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OCT 19 1973

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

Dear Mr. Chairman:

D. 1669

Pursuant to your request of March 19, 1973, we examined the quality of mail service provided by the Detroit Post Office. On July 6, 1973, we briefed staff members of the Subcommittee on Postal Service on the results of our examination and gave them copies of the charts (see encs. I to X) used in the briefing. Subsequently, the Subcommittee used this data during its hearings in Detroit. As requested, this letter summarizes our briefing.

The Detroit office generally had not met the Postal Service's mail delivery standards. Sorting errors, which caused mail to be sent to the wrong destination; processing delays; and inadequate transportation prevented significant quantities of first-class mail from being delivered on time. Also, the number of employees decreased while the volume of mail increased.

BACKGROUND

The Detroit office handles about 1.95 billion pieces of mail annually or about 5.3 million pieces daily.

During postal fiscal year (PFY) 1973 the number of employees in the Detroit office decreased from 8,043 at the beginning of the year to 7,784 at the end of the year--a decrease of 3.2 percent--while mail volume increased by about 104.7 million pieces--an increase of about 5.7 percent. To process this increased volume the employees worked 717,053 hours of overtime, an increase of 100,001 hours, or 16.2 percent, over the overtime worked in postal fiscal year 1972.

The Detroit 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

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mail volume. The budget was based on an increase of 0.7 percent; and, as of April 1973, the actual increase was 8.9 percent.

Despite the increased mail volume, the Detroit office has steadily increased its productivity. Through the first 10 months of postal fiscal year 1973, productivity rose from 563 to 629 total distributed pieces handled each man-hour, an increase of 12 percent.

Detroit postal officials said they were able to handle more mail with fewer people because supervision of employees had improved.

DELIVERY STANDARDS

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. IV.) For example, 95 percent of intrasectional center facility (SCF) mail (origin and destination in Detroit) should be delivered in 1 day. Also, 95 percent of the mail originating in Detroit and destined for three adjoining SCFs and 95 percent of the mail originating in three adjoining SCFs and destined for Detroit should be delivered in 1 day. From July 22, 1972, through March 30, 1973, the Detroit office usually did not meet the 1-day delivery standard. (See encs. V and VI.)

Also, the 2- and 3-day delivery standards were not usually met. Overall, during the nine 4-week periods from July 22, 1972, through March 30, 1973, the Detroit office never met the 95-percent standard for first-class mail going to the 22 States and the District of Columbia designated to receive 2-day delivery. With the exception of the Christmas period, only about 76 percent of the mail designated to be delivered within 2 days was delivered on time. For the same period, the 95-percent standard for first-class mail going to 26 States designated to receive 3-day delivery was met in only one of the nine 4-week periods. With the exception of the Christmas period, about 90 percent of the mail was delivered within 3 days.

DELAYED MAIL

Despite increased productivity, significant quantities of first-class mail were not delivered on time. For example,

during the 3 months ended January 1973, about 12.4 million pieces of first-class mail were delayed. Although a 1-day delay in delivery may not be important to--or even noticed by--most mailers, it could cause hardships for persons waiting for pension checks or financial losses for recipients if the mail concerned financial transactions.

The 12.4 million pieces of delayed first-class mail represented about 2.5 percent of the total mail volume (all classes) processed by the Detroit office during the 3 months. About 63 percent of the delayed mail--7.8 million pieces--occurred in December 1972 and represented about 4.1 percent of the total mail volume (all classes) processed in that month.

Detroit postal officials said much of the delayed mail was the result of inadequate transportation, such as reductions in railroad services and reductions in night flights by airlines. Other causes cited by Detroit officials were employee absences and improper packaging of mail by many mailers.

MISSENT MAIL

The Detroit office missent significant quantities of mail. For example, according to a postal official, if an important document being sent from Detroit to New York were mistakenly routed to another State, it usually would be delayed 5 days in delivery.

According to the Detroit Post Office's Industrial Engineering Group, about 4 percent of the mail leaving the Detroit office is missent. On this basis, we estimated that about 29.6 million pieces of first-class outgoing mail were missent during postal fiscal year 1973.

We discussed our estimate with officials of the Detroit Post Office and the Detroit District Office. They said they did not know how much mail was missent and did not have a better estimate.

These officials said mail is being missent because of --misrouting by employees in manual and machine operations,

- errors in placing sorted mail in trays or pouches,
- mislabeling of bundles and pouches by employees, and
- machine errors (all of Detroit's letter sorting machines are over 10 years old).

CUSTOMER COMPLAINTS

From June 24, 1972, to April 27, 1973, the Detroit office received 20,316 complaints, of which 53 percent dealt with lost mail, 31 percent with delayed mail, and 16 percent with various other problems. Postal officials had reviewed 13,730 of the complaints and had determined that 20.4 percent resulted from lost mail, 7.5 percent resulted from carrier errors (e.g., delivery to the wrong address), 1.9 percent resulted from processing errors, and 35.4 percent resulted from numerous other errors. The officials were unable to determine the causes for the rest of the complaints.

Several reductions in delivery services were possibly related to these complaints. For example, beginning in July 1971 the Detroit office eliminated Sunday collections in residential areas except from boxes located on main arteries. All 3-trip letter delivery routes were reduced to 2-trip routes and twenty-four 2-trip routes were reduced to 1-trip routes. A Detroit postal official said window services have also been reduced; however, he was unable to quantify this reduction.

To obtain further information on how the public viewed postal service in Detroit, we conducted a telephone survey of 50 residences and 50 businesses. Of those surveyed, 71 percent were satisfied with the service and 29 percent were not. Dissatisfied customers complained mostly about delayed delivery and poor service by postal employees.

EMPLOYEE MORALE

We obtained information on the status of labor/management relations in the Detroit office--specifically whether employees' morale was low and, if so, why--by interviewing officials of

the American Postal Workers Union, the National Association of Letter Carriers, the National Association of Post Office Mailhandlers, and the National Association of Postal Supervisors. They all said morale was low.

According to these officials, the primary factors contributing to low morale were

- mandatory and excessive overtime,
- overemphasis on staying within the budget to the detriment of service,
- concern about the Job Evaluation Program¹ under which many supervisory positions had been downgraded,
- poor working conditions, and
- poor grievance procedures.

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Detroit postal officials generally agreed with our findings. We do not plan to distribute this report further unless you agree or publicly announce its contents.

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.

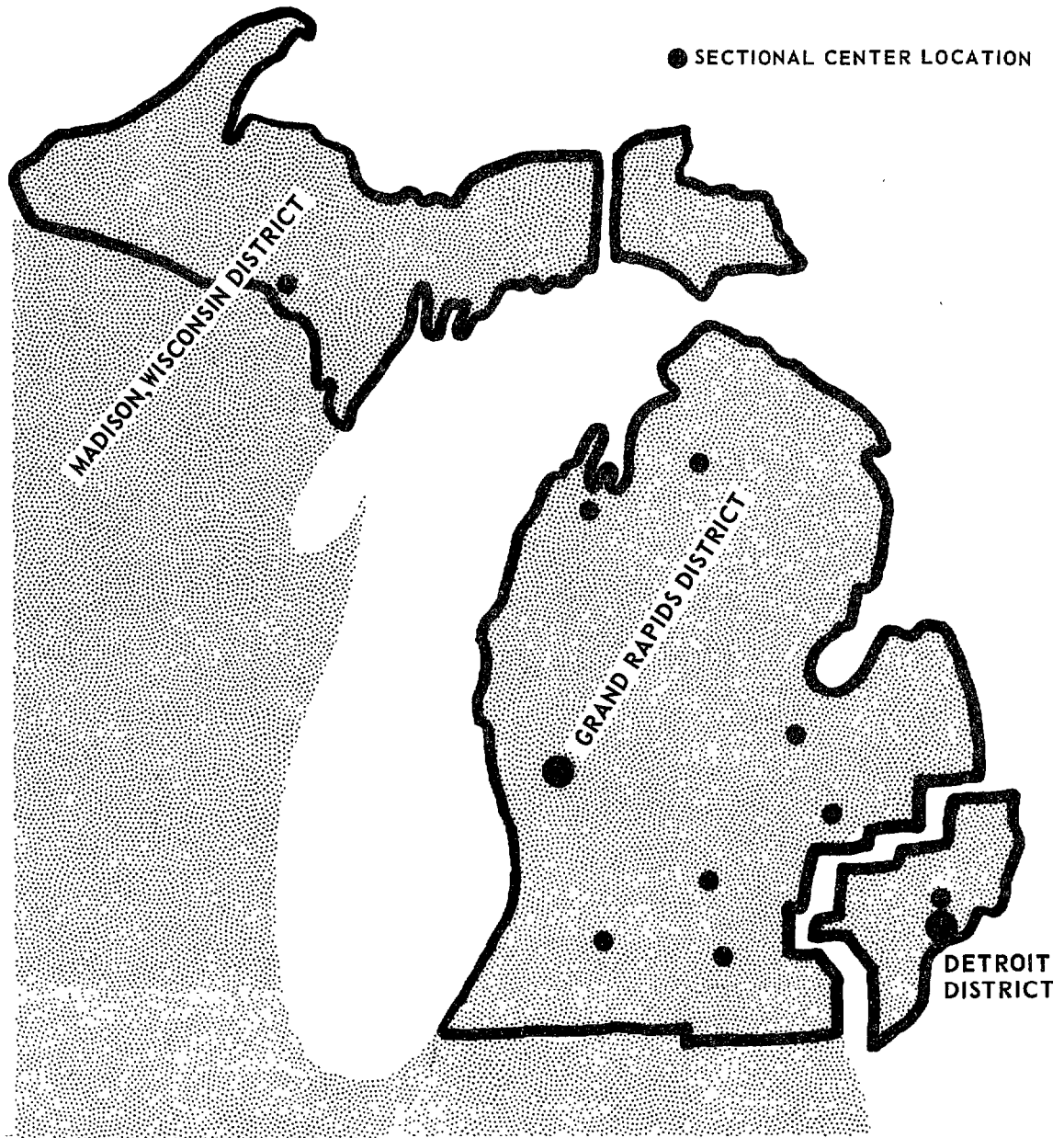
Sincerely yours,



Deputy Comptroller General
of the United States

Enclosures - 10

STATE OF MICHIGAN



**MAIL VOLUME & MANPOWER
VARIATIONS IN DETROIT**

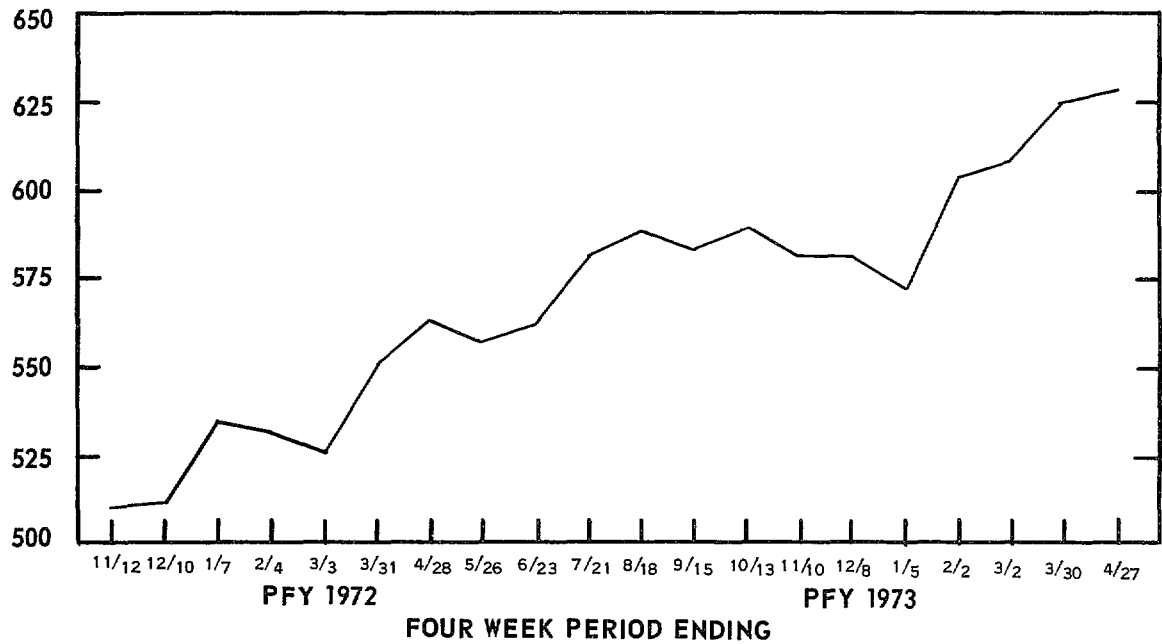
DIFFERENCES BETWEEN
PFY 1972 & PFY 1973

MAIL VOLUME	_____	5.7%
EMPLOYEES *	_____	-3.2%
OVERTIME	_____	16.2%

* AS OF 6/23/72 AND 6/22/73

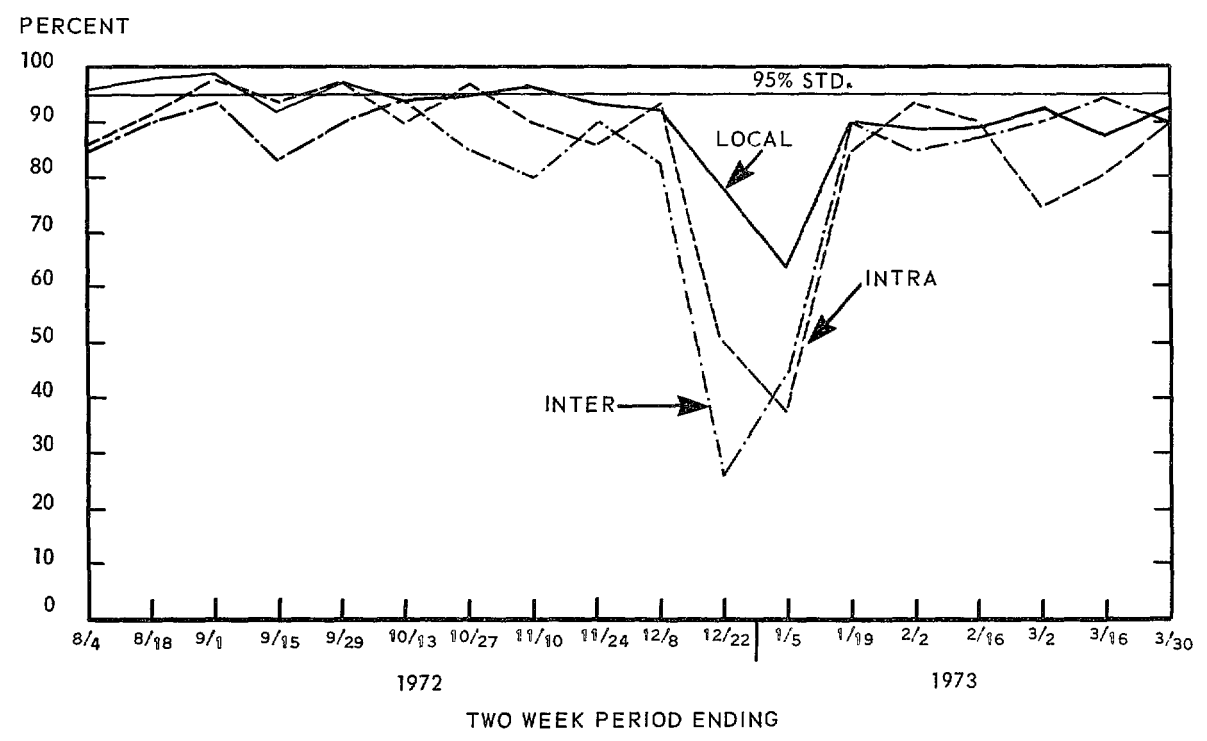
PRODUCTIVITY MEASUREMENT - D.P.O.

TOTAL DISTRIBUTION PIECE
HANDLINGS PER MAN-HOUR

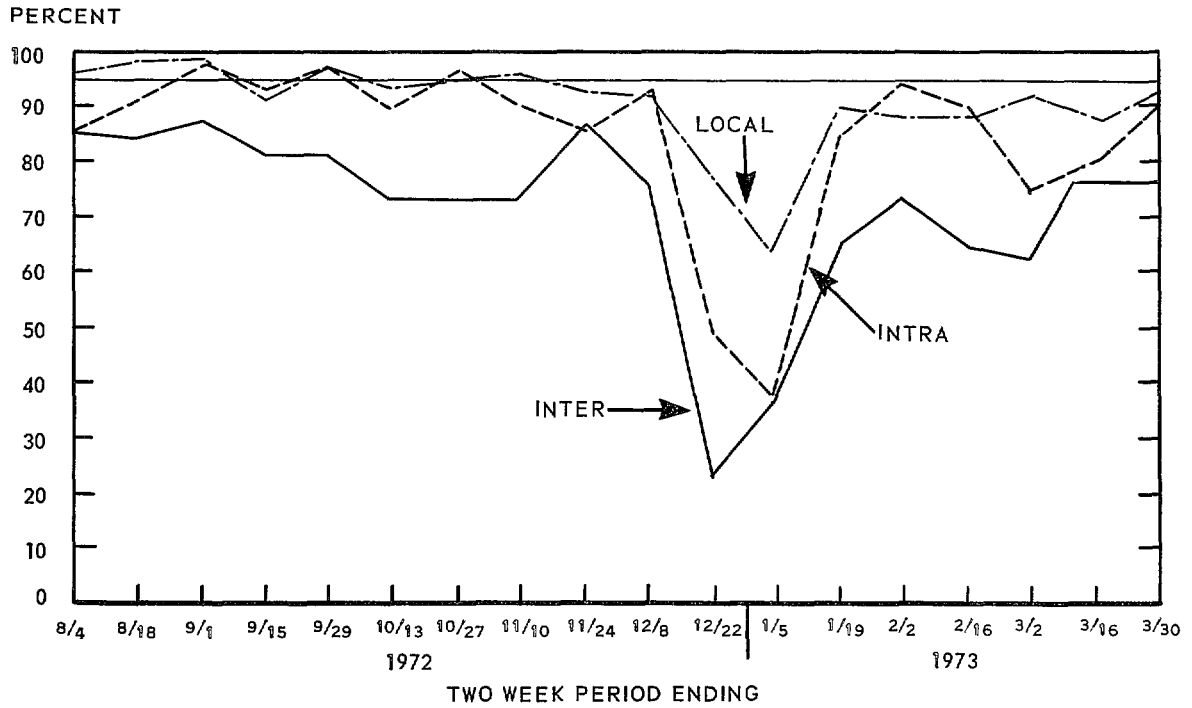


SERVICE STANDARDS	
BEFORE REORGANIZATION	AFTER REORGANIZATION
NONE	FIRST CLASS OVERNIGHT: INTRA-SCF & ADJOINING SCF S DESIGNATED LOCALLY SECOND DAY: 6 00 MILES THIRD DAY: NATIONWIDE
	AIRMAIL OVERNIGHT: 600 MILES PLUS DESIGNATED AREAS SECOND DAY: NATIONWIDE CONTIGUOUS STATES

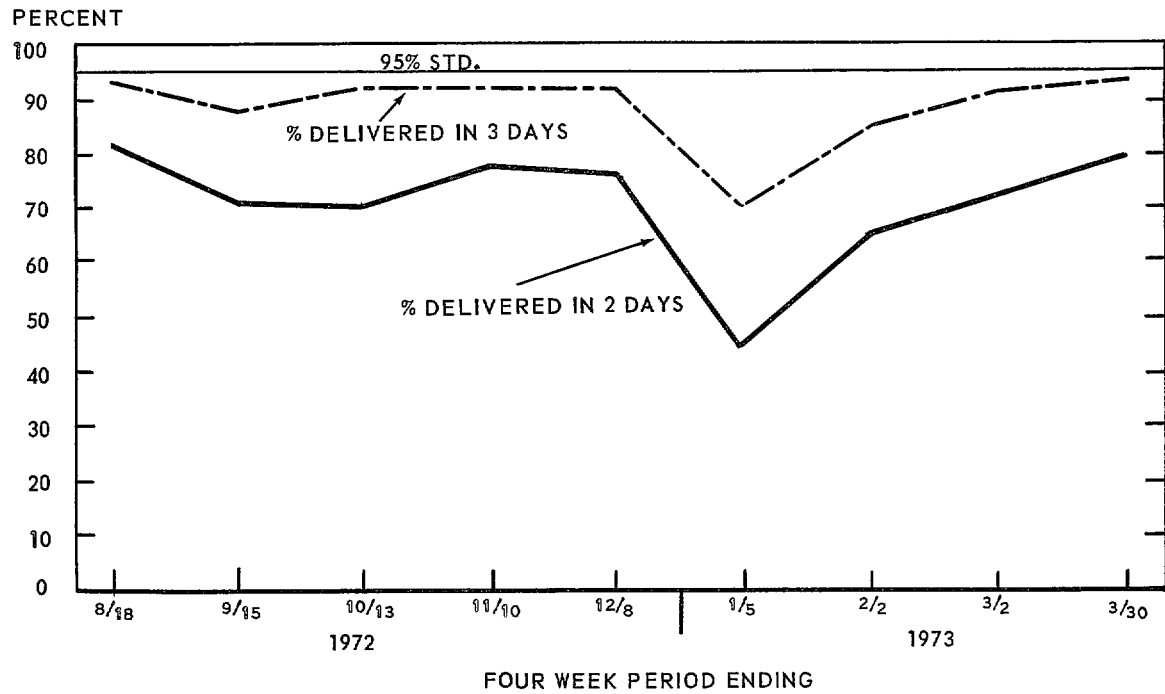
PERCENTAGE OF MAIL DELIVERED OVERNIGHT FROM D.P.O. TO DETROIT AND INTRA- AND INTER-SCF AREAS



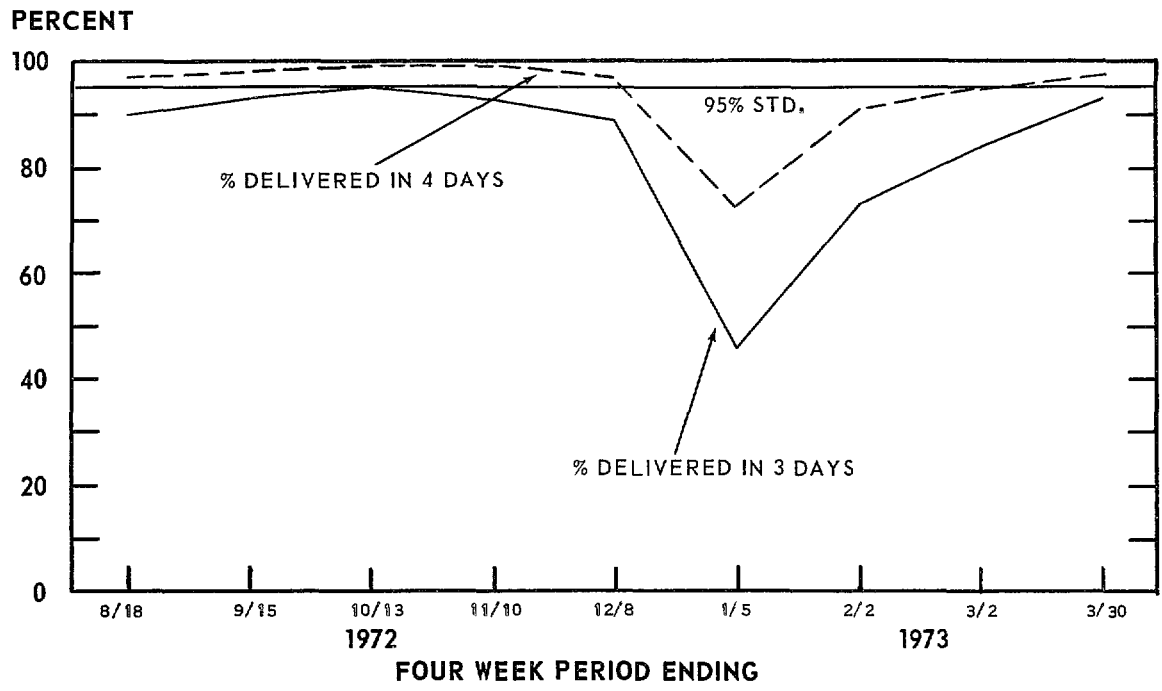
**PERCENTAGE OF MAIL DELIVERED OVERNIGHT
FROM DETROIT AND INTRA- AND INTER-SCF AREAS TO DETROIT**



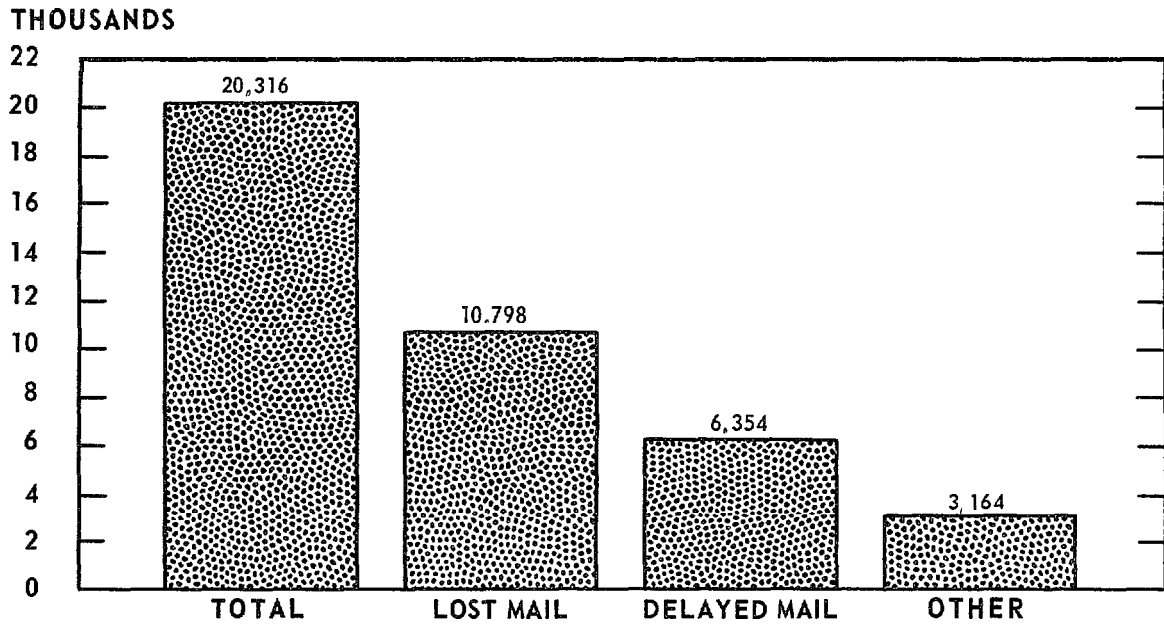
**PERCENT OF MAIL DELIVERED FROM D.P.O.
TO 2-DAY STANDARD DESTINATION STATES (REPRESENTS 23 STATES)**



PERCENT OF MAIL DELIVERED FROM D.P.O. TO 3-DAY STANDARD DESTINATION STATES



**CUSTOMER COMPLAINTS
JUNE 24 - APRIL 27, PFY'73**



ATTITUDE SURVEY
(PERFORMED BY GAO)

	<u>SATISFIED</u>	<u>NOT SATISFIED</u>
RESIDENTIAL _____	86%	14%
BUSINESSES _____	56%	44%

COMPLAINT AREAS:

DELAYED MAIL

POOR SERVICE FROM EMPLOYEES