8 percent.

Increased employment and provisions of the national labor agreement, signed on July 21, 1973, which limit the amount of overtime employees may be required to work, have reduced the number of overtime hours worked by postal employees. For example, from July 21 to August 17, 1973, Miami postal employees worked 47,556 overtime hours. This represents a 21.1-percent decrease in overtime when compared with the 60,306 hours worked during the same period in the previous year.

Curtailment of reduction of services

According to a Postal Service official, collection and delivery services in the Miami District have not been reduced since our previous report to you. Collection service after 5 p.m. has increased and a new postal requirement effective July 20, 1973, calls for additional collections on holidays, especially when they fall on a Monday. Although collection services were not decreased, the overall number of collection boxes was decreased to eliminate underutilized old-style boxes in areas where new-style boxes had been installed.

Flexible budgeting

The Postal Management Conference of February 1973 concluded that the postal budgeting process emphasized cost reduction at the expense of efficient service. Consequently, the budgets for postal fiscal year 1974 and future years were made flexible to recognize changes in predicted mail volumes and postal revenues. For postal fiscal year 1974, the Miami District Office requested an operating budget based on an anticipated 7.3-percent increase in mail volume. The Postal Service approved this request.

Expanded air taxi service

To increase overnight delivery capability, the Miami District expanded its air taxi service. It initiated service

between Tampa and Miami and, by November, planned to include Fort Meyers. It was also considering an additional air taxi to connect Fort Lauderdale and Orlando and other locations to insure that first-class mail would be delivered within the established time standards.

Investigative visits at
major post offices

Postal Service headquarters officials said investigative visits had been made to Miami, Orlando, Jacksonville, Tampa, and Fort Lauderdale. They indicated that mail was delayed by the startup of the Fort Lauderdale facility and the high turnover rate of Florida's postal employees.

Miami District officials told us they were particularly concerned with turnover of employees at the Miami Office. From December 23, 1972, to September 14, 1973, the Miami Office hired 1,047 employees and separated 920 employees. Based on its total complement of 4,302 employees at September 14, 1973, this represents a turnover rate of about 21 percent. In contrast, the turnover rate of all postal employees from October 1972 through June 1973 was about 10 percent.

These officials also stated the Tampa facility has had problems concerning misdirected and miscoded mail. A postal official reported that these difficulties were corrected during a recent visit to the Tampa facility.

Reduction in misdirected mail

Quality control programs have been started at Miami and Fort Lauderdale to improve the accuracy of letter-sorting machine operations and reduce the volume of misdirected mail. In addition, a device has been installed on letter-sorting machines to enable supervisors to monitor the performance of the machines and their operators. At Miami, the quality control and letter-sorting machine monitoring programs have reportedly reduced the average error rate of mechanical sorting operations from 4.5 percent for December 1972 through March 1973 to 2.1 percent for April 1973 through August 1973.

Local management improvement conferences

In our previous report to you we pointed out that during February 1973, Postal Service top management met with its District Managers from around the country to discuss postal operating problems and suggested improvements. Subsequently, additional meetings were held at the regional and local levels to enable postal managers to determine what could be done to improve service in their areas. The Southern Postal Region held its conference in Memphis from April 9 to 11, 1973. Local meetings were held in Fort Lauderdale on April 11 and 12 and July 23 to 25, 1973, and in Miami on June 11 and 12 and July 11 to 13, 1973. A Miami District official said the local meetings successfully highlighted problem areas, developed suggestions for improvements, and motivated postal managers to emphasize service over cost reductions.

Florida postal officials generally agreed 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, appearing to read "James B. Stacks".

Comptroller General
of the United States

Enclosures - 5

SERVICE STANDARDS

FIRST CLASS

**OVERNIGHT: INTRASECTIONAL CENTER FACILITY & ADJOINING
SECTIONAL CENTER FACILITIES DESIGNATED LOCALLY**

SECOND DAY: 600 MILES

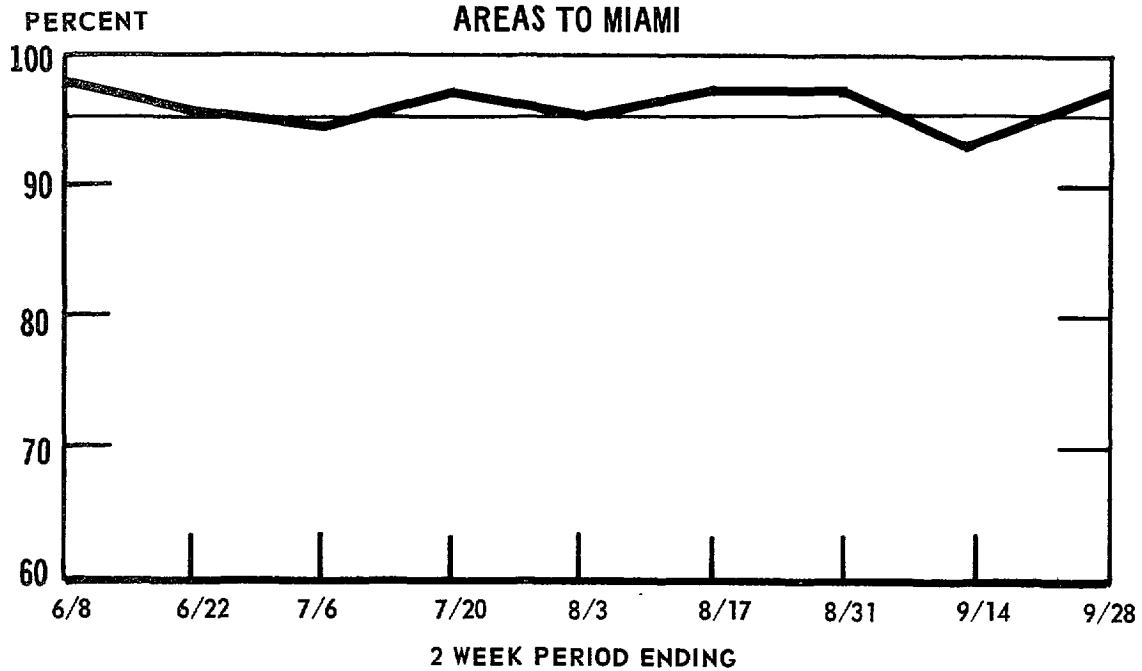
THIRD DAY: NATIONWIDE

AIRMAIL

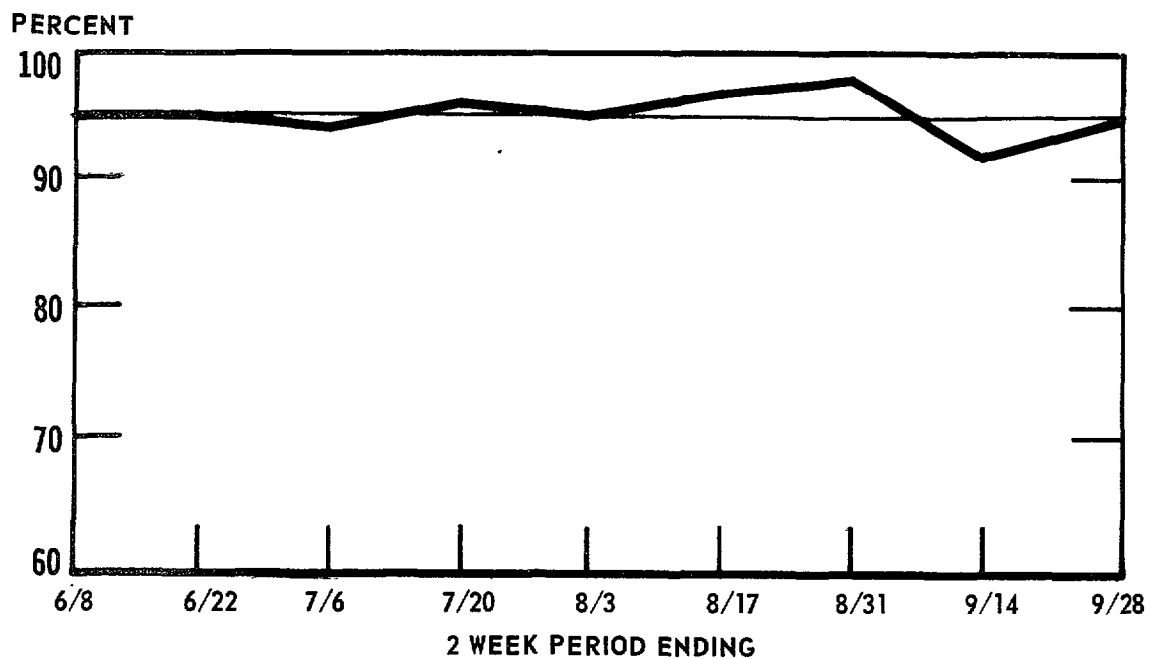
OVERNIGHT: 600 MILES PLUS DESIGNATED AREAS

SECOND DAY: NATIONWIDE CONTIGUOUS STATES

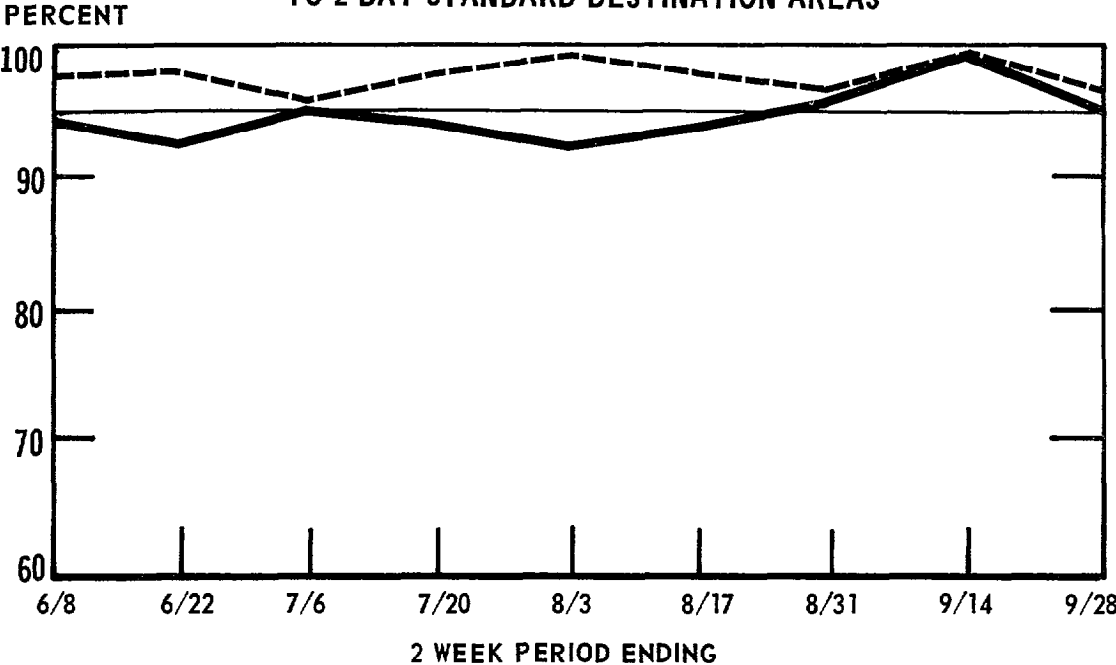
**PERCENT OF MAIL DELIVERED OVERNIGHT
FROM INTRASECTIONAL CENTER FACILITY
AND ADJOINING SECTIONAL CENTER FACILITY
AREAS TO MIAMI**



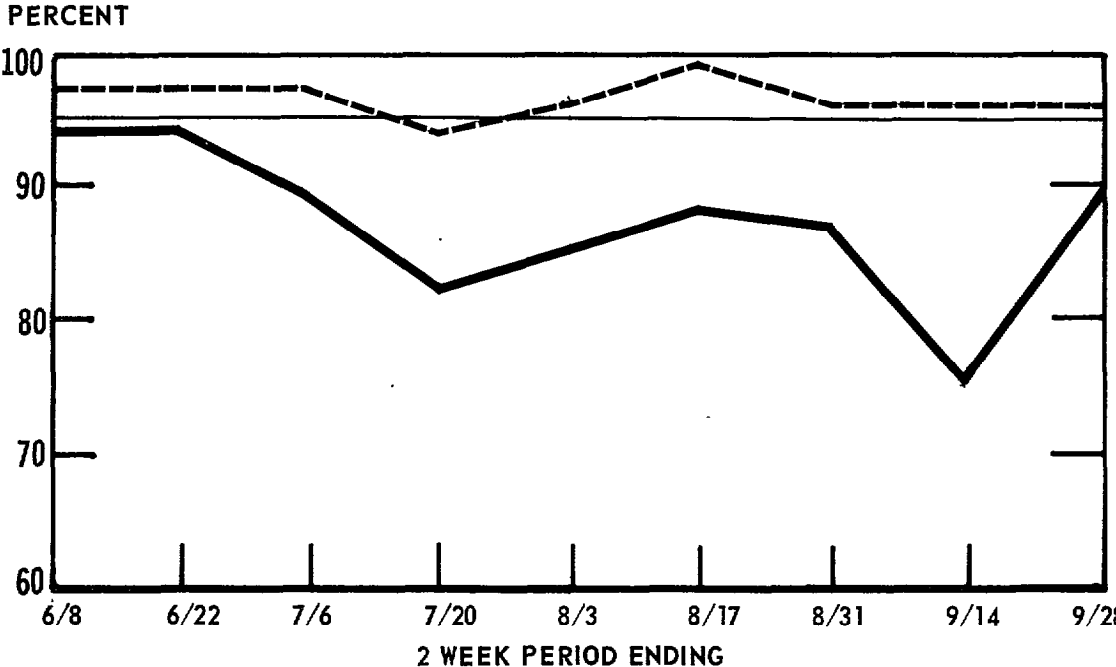
**PERCENT OF MAIL DELIVERED OVERNIGHT
FROM MIAMI TO INTRASECTIONAL CENTER FACILITY
AND ADJOINING SECTIONAL CENTER FACILITY AREAS**



**PERCENT OF MAIL DELIVERED FROM MIAMI
TO 2-DAY STANDARD DESTINATION AREAS**

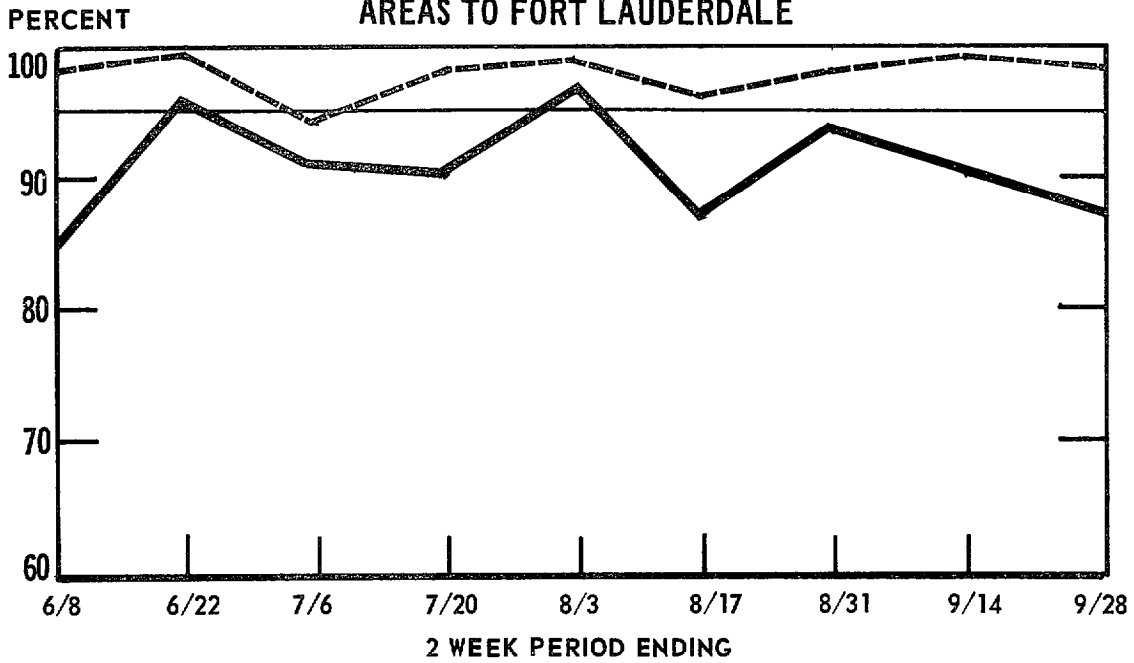


**PERCENT OF MAIL DELIVERED FROM MIAMI
TO 3-DAY STANDARD DESTINATION AREAS**



— DELIVERED WITHIN STANDARD
- - - DELIVERED 1 DAY AFTER STANDARD

PERCENT OF MAIL DELIVERED OVERNIGHT
FROM INTRASECTIONAL CENTER FACILITY
AND ADJOINING SECTIONAL CENTER FACILITY
AREAS TO FORT LAUDERDALE



PERCENT OF MAIL DELIVERED OVERNIGHT
FROM FORT LAUDERDALE TO
INTRASECTIONAL CENTER FACILITY AND
ADJOINING SECTIONAL CENTER FACILITY AREAS

