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Quality Of Mail Service
In Alaska B-114874

United States Postal Service

**BY THE COMPTROLLER GENERAL
OF THE UNITED STATES**

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OCT. 26, 1973



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

B-114874

The Honorable Mike Gravel
United States Senate

Dear Senator Gravel:

As you requested on October 3, 1972, we compared the mail service in Alaska under the United States Postal Service with that under the former Post Office Department. This report summarizes the briefing given to your staff and to representatives of Senator Stevens and the Senate Post Office and Civil Service Committee by members of my staff on April 25, 1973. We gave your staff copies of the charts used at the briefing.

Mail service in Alaska, in general, has not deteriorated under the Postal Service. The frequency of bulk mail service between Anchorage and southeast Alaska, however, was recently reduced, and bulk mail service from the lower 48 States deteriorated along with the recent general, nationwide, deterioration of mail service. Whereas the problem of deteriorating mail service encountered elsewhere in the country is a direct result of Postal Service efforts to become self-supporting, as required by the Postal Reorganization Act (39 U.S.C. 101), this requirement did not similarly affect the quality of mail service in Alaska. The problems affecting mail service in Alaska are, for the most part, unique and peculiar to Alaska.

QUALITY OF MAIL SERVICE IN ALASKA

In its efforts to become self-supporting, the Postal Service has taken economy measures that, nationwide, have had an adverse impact on the overall quality of mail service. These measures included two early retirement campaigns which reduced the work force by about 13,000 employees and a hiring freeze instituted in March 1972. Between June 1 and December 31, 1972, 17,000 additional employees retired voluntarily or because of disability. Overall, the Postal Service reduced its work force from about 741,000 at July 1, 1970, to about 687,000 in December 1972.

The Postal Service in Alaska was not subject to this general reduction in work force. During the early phases of the postal reorganization, the Alaska District was temporarily subject to a hiring freeze. In November 1972 the district's hiring authority was restored, and by December 1972 the number of postal employees on the rolls exceeded the number on the rolls in November 1971.

The quality of mail service, as measured by delivery times, between the lower 48 States and Alaska deteriorated for certain classes of mail between 1971--when the Postal Service was established--and 1973. The delivery times for airmail between selected cities in the lower 48 States and Anchorage are the same as they were in 1971. The delivery times for first-class mail from selected cities have increased slightly and for parcel post from eastern cities have increased significantly--up to 4 days. We believe the increases are related to the general deterioration of mail service and to the problems of the Postal Service in the lower 48 States.

Airmail and first-class-mail delivery times from Seattle to Anchorage and Fairbanks were generally equivalent to delivery times from Seattle to cities of a similar distance in the lower 48 States. Delivery times for parcel post and other fourth-class mail to Anchorage and Fairbanks, however, were considerably longer--up to 5-1/2 days--than to cities in the lower 48 States a similar distance from Seattle. We could not compare delivery times for smaller towns or villages because the mail volume was not sufficient for a valid statistical analysis.

The frequency of bulk mail service between Anchorage or Fairbanks and southeast Alaska has also been reduced. From 1967 through 1972, all bulk mail between these points was transported by air. In January 1973, to reduce mail service costs, the Postal Service began transporting all bulk mail between Fairbanks and Anchorage by rail and between Anchorage and Juneau or Ketchikan by truck and ferry. (Postal patrons may still send bulk mail by air if they pay airmail rates.) With this change, the frequency of service has been reduced. Before this change, bulk mail went by air from Anchorage to

Juneau 14 times a week and to Ketchikan 7 times a week. Bulk mail now goes by surface twice a week--this frequency may increase as volume increases.

The Postal Service's cost for transporting bulk mail by air far exceeds the postal patrons' cost for this service. (See p. 7.) On the basis of the first month's operation, the Postal Service expects the cost to transport mail by surface to southeast Alaska to be about \$258,000 a year less than the cost to transport it by air.

Because of a reduction in frequency of service and an increase in transit time, we estimate, on the basis of the Postal Service's proposed schedule of pickup and dispatch times, that the change in bulk mail service may increase delivery times between Anchorage and southeast Alaska by 1-1/2 to 2 days. (See app. I.) However, even considering the increase, the estimated delivery times are still comparable with actual delivery times in the lower 48 States. (See app. II.) According to Postal Service officials, surface transportation of bulk mail is advantageous because the mail is not subject to delays caused by inclement weather or by being bumped by higher priority mail.

We sent 174 questionnaires to persons at 54 different places, soliciting each recipient's opinion about the quality of mail service received. Of the 120 recipients who responded, about 46 percent said service was slow; 20 percent said service was good; 26 percent had no comment; and 8 percent had adverse comments on specific aspects of the service, such as parcel post.

To learn more about the quality of mail service in Alaska, we interviewed 27 major mailers in the Juneau, Anchorage, and Fairbanks sectional center areas. Those interviewed were owners or top management personnel in grocery stores, retail stores, banks, public utilities, government offices, and medical/surgical groups. Most of those interviewed commented favorably on the quality of mail service and most also said it had not changed noticeably as a result of the reorganization.

Of 10 major mailers in the Fairbanks areas, 4 said that mail delivery was slow, taking 3 to 5 days for city delivery. Fairbanks postal officials attributed the slow service to the number of inexperienced clerks and carriers--a result of the high employee turnover rate. (See p. 11.) Two grocers in the Anchorage area said that mail service to the villages was also slow. One grocer mails about 4,000 pounds of groceries weekly to outlying villages, and the other mails about 77,000 pounds.

The Postal Service's mail service standards, such as overnight delivery of airmail within 600 miles and first-class mail within the sectional center area and adjoining sectional center areas, apply to the lower 48 States and to Alaska. However, these standards are generally unrealistic for Alaska, considering the limited number of roads and highways, the vast areas covered by the sectional centers, and the extreme winter weather. Regional postal officials agreed that the mail delivery standards are unrealistic for Alaska and that more specific and realistic standards should be devised.

PROBLEMS AFFECTING SERVICE IN ALASKA

Several factors that also existed under the Post Office Department have had an adverse impact on mail service in Alaska, including

- its geography,
- substantial dependency on air transportation,
- inadequate airport facilities,
- mail flow problems at transfer points,
- air carrier schedules,
- limited road networks, and
- employee retention problems.

Geography of the State

Alaska is a large State--586,000 square miles--with a population of about 300,000.¹ On the basis of population

¹All population figures used in this report are from the 1970 census.

and transportation networks, the Postal Service has for administrative purposes divided the State into three centers-- Anchorage, Fairbanks, and Juneau. The Alaskan Sectional Center Facilities (SCFs) serve vast areas. The Fairbanks SCF serves about 64,000 persons over an area of 325,000 square miles, the Anchorage SCF serves about 193,000 persons over an area of 200,000 square miles, and the Juneau SCF serves about 43,000 persons over an area of 61,000 square miles. Mail is delivered to 442 cities, towns, or villages in Alaska through 259 post offices or other postal units--some places have more than one office or unit--and 190 "no office points." (See app. III.) A local resident assumes custody of the mail at places designated "no office points."

All mail between the lower 48 States and Alaska is processed through Seattle. Although there are direct flights to Alaska from such places as Washington, D.C., and Chicago, Seattle is the general transportation hub between Alaska and the lower 48 States. For example, there are nine flights daily between Seattle and Anchorage but only one between Washington, D.C., and Anchorage.

Airmail and first-class mail move by air between Seattle and the Alaskan SCFs; first-class mail moves on a space-available basis; and second-, third-, and fourth-class mail move by truck, truck and ferry, or van ship. Most mail in Alaska is processed manually, and most parcel post is sacked at the Anchorage, Fairbanks, and Juneau SCFs. The Postal Service plans to reduce the use of sacks and to transport parcel post in rigid containers to reduce damage. It also plans to use mechanized letter sorting equipment.

Generally, mail from the Alaskan SCFs moves by main-line aircraft, usually jets, to such intermediate points as Bethel where it is transferred to light aircraft for delivery to small Alaskan villages, usually referred to as bush points. For example, Bethel serves 45 villages.

Substantial dependency on air transportation

Although Alaska is larger than Washington, Oregon, California, Nevada, and Arizona combined, these five States have

about 427,000 miles of roads and city streets compared with the 7,272 miles of roads and streets in Alaska. Alaska's connecting highway network totals about 1,740 miles and is limited primarily to the central part of the State--south of Fairbanks and east of Anchorage and Homer. Because of this limited highway system, Alaska depends on air transportation, particularly in the western and northern parts of the State. Of the 442 places in Alaska that receive mail, 343 must be served by air.

Because of Alaska's size and substantial dependence on air transportation, mail service is very costly. Although transportation costs were only 6 percent of all costs incurred by the Postal Service, nationwide, in fiscal year 1972, transportation costs accounted for 51 percent of the cost of providing mail service in Alaska. Air transportation costs were 73 percent of total Alaska transportation costs and 92 percent of intra-Alaska transportation costs. The cost of air transportation over intra-Alaska routes is significantly higher than the cost of available surface transportation. For example, on one intra-Alaska route, air transportation costs \$1.05 per ton-mile and surface transportation costs about \$0.07 per ton-mile. The high cost of transportation contributes significantly to the cost of \$89 a person for Alaskan mail service compared with the nationwide cost of \$46 a person.

About 150,000 Alaskans, or half the total population, live in 15 communities. Most of these people live in the vicinity of Anchorage, Fairbanks, Juneau, and Ketchikan, which have surface transportation available. The 343 places which must be served by air have small populations; only two have populations of 2,500 or more. Of the 190 "no office points," 161 must be served by air; of these, only 18 had a population of 25 or more. Thus high air transportation costs must be incurred to serve relatively few people.

Another reason for the high cost of mail service in Alaska is the large volume of freight, such as groceries, that is mailed at the Anchorage and Fairbanks SCFs. Freight

represents about 65 to 80 percent of the total weight of all mail sent from Anchorage and Fairbanks. Groceries and other bulk items, in most cases, are shipped from the lower 48 States to Alaska by surface transportation, since it is least costly. However, once in Alaska, these bulk items are sent by parcel post to the customer in the outlying villages, because the parcel post rate is generally much less than the airfreight rate. On the other hand, the rate the Postal Service pays the air carrier for transporting this parcel post is much higher than the rate for airfreight. (See app. IV.) The Civil Aeronautics Board in 1971, pursuant to the Federal Aviation Act of 1958 (49 U.S.C. 1371), fixed the rate the Postal Service pays air carriers.

Under the present postal rate system, established in 1967, a sender pays a one-zone parcel post rate when mailing an item between any two points in the same sectional center area. Because of the large Alaskan sectional center areas and because many places are accessible only by air, it is more economical for the sender to ship items, such as groceries, by parcel post than by airfreight. Thus postal facilities in Alaska have become large-scale warehousing and freighting operations and, as a consequence, have become overcrowded.

The situation described above is unique to Alaska. To mail an item by parcel post a comparable distance in the lower 48 States, the sender would probably have to pay a multiple-zone parcel post rate because the sectional center areas are much smaller than those in Alaska. Therefore it would be less expensive for the sender to ship the item by surface freight than by parcel post. Further, the Postal Service is not forced to rely on air transportation and could transport parcel post by truck or rail at a much lower cost.

Inadequate airport facilities

Limited airport facilities (see app. V) at many of the 343 Alaskan places that must be provided mail service by air restrict air carrier operations to light aircraft. Some places served have no airport facilities and aircraft must

operate from the natural topography, such as beaches, water, or ice. At other places, runways under 2,500 feet are generally suitable for single-engine aircraft only. At about 200 places with no runway lights or navigation aids, aircraft operations are limited by Federal Aviation Agency visual flight rules. Short daylight hours and poor weather severely limit aircraft operation during winter months.

Alaska, under its airport improvement program, plans to provide an airport for each village by 1982. A village is defined as including at least 25 people by census count. Each airport is to have a 2,500-foot-long runway which will enable twin prop, jet-size aircraft to operate.

Mail flow problems at transfer points

At those airports that have longer runways, navigation aids, and/or runway lights, air carriers can operate main-line jet aircraft with large payload capacities at all hours and under most weather conditions. However, because of the many inadequate airport facilities, mail must be transferred to bush aircraft--small privately owned aircraft--for delivery to bush points. For this reason, mail has a tendency to back up at the transfer points. The bush aircraft often cannot keep up with the volume of mail carried into transfer points by main-line aircraft.

A Boeing 737 jet has a payload of about 32,000 pounds, a Twin Otter and Skyvan--twin prop jets--about 3,000 pounds, and a single-engine aircraft about 1,200 pounds. Often, when light aircraft cannot fly because of adverse weather, jets continue to haul mail creating a backlog at transfer points. At Bethel we observed that 80,000 to 90,000 pounds of freight and mail had backed up in the air carrier's warehouse because light aircraft had not flown to outlying villages for 6 days. A postal official said that, at Christmas 1971, about 100,000 pounds of mail for outlying places had backed up at Bethel because poor weather kept light aircraft from operating.

Also storage facilities at some transfer points are too small to permit first-in-first-out flow of mail when a

backlog occurs. An Alaskan Postal Service official said facilities at Bethel, Saint Marys, Port Heiden, and Kodiak were inadequate. The facility at Kodiak is owned by the Postal Service and is scheduled to be replaced. One carrier who owns the facilities at Bethel and Saint Marys has been reluctant to enlarge or replace the Bethel facility because a pending Civil Aeronautics Board decision may affect his operating authority. An official of this carrier told us, however, that the Bethel facility would be replaced during the summer of 1973. A postal official told us that the Saint Marys facility was also scheduled to be replaced during the summer of 1973. Minor repairs were made to the Port Heiden facility, but the carrier who owns the facility said that there were no plans to replace this facility.

A final problem at transfer points is that the Postal Service has no assurance that mail is being moved through the storage areas as efficiently as possible or is not being bumped by passengers or freight. The Postal Service Alaska District Office has recognized this problem and has requested authorization from the western region to hire three transportation specialists to monitor mail flow at transfer points. Regional postal officials said they would reexamine this request.

Air carrier schedules

The Postal Service relies on air carriers to transport mail on their regularly scheduled flights. According to airline and Postal Service officials, flight schedules are established on the basis of total demand for air service--passengers, freight, and mail. Thus many places in Alaska receive infrequent air service.

About 118,000 Alaskans live in places off the highway, rail, and ferry networks and receive air service less than 5 days a week. As an illustration of this infrequent air service, of about 180 places served by a major air carrier, 103 received air service three or fewer times a week--42 three times a week, 47 twice a week, and 14 once a week or less.

Infrequent mail service is not only a problem in places served by light aircraft. For example, airmail could take as long as 5 days to go from Seattle to Saint Marys which is served by jet. (See app. VI.)

Flight scheduling also affects mail service in the larger population centers of Alaska. For example, in September 1972 the air carrier discontinued a morning flight from Seattle to Fairbanks and Juneau. According to postal officials, the later arrival of the first flight to each of these cities increased the delivery time because the mail arrived too late to process and deliver the same day.

Another problem is the delayed mail service resulting from the "A" and "B" points priority system implemented in 1970 for the transportation of second-, third-, and fourth-class mail within Alaska by air. In establishing this priority system, the Postal Service defined an "A" point as a place that receives air service 5 or more days a week and a "B" point as a place that receives air service fewer than 5 days a week. All classes of mail sent to "B" points are considered priority mail, whereas only airmail and first-class mail sent to "A" points are considered priority mail.

Our observations at selected postal facilities in Alaska disclosed no serious backlog of mail for either "A" or "B" points. However, the effect of this priority system is that critical items, such as fresh produce, medical supplies, or equipment, destined for "A" points can be bumped by less critical items going to "B" points. Frequent customer complaints involving dated publications, prescription medicines, and perishables destined for delivery to "A" points indicate that mail is delayed under this priority system. The most frequent complaint was that daily newspapers were received once a week. Such delays are probably limited to periods of high volume and bad weather.

Limited road networks

That part of Alaska north of Fairbanks and west of Anchorage and Homer has no network of connecting highways;

cities and towns in the central part of the State, however, are connected by highway. This highway network also connects central Alaska with southeast Alaska through the Canadian road system and the Alaska ferry system. The Postal Service uses surface transportation in central and southeast Alaska--essentially all places connected by highway, rail, and ferry systems are served by surface.

Of the 442 places in Alaska that are provided with mail service, 74 are served by highway or rail. In southeast Alaska, 25 additional places are served by a combination of truck, ferry, and contract boat. Many of these places--Fairbanks, Anchorage, Homer, Juneau, Ketchikan, and others--also receive mail by air.

Employee retention problems

High employee turnover rates have also affected mail service in Alaska. In calendar year 1971 the Anchorage sectional center experienced a 34 percent turnover rate; in 1972 the rate decreased to 32 percent. In calendar year 1971 the Fairbanks sectional center experienced a 51 percent turnover rate; in 1972 the rate increased to 70 percent. As a result of the high turnover rates, the post offices have a large number of inexperienced employees. In December 1972 the Fairbanks Post Office had 119 clerks, carriers, and trainees, of whom 40, or 34 percent, had less than 4 months' experience.

Inexperienced employees can be expected to make more errors than experienced employees. During the 18 months ended January 1973, the Anchorage and Fairbanks Post Offices received 3,472 customer complaints, of which 68 percent were classified as delayed-mail complaints. Postal officials attributed 72 percent of these delayed-mail complaints to clerk and carrier errors. In 1971 the Anchorage postmaster attributed an increase in delayed-mail complaints to 25 carriers with less than 3 months' experience. In 1972 he attributed a further increase in delayed-mail complaints to 13 new employees who had just completed training. Postal officials said that a new employee cannot adequately learn city mail schemes in less than 3 months.

Postal records showed that, over 3 years, 47 percent of those persons who left the Postal Service in Alaska did so for three reasons. One, many employees left for seasonal occupations in such industries as fishing and construction where the incentive for leaving may have been higher pay. For example, the starting pay for laborers in the Alaskan construction industry is \$8 an hour, while the starting wage for carriers, including cost-of-living allowance, is \$5.06 an hour.

Two, employees left the Postal Service because of a change of residence. Many women employees are married to military personnel who are frequently transferred.

Three, many young people enter the Postal Service to finance their educations and leave after realizing this short-range goal. The Postal Service tries to hire people who it believes will become permanent Postal Service employees, but the younger, better educated individuals seeking employment with the Postal Service to finance their educations score higher on civil service examinations and generally receive first consideration for postal jobs.

Although records of postal employee separations and the reasons are maintained, a study has not been made to identify and implement means of reducing employee turnover rates.

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The problems of the Postal Service in Alaska are for the most part unique and unrelated to the 1971 postal reorganization. In our opinion, the Postal Service could improve mail service in Alaska by (1) identifying and implementing means of reducing employee turnover and (2) monitoring mail flow at transfer points. Regional postal officials generally agreed with our observations on the major factors affecting the quality of mail service in Alaska.

As you previously agreed, we will distribute this report to the Chairmen of both the House and Senate Post Office and Civil Service Committees and to Senator Stevens. We do not

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plan to distribute this report further unless you agree or public announcement is made of its contents. We trust that the briefing and this report have met your information requirements.

Sincerely yours,

A handwritten signature in cursive script, reading "James B. Stacks". The signature is written in dark ink and is positioned below the typed name.

Comptroller General
of the United States

**CHANGE IN BULK MAIL SERVICE
FROM ANCHORAGE TO SOUTHEAST ALASKA
IN JANUARY 1973
MAY INCREASE DELIVERY TIME**

<u>ANCHORAGE TO:</u>	AVERAGE DAYS TO DELIVER	
	BEFORE CHANGE¹ (BY AIR)	AFTER CHANGE² (BY SURFACE)
JUNEAU	2.3	3.8
KETCHIKAN	2.8	4.8

¹ **BASED ON ODIS REPORTS FOR FIRST TWO QUARTERS IN FISCAL YEAR
1973**

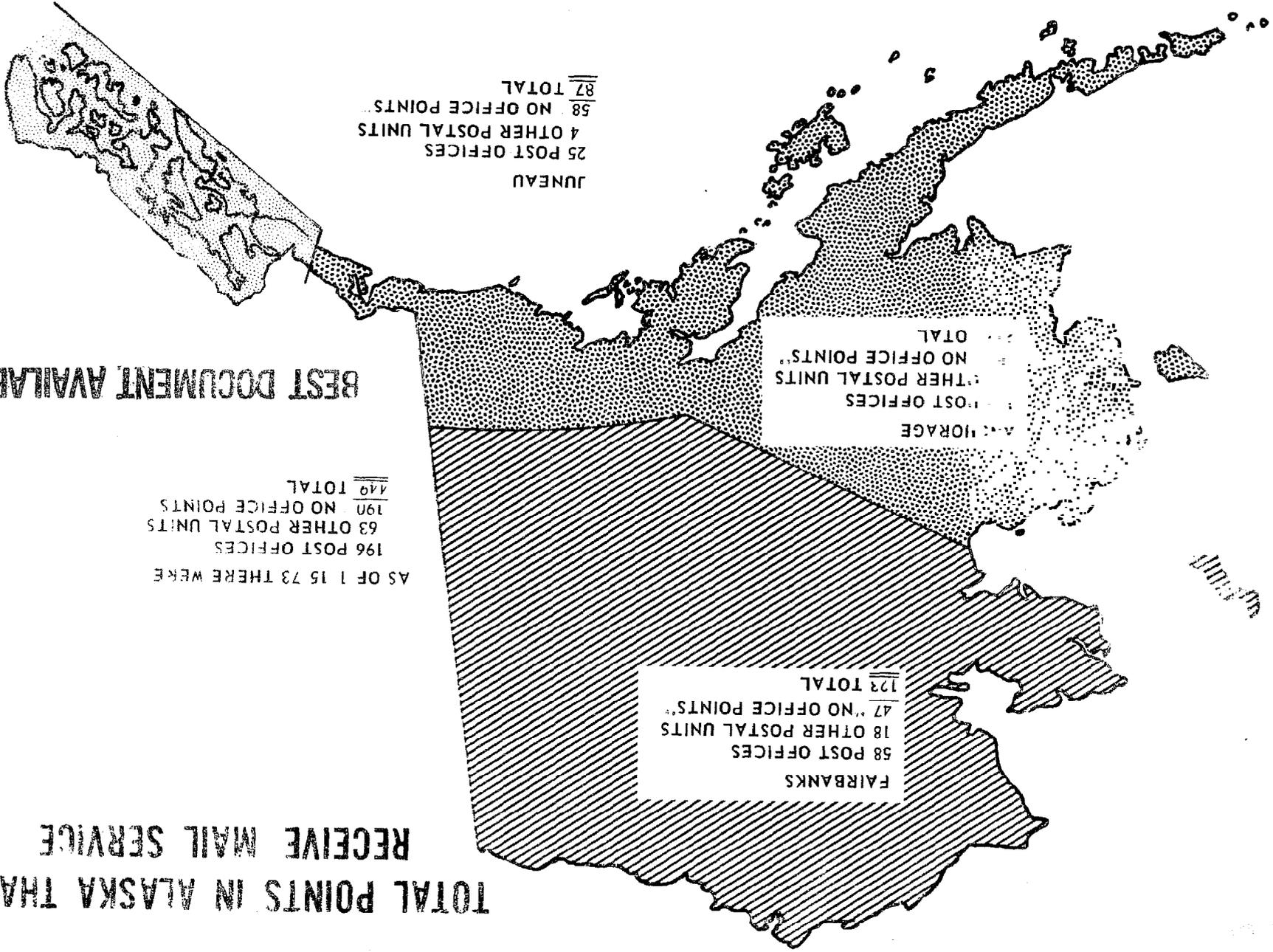
² **AVERAGE BASED ON POSTAL DELIVERY SCHEDULE**

**BULK MAIL SERVICE TO SOUTHEAST
ALASKA COMPARABLE TO
SERVICE BETWEEN CITIES IN LOWER 48**

	SURFACE MILES	AVERAGE NUMBER OF DAYS TO DELIVER	
		PER ODIS REPORT	PER DELIVERY SCHEDULE
ANCHORAGE - JUNEAU	860		3.8
SEATTLE - SALT LAKE CITY	879	3.9	
SEATTLE - SAN FRANCISCO	845	4.2	
ANCHORAGE - KETCHIKAN	1,185		4.8
SEATTLE - LOS ANGELES	1,170	5.6	
SEATTLE - BISMARCK	1,223	4.4	

BEST DOCUMENT AVAILABLE

TOTAL POINTS IN ALASKA THAT
RECEIVE MAIL SERVICE



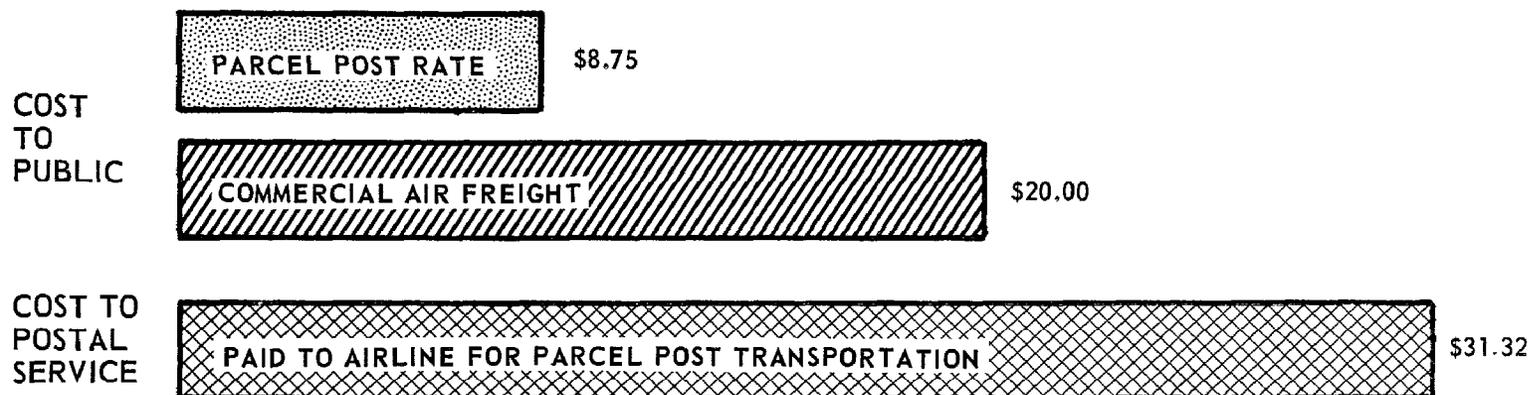
AS OF 1 15 73 THERE WERE
 196 POST OFFICES
 63 OTHER POSTAL UNITS
 190 NO OFFICE POINTS
449 TOTAL

FAIRBANKS
 58 POST OFFICES
 18 OTHER POSTAL UNITS
 47 "NO OFFICE POINTS"
123 TOTAL

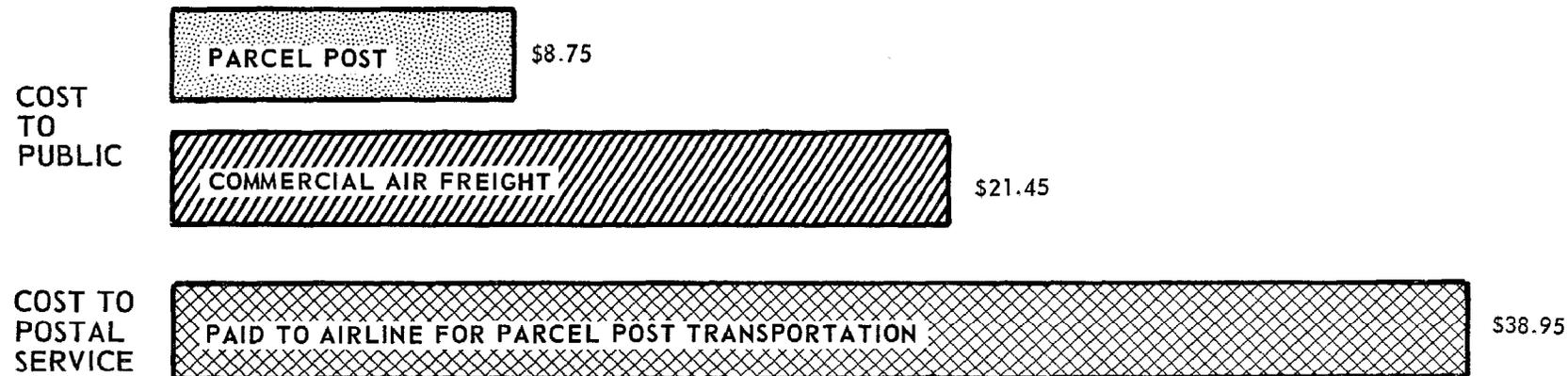
JUNEAU
 25 POST OFFICES
 4 OTHER POSTAL UNITS
 58 NO OFFICE POINTS
87 TOTAL

POSTAL SERVICE SUFFERS LOSS TRANSPORTING PARCEL POST BY AIR IN ALASKA

ANCHORAGE TO KIPNUK



FAIRBANKS TO SHISHMAREF



BEST DOCUMENT AVAILABLE

(RATES BASED ON FIVE 20-POUND PARCELS)

**LIMITED AIRPORT FACILITIES
ADD TO DIFFICULTY OF PROVIDING
MAIL SERVICE TO MANY ALASKAN PLACES**

**OF THE 343 ALASKAN PLACES SERVED BY AIR AS THE ONLY AVAILABLE
MEANS OF TRANSPORTATION--**

- 95 HAVE NO AIRPORT FACILITIES
- 248 DO HAVE AIRPORT FACILITIES, BUT OF THESE
 - 55 HAVE NO RUNWAY (SEAPLANE ONLY)
 - 45 HAVE RUNWAY UNDER 2,000 FEET
 - 92 HAVE RUNWAY UNDER 2,500 FEET
 - 214 HAVE NO NAVIGATION AIDS
 - 199 HAVE NO RUNWAY LIGHTS

DELIVERY TIME FOR AIRMAIL BETWEEN SEATTLE AND SAINT MARYS

MAXIMUM: 5 DAYS

