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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20543

1-19-77

RELEASED

GENERAL GOVERNMENT  
DIVISION

OCT 29 1976

B-114874



The Honorable J. Bennett Johnston  
United States Senate

Dear Senator Johnston:

As you requested on December 18, 1975, we reviewed the quality of mail service in Louisiana.

During the year ending January 2, 1976, the Postal Service met its goal of 95-percent ontime delivery for mail committed to overnight delivery in Louisiana. 1/ Mail committed to 2- and 3-day delivery areas was on time 94 and 91 percent of the time, respectively. Mail delivery performance in Louisiana almost equaled regional and national performance on overnight and 3-day area mail and was better on 2-day area mail.

Mail sent to the wrong destinations, changes in the mail distribution system, and processing delays caused late mail delivery. Further, limited transportation, resulting in mail arriving late, was cited by local Service officials as a major cause for not meeting the 95-percent goal on mail arriving from outside the State. Local Service officials also said that budget reductions and hiring freezes had kept the staff level too low to provide more timely mail delivery.

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

On October 11, 1975, the Service implemented, on a test basis, the Service Improvement Program which eliminated airmail and upgraded first-class mail service commitments. Louisiana's success in meeting these test commitments was slightly lower than its success in meeting normal commitments. Comparison of the New Orleans, Baton Rouge, and

1/Refers to stamped, first-class mail.

Shreveport sectional center facilities'. 2/ performance in meeting the upgraded commitments with regional and national performance showed these sectional center facilities generally were poorer on overnight mail and better on 2- and 3-day area mail.

#### LOUISIANA POSTAL OPERATIONS

Louisiana is part of the Service's Southern Region. During our review, most of the sectional center facilities and post offices in Louisiana were administered by the New Orleans District. The New Orleans Sectional Center Facility processes most out-of-State mail destined for Louisiana.

Much of northern Louisiana's facilities, including those in Shreveport, are administered by the Dallas District Office. The Shreveport Sectional Center Facility distributes out-of-State mail destined for Louisiana from a limited number of post offices within the Southern Region.

The three sectional center facilities reviewed--New Orleans, Baton Rouge, and Shreveport--handle approximately 3.3 million pieces of mail daily and employ about 6,000 persons.

#### DELIVERY STANDARDS

To provide quality mail service, the Service established the following delivery standards for first-class mail:

- 1-day (overnight) delivery within local areas (generally deliveries within sectional center areas and between adjoining sectional centers).
- 2-day delivery within a 600-mile radius.
- 3-day delivery to remaining areas.

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 deliver 95 percent of the first-class mail within these standards.

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2/A mechanized mail handling facility for processing incoming and outgoing mail for peripheral local post offices in a designated service area.

The Service's Origin-Destination Information System collects and analyzes the statistics showing whether the Service achieved its goals. Under this system, delivery time is measured from the date mail is postmarked to the date it reaches the last delivery unit before being placed into the addressee's mailbox. Delays which would not be recognized can occur before postmarking and in delivery.

On October 11, 1975, the Service implemented, on a test basis, the Service Improvement Program. This program eliminated airmail and upgraded first-class mail service commitments principally by converting some 3-day commitments to 2-day commitments and expanding overnight delivery areas.

DELIVERY PERFORMANCE IN LOUISIANA IS GOOD

Using Service reports, we summarized the Service's first-class mail delivery performance in Louisiana for the year ending January 2, 1976, under normal commitments and from October 11, 1975, through February 27, 1976, under the upgraded commitments of the Service Improvement Program. Under the normal commitments, an average of about 95 percent of stamped first-class mail was delivered on time within overnight areas, but performance within 2- and 3-day areas was lower, as shown below.

<u>Delivery area</u>	<u>Percent of Louisiana mail delivered on time (note a)</u>	
	<u>Originating in State</u>	<u>Destined for State</u>
Overnight	95	95
2-day	94	94
3-day	90	91

a/The percentages used are a composite of the performance percentages of the nine sectional center facilities within Louisiana. Individual sectional center facilities may have had slightly higher or lower performance percentages.

Mail delivery performance in Louisiana was about equal to regional and national performance in overnight and 3-day area mail and was better on 2-day area mail.

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As shown in the following table, delivery performance under the upgraded commitments has been lower than under the normal commitments.

<u>Delivery area</u>	<u>Percent of Louisiana mail delivered on time (note a)</u>	
	<u>Originating in State</u>	<u>Destined for State</u>
Overnight	89	94
2-day	92	90
3-day	87	92

a/The percentages used are a composite of the performance percentages of the nine sectional center facilities within Louisiana. Individual sectional center facilities may have had slightly higher or lower performance percentages.

Using biweekly reports on the Service Improvement Program, we compared mail delivery performance of three sectional center facilities--New Orleans, Baton Rouge, and Shreveport--with that of the Southern Region and the Nation. The combined mail delivery performance of the three facilities through February 27, 1976,

--was poorer than regional and national performance on overnight mail delivery,

--exceeded regional and national performance on mail originating in Louisiana and destined for 2- and 3-day areas, and

--was better than national performance and almost equal to regional performance on mail delivered from 2- and 3-day areas. (See encls. II through V.)

#### DELAYED MAIL: A CONTINUING PROBLEM

Although only a small percentage of the first-class stamped mail is delayed, this represents a sizeable number of letters. Most of these letters will be a day or two late; some, however, can be excessively delayed, lost, mutilated, or destroyed. Obviously, late mail delivery can cause customer dissatisfaction.

Twenty-one percent of postal customer complaints received by the three sectional center facilities from October 1, 1975, through February 27, 1976, dealt with delayed mail. Moreover, fourteen of the 20 large mailers interviewed in the New Orleans area complained about delayed mail.

Mail sent to the wrong destinations, changes in the mail distribution system, and processing delays caused late mail delivery.

Test mailing results

To identify problems causing mail delays, we mailed 1,000 test letters as follows:

- 200 letters were mailed from 3 locations outside Louisiana to 4 locations in Louisiana,
- 240 letters were mailed in Louisiana to 3 locations outside Louisiana, and
- 560 letters were mailed between 4 locations within Louisiana.

The locations were New Orleans, Metairie, Eaton Rouge, and Shreveport, Louisiana; Dallas and Richardson, Texas; and Washington, D.C. 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 performance statistics. The following table shows the delivery performance for our test mailings.

	<u>Destined for overnight areas in Louisiana</u>		<u>Destined for 2-day areas</u>		<u>Destined for 3-day areas</u>		<u>All areas</u>	
	<u>Letters</u>	<u>Percent</u>	<u>Letters</u>	<u>Percent</u>	<u>Letters</u>	<u>Percent</u>	<u>Letters</u>	<u>Percent</u>
Delivery on time	307	87	483	90	104	95	894	89
Delivery delayed	<u>45</u>	13	<u>55</u>	10	<u>6</u>	5	<u>106</u>	11
Totals	<u>352</u>		<u>538</u>		<u>110</u>		<u>1,000</u>	

The good performance on mail between Louisiana and the only 3-day commitment area tested--Washington, D.C.--can be attributed to direct airline flights between the locations involved. Service officials said that because mail service between Washington, D.C. and New Orleans was good, they considered upgrading the 3-day commitment. However, they later determined that enough mail could not be delivered consistently to justify this upgrading.

#### Missent mail

Sending properly addressed mail to the wrong destination delays delivery. The Service has instituted regional and national programs to measure rates of missent mail among major facilities. The Southern Region's program, which includes New Orleans and Shreveport, showed a 2.2 percent combined missent rate for the year ending March 26, 1976. During this period, New Orleans and Shreveport missent 2.8 and 1.7 percent of its mail, respectively--amounting to about 7.4 million pieces of missent mail.

In January 1976, the Service initiated a national program to measure the rates of missent mail between 30 offices, including New Orleans. Through March 26, 1976, the New Orleans Sectional Center Facility missent 4.0 percent--about 4.3 million pieces--of its outgoing mail to the 29 other offices. About 4.1 percent of the mail New Orleans received from the other 29 offices was missent.

Postmarks showed that 2 of our 1,000 test letters had been missent. One was mailed from Washington, D.C., to Shreveport and was delivered a day late after being missent through the Metairie facility. The other letter, mailed in Baton Rouge, was missent to Waco, Texas, before being delivered a day late to Richardson, Texas. Some of the other late letters could also have been missent, but without additional postmarkings definite determinations could not be made.

#### Processing delays

As a part of a national program to reduce budgets, the New Orleans District Manager, in February 1976, curtailed the district's use of overtime. This action, coupled with the more ambitious delivery commitments under the Service Improvement Program, had adversely affected mail service throughout Louisiana.

To illustrate, the New Orleans Sectional Center Facility reported 603,100 pieces of delayed first-class mail--mail not processed in time to meet dispatches--from September 1, 1975, through February 20, 1976. Transportation irregularities and late arriving mail were the main causes for delayed delivery. From February 21 through April 10, 1976, the New Orleans Sectional Center Facility reported 6.2 million pieces of delayed first-class mail. Service officials said that much of this mail was delayed either because it arrived too late to be processed on time or it could not be processed because overtime had been curtailed.

As early as January 5, 1976, the New Orleans District advised the Southern Region that it was receiving late mail almost daily from certain areas. The late mail was arriving in New Orleans during peak processing for mail originating there, and it could not be processed in time to meet the 2-day statewide delivery commitment. The effect of this on mail delivery performance is shown in the table on page 5 and on the graph in Enclosure V.

A Shreveport postal official said mail arriving from New Orleans--and already late by the Service's standards--caused Shreveport difficulty in meeting its 2- and 3-day delivery commitments. Most of the late mail originated in the eastern United States and, in some cases, was 4 days old when it arrived in Shreveport.

On February 27, 1976, the New Orleans District Manager advised the Southern Region that mail was continually arriving late and noted that the problems started when the Service Improvement Program was implemented. He requested that many 2-day delivery commitments be returned to 3 days--including those for mail from Chicago, Los Angeles, New York, and San Francisco to New Orleans, Shreveport, and Monroe.

In mid-March 1976, Southern Region officials advised the Service's Northeast Region and Western Region that New Orleans, Shreveport, and Monroe were receiving late mail from post offices within the two regions and suggested that the commitments revert to 3 days. A Southern Region official told us that although the regions may reach agreement on commitment changes, such changes had to be approved at the headquarters level. We were told by Service officials that as of October, 1976, changes in commitments had been approved by headquarters officials for mail from New York to New Orleans, Shreveport, and Monroe but that the requested changes for Chicago, San Francisco, and Los Angeles were still pending approval.

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According to a Southern Region official, tight post office budgets and airline flight changes since the Service Improvement Program was planned in March 1975 caused mail to reach offices too late to be delivered within committed times.

Delays not measured by the Origin-Destination Information System

The Service's performance reports measure the time elapsed 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 between the time a letter is deposited in a mailbox and when it is postmarked or delays between the time a letter is received at a delivery unit and when it is delivered to the addressee.

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 the same day's postmark and, therefore, be eligible for delivery within the Service's standards. However, 16 of our 1,000 test letters were delivered late based on when they were placed in a mailbox, but were delivered on time based on when they were postmarked.

The percentage differences between delivery performance from the date of deposit to customer's receipt and from postmark date to delivery unit for our 1,000 test letters is presented below.

<u>Time included</u>	<u>Overnight areas</u>	<u>2-day areas</u>	<u>3-day areas</u>	<u>All areas</u>
	-----percent on time-----			
From deposit to customer	87	90	95	89
From postmark to delivery unit	88	93	95	90

A small difference in the percent of the mail delivered on time represents many letters and numerous potential complaints. For example, 1 percent of New Orleans' average daily mail volume represents about 29,000 letters.



SERVICE AFFECTED BY ECONOMIC MEASURES

The Postal Service has been faced with critical financial problems in recent years and has been seeking ways to economize. In January 1976, the Southern Region reduced the New Orleans District's fiscal year 1976 budget by \$2.3 million. This was in addition to an earlier \$2.2 million reduction in the District's original budget submission.

This had caused the New Orleans District to

- limit the use of overtime, thus, reducing workforce scheduling flexibility and contributing to delayed mail,
- reduce window service, and
- maintain a temporary restriction on hiring for selected job vacancies.

ACTIONS BEING TAKEN

The Service had taken or proposed a number of actions to improve mail service in Louisiana, including

- increasing the number of offices sending mail directly to Shreveport to be processed for statewide delivery, thus, reducing the workload in New Orleans during peak processing hours, and
- increasing the capacity of letter sorting machines at Baton Rouge and Shreveport, enabling these offices to process mail on a more timely basis and/or handle more mail.

Although these actions, when fully implemented, should do much to alleviate the causes of mail delays, all problems affecting mail service cannot be solved.

SCOPE OF REVIEW

Our review of the quality of mail service in Louisiana included a comparison of mail delivery in Louisiana with that in the Southern Region and the Nation. We concentrated on the Postal Service's sectional center facilities located in the State's three largest cities--New Orleans, Baton Rouge, and Shreveport. We conducted test mailings, contacted large mailers, and assessed workload and mail processing to identify

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problems affecting mail service. Discussions were held with Service officials in the major Louisiana sectional centers, the Southern Region, and Service headquarters in Washington, D.C.

As you requested, we did not obtain formal agency comments.

Sincerely yours,

*Victor L. Lowe*  
Victor L. Lowe  
Director

Enclosures - 8

ENCLOSURE I

ENCLOSURE I

HENRY M. JACKSON, WASH., CHAIRMAN  
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WILLIAM J. VAN NESS, CHIEF COUNSEL

United States Senate

COMMITTEE ON  
INTERIOR AND INSULAR AFFAIRS  
WASHINGTON, D.C. 20510

December 18, 1975

B-114874

Mr. Elmer Staats  
General Accounting Office  
Washington, D. C. 20548

Dear Mr. Staats:

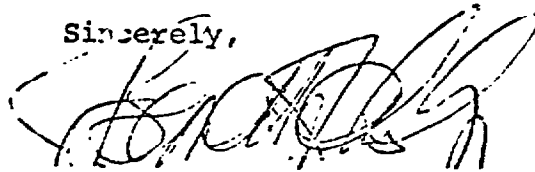
I am aware that the General Accounting Office has conducted studies of the effectiveness of postal service in different states of our country.

Over two years ago, such a study was conducted in New Orleans. Certainly there have been many changes in Postal Service operational procedures since the 1973 study. Therefore I would like to request a state-wide study of the quality of postal service in Louisiana.

In order for you to coordinate the study with my office, I have asked Alan Yuspeh, one of my legislative assistants, to be available as a liaison on this project.

With kindest regards, I am,

Sincerely,



J. Bennett Johnston  
United States Senator

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SERVICE IMPROVEMENT PROGRAM DELIVERY PERFORMANCE FOR  
BATON ROUGE, NEW ORLEANS, AND SHREVEPORT SECTIONAL  
CENTER FACILITIES COMPARED TO THE NATION AND SOUTHERN  
REGION FROM OCTOBER 11, 1975, THROUGH FEBRUARY 27, 1976

Mail originating in three centers compared to  
national scores

<u>Delivery area</u>	<u>Above national scores</u>	<u>Equal to national scores</u>	<u>Below national scores</u>
	<u>percent</u>		
Overnight	37	10	53
2-day	87	10	3
3-day	57	3	40

Mail originating in three centers compared to  
regional scores

<u>Delivery area</u>	<u>Above regional scores</u>	<u>Equal to regional scores</u>	<u>Below regional scores</u>
	<u>percent</u>		
Overnight	27	16	57
2-day	67	13	20
3-day	50	13	37

Mail destined for three centers compared to  
national scores

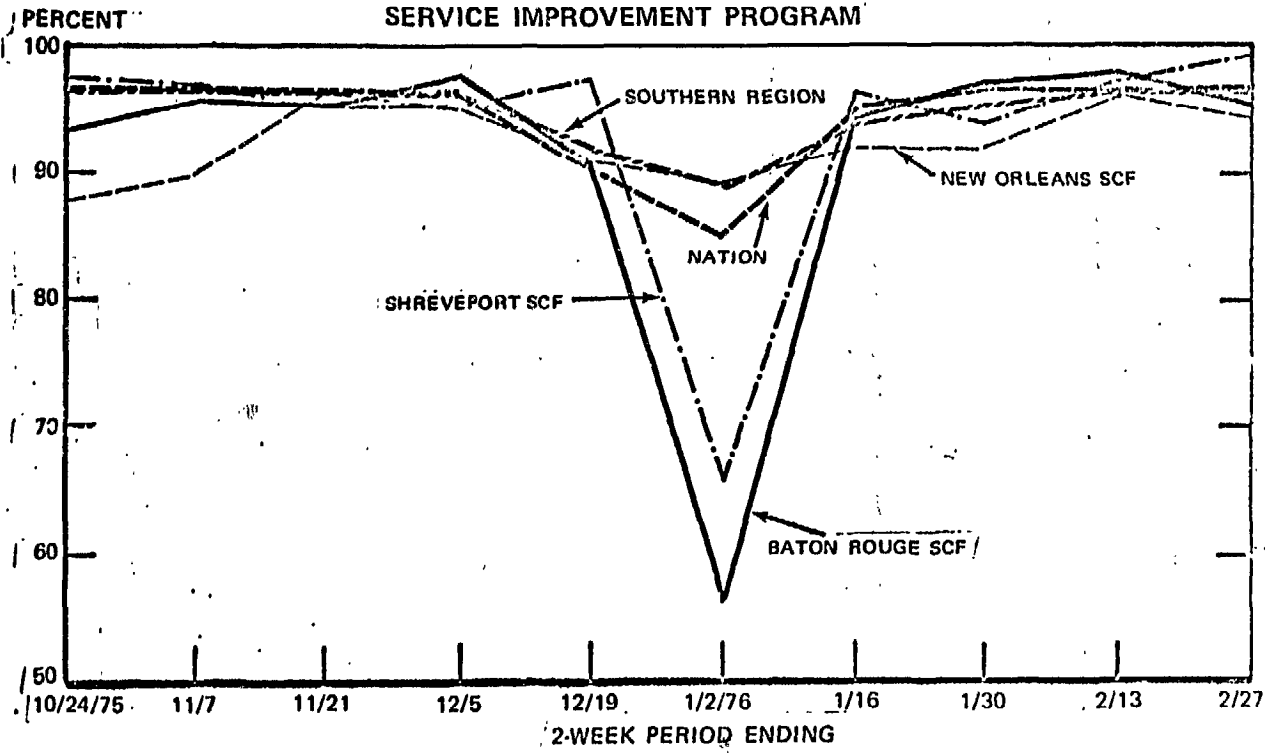
<u>Delivery area</u>	<u>Above national scores</u>	<u>Equal to national scores</u>	<u>Below national scores</u>
	<u>percent</u>		
Overnight	43	0	57
2-day	63	10	27
3-day	57	3	40

Mail destined for three centers compared to  
regional scores

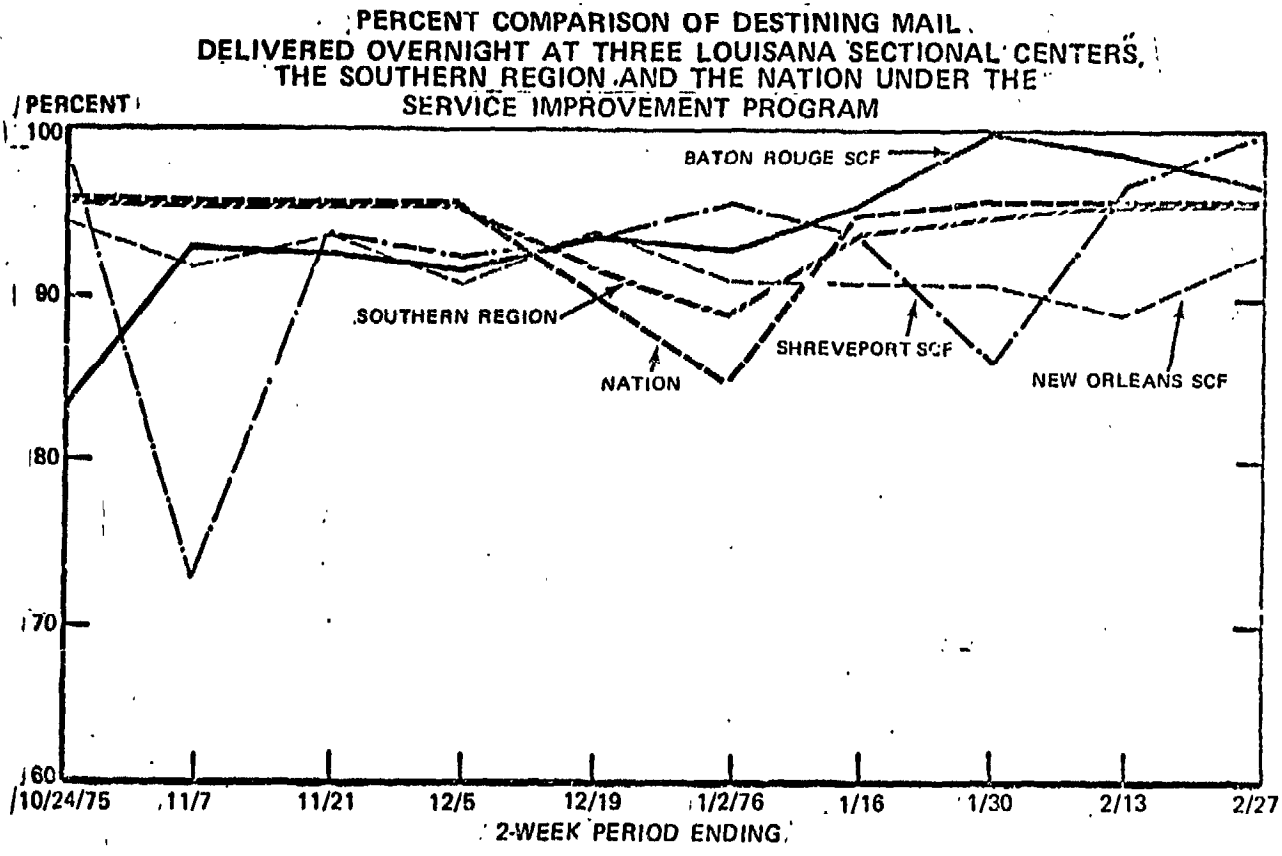
<u>Delivery area</u>	<u>Above regional scores</u>	<u>Equal to regional scores</u>	<u>Below regional scores</u>
	<u>percent</u>		
Overnight	44	3	53
2-day	37	10	53
3-day	43	7	50

ENCLOSURE III

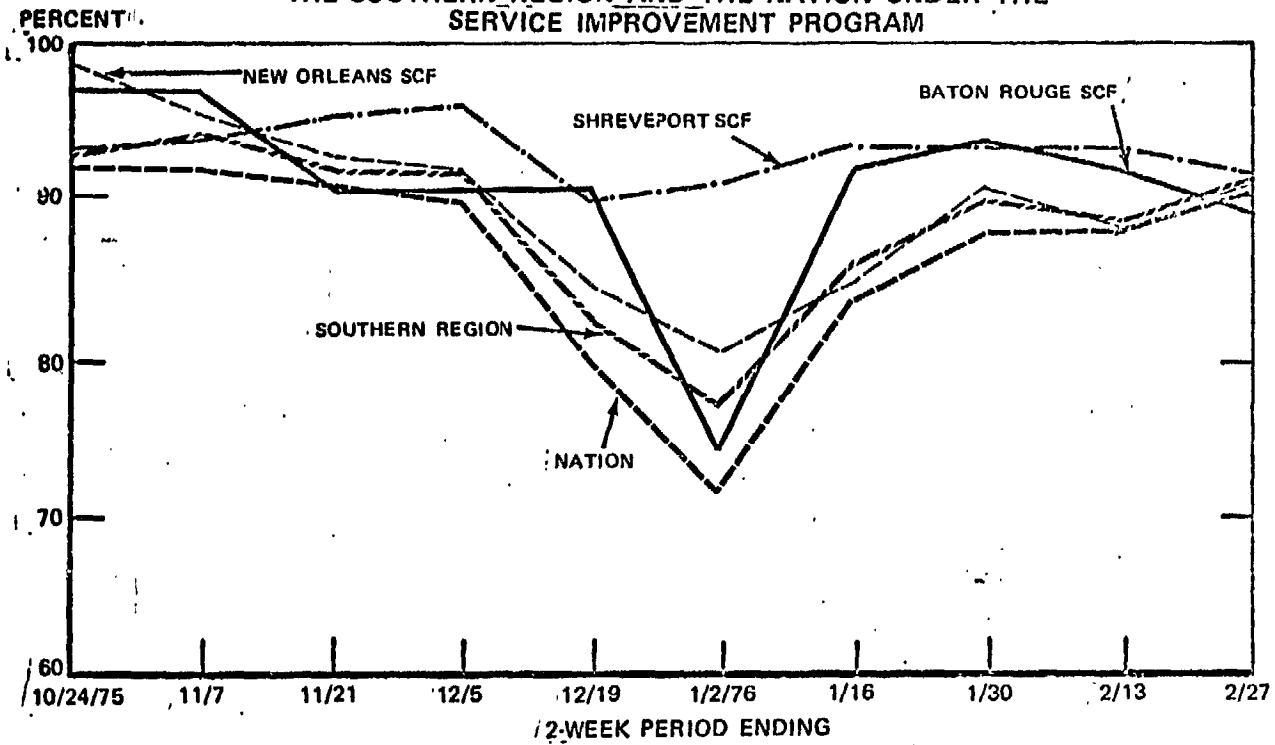
PERCENT COMPARISON OF ORIGINATING MAIL,  
DELIVERED OVERNIGHT AT THREE LOUISIANA SECTIONAL CENTERS,  
THE SOUTHERN REGION AND THE NATION UNDER THE  
SERVICE IMPROVEMENT PROGRAM



ENCLOSURE III



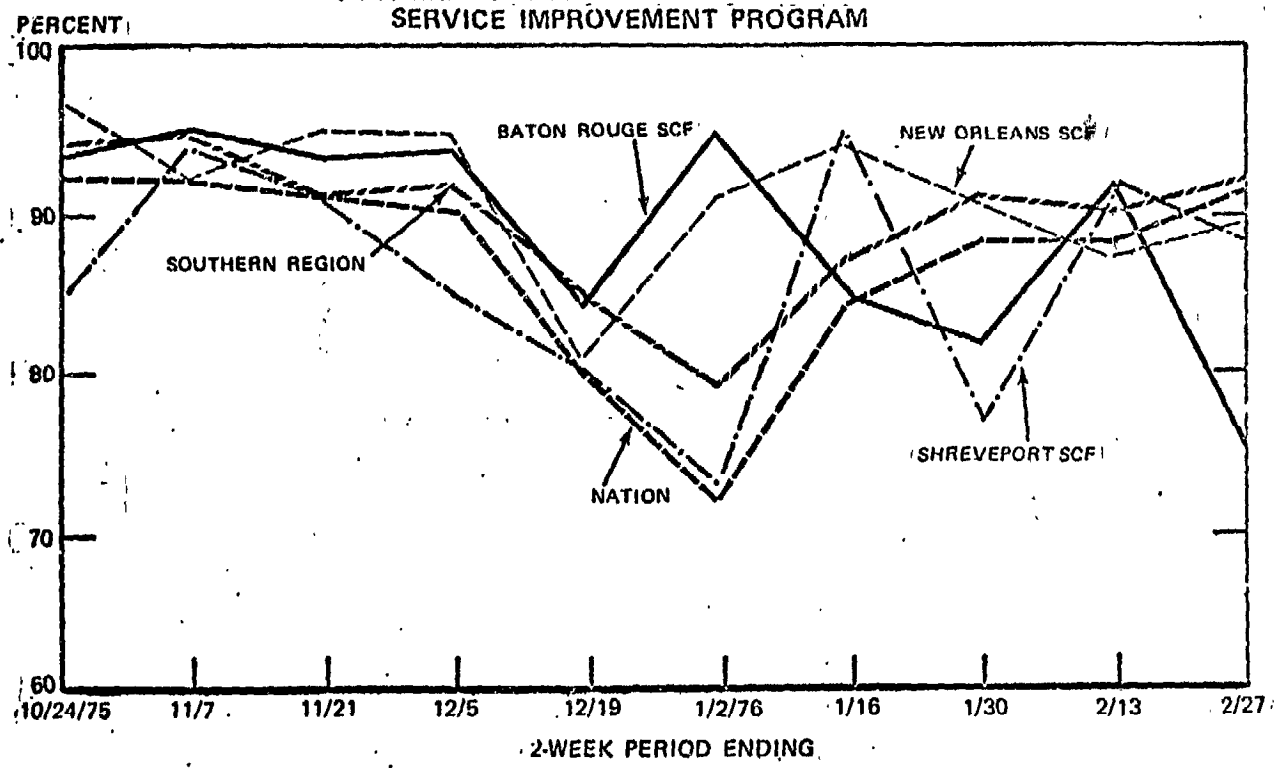
**PERCENT COMPARISON OF MAIL DELIVERED TO  
2-DAY STANDARD AREAS FROM THREE LOUISIANA SECTIONAL CENTERS,  
THE SOUTHERN REGION AND THE NATION UNDER THE  
SERVICE IMPROVEMENT PROGRAM**



ENCLOSURE V

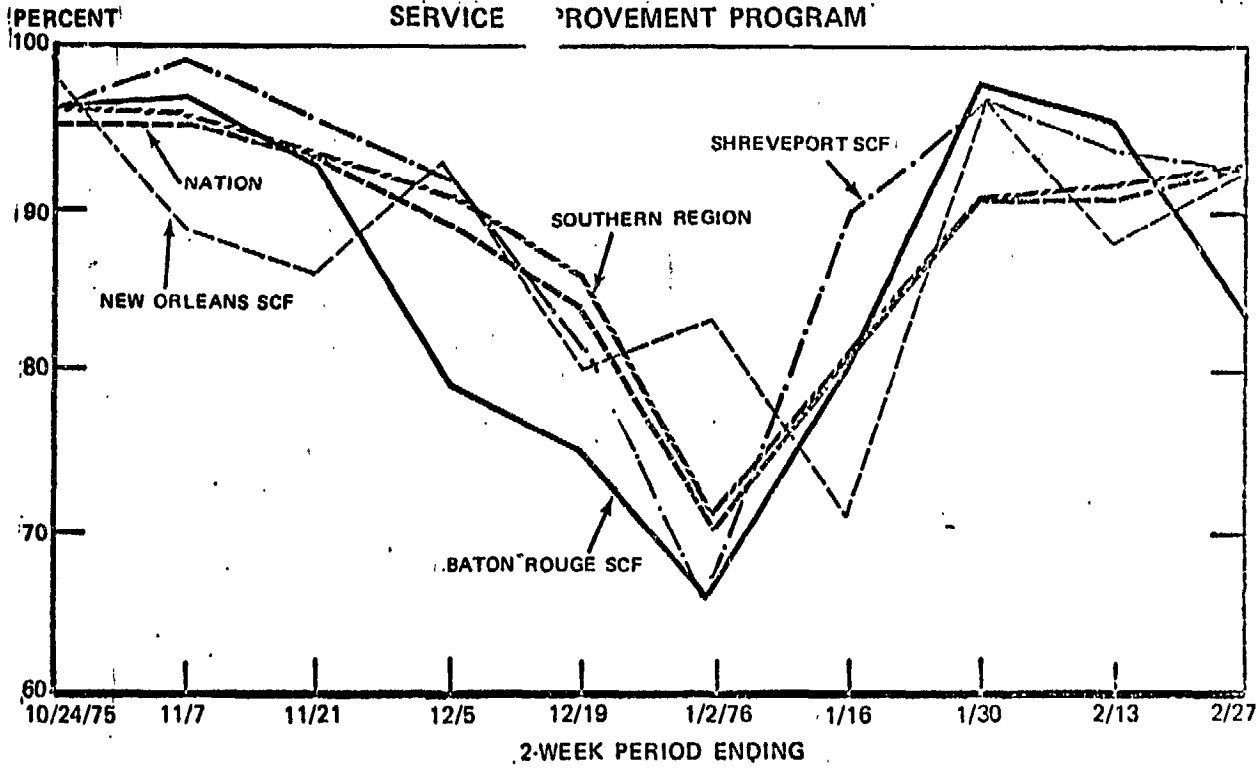
ENCLOSURE V

PERCENT COMPARISON OF MAIL DELIVERED FROM  
2-DAY STANDARD AREAS TO THREE LOUISIANA SECTIONAL CENTERS;  
THE SOUTHERN REGION AND THE NATION UNDER THE  
SERVICE IMPROVEMENT PROGRAM



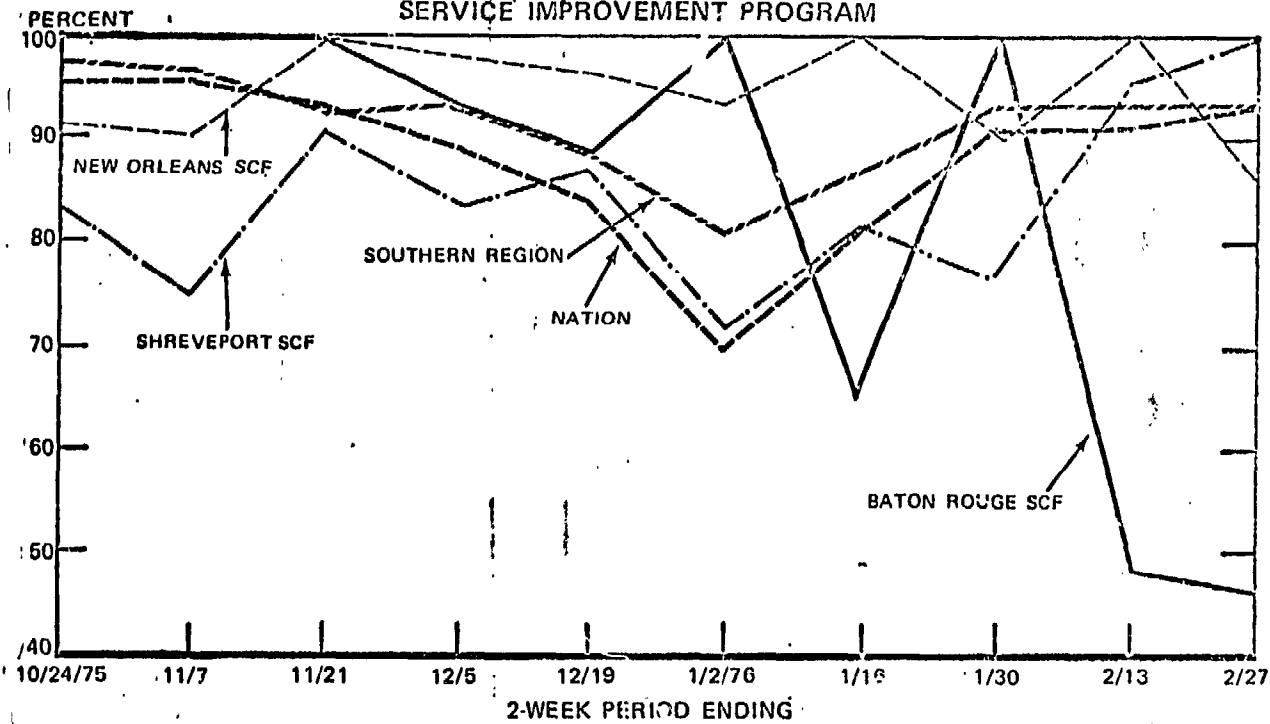


PERCENT COMPARISON OF MAIL DELIVERED TO 3-DAY STANDARD AREAS FROM THREE LOUISIANA SECTIONAL CENTERS, THE SOUTHERN REGION AND THE NATION UNDER THE SERVICE IMPROVEMENT PROGRAM



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PERCENT COMPARISON OF MAIL DELIVERED FROM  
 3-DAY STANDARD AREAS TO THREE LOUISIANA SECTIONAL CENTERS,  
 THE SOUTHERN REGION AND THE NATION UNDER THE  
 SERVICE IMPROVEMENT PROGRAM



ENCLOSURE VIII

ENCLOSURE VIII