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

GGD-76-103

9-21-76

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RELEASED

B-114874

SEP 21 1976

The Honorable Frank E. Evans  
 House of Representatives

Dear Mr. Evans:

Pursuant to your October 21, 1975, request, we reviewed the quality of mail service in Pueblo, Colorado.

In April 1974 a new statewide mail distribution plan known as the Colorado State Simplified Distribution System was implemented. Under this system, Pueblo's outgoing mail is processed in Colorado Springs to achieve better mail service at less cost through use of increased mechanization and better transportation.

Since implementation, Pueblo's local first-class stamped mail has consistently exceeded the Postal Service's 95-percent ontime delivery goal. Initially, delivery performance to other locations within the area committed to overnight delivery declined. The combined ontime delivery percentages for all overnight areas have been almost always below 95 percent and generally have been below district and national performance. Since January 1975, however, Pueblo's overnight delivery performance generally has been improving. For the postal quarter ending in March 1976, it had 93-percent ontime delivery.

Mail processing breakdowns, transportation delays, adverse weather, missent mail (properly addressed mail sent to the wrong destination), and incorrect depositing of letters by customers have been the principal causes of delay. The Service has taken a number of actions which should do much to alleviate mail delays.

The details of our findings are presented below. The scope of our review is discussed on p. 11.

PUEBLO POSTAL OPERATIONS

In addition to processing its own local mail, the Pueblo Post Office has administrative responsibility over three sectional center facilities--Alamosa, Salida, and Durango. These sectional centers are mechanized mailhandling facilities which process incoming and outgoing mail

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for a total of 129 outlying post offices. During our field work, the Pueblo Post Office was in the Service's Colorado Springs District, one of two district offices in Colorado at that time.

The Pueblo Post Office generated \$2.8 million in revenue during fiscal year 1975. It handles approximately 231,000 pieces of mail daily and employs about 290 persons.

COLORADO STATE SIMPLIFIED  
DISTRIBUTION SYSTEM

Beginning in April 1974, the Colorado Springs District began implementing the Simplified Distribution System, a plan designed, in part, to consolidate Pueblo's outgoing mail with Colorado Springs' mail for processing in Colorado Springs.

The system was implemented in three phases over an 18-month period. The first phase, initiated in April 1974, sent parcel post from Southern Colorado, including Pueblo, to Colorado Springs for containerization. The second phase, in May 1974, moved Pueblo's first-class outgoing mail, and approximately 15 percent of its local mail, to Colorado Springs for canceling and sorting. The third phase, in September 1975, changed existing surface transportation schedules and transferred the processing of mail destined for offices formerly served by Pueblo to Colorado Springs.

Before this system, the Pueblo Post Office handled an average daily mail volume of 297,000 pieces and employed 107 clerks and mailhandlers. After implementation, the average daily mail volume handled in Pueblo dropped to 231,000 pieces, or about 22 percent, but as of October 10, 1975, the clerks and mailhandlers numbered 98, a decrease of only 8 percent.

Although the loss of postal positions in Pueblo clearly did not keep pace with the decrease in mail volume, the potential elimination of jobs was a major concern to local postal unions. In April 1974 the Service transferred six clerks and four mailhandlers to Colorado Springs. These employees were granted the right to return to Pueblo as positions became available. Eight of the employees later did return.

In addition to loss of jobs, union officials and postal customers cited several other reasons for their opposition to the transfer of mail processing operations to Colorado Springs, including loss of the Pueblo postmark, mail delays,

poorer service, inefficient use of fuel, and the belief that Colorado Springs' employees could not handle the increased mail volume.

MAIL DELIVERY PERFORMANCE IN PUEBLO

The Service has established the following time standards for Pueblo's first-class mail:

- 1-day (overnight) delivery within locally designated cities and sectional center facilities. (See encl. III.)
- 2-day delivery where air transportation is available.
- 3-day delivery to all remaining areas.

These standards apply to mail collected up to and including 5 p.m. The Service's goal is to meet the delivery standards at least 95-percent of the time on mail which has the proper address and ZIP Code.

Delivery performance is monitored by the Service's Origin-Destination Information System, which measures the time between the date mail is postmarked and the date it is received at the last mail processing point, such as a post office box section or carrier station.

Local performance

Using reports from the information system, we summarized the Pueblo sectional center facility's performance. From implementation of the Simplified Distribution System through March 1976, Pueblo's local and intrasectional center facility's mail consistently exceeded the Service's goal of 95-percent ontime delivery. (See encl. II.) Before the system, Pueblo achieved about 98-percent ontime delivery; following the first and second phases, performance dropped slightly to about 97 percent. After phase three, performance dropped to 96 percent.

Although Pueblo continues to exceed the 95-percent goal for local mail, considerable amounts of mail are being delayed. For example, during the postal quarter ending in March 1976, Pueblo generated 1.2 million pieces of local mail which achieved 96-percent ontime delivery. This means that 4 percent, or 48,000 pieces, arrived late during that period. Late mail delivery is a potential source of complaints.

Other overnight commitments

Pueblo is committed to overnight delivery for all mail destined for 11 other sectional center facilities in Colorado as well as for local mail. As shown in enclosure III, the overnight area comprises the entire State except for the Grand Junction area in the western part of the State. Since mid-1974, Pueblo's performance to these areas has generally been below the Service's 95-percent goal, as well as below the performance of the District and the Nation.

As shown in enclosure IV, there was a noticeable drop in the percent of mail delivered on time to overnight areas after the second phase of the Simplified Distribution System began. Delivery performance improved beginning in January 1975 and reached the Service's goal during the postal quarter ending in October 1975. After the third phase of the system began in September 1975, however, performance again dropped below the Service's goal.

Although Pueblo is held accountable for the ontime delivery of its outgoing mail, this mail has been processed in Colorado Springs since the second phase of the system began in May 1974. Pueblo's delivery performance, therefore, hinges on the mail processing performance of Colorado Springs.

In early 1974 the Colorado Springs District reduced Colorado Springs' commitments for overnight delivery to adjust for the 55 miles per hour speed limit and the reduction in airmail flights. Pueblo's commitments were not similarly adjusted. Pueblo remained committed to overnight delivery to its own sectional center area and to 11 others, while Colorado Springs was only committed to overnight delivery to 9.

Thus, letters mailed in Pueblo and arriving in 2 days at three sectional center areas would be recorded as late, while letters mailed on the same day in Colorado Springs to the same locations and transported in the same trucks as the Pueblo letters would be recorded as ontime.

These differences were pointed out to Service officials, who requested that their commitments be made the same as Colorado Springs. We expect that Pueblo's overnight performance, as measured by the Origin-Destination Information System, will increase if these changes are made.

PROBLEMS CAUSING MAIL DELAYS

To be statistically valid, a test mailing would have to be extremely large, which would be time consuming and costly. Nevertheless, to identify problems causing mail delays, 200 test letters were mailed--100 between Pueblo and 5 other Colorado cities and 100 locally in Pueblo.

As shown by the following table, delivery performance for the 100 local letters was 98-percent ontime, about the same as that shown in the Service's performance reports, and 95-percent ontime for mail destined for Pueblo from the five other Colorado cities. However, delivery performance for the letters going from Pueblo to the five Colorado cities was substantially below the Service's goal.

	Number of <u>letters</u>	<u>Percent of overnight mail delivered</u>		
		<u>Overnight</u>	<u>2 days</u>	<u>3 days</u>
Mailed and delivered in Pueblo	100	98	100	-
Originating from other Colorado cities and sent to Pueblo	58	95	100	-
Originating in Pueblo and sent to other Colorado cities	42	76	98	100

Of the 200 test letters, 15 were delayed. Of these, 10 were mailed from Pueblo to Denver and accounted for the poor performance for the letters going to the other cities from Pueblo. Our analysis of Colorado Springs' processing of Pueblo's outgoing mail during the 2-week testing period showed that all of the test letters should have been processed in time to meet the necessary truck dispatches to Denver. We concluded the delay probably occurred in Denver rather than in Pueblo or Colorado Springs. Also, since there was no pattern to the delays for the five other letters, we concluded the delays were not the result of a significant breakdown in mail processing operations.

Mail processing delays

From July 16, 1974, through March 31, 1976, large quantities of first-class mail were delayed in the Pueblo Post Office on 58 occasions and second- and third-class mail, on 90 occasions. The volume of delayed first-class mail on these occasions ranged from 920 pieces to 82,503 pieces, with the larger amounts occurring during the Christmas seasons. Pueblo Postal officials cited several reasons for the first-class mail delays, including

- large first-of-the-month volumes,
- machinery breakdowns,
- excessive and unscheduled employee sick and annual leave,
- mail received from other offices too late to be sorted before carrier dispatch time, and
- insufficient staffing on weekends.

Reasons for second- and third-class mail delays included

- receipt of heavy volumes of first-class mail preventing the processing of other classes and
- accumulation of nonpreferential mail over weekends.

Pueblo postal officials said that insufficient staffing in the Pueblo mailhandling unit on weekends has been a problem since August 1975. This situation worsened in March 1976 when the function of forwarding letters in Colorado Springs was transferred to Pueblo, and again in April 1976, when weekend staffing levels were restructured as a result of a district scheduling and staffing study. Pueblo postal management is currently reevaluating staffing needs and is recruiting personnel to fill the vacancies necessary to correct the weekend problem.

Transportation and weather

Because Pueblo is committed to nearly every part of Colorado for overnight delivery, surface transportation is critical for ontime delivery. The mountainous terrain

presents great problems, especially when long distances are involved. During the winter, weather conditions can be so severe that road closures can occur anywhere in the State. These problems, along with occasional vehicle breakdowns or accidents, can result in missed connections and, ultimately, mail arriving late.

### Missent mail

Missent mail is another reason for delays. The Service has instituted regional and national programs designed to detect rates of missent mail among major facilities. The Western Region uses the Quality Index to measure interdistrict first-class missent mail rates between 31 of its sectional center facilities. The index showed Colorado Springs' rate was better than average for the Western Region.

<u>4 weeks ending</u>	<u>Missent mail originating in</u>	
	<u>Colorado Springs</u>	<u>Western Region</u>
	(Percent of total mail volume)	
January 2, 1976	1.5	2.6
January 30, 1976	1.4	2.2

The Quality Index is also used within the Colorado Springs District to measure missent mail rates between sectional centers. Under this intradistrict system, the district's average for the 7 months from June 1975 to January 1976, was 1.7 percent, and the Colorado Springs sectional center average was 2.1 percent. The quality control officer in the Colorado Springs Post Office also makes tests to determine how well the Colorado Springs mailhandling unit sorts mail destined for Pueblo. The missent mail rate for May 15, 1975, to January 9, 1976, averaged 1.34 percent for local Pueblo mail, and 3.6 percent for mail destined for post offices within the Pueblo sectional facility area.

### Consolidated markup

By direction of the Colorado Springs District, Pueblo consolidated its mail markup function 1/ in early 1976.

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1/Mail markup is a process of redirecting a piece of undeliverable mail as addressed mail by adding a forwarding address of postal patrons who had moved or by indicating some other disposition, such as returning the mail to its sender.

Within 5 weeks, the district also transferred Colorado Springs' markup function to Pueblo. This change was made because Colorado Springs had a shortage of space and employees, both of which were available in Pueblo.

While implementing consolidated markup, problems occurred which resulted in Pueblo markup mail being delayed. Pueblo postal officials said that these initial delays were caused by inexperienced employees, mechanical failure of equipment, and poor cooperation between the markup staff and letter carriers.

Corrective actions have been taken, but some markup mail is still being delayed on a daily basis. Unless further corrective actions are made, continuing delays are anticipated around the first of the month, when large volumes of mail are received; on Saturdays, when no mail is forwarded; and on Mondays, when both Saturday's and Monday's mail are forwarded.

Incorrect depositing of  
letters by customers

Pueblo postal officials told us that the incorrect use of local collection boxes by postal customers caused delays. We believe postal customers are confused as to which type of collection box should be used.

Under the Simplified Distribution System, a postmark without a city name was initially used in Colorado Springs to cancel Pueblo's outgoing mail. Pueblo citizens objected because Pueblo mail no longer carried Pueblo identification. In response to public pressure, the Service installed three more local collection boxes in Pueblo, and changed all local boxes to read "LOCAL & ALL OTHER MAIL WHERE A PUEBLO POSTMARK IS DESIRED." All mail collected from these boxes was processed in Pueblo and received a Pueblo postmark.

In April 1975 Colorado Springs began using a Pueblo postmark on Pueblo's originating mail, making it unnecessary to deposit out-of-town mail in the local boxes to receive a Pueblo postmark. Although customers were told of this change and the local boxes were changed to read "PUEBLO ONLY," many continue to deposit out-of-town mail in these boxes. This incorrectly deposited mail must be identified and sent to Colorado Springs for sorting because, under the Simplified Distribution System, the Pueblo processing unit no longer sorts outgoing mail. By the time this mail is identified,

however, the early trucks to Colorado Springs have already left. Mail delays occur because the later trucks may not arrive in Colorado Springs in time to assure that transportation connections can be made after sorting.

Pueblo management officials said repeated attempts had been made to inform citizens that depositing out-of-town letters in local boxes can delay delivery. Since past efforts have not been successful, Pueblo officials agreed that future attempts to inform the public are needed.

### CUSTOMER COMPLAINTS

On October 1, 1975, the Service initiated a nationwide program to provide customers with a means to send complaints and suggestions to the Service. Under this program, the postal customer completes a two-part consumer service card; one for the local post office and one for postal headquarters. Upon receipt of a complaint, the local postmaster has the responsibility of resolving the problem with the complainant. When the problem has been resolved, the resolution is sent to postal headquarters.

The following is an analysis of cards received and complaints resolved from October 1, 1975, to February 27, 1976.

	<u>Consumer service cards received</u>	<u>Percent</u>
Information requests	22	3.7
Suggestions	19	3.2
Complaints	540	90.8
Other	<u>14</u>	<u>2.3</u>
Total	<u>595</u>	<u>100.0</u>
	<u>Complaints resolved</u>	<u>Percent</u>
Delayed mail	163	39.3
Nonreceipt of mail	106	25.5
Damaged mail	9	2.2
Hours of service	81	19.5
Money orders	2	.5
Personnel	15	3.6
Self-service equipment	<u>39</u>	<u>9.4</u>
Total	<u>415</u>	<u>100.0</u>

As shown, the number of complaints resolved (415) is far less than the number received (540). A Pueblo postal official said he was not aware of the large number of unresolved complaints, but he would take immediate action to resolve them.

Under the complaint system used before October 1975, the Pueblo office received 1,923 complaints from September 14, 1974, to July 18, 1975, or an average of 192 complaints per month. Under the new system, an average of 108 complaints were received per month. According to a postal official, complaints have decreased because Pueblo citizens have begun to accept Colorado Springs' processing Pueblo's outgoing mail.

To determine how the community views Pueblo's mail service, we talked with the executive board of the Postal Customer Council and the Pueblo Chamber of Commerce. We were given specific examples of delayed and lost mail and were told that the lack of consistency in mail service is a major problem. A general dissatisfaction with mail service was evident. We were also told the number of people complaining to the chamber about poor mail service is declining, but in the view of these officials, only because people feel there is no hope of improving service.

#### MANAGEMENT-LABOR RELATIONS

Union officials from the National Association of Letter Carriers and the National Rural Letter Carriers' Association said that their relationships with top management are good. They said that the communication line to top management is always open and that management is willing to meet with the unions to solve problems as they arise.

Union officials from the American Postal Workers Union and the National Post Office Mail Handlers, however, said there is no meaningful communication between management and craft because top management does not identify with or understand the people from Pueblo. They also said that morale is very low because of excessed employees and frequent changes in operations.

Pueblo postal officials strongly disagree with the American Postal Workers Union and the National Post Office Mail Handlers officials' statement that there is no meaningful communication between management and craft employees and maintained that managers make every effort to meet and communicate with unions and employees. Management officials also said that a concerted effort is made to inform unions first hand of changes as soon as possible.

Officials of the two unions told us the major conflict stems from the fact that most craft employees are from Pueblo but most of top management are from other States. They said relationships would improve if Pueblo natives held more top positions. A Pueblo postal official told us the same problems existed when natives of Pueblo held the top management positions and that initiation of the Simplified Distribution System in 1974 greatly strained labor-management relations because the craft lost positions.

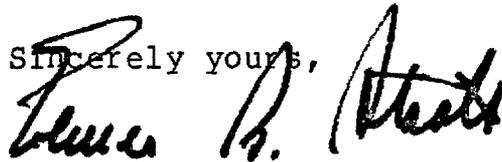
Pueblo postal officials indicated that the public's perception of mail service has been influenced by their contact with postal employees. In their view, disgruntled window clerks have projected a negative attitude toward the Service and have attempted to influence public reaction to mail processing changes. Better labor-management relations obviously are needed.

SCOPE OF THE REVIEW

Our review of the quality of mail service in Pueblo, Colorado, included a comparison of overnight mail delivery performance in Pueblo with that in the Colorado Springs District and the Nation. We made test mailings and assessed mail processing capabilities and delivery performances to identify problems affecting mail service. In addition, we reviewed complaints received by the Pueblo Post Office. Discussions were held with postal officials in the Service's Western Region, Colorado Springs District, and Colorado Springs and Pueblo sectional center facilities.

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As you requested, we did not obtain formal agency comments.

Sincerely yours,  


Comptroller General  
of the United States

Enclosures - 5

ENCLOSURE I

ENCLOSURE I

FRANK E. EVANS  
3D DISTRICT, COLORADO

HOUSE COMMITTEE ON  
APPROPRIATIONS

Congress of the United States  
House of Representatives  
Washington, D.C. 20515

October 21, 1975

DISTRICT OFFICE:  
ROOM 128, POST OFFICE BUILDING  
P.O. Box 5728  
PUEBLO, COLORADO 81002

2860 SOUTH CIRCLE DRIVE  
COLORADO SPRINGS  
COLORADO 80906

B-114874

Mr. Elmer B. Staats  
Comptroller General of the  
United States  
General Accounting Office  
441 G Street, N.W.  
Washington, D.C. 20548

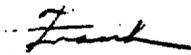
Dear Elmer:

I would like to request that GAO undertake a test mailing in the Pueblo, Colorado area to determine what the current level of service is to the patrons of USPS.

My staff recently had conversations with members of your staff on just what we would like to accomplish using this procedure.

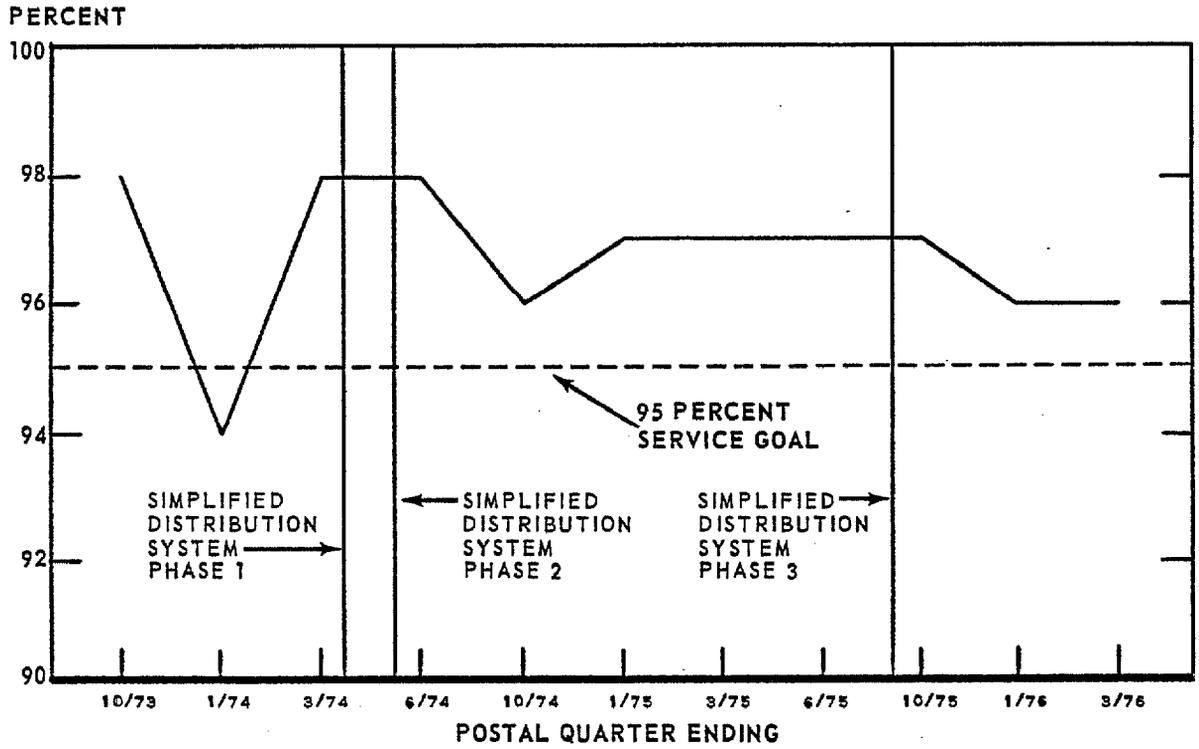
If I can provide further information or assistance, please contact me.

Sincerely,

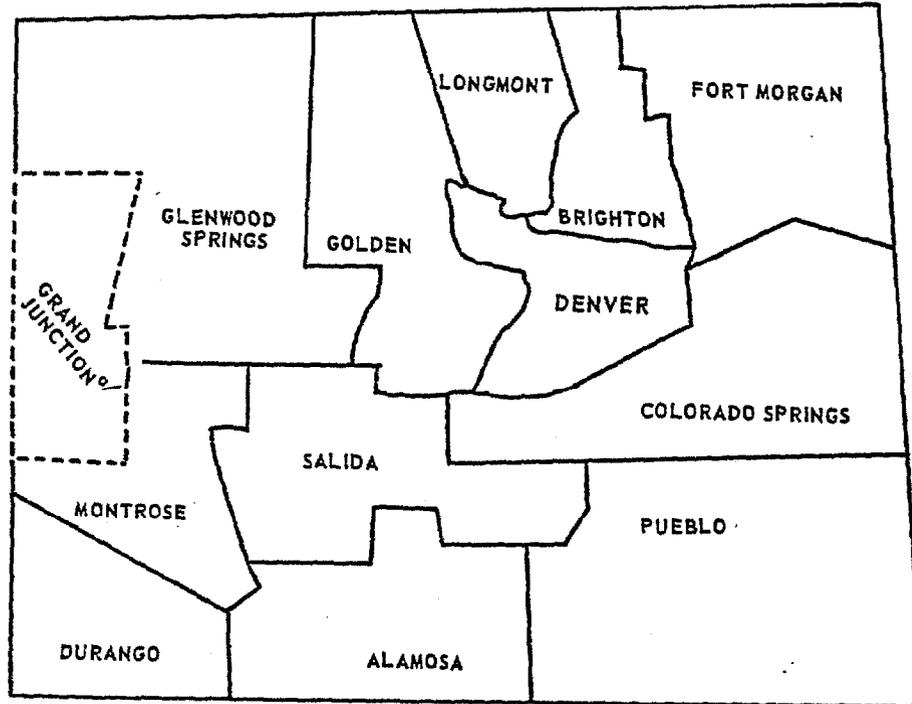


FRANK E. EVANS  
Member of Congress

### PERCENT OF PUEBLO LOCAL MAIL DELIVERED OVERNIGHT

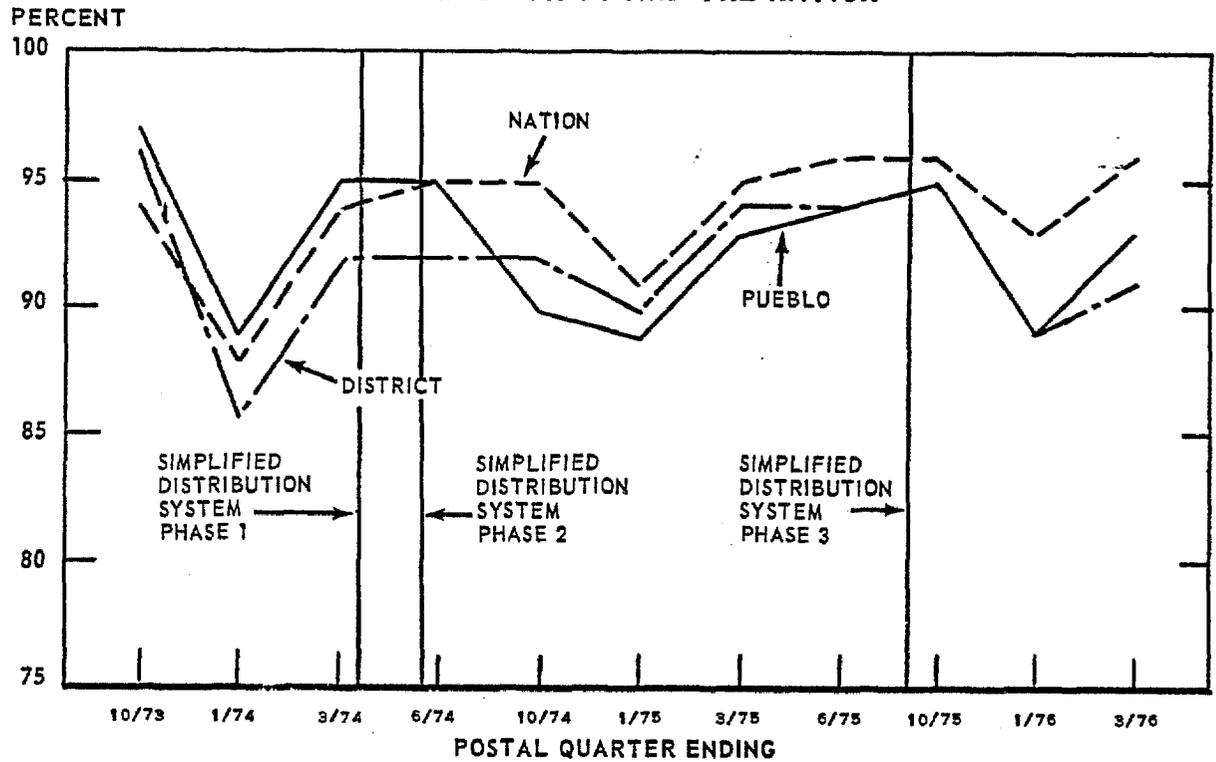


**SECTIONAL CENTER FACILITIES IN COLORADO  
COMMITTED TO OVERNIGHT DELIVERY FROM PUEBLO**

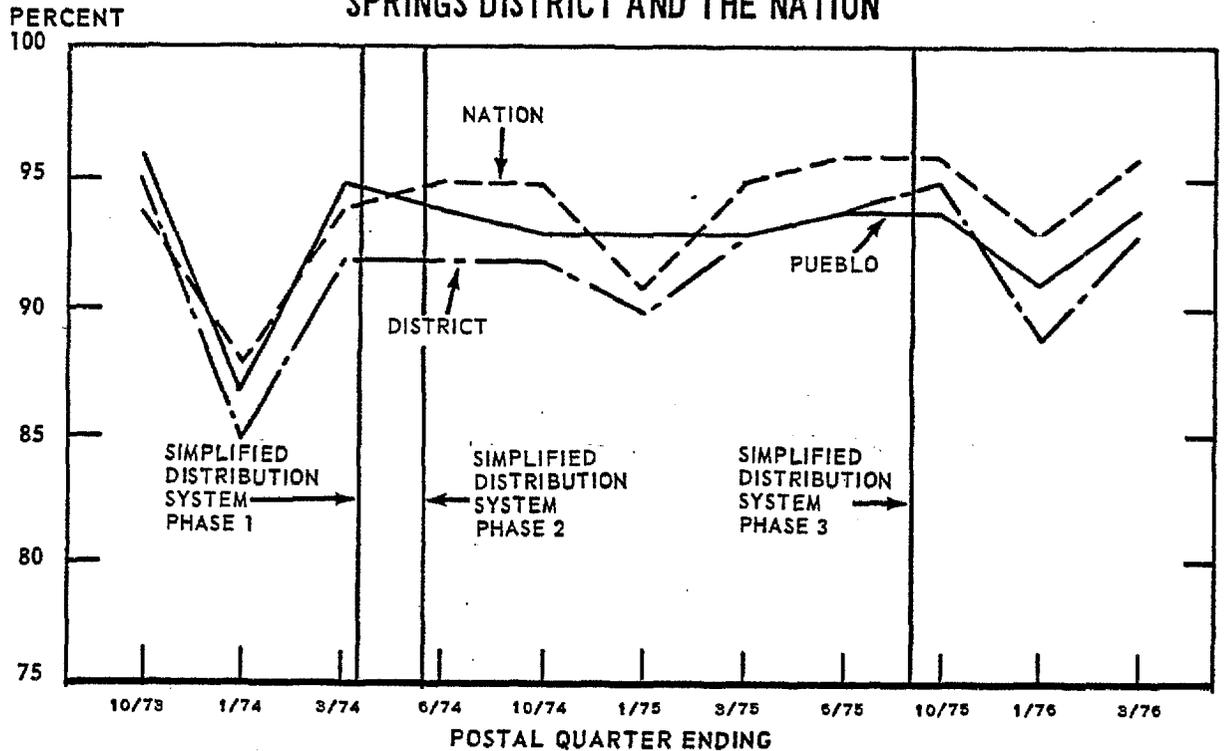


a/ THE GRAND JUNCTION AREA IS COMMITTED TO 2-DAY DELIVERY

**PERCENT COMPARISON OF ORIGINATING MAIL  
DELIVERED OVERNIGHT IN PUEBLO, THE COLORADO  
SPRINGS DISTRICT AND THE NATION**



**PERCENT COMPARISON OF DESTINING MAIL  
DELIVERED OVERNIGHT IN PUEBLO, THE COLORADO  
SPRINGS DISTRICT AND THE NATION**



TEST LETTER ORIGINS

	<u>Number of letters</u>
Pueblo	142
Colorado Springs	20
Denver	20
Boone	6
Avondale	6
Beulah	<u>6</u>
	<u>200</u>

TEST LETTER DESTINATIONS

	<u>Number of letters</u>
Pueblo	158
Denver	20
Colorado Springs	<u>22</u>
	<u>200</u>