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REPORT OF THE COMPTROLLER GENERAL OF THE UNITED STATES



Quality Of Mail Service In New Mexico

United States Postal Service

Although first-class mail delivery performance for New Mexico generally did not meet the Postal Service's goal of 95 percent ontime delivery, it usually exceeded that of the Western Region and the Nation.

Improvements could be made, particularly in the timeliness of mail delivered to New Mexico from 2- and 3-day areas. The Service has taken or proposed steps to improve mail service in New Mexico which should do much to alleviate the causes of mail delays.

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

B-114874

The Honorable Joseph M. Montoya
Chairman, Subcommittee on
Treasury, Postal Service
and General Government
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

Pursuant to your January 15, 1975, request (see app. I), we reviewed the quality of mail service in New Mexico. We compared mail delivery performance in New Mexico with that in the Postal Service's western Region and the Nation. We conducted test mailings and assessed workload and mail processing capabilities to identify problems affecting mail service. In addition, complaints of poor service that your office forwarded to us were considered.

Mail committed to overnight delivery in New Mexico during the year ending January 3, 1975, met the Postal Service's goal of 95-percent on time delivery almost two-thirds of the time and generally exceeded regional and national performance. Although mail originating in New Mexico generally did not meet the Service's 95-percent goal for 2- and 3-day delivery areas, it was also better than regional and national performance. Mail destined for New Mexico from 2- and 3-day areas, however, showed poorer performance. On-time delivery percentages for this mail were almost always below 95 percent and generally below regional and national performance.

Transportation breakdowns; sorting errors and improper labeling of mail pouches, which caused mail to be sent to the wrong destinations; changes in the mail distribution program; and processing delays caused late mail delivery. Improper labeling of mail pouches was cited by local Service officials as a major cause for the poor performance on 2- and 3-day area mail destined for the State.

Improvements could be made, particularly in the timeliness of mail delivered to New Mexico from 2- and 3-day areas. The Service has taken or proposed steps to improve mail service in New Mexico which should do much to alleviate the causes of mail delays.

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NEW MEXICO POSTAL OPERATIONS

New Mexico is part of the Service's Western Region. The State's district headquarters is in Albuquerque. Mail service for New Mexico is provided by 333 post offices under the jurisdiction of 12 sectional center facilities. (See app. II.) The State distribution center is at the Albuquerque sectional center facility. The center receives and distributes out-of-State mail destined for New Mexico. D. 01276

New Mexico post offices handle approximately 1.7 million pieces of mail daily and employ about 2,650 persons. Albuquerque is the most mechanized sectional center facility in the State, using two multiposition letter-sorting machines and two high-speed facer/cancellers.

We visited the Albuquerque district office and 24 post offices within the district. (See app. III.) These included the State distribution center in Albuquerque; the 12 New Mexico sectional center facilities; the El Paso, Texas, sectional center facility; 8 first-class offices; and 3 second-class offices. At each site we evaluated the quality of mail service to identify any problem areas or service declines.

DELIVERY PERFORMANCE

The Postal Service has established the following time standards for first-class mail:

- 1-day (overnight) delivery within designated service areas (generally, within sectional center areas and among adjoining sectional center areas).
- 2-day delivery within a 600-mile radius.
- 3-day delivery of all other first-class mail.

These standards apply only to mail which has the proper address and ZIP code and which is posted by the last mail pickup time, generally 5 p.m. The Service's goal is to meet these standards 95 percent of the time.

Before enactment of the 55 miles-per-hour speed limit in 1974, all New Mexico intrastate mail was committed to overnight

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delivery. The reduced speed limit, however, has obstructed some transportation connections and forced four sectional center facilities to make some 2-day intrastate commitments.

Delivery performance is monitored by the Postal Service's Origin/Destination Information System, which measures the time between the date a piece of mail is postmarked and the date it is received at a delivery point. ^{1/}

Using reports from this system, we summarized the Albuquerque district's performance statistics for the year ending January 3, 1975. As shown in the following table, an average of almost 95 percent of stamped first-class mail was delivered on time within overnight areas, but performance within 2- and 3-day areas was lower.

Percent of Albuquerque district mail delivered within standards		
<u>Delivery area</u>	<u>Originating in district</u>	<u>Destined for district</u>
Overnight	94.6	94.4
2 day	90.5	88.5
3 day	88.1	73.9

These percentages are a composite of the performance percentages for the 13 sectional center facilities within the district. Therefore, the individual sectional center facilities may have had slightly higher or lower averages than the district.

In the following table, we used individual Origin/Destination Information System reports for thirteen 4-week periods, January 5, 1974, through January 3, 1975, to evaluate each sectional center facility's success in meeting the delivery performance goal. The table summarizes the number of reporting periods when the goal was achieved versus those when it was not. For example, mail originating in New Mexico within the overnight delivery areas met the goal in 62 percent of the reporting periods, and delivery performance was below the goal in 38 percent of the periods.

^{1/}A delivery point is usually the last mail-processing point, such as a post office box section or carrier station, before delivery to the customer.

Although the following table shows that for many periods the goal was not achieved, the table on page 3 shows that, for mail in the overnight delivery area, the aggregate score for the entire year was close to 95 percent.

Delivery area	Mail originating in New Mexico		Mail destined for New Mexico	
	Scores meeting goal	Scores Below goal	Scores meeting goal	Scores below goal
	Overnight	62%	38%	53%
2 days	38	62	21	79
3 days	<u>26</u>	<u>74</u>	<u>3</u>	<u>97</u>
Average	43	57	26	74

The more conspicuous findings from this evaluation include

- the frequent lack of success in meeting the 95-percent goal,
- the poorer 2- and 3-day service, and
- the significant difference between performance on mail originating in New Mexico and that destined for the State.

We then used Origin/Destination Information System reports for the same periods to compare the Albuquerque district's delivery performance with that of the Western Region and the Nation. Graphs in appendixes IV through VI show that Albuquerque district mail delivery performance on

- overnight area mail generally exceeded regional and national performance,
- mail originating in New Mexico destined for 2- and 3-day areas was also better than regional and national performance, and
- mail delivered from 2- and 3-day areas was poorer than regional and national performance.

PROBLEMS CAUSING MAIL DELAYS

We mailed 1,068 test letters from 57 locations in New Mexico and 2 locations outside the State. (See app. VII.) The letters were mailed to Albuquerque and Santa Fe and four addresses outside the State. (See app. VIII.) Because of

the small number of test letters and locations tested, our test is not a statistically reliable measure of delivery performance and should not be compared to the Service's Origin/Destination Information System statistics. The purpose of these test mailings was to identify problems causing mail delays.

The following table shows the delivery performance for our test mailings.

	<u>Overnight areas in New Mexico</u>	<u>2-day areas</u>	<u>3-day areas</u>	<u>All areas</u>
On time	81%	87%	94%	87%
Delayed	19	13	6	13

The good performance on mail to and from 3-day areas is attributable to direct flights between the cities involved; whereas transportation problems, missent mail, and processing delays were reasons for late mail in other categories. Transportation problems, primarily between Albuquerque and Santa Fe, accounted for 32 percent of the delayed letters. Transportation problems were reported by 11 of the 23 New Mexico post offices visited. Inclement weather and vehicle breakdowns were frequently mentioned causes. Two offices experienced difficulties due to transportation schedule changes. For example, customers traditionally received overnight service between Alamogordo, New Mexico, and El Paso, Texas, a distance of 86 miles. However, because of a transportation schedule change in July 1974, much of the El Paso business mail no longer receives overnight delivery to Alamogordo.

Albuquerque statistics for June 22, 1974, through January 3, 1975, showed that 2.2 percent of the outgoing mail--about 1.9 million pieces--was missent. Of the 1,068 test letters we mailed, 8 were missent. For example, four of these letters, addressed to Albuquerque and mailed in Clines Corners, New Mexico (in the Albuquerque sectional center facility area), were missent to Santa Fe and delivered in Albuquerque 3 days late.

Statistics for mail missent to New Mexico were available only for the States in the Western Region on a percentage basis. For the above period, about 1.7 percent of the volume received from these States did not belong in New Mexico. For example, at the Albuquerque sectional center facility, one pouch labeled for New Mexico contained missent mail from California destined to nine other States.

Late mail is also caused by processing delays. For 254 days during calendar year 1974, the Albuquerque sectional center facility reported delayed first-class mail totaling 629,000 pieces, or an average of 2,480 pieces per day. Reasons identified by local Service officials for delays were excessive employee absenteeism, heavy first-of-month mail volume, and machine downtime.

As stated earlier, the Origin/Destination Information System measures the time between the date a piece of mail is postmarked and the date it is received at a delivery point. The system does not measure delays which may occur between the time of deposit by the customer and postmarking or between receipt at a delivery point and receipt by the addressee. Consequently, the system may show a piece of mail as delivered on time when a delay occurred before postmarking or after receipt at the delivery point.

For example, our test letters were deposited at mail collection points well in advance of the last mail pickup to insure that letters would receive that same day's postmark and, therefore, be eligible for delivery within the Service's standards. However, 28 of the 1,068 test letters were delivered late because of delays which the system would not have measured.

The following table summarizes for our test mailings the difference between delivery performance percentages using time from date of deposit to customer's receipt and from postmark date to delivery point.

<u>Time included</u>	<u>Overnight areas</u>	<u>2-day areas</u>	<u>3-day areas</u>	<u>All areas</u>
From deposit to customer	81%	87%	94%	87%
From postmark to delivery point	85	89	94	90

Changes in mail distribution system

In February 1970 the Postal Service added the Managed Mail Program to its mail distribution system. Under this program post offices sort mail going out of State to large mechanized sectional center facilities in each State designated as State distribution centers. At the distribution center, mail is sorted to other sectional center facilities in the State for further processing and delivery. As a result, the mail-delivery time to certain areas in the State has changed.

For example, the postmasters at the Hobbs and Artesia offices said that, before the Managed Mail Program, they received 2-day delivery from cities in Texas compared to the current 3-day service. This 2-day service was possible before the program because the distribution system required post offices to sort mail directly to the individual sectional center facilities in the destination State and transportation was scheduled to make second-day delivery. Now the mail is sent first to the Albuquerque State distribution center and then to a sectional center facility where it is sorted for delivery in Hobbs and Artesia.

Also, to a limited extent New Mexico has implemented the Area Mail Processing Program, under which outgoing mail from small post offices is consolidated at a sectional center facility for machine processing.

In 1972 the Albuquerque Post Office was designated as the processing office for outgoing mail originating in Santa Fe, Los Alamos, Espanola, and the post offices in the Albuquerque sectional center facility area. Albuquerque is the only New Mexico office in the program.

Under the program, to the extent possible, only outgoing mail is sent to Albuquerque for processing. Collection boxes specifically for local mail are generally provided at the post office. This mail is postmarked and sorted locally. However, the local mail deposited in other collection boxes is not separated from outgoing mail before being sent to Albuquerque. Therefore, some local mail is processed under the Area Mail Processing Program and faces a higher risk of being delayed because additional transportation is required. For example, twice during our review, trucks transporting mail from Albuquerque to Santa Fe failed to run on schedule and some Santa Fe local mail processed under the program was delayed.

Color code program

The Service designed this program to assure that pouches of incoming mail were processed in proper sequence to meet the Service's delivery standards. The Service used differently colored labels for pouches to identify the date when the enclosed mail should be delivered. Post offices were to work as much mail in color order as capacity allowed, even if it meant delivery would be ahead of Service standards. However, improper interpretation of the program's intent and improper use of the color labels have contributed to poor delivery service for mail arriving in New Mexico from other States.

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Until recently, the Albuquerque State Distribution center's policy was to process mail in time to meet Service standards but not to deliver in advance of them. The policy not to deliver in advance was intended to provide consistent service rather than fluctuations depending on processing capacity. For example, mail originating in Dallas and destined for areas in New Mexico was received at the Albuquerque State distribution center on the following morning, but this mail was not processed until the day after receipt because the delivery standard was 3 days. Processing on the day of receipt when capacity allowed would accelerate service to 2 days. During 1974 the average daily volume of first-class 2- and 3-day mail not processed on the day of receipt at the Albuquerque State distribution center was approximately 136,000 pieces.

During our audit the center altered its policy to agree with the October 1973 instruction from Postal Service headquarters which states that (1) mail will be processed as received as long as capacity to do so exists and (2) processing is not to be arbitrarily deferred because the mail is not coded for that day's processing.

Another problem with the color code program is mail pouches which contain a mixture of postmark dates. When this happens some mail will be delayed. For example, a pouch of mail from Boston was color coded and processed for Wednesday delivery in Albuquerque, but it contained 500 letters that should have been delivered on Tuesday to meet Service standards.

Postal officials acknowledged the problem with mixed postmarks and said that improving Albuquerque's inadequate quality control program should help provide a solution. One purpose of this program is to identify improper use of color coding and notify the originating office to initiate corrective action. The purpose was not fulfilled in Albuquerque, however, because a full-time quality control officer had not been appointed. At the time of our review, only about 50 percent of the quality control functions were being performed.

Central markup system

Most customer complaints in Albuquerque were that properly addressed mail was being returned to the sender. Four other offices we visited had this problem to a lesser extent. The complaints started with the initiation of the central markup system in November 1973. Under the system the responsibility for forwarding mail--placing forwarding addresses on letters to postal patrons who had moved--was transferred from carriers to clerks. This meant that all mail previously forwarded by the carriers had to be sent to a centralized unit for processing.

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According to Service officials, some carriers opposed the change and deliberately tried to sabotage the program. Service officials said carriers sent properly addressed mail to the central markup unit for forwarding, knowing that the mail would be returned to the sender because a change-of-address card was not on file at the unit.

Also, because the unit was not adequately staffed initially, the clerks could not process change-of-address orders promptly and mail was returned to senders needlessly. Personnel shortages also caused mail to backlog in the unit.

SERVICE AFFECTED BY ECONOMY MEASURES

Mail volume for New Mexico increased by about 17 percent between fiscal years 1972 and 1975. During the same period, staff-hours decreased by about 3 percent. Another reduction in staff-hours is budgeted for fiscal year 1976, while volume growth is expected to continue. Postal officials said that in the past they avoided deterioration in first-class mail service through either improved productivity or budget overruns. Further staff-hour reductions scheduled for fiscal year 1976 may prompt similar action. However, reductions have affected some services, including

- reduced service for low-priority mail, such as circulars and pamphlets, causing delays in delivery time beyond Service standards;
- reduced window service causing waiting lines at some offices;
- reduced number of street letter boxes and afternoon collections; and
- reduced service for box customers so that mail was not ready for pickup until later in the day.

ACTIONS BEING TAKEN

The Service has taken or proposed actions to improve mail service in New Mexico. These actions should do much to alleviate the causes of mail delays. They include

- increased mechanization and proposed staffing changes at the Albuquerque State distribution center to facilitate processing all mail on the day received,

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- changed responsibility so that the destination office is responsible for improving delivery performance on mail received from 2- and 3-day areas as measured by the Origin/Destination Information System,
- increased monitoring of missent mail by implementing a program for sampling letters mailed within the Albuquerque district, and
- improved quality control program at the Albuquerque sectional center facility through appointing a full-time quality control officer.

AGENCY COMMENTS

New Mexico postal officials generally agreed with our findings. The Postmaster General, in his August 20, 1975, letter (see app. IX), stated that our report correctly reflected the quality of mail service in New Mexico during the year ending January 3, 1975, and that delivery performance for mail destined for the Albuquerque district from 2- and 3-day areas had improved since January 3. He also pointed out that the Service Improvement Program had advanced some mail arrivals 10 to 12 hours, thereby creating the potential for upgrading a considerable amount of mail from 3-day service to 2-day service.

Sincerely yours,

James B. [Signature]

Comptroller General
of the United States

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JAMES P. CALLOWAY
 CHIEF COUNSEL & STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
 WASHINGTON, D.C. 20510

January 15, 1975

B-114874

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

Dear Mr. Comptroller General:

For some time now I have been deeply concerned about the growing volume of consumer complaints regarding the quality of mail service being provided by the U. S. Postal Service, and the apparent ineffectiveness of the Postal Rate Commission. I am, therefore, requesting the assistance of the General Accounting Office in these two areas.

I should like the General Accounting Office to undertake an intensive review of the quality of mail service within the State of New Mexico, comparing delivery performance in New Mexico with regional and national performance and reporting its findings and conclusions on problems affecting the service and GAO's recommendations for their solution.

With regard to the Postal Rate Commission, I request that the GAO study include data on its cost, functions, continuity of management and an evaluation of its performance.

Should you or your staff require any help on these matters, do not hesitate to contact my office which will be pleased to assist you.

I much look forward to receiving from you comprehensive reports resulting from these studies.

With best wishes.

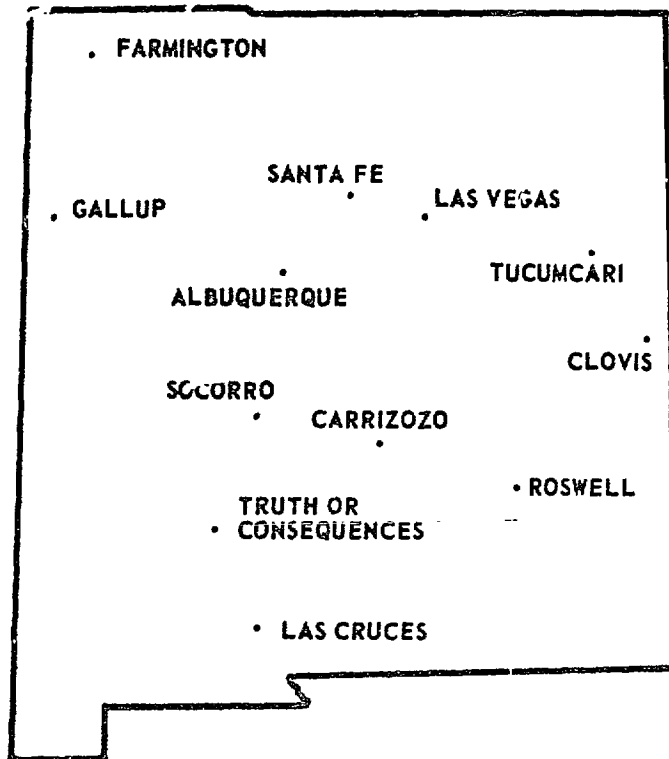
Sincerely,

Joseph M. Montoya

Joseph M. Montoya
 Chairman, Subcommittee on
 Treasury, Postal Service
 and General Government

JM/Ld

SECTIONAL CENTER FACILITIES
IN
NEW MEXICO



POST OFFICES VISITED

New Mexico:

First-class offices:

Alamogordo	Hobbs
Albuquerque	Las Cruces
Artesia	Las Vegas
Carlsbad	Lovington
Clovis	Portales
Deming	Roswell
Farmington	Santa Fe
Gallup	Socorro
Grants	Truth or Consequences
	Tucumcari

Second-class offices:

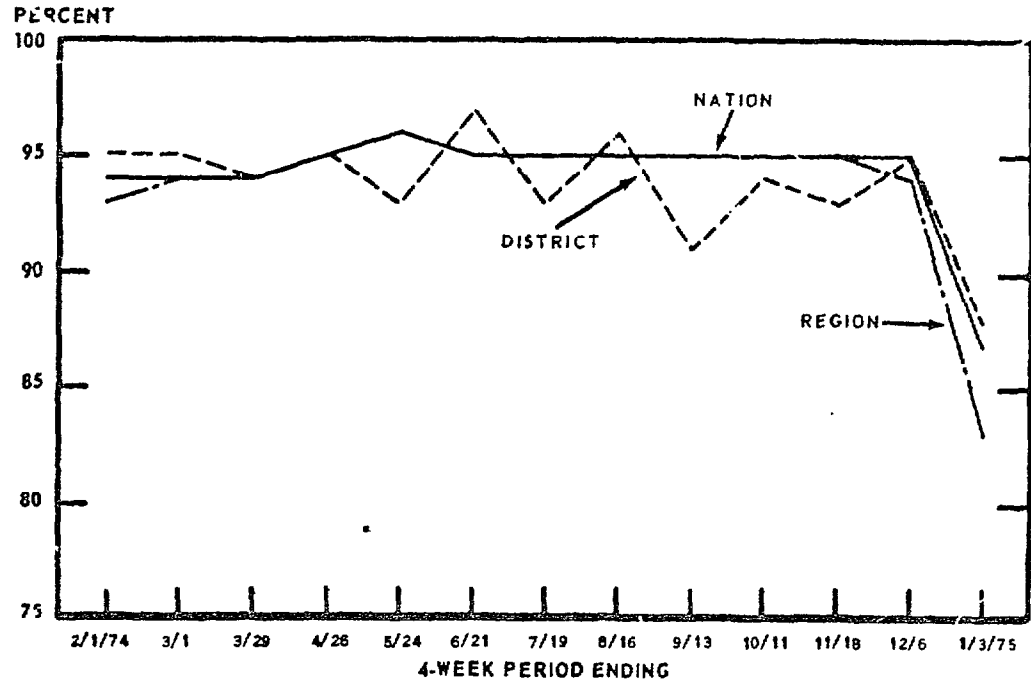
Bernalillo
Carrizozo
Hatch
Los Lunas

Texas:

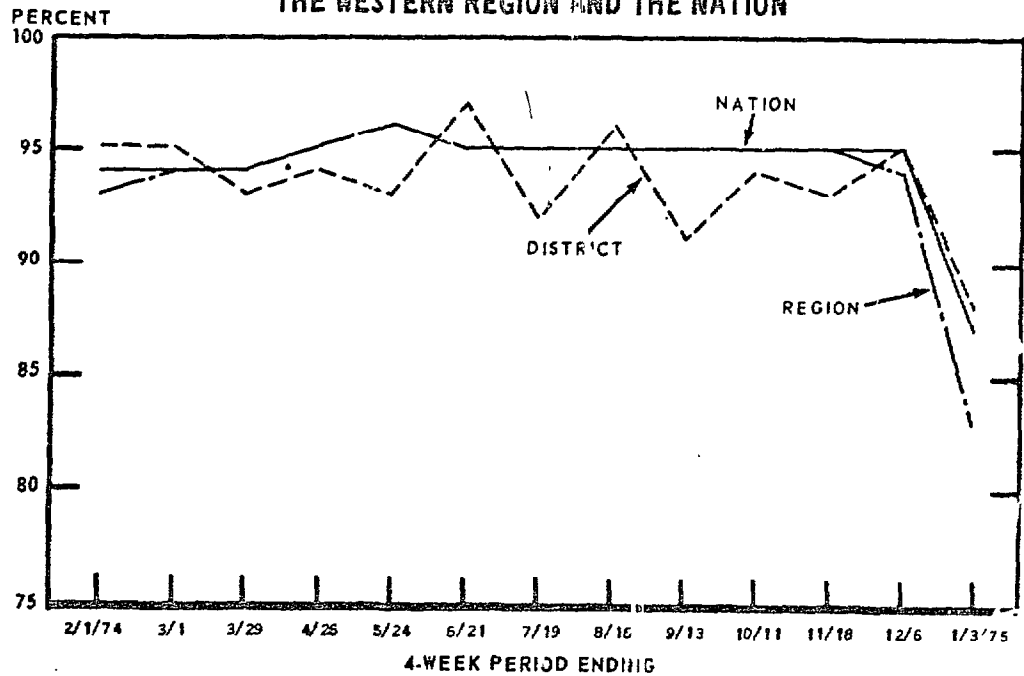
First-class office:

El Paso

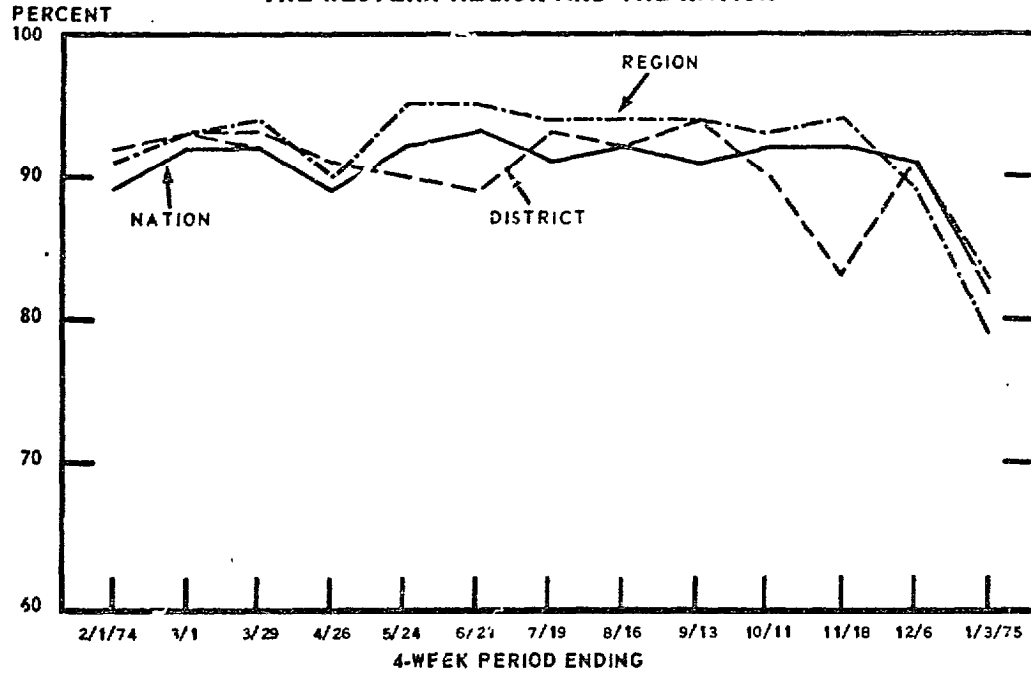
PERCENT COMPARISON OF ORIGINATING MAIL DELIVERED OVERNIGHT IN THE ALBUQUERQUE DISTRICT, THE WESTERN REGION AND THE NATION



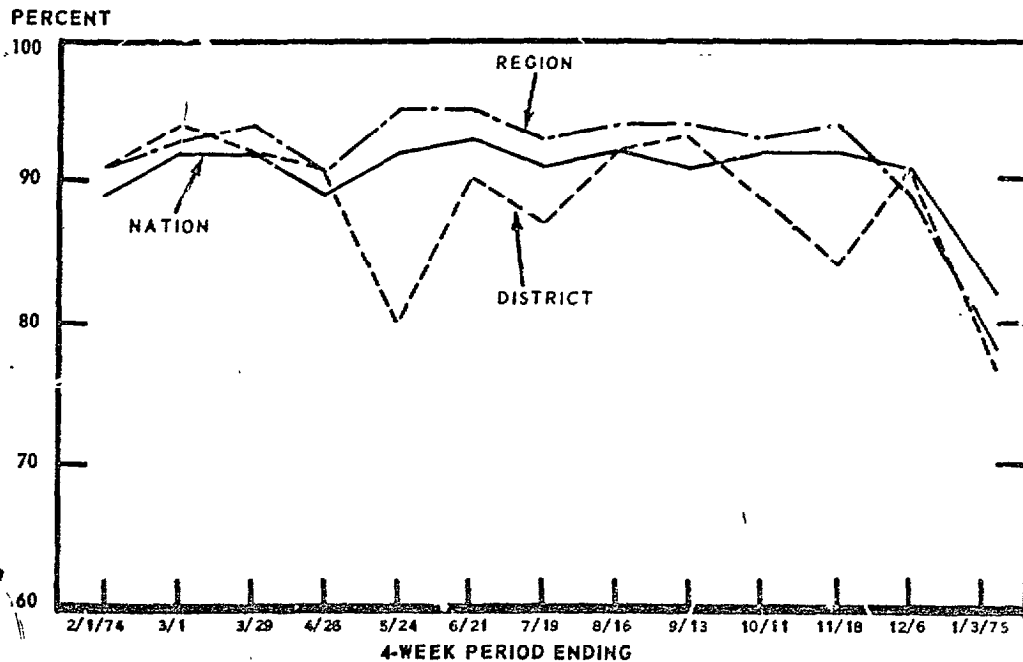
PERCENT COMPARISON OF DESTINING MAIL DELIVERED OVERNIGHT IN THE ALBUQUERQUE DISTRICT, THE WESTERN REGION AND THE NATION



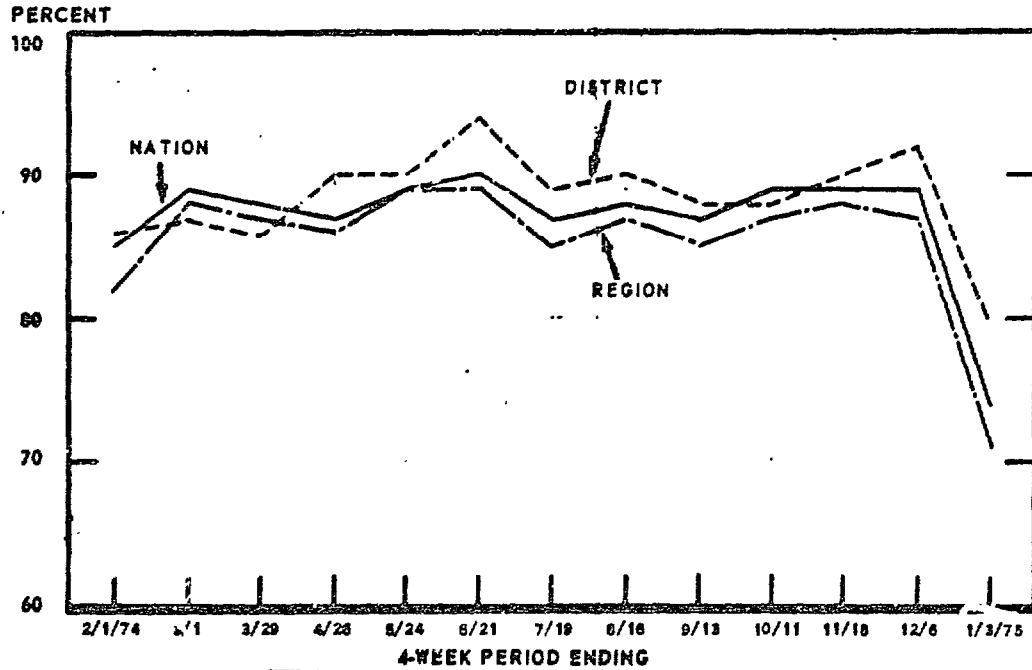
**PERCENT COMPARISON OF MAIL DELIVERED TO
2-DAY STANDARD AREAS FROM THE ALBUQUERQUE DISTRICT,
THE WESTERN REGION AND THE NATION**



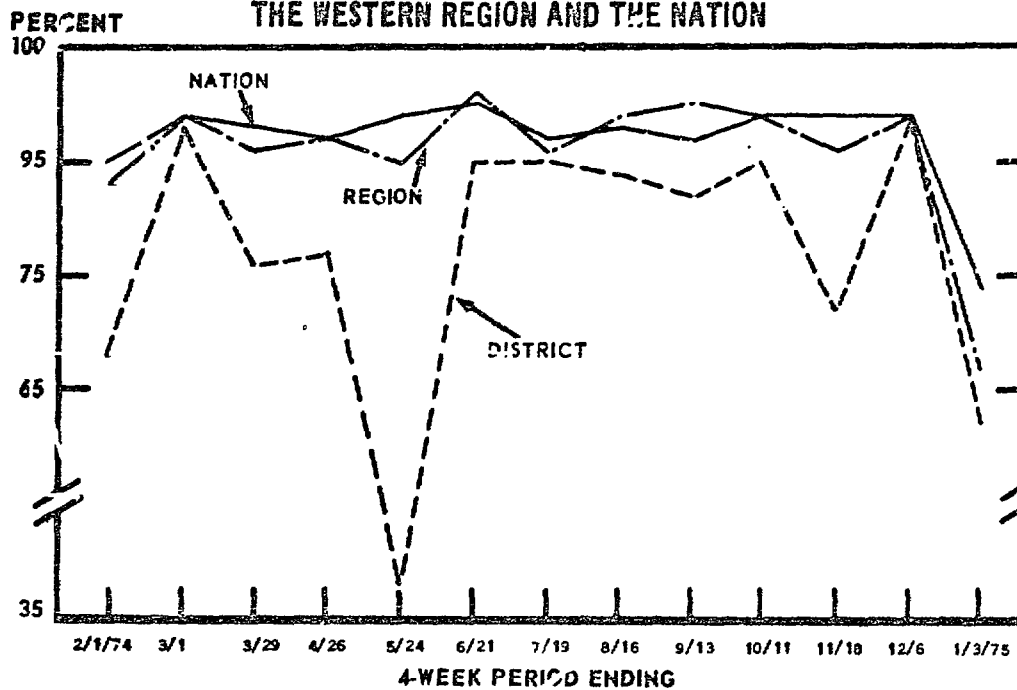
**PERCENT COMPARISON OF MAIL DELIVERED FROM
2-DAY STANDARD AREAS TO THE ALBUQUERQUE DISTRICT,
THE WESTERN REGION AND THE NATION**



**PERCENT COMPARISON OF MAIL DELIVERED TO
3-DAY STANDARD AREAS FROM THE ALBUQUERQUE DISTRICT,
THE WESTERN REGION AND THE NATION**



**PERCENT COMPARISON OF MAIL DELIVERED FROM
3-DAY STANDARD AREAS TO THE ALBUQUERQUE DISTRICT,
THE WESTERN REGION AND THE NATION**



TEST LETTER ORIGINS

New Mexico:

Albuquerque sectional center
facility:

Alameda
Albuquerque
Belen
Bernalillo
Bluewater
Bosque
Clines Corners
Corrales
Counselor
Cuba
Grants
Isleta
Los Lunas
Nageezi
Peralta
Rio Rancho
San Ysidro
Tome
Vequita

Carrizozo sectional center
facility:

Alamogordo
Carrizozo
Encino
Tularosa
Vaughn

Clovis sectional center
facility:

Broadview
Clovis
Fort Sumner
Grady
Portales

Farmington sectional center
facility:

Bloomfield
Farmington
Waterflow

Other States:

Dallas, Texas
Washington, D.C.

Gallup sectional center
facility:

Gallup
Thoreau
Tohatchi

Las Cruces sectional center
facility:

Anthony
Deming
Las Cruces

Las Vegas sectional center
facility:

Las Vegas

Roswell sectional center
facility:

Artesia
Caprock
Carlsbad
Hobbs
Lovington
Roswell
Tatum
Whites City

Santa Fe sectional center
facility:

Lamy
Santa Fe

Socorro sectional center
facility:

Polvadera
Socorro

Truth or Consequences
sectional center facility:

Hatch
Truth or Consequences

Tucumcari sectional center
facility:

Cuervo
Quay
Santa Rosa
Tucumcari

TEST LETTER DESTINATIONS

New Mexico:

Albuquerque
Santa Fe

Other States:

Alexandria, Virginia
Richardson, Texas
Washington, D.C.