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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

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RESOURCES AND ECONOMIC
DEVELOPMENT DIVISION

DEC 4 1975

Dr. F. J. Mulhern, Administrator
Animal and Plant Health Inspection Service 368
Department of Agriculture

Dear Dr. Mulhern:

We recently completed a survey of the meat and poultry label review process of the Labels and Packaging Staff, Animal and Plant Health Inspection Service. To evaluate industry complaints about the amount of time taken by the Labels and Packaging Staff to process label applications, we reviewed applicable laws and regulations, analyzed label review times, reviewed mailing operations, and interviewed personnel of the Labels and Packaging Staff and the Administrative Services Division.

The Labels and Packaging Staff is responsible for approving labels on meat and poultry products that are subject to Federal inspection and that contain at least 3 percent meat or 2 percent poultry. During fiscal year 1975 the Staff approved about 84,000 label applications.

Under existing procedures, manufacturers or distributors of meat and poultry products generally submit proposed labels attached to a Form CP-132 for poultry or to a transmittal form that is unnumbered for meat. Both forms contain space for information, such as establishment number and formula and method of preparation. The transmittal form for meat, however, does not have a space for the applicant's name and return address.

When the Labels and Packaging Staff receives an application by mail, a clerk time-stamps it and gives it to a label reviewer. After review, the application is sent to the distribution section where it is again time-stamped. Some applications are hand-delivered by representatives of the applicant on an appointment basis. According to the Chief, Labels and Packaging Staff, these applications are either approved or disapproved by the reviewer the same day. If stamped approved, the application is sent to the distribution section where it is time-stamped.

To analyze review times, we randomly selected 100 of the 83,817 meat and poultry label applications that were approved in fiscal year 1975. Our analysis, at a 95-percent confidence level, showed that about 1.7 working days elapsed from the time an application was received until it

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was returned to the distribution section and time-stamped. We concluded that the actual review process was relatively fast. Information was not readily available, however, for us to determine how long it took for an application to be mailed to the applicant after it was returned to the distribution section.

Our review of the mailing operation, however, showed some opportunities for improvement. In most cases, the distribution section uses address plates with an addresser/printer machine to print the company's name and address on the envelopes for mailing. The Labels and Packaging Staff maintains about 8,000 address plates which are filed by establishment number.

Considerable staff time is spent addressing envelopes because the address plate for each applicant must be located and placed in the printer. If there is no address plate, the address must be researched and applied by hand. The envelopes are then sealed by hand. The addresser/printer has become so worn that many addresses are no longer printed clearly. This results in delays and mismailed applications. The Labels and Packaging Staff is considering updating its addresser/printer system, which would include an envelope sealer, at an estimated cost of \$11,500.

Because there is no return address space on the transmittal form used for meat products, about 20 applications a day are received that do not include names and addresses. In these cases, Labels and Packaging Staff personnel, using the plants' establishment numbers, try to find the addresses from the file of address plates or from a listing of establishment addresses. The establishment numbers of the applicants whose addresses cannot be found are compiled and sent to the regional offices weekly or biweekly. Each regional office is to supply the names and addresses for those plants under its jurisdiction. These lists contain an average of 20 establishment numbers. Obtaining addresses in this manner can take several weeks.

Also, applications are sometimes mailed to the address on the label submitted for review. In such cases, the application may not be returned directly to the plant that submitted it because the address is for the manufacturer's or distributor's headquarters.

The Labels and Packaging Staff's mailing operation can result in numerous inquiries by plants as to the status of their applications and complaints about the time taken to process applications.

The Labels and Packaging Staff has attempted to improve the meat label application procedure. In June 1973, one million label approval applications and one million continuation sheets were printed at a cost of about \$18,000. Although these forms (MP-480) have a return address space, they have never been used because of many complaints from the meat industry that filling out certain sections of the form would be difficult and time-consuming.

The Labels and Packaging Staff subsequently designed another new form to be used for both meat and poultry label applications. This form (MP-132), similar to the Form CP-132 currently used for poultry labels, has a space for the applicant plant's name and return address. The Labels and Packaging Staff is reluctant to print and use this revised form because of the large number of Forms MP-480 in inventory.

We believe that using an application form with space for a return address in combination with a window envelope through which the addresser's name and return address would be exposed offers a more efficient method of returning label applications. Their use would eliminate the need for an addresser/printer system. The purchase of an envelope sealer would further increase efficiency. The existing poultry label application form and either of the new meat label application forms previously discussed could be used with window envelopes.

According to a Labels and Packaging Staff official, the use of window envelopes would eliminate their need for one staff position at an annual salary of about \$7,000 and would allow other staff personnel to be used more effectively. Also updating the addresser/printer system would no longer be necessary.

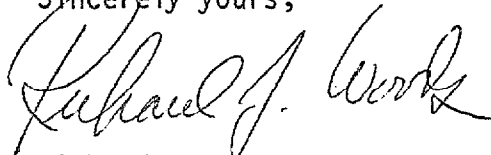
We recommend that you direct the Labels and Packaging Staff to

- adopt a form which has a return address space and can be used for both meat and poultry products,
- use window envelopes with the form to eliminate the need for an addresser/printer system, and
- consider purchasing an envelope sealer.

We discussed these matters with the Chief, Labels and Packaging Staff, who said that he would work toward implementing our recommendations. We would appreciate your comments and advice as to any action taken or planned on our recommendations.

We wish to acknowledge the cooperation extended to our staff during the survey. A copy of this letter is being furnished to the Director, Office of Audit, Department of Agriculture.

Sincerely yours,



Richard J. Woods
Associate Director