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

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RELEASED

B-114874

OCT 11 1973

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

74-0104

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Dear Mr. Chairman:

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Pursuant to your request of March 19, 1973, we examined the quality of mail service provided by the Boston Post Office. On April 19, 1973, representatives of my Office briefed staff members of the Subcommittee on Postal Service and the Subcommittee on Postal Facilities, Mail, and Labor Management on the results of our examination and gave them copies of the charts (see encs. I to XVIII) used in the briefing. As requested, this letter summarizes that briefing.

The Boston Post Office had not generally met the Postal Service's mail delivery standards. Significant quantities of first-class mail did not meet these standards because of mail processing delays and because mail was sent to wrong destinations due to sorting errors. Also the mail processing labor force was significantly reduced during a period of increasing mail volume.

The Boston Post Office handles about 2.9 billion pieces of mail annually and about 8 million pieces daily.

TRENDS IN MANPOWER AND MAIL VOLUME

The number of employees in the Boston office decreased from an average of 12,256 during July 1971 to February 1972 to an average of 11,171 during July 1972 to February 1973--a decrease of 8.8 percent. These periods were selected to illustrate the effects of the Postal Service's freeze on hiring that started in March 1972 and its early retirement campaign that began in June 1972.

During these same periods the office's mail volume increased about 195 million pieces, an increase of about 12.4 percent. To process this increased volume, the employees worked

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437,000 hours of overtime during the first 7 months of postal fiscal year 1973, an increase of about 80,000 hours, or 22.4 percent, over the overtime used during the first 7 months of postal fiscal year 1972. However, some months were much worse than others. For example, in comparing January 1972 to January 1973, mail volume increased 14.6 percent, employees decreased 8.5 percent, and overtime increased 506 percent. The significant increase in overtime has been cited as contributing to low employee morale. (See p. 5.)

Also the Boston office did not have the resources to expeditiously handle the increased mail volume in postal fiscal year 1973 because the office's operating budget for the year was based on an underestimate of the anticipated increase in mail volume. The budget was based on an increase of 5.3 percent whereas, at February 1973, the actual increase was 9.6 percent.

PRODUCTIVITY TRENDS

Despite the increased volume of mail, the Boston office has steadily increased its productivity. Through the first 8 months of postal fiscal year 1973, productivity rose from 532 to 624 total distributed pieces handled each man-hour, an increase of 17 percent. Productivity increased even during the Christmas period of high mail volume.

According to Boston officials, handling an increasing mail volume with a decreasing number of employees was possible because of (1) the installation in March 1972 of an advanced optical character reader capable of sorting more than double the volume of the older models, (2) the mandate that managers are responsible for operating within a set budget, and (3) the increased proficiency of letter sorting machine operators.

DELIVERY STANDARDS

The Postal Service has established standards which provide for delivering 95 percent of first-class mail in 1, 2, or 3 days depending on the destination or the distance it must travel (see enc. VIII). For example, 95 percent of the mail destined for intrasectional center facility (SCF) areas and 95 percent of the mail destined for adjoining SCF areas should be delivered in 1 day. From August 5, 1972, to March 30, 1973, mail sent from

Boston to intra-SCF areas met the standard of 1-day delivery during eleven of seventeen 2-week periods and mail destined for adjoining SCF areas never met the standard. The worst period was during Christmas when only 49 percent of the intra-SCF mail and only 58 percent of the adjoining SCF mail was delivered in 1 day. During the same period, mail destined for Boston from intra-SCF and adjoining SCF areas met the standard during eleven of seventeen and three of seventeen 2-week periods, respectively. Again, Christmas was the worst period when only 49 percent of the intra-SCF mail and only 37 percent of the adjoining SCF mail was delivered in 1 day.

Also, the standards of 2- and 3-day delivery of 95 percent of the mail going outside Boston were not achieved. During February 3 through March 2, 1973, only 76 percent of the mail designated to be delivered in 2 days was delivered on time and only 92 percent of this mail was delivered within 3 days. Of the 12 States and the District of Columbia designated to receive 2-day delivery, only 2 had 95 percent of their mail delivered within 2 days. Delaware received the worst service--only 9 percent of the mail was delivered in 2 days. Of the mail going to the 36 States--excluding Hawaii and Alaska--designated to receive 3-day delivery, only 83 percent of the mail was delivered on time. Mail going to 11 States met the 95 percent 3-day delivery standard. Montana received the worst service--only 24 percent of the mail was delivered in 3 days.

Delayed mail

In contrast to the other post offices visited during our review, the Boston office reported no delayed first-class mail from November 1971 to January 1972 and from November 1972 to January 1973. By "delayed" we mean at least a 1-day delay in delivery.

Statistical reports for the same two periods, however, showed that the Boston office's delivery performance was poor. These reports--developed under the Postal Service's Origin-Destination Information System which determines the time between the date a piece of mail is postmarked and the date it is

received at a delivery point¹--indicate that the Boston office must have had delayed mail. In addition, the two periods include the Christmas period which historically involves substantial increases in mail volume and in delivery delays.

Boston postal officials conceded that the Boston office must have had delayed first-class mail during the periods reviewed but had no estimate of how much mail had been delayed. According to Boston postal officials, mail received too late at the Boston office to meet Postal Service delivery standards is not considered delayed mail. However, at other post offices we reviewed, such mail is considered delayed mail with the reasons for the delay noted. The Boston officials told us that in the future all delayed mail will be reported with the reasons for the delays.

Missent mail

The Boston office sent significant quantities of mail to wrong destinations. According to a postal official, if a piece of mail being sent to New York, for example, is mistakenly routed to California or any other State, its delivery usually is delayed 5 days.

During the first 6 months of postal fiscal year 1973, missent mail resulting from letter sorting machine errors totaled 56.5 million pieces--or about 13.2 percent of the machine sorted mail during that period. For some periods, the error rate was as high as 17 percent.

In addition, the Boston office experiences about a 1.2 percent manual sorting error rate which is slightly higher than the national average--estimated by postal officials to be about 1 percent or less. Because more mail is hand sorted than is machine sorted, this error rate significantly increases the amount of missent mail.

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.

REDUCTION IN SERVICES

The Postal Service has economized in ways that affect the overall quality of mail service. Since the Postal reorganization in July 1971 to March 1973, the Boston office has reduced some collection and delivery services significantly. During this time, the Boston office has reduced collection routes by 12 percent, collections after 5 p.m. by 56 percent, and two-trip delivery routes by 20 percent. Although these reductions undoubtedly affect service, their precise effect cannot be determined from Postal Service statistics.

EMPLOYEE MORALE

We obtained information on the status of labor/management relations in the Boston office--specifically whether the morale of employees was low and, if so, why--by interviewing officials of four different postal employee unions. All officials thought that morale was low.

We met with officials of the National Association of Letter Carriers, American Postal Workers Union, Mail Handlers Union, and National Association of Supervisors. These officials told us that the primary factors contributing to low morale were (1) mandatory overtime, i.e., requiring certain employees to work long days, (2) use of temporary employees on the day tour while the senior employees have to work the night tour which requires more experienced personnel, (3) implementation of the Job Evaluation Program¹ under which many supervisory positions have been downgraded, (4) poor labor/management relations, i.e., failure of management to accept any suggestions from labor and failure to resolve grievances at the local level resulting in extremely long delays, (5) loss of job security and rigid discipline resulting from the possibility of the Postal Service eliminating the no lay-off clause during next labor negotiations and harassment from

¹The 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.

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supervisors, and (6) bad publicity, i.e., postal workers believe they have a poor image because of Postal Service problems.

ACTIONS BEING TAKEN

At a meeting during the week of February 5, 1973, Postal Service top management and its District Managers from around the country acknowledged that the Service does have problems. This meeting apparently enlightened top management to the true situation in the field because most of the problems we found were also cited by the District Managers.

Specifically, Boston (1) has been given the authority to hire additional personnel, (2) is implementing a device for checking the performance of letter sorting machine operators to identify those with a high error rate who need additional training, (3) has reverted to decentralized mail processing, and (4) has agreed to report all delayed mail and reasons for the delays. As of March 1973, statistical reports showed that mail service had improved in the Boston area.

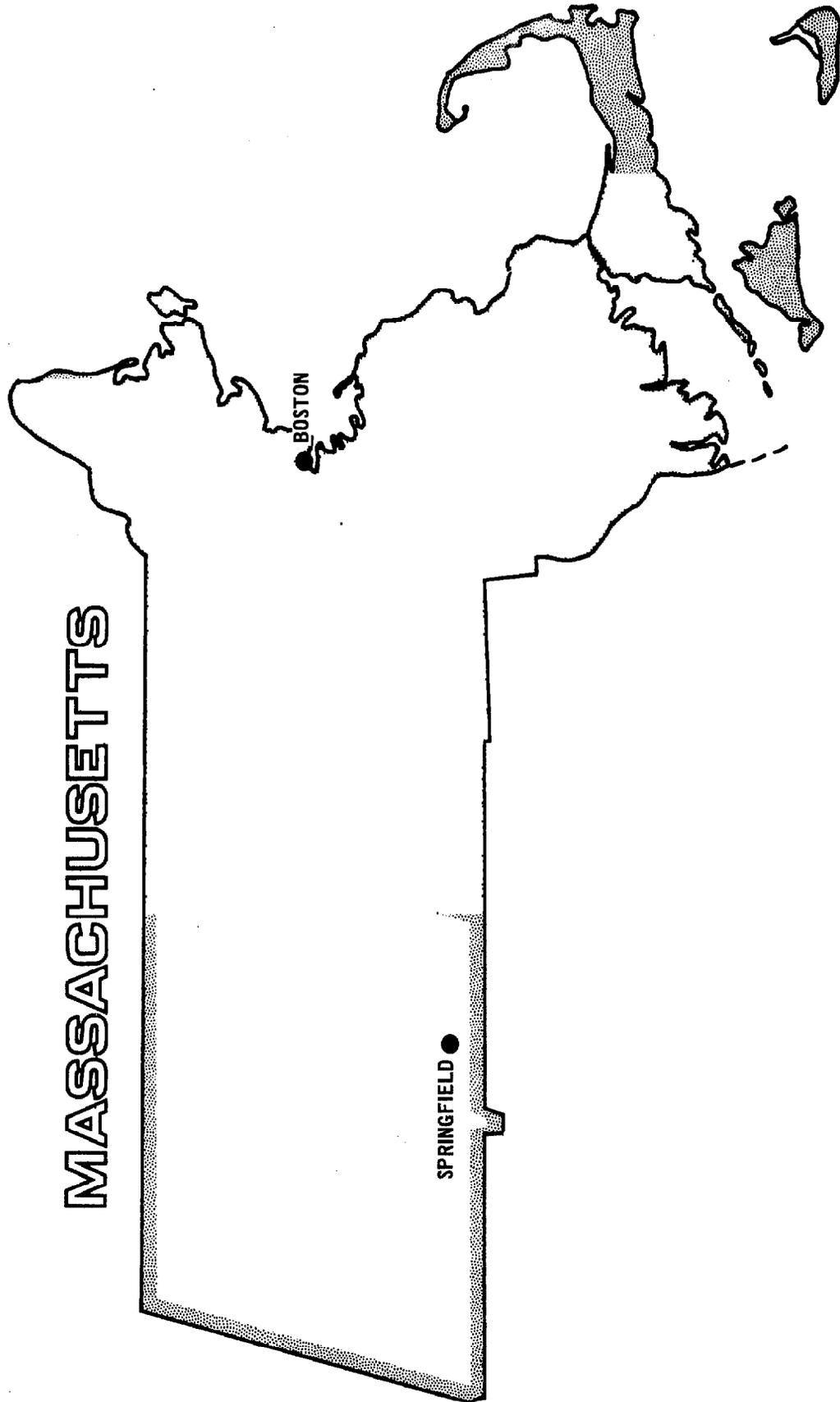
Boston postal officials generally agreed with our findings. Enclosed are copies of the exhibits used in our briefing with some updated information. We do not plan to distribute this letter further unless you agree or publicly announce its contents.

Sincerely yours,



Comptroller General
of the United States

Enclosures - 18

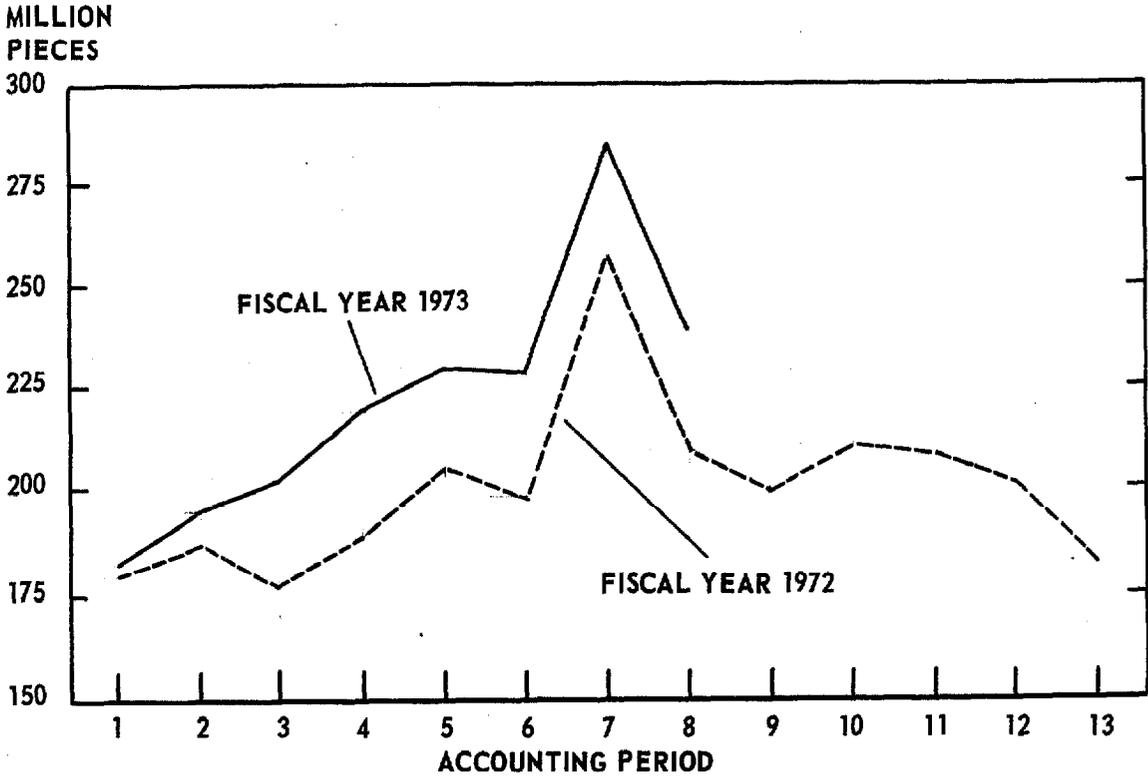


**MAIL VOLUME AND MANPOWER VARIATIONS
IN BOSTON POST OFFICE**

DIFFERENCES BETWEEN
July 1971 - February 1972
and
July 1972 - February 1973

| | | |
|-------------|-------|-------|
| MAIL VOLUME | _____ | 12.4% |
| EMPLOYEES | _____ | -8.8% |
| OVERTIME | _____ | 22.4% |

MAIL VOLUME - BOSTON POST OFFICE



**ANTICIPATED MAIL VOLUME INCREASE
BOSTON POST OFFICE**

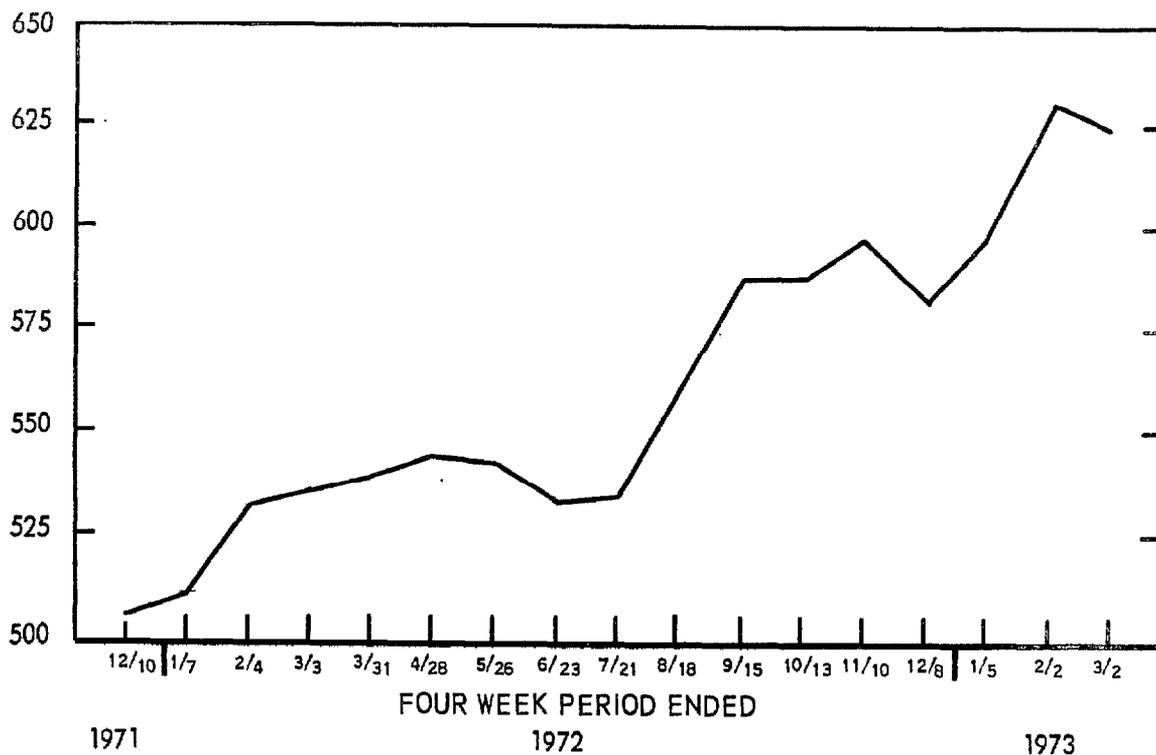
**INCREASE EXPECTED BY
POST OFFICE AREA ----- 5.3%**

**INCREASE BUDGETED BY
REGION ----- 5.3%**

**INCREASE ACTUALLY
EXPERIENCED ----- 9.6%**

PRODUCTIVITY MEASUREMENT FOR BOSTON POST OFFICE

PIECES HANDLED
PER MAN-HOUR



DELAYED FIRST-CLASS MAIL

November 1971 thru January 1972
November 1972 thru January 1973

POST OFFICE

MILLION PIECES

BOSTON

**NONE
REPORTED**

**LSM ERRORS RESULTING IN MISSENT
OUT-GOING FIRST-CLASS MAIL**

July-December 1972

POST OFFICE

MILLION PIECES

BOSTON

56.46

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

**OVERNIGHT DELIVERY
REQUIREMENTS**

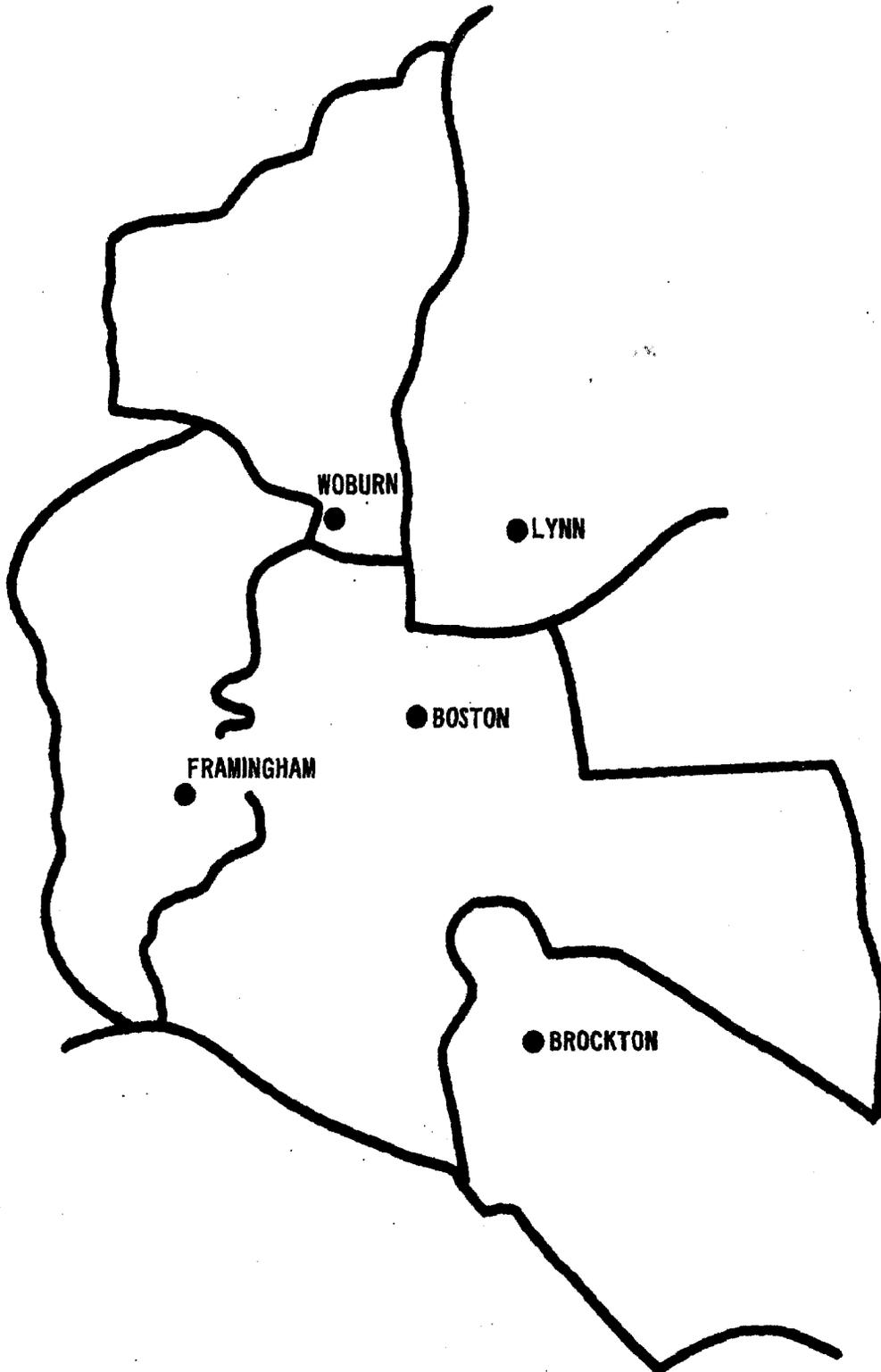
FIRST CLASS

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

AIRMAIL

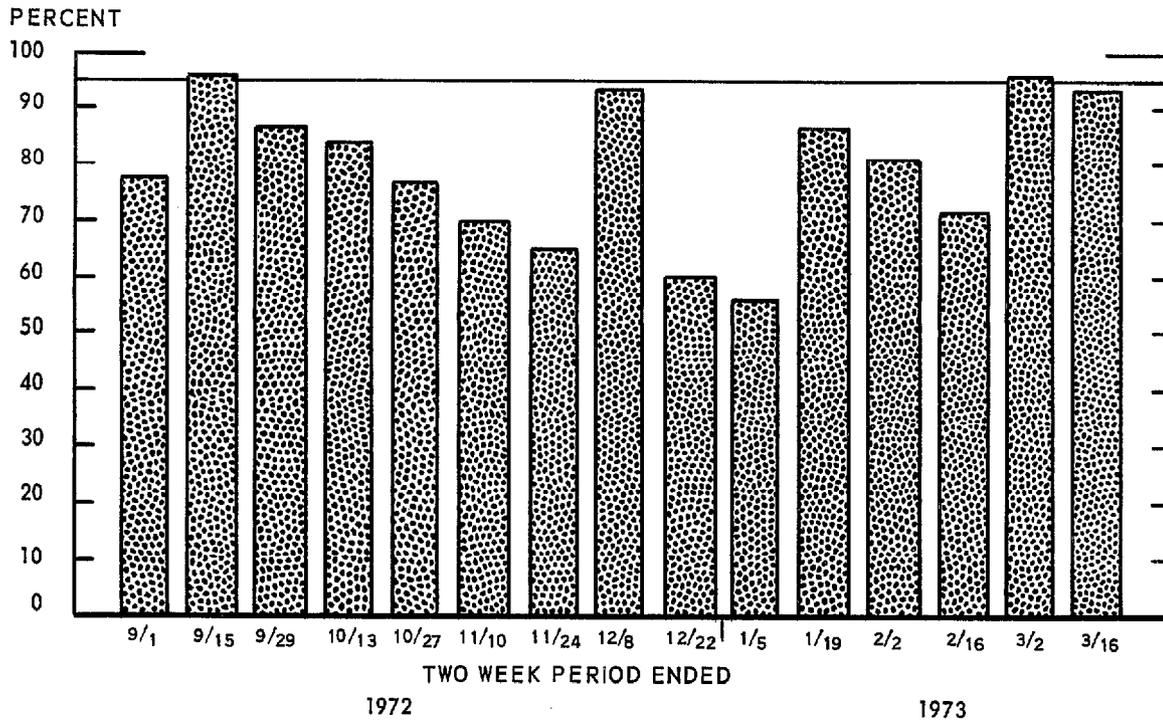
MAILED BY 4:00 P.M. AT
POST OFFICE OR
WHITE TOP COLLECTION
BOXES

GUARANTEED OVERNIGHT DELIVERY

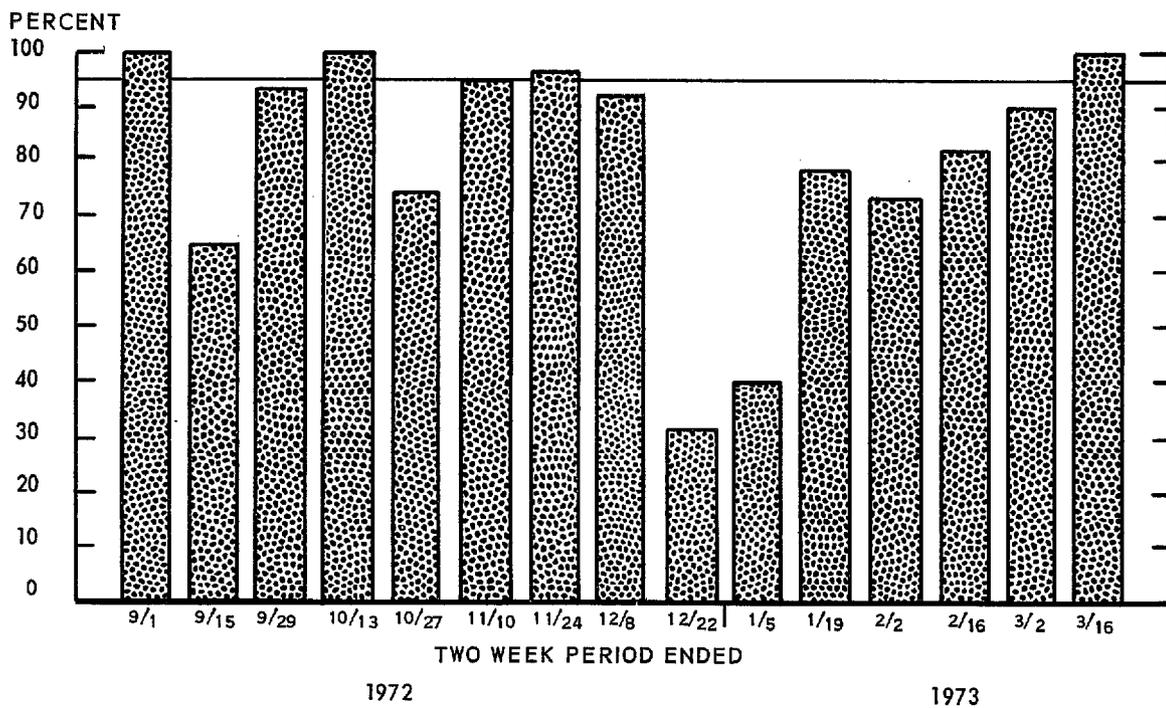


PERCENTAGE OF MAIL DELIVERED OVERNIGHT

FROM BOSTON TO FRAMINGHAM

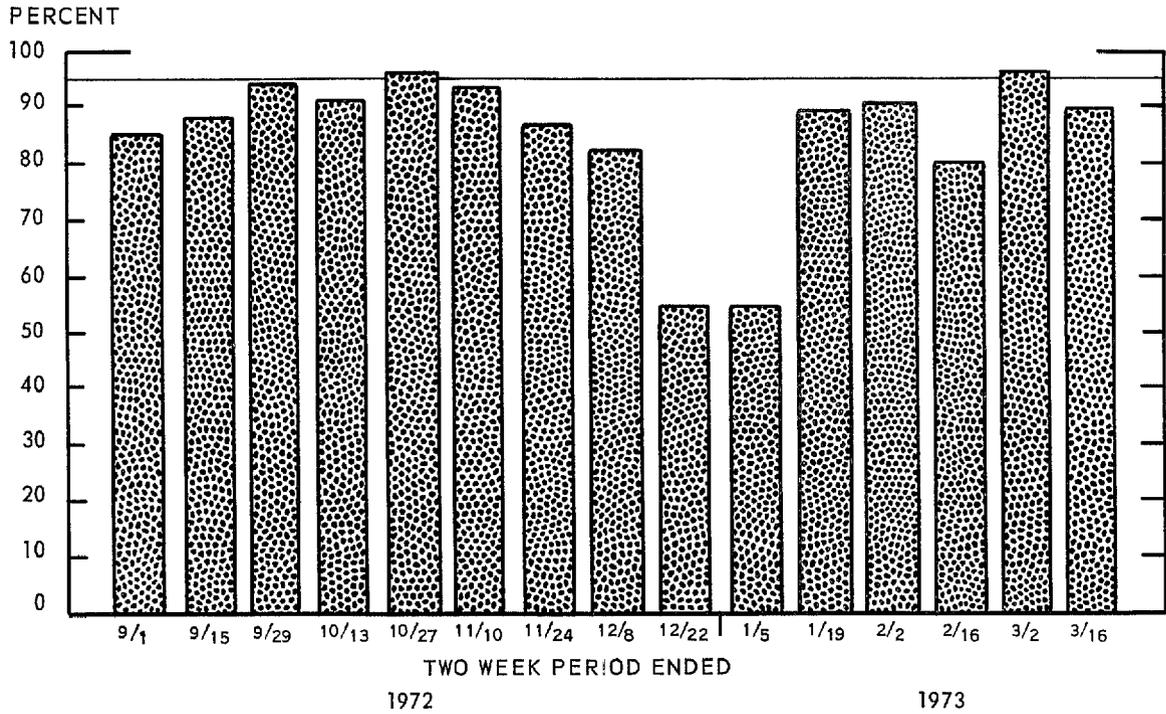


FROM FRAMINGHAM TO BOSTON

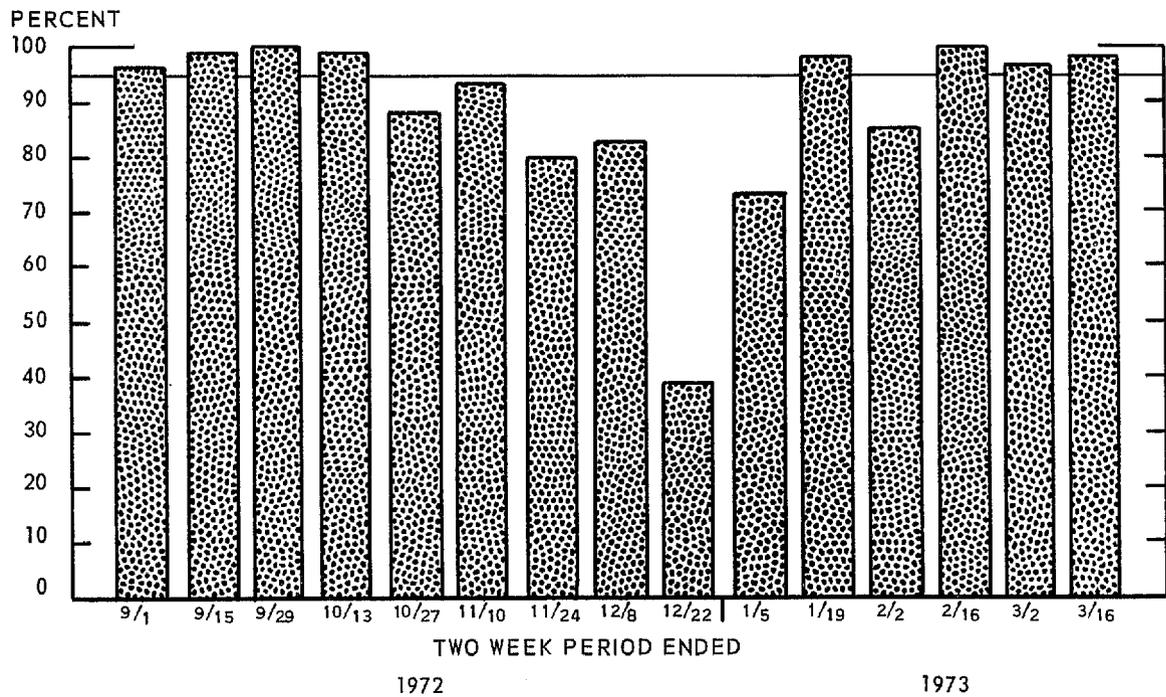


PERCENTAGE OF MAIL DELIVERED OVERNIGHT

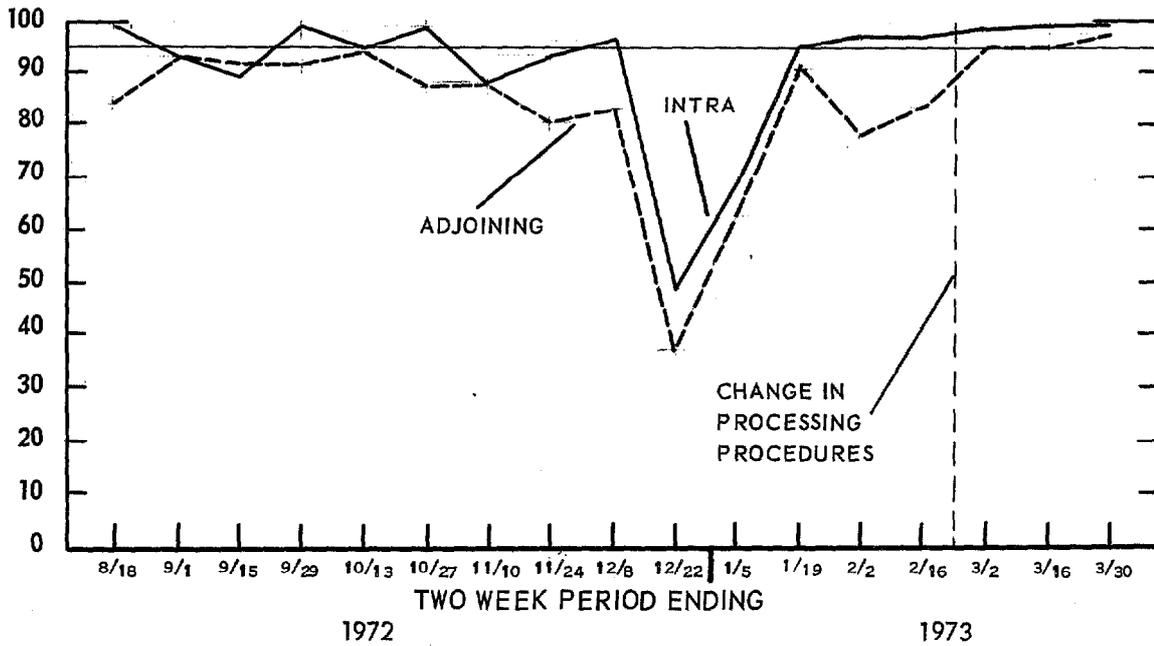
FROM BOSTON TO LYNN



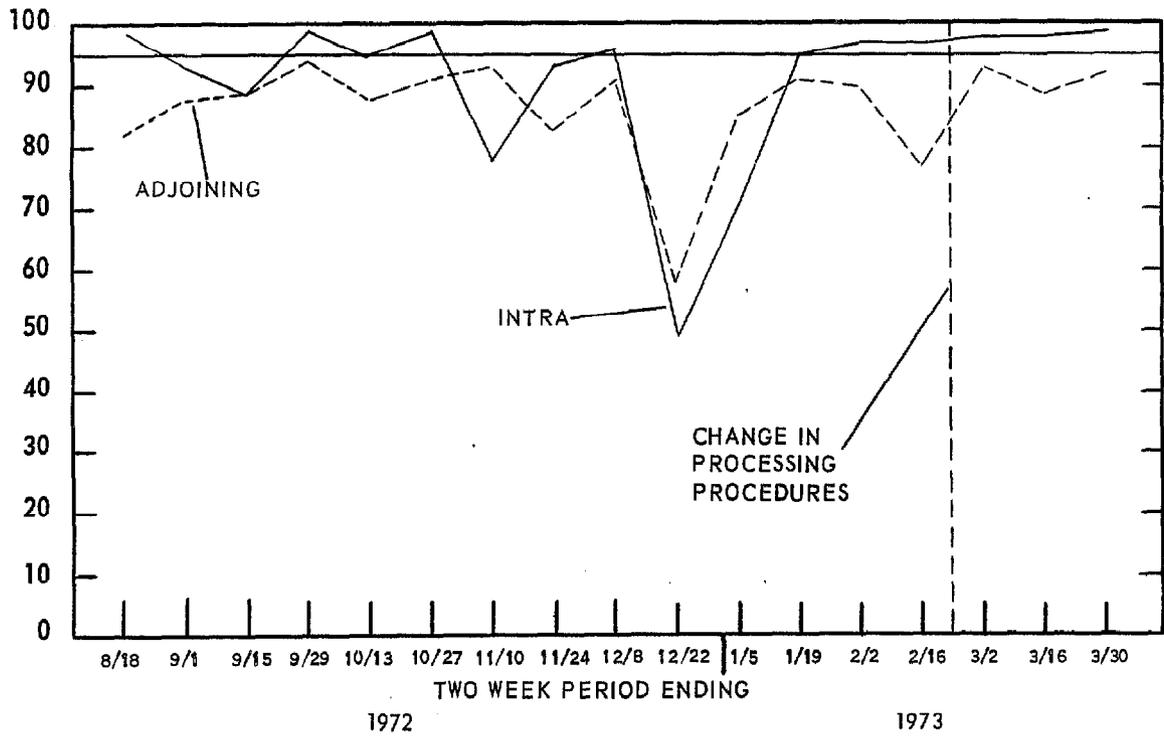
FROM LYNN TO BOSTON



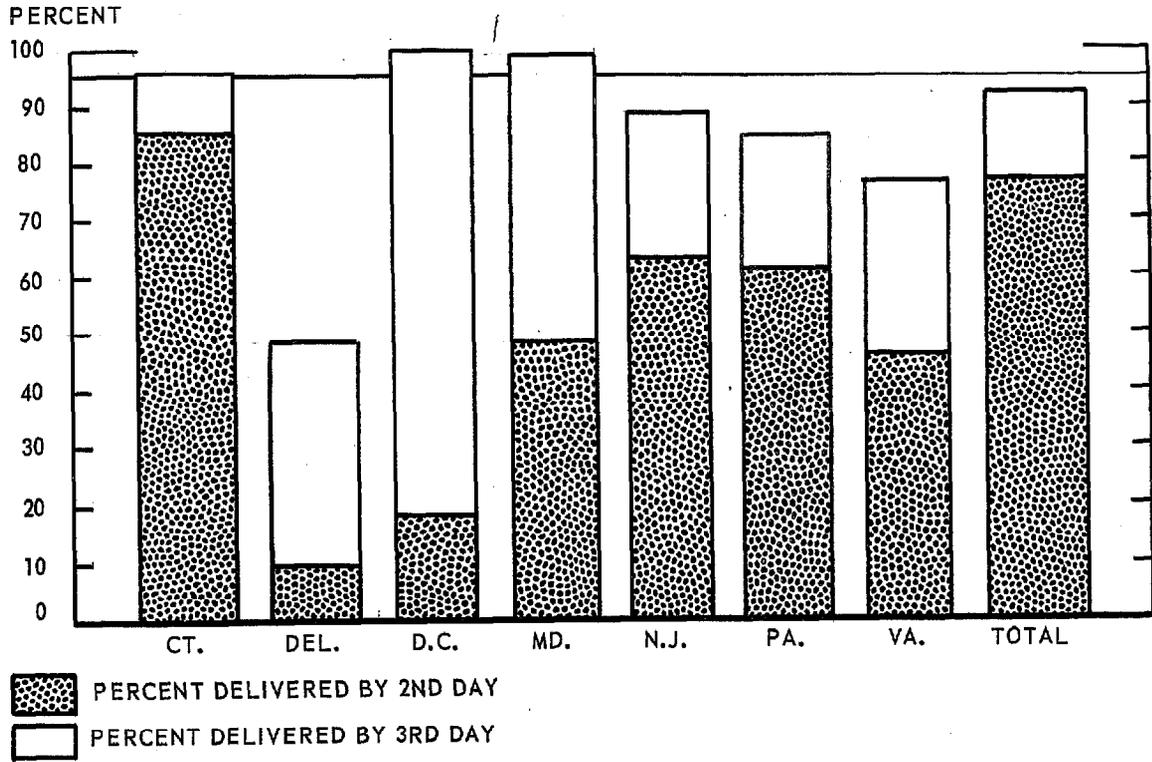
**PERCENTAGE OF MAIL DELIVERED OVERNIGHT
FROM INTRA - SCF AND ADJOINING SCF AREAS
TO BOSTON**



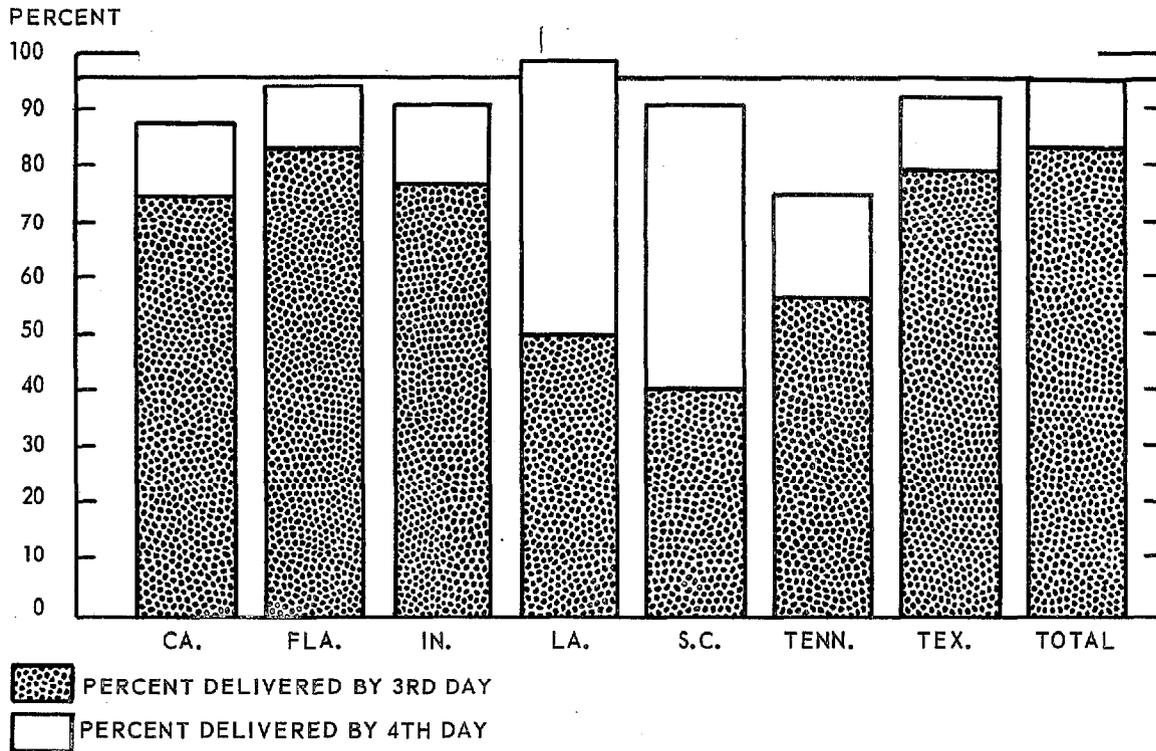
**PERCENTAGE OF MAIL DELIVERED OVERNIGHT
FROM BOSTON TO INTRA-SCF
AND ADJOINING SCF AREAS**



PERCENT OF MAIL DELIVERED FROM BOSTON TO TWO DAY STANDARD DESTINATION STATES (2/3/73 - 3/2/73)



**PERCENT OF MAIL DELIVERED FROM BOSTON TO
THREE DAY STANDARD DESTINATION STATES (2/3/73 - 3/2/73)**



**REDUCTION IN SERVICES FOR
BOSTON POST OFFICE**

| | <i>NUMBER</i> | | <i>PERCENTAGE</i> |
|---|-------------------------|--------------------------|------------------------|
| | <u><i>July 1971</i></u> | <u><i>March 1973</i></u> | <u><i>DECREASE</i></u> |
| COLLECTION ROUTES _ _ _ _ | 617 | 544 | 12 |
| COLLECTIONS AFTER 5 P.M. _ _ | 1850 | 814 | 56 |
| TWO-TRIP DELIVERY ROUTES TO ONE-TRIP DELIVERY ROUTES _ _ _ _ _ _ _ _ | 173 | 139 | 20 |

LOW EMPLOYEE MORALE RESULTING FROM:

- MANDATORY OVERTIME
- TEMPORARY EMPLOYEES
- JOB EVALUATION PROGRAM
- POOR LABOR – MANAGEMENT RELATIONS
- LOSS OF JOB SECURITY AND RIGID DISCIPLINE
- BAD PUBLICITY