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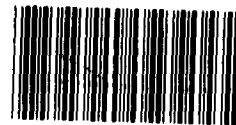
UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

GENERAL GOVERNMENT
DIVISION

B-203054

JULY 23, 1981

The Honorable Max Baucus
United States Senate



116212

Dear Senator Baucus:

Subject: [Quality of Mail Service to Postal
Patrons in Montana] (GGD-81-86)

This is in response to your February 26, 1981, request for a survey of mail service in Montana to determine if it has been meeting Postal Service delivery standards. We reviewed the Service's delivery performance statistics for First-Class Mail for fiscal year 1980 and found that overnight delivery exceeded the Service's 95 percent on-time delivery goal. Mail committed to 2- and 3-day areas did not meet the 95-percent goal but mail committed to be delivered in 2 days exceeded national averages.

These delivery statistics only provide a weighted average of the Service's performance in Montana. Delivery performances to some locations were worse than others, and delivery of mail originating outside Montana was generally below the overall delivery performances. In addition, when compared to statistics reported to you in 1977 (when we last reviewed the matter for you), delivery performances seem to have deteriorated.

You also asked about second- and third-class mail service. Although the Service has delivery standards for these classes of mail, it has no reliable performance data. Therefore, we are unable to draw any conclusions about the timeliness of second- and third-class mail delivery to Montanans.

POSTAL OPERATIONS IN MONTANA

Montana is part of the Service's Western Region, which includes 11 western states, Alaska, and Hawaii. Sectional center facilities ^{1/} (SCF) and post offices in Montana are under the direction of the district office located in Salt Lake City, Utah. The nine SCFs are located in Billings, Wolf Point, Miles City, Great Falls, Havre, Helena, Butte, Missoula, and Kalispell.

1/A sectional center facility is a large mail handling facility for processing mail for peripheral local post offices in a designated service area.

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Enclosure I shows the geographic area served by each SCF. In addition to processing mail for peripheral local post offices, the Billings SCF acts as the area distribution center for First-Class Mail and as the State distribution center, processing most out-of-State second-, third-, and fourth-class mail destined for delivery in Montana.

During fiscal year 1980, Montana's SCFs processed an average daily volume of about 665,000 First-Class letters destined for delivery to Montanans. The SCF with the largest volume was Billings, which processed about 160,000 First-Class letters each day; the Miles City SCF, which processed an average of about 24,000 letters each day, had the lowest volume.

DELIVERY STANDARDS

To provide quality mail service, the Service has established the following delivery standards for First-Class Mail.

--1-day (overnight) delivery within locally designated cities and SCFs.

--2-day delivery to locally designated States where mail arrives at the destination area distribution center by the critical entry time on the day after mailing. This includes areas as far away from Montana as New Mexico and Texas.

--3-day delivery to all remaining areas.

These standards apply only to First-Class Mail which has the proper address and ZIP Code and which is deposited by 5 p.m. The Postal Service's goal is to meet these delivery standards at least 95 percent of the time.

The Service also has standards for second- and third-class mail. Except for some locally established delivery commitments for mail originating within a SCF area, the Service's standards are based on distance. Second- and third-class mail traveling the farthest (more than 1,800 miles) has a 10-day delivery standard unless classified as preferential mail (newspapers, Special Delivery, or special handling) which has a 7-day delivery standard.

The Service's Origin-Destination Information System (ODIS) collects and analyzes data for use in showing delivery performance. Under the system, delivery time is the period between the date a piece of mail is postmarked and the date it reaches the last delivery unit before being placed into the addressee's mailbox. Delays which would not be recognized by the system can occur before postmarking and in delivery. Also, ODIS statistics reflect only the average performance within a given area.

FIRST-CLASS DELIVERY PERFORMANCES

Overall ODIS statistics for Montana show the Service exceeded its performance goals for overnight areas but failed to meet its goals for 2- and 3-day areas. The overall statistics also show that postal patrons in Montana are receiving about the same mail service as the rest of the Nation. Overall statistics do not tell the entire story, however, as (1) delivery performances in some areas of Montana were well below the State average, (2) delivery of mail originating outside Montana was significantly slower than all mail destined for delivery in the State, and (3) mail service seems to have deteriorated in some locations since 1977.

Overall statistics for First-Class Mail delivery in Montana, as well as, the Service's goals and a comparison with national averages, are shown in the following table.

<u>Delivery area</u>	<u>Mail delivered on time</u> (note a)	<u>Delivery performance goals</u>	<u>National averages</u>
	------(percent)-----		
Overnight	96	95	95
2-day	87	95	86
3-day	84	95	87

a/The percentages are a composite (weighted average) of performance percentages of the nine SCFs in Montana.

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Delivery performance varied among the SCFs. For example, 3-day delivery performance ranged from a high of 87 percent at Butte to a low of 75 percent at Kalispell. The fiscal year 1980 delivery performances are shown below by SCF.

<u>SCF</u>	<u>Delivery performance</u>		
	<u>Overnight</u>	<u>2-day</u>	<u>3-day</u>
	------(percent)-----		
Billings	97	91	86
Wolf Point	97	89	84
Miles City	97	91	87
Great Falls	96	89	83
Havre	98	85	84
Helena	95	91	85
Butte	97	85	87
Missoula	98	84	82
Kalispell	95	77	75
Weighted average	96	87	84

The above statistics are for First-Class Mail destined for delivery in Montana, including mail originating in Montana and mail originating at locations outside the State. If only mail originating outside the State is considered, the delivery performance drops considerably. Examples of such drops are shown below by 2-day delivery performances for selected SCFs, for the fourth quarter of fiscal year 1980.

<u>SCF</u>	<u>On time 2-day delivery performance</u>	
	<u>All First-Class</u>	<u>Mail originating outside Montana</u>
	------(percent)-----	
Wolf Point	91	81
Miles City	93	85
Great Falls	90	85
Havre	88	80

In February 1977 we reported to you that delivery performances in western Montana were below the Service's goals in many locations. A comparison of fiscal year 1980 ODIS statistics with the data in our 1977 report shows that for most locations, delivery performances to 2- and 3-day areas seem to have deteriorated.

In the Kalispell SCF area, for example, performance for deliveries to 2-day areas decreased from about 91 percent to 77 percent, and performances for deliveries to 3-day areas decreased from about 85 percent to 75 percent. Likewise, at Missoula 2-day performance decreased from about 93 percent to 84 percent, and 3-day performance decreased from about 90 percent to 82 percent. It should be noted, however, that 2-day commitments have been expanded, which makes achieving Service goals more difficult. (See agency comments below and enc. II.)

SECOND- AND THIRD-CLASS DELIVERY PERFORMANCES

The Service's standards for delivery performance for second- and third-class mail generally depend on the distance the mail must travel. Delivery commitments for mail to be delivered in the same area where it originates are established by local postal officials.

Second-class mail does not have a postmark which could be used to measure delivery performances. As a result, the Service has no statistically reliable measurement of second-class delivery performance in Montana.

The Service gathers delivery performance statistics for third-class mail, but these statistics are unreliable because of the small number of letters having postmarks. For example, in the second quarter of fiscal year 1981, the average daily volume of third-class mail to be delivered in the Wolf Point SCF area was 23,742 pieces. Of these, only 485 pieces contained a postmark and could be used for assessing delivery performances.

Because there are no statistically reliable measurement systems for second- and third-class mail deliveries, we are unable to draw any conclusions about their timeliness.

AGENCY COMMENTS

In commenting on our draft report, the Postmaster General stated that delivery performances have been affected by reduced air service in Montana and by the expansion of 2-day delivery commitments making both the Service's 2- and 3-day goals more difficult to achieve. He also stated that surveys of all mail processing centers showed that one center--Butte--needed some mail processing improvements.

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To deal with these problems, the Postmaster General said the Service is placing increased emphasis on monitoring the late arrival of mail to identify specific transportation and transfer problems, and it is taking corrective action to improve distribution and dispatch procedures in Butte. (See enc. II.)

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We would be pleased to meet with you or your staff should you desire additional information on this matter. Copies of this report will be made available to the Postal Service and other interested parties 30 days from the date of the report unless you publicly release its contents earlier.

Sincerely yours,

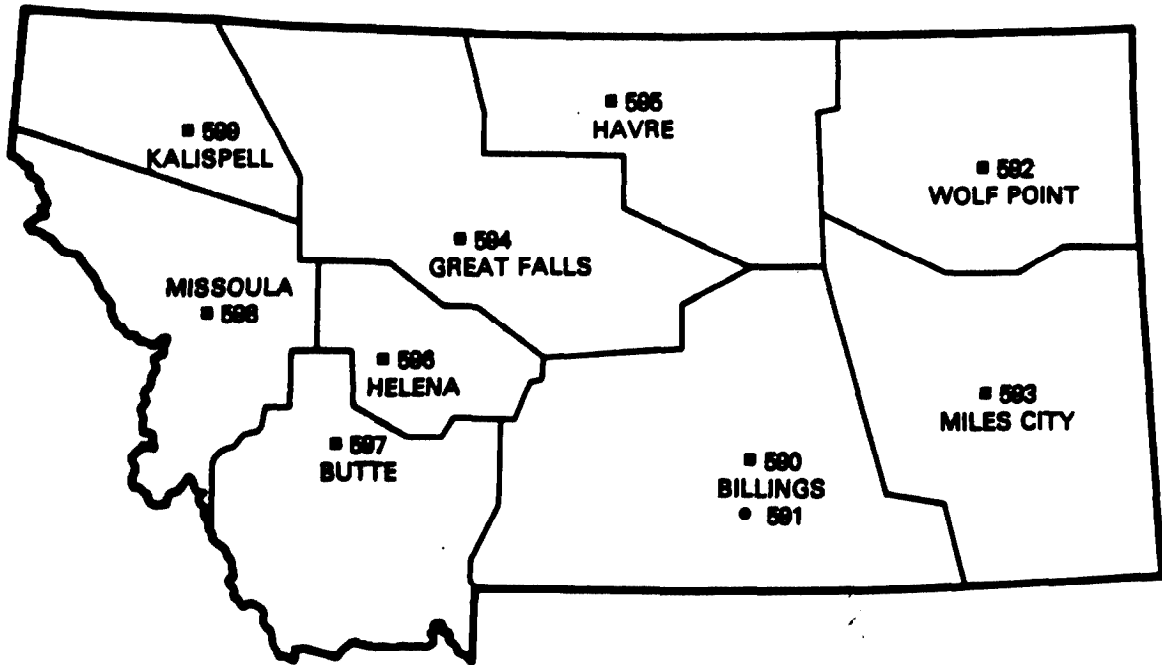
W. J. Anderson

William J. Anderson
Director

Enclosures - 2

THREE-DIGIT ZIP CODE MAP

MONTANA



LEGEND:

- SERVES ASSOCIATE POST OFFICES WITHIN THAT 3-DIGIT ZIP CODE AREA.
- IS A CITY WHICH HAS BEEN ASSIGNED ITS OWN 3-DIGIT ZIP CODE BUT WHICH IS NOT A SECTIONAL CENTER.

NOTE: BOUNDARY LINES SHOWN ARE MERELY AN ARTIST'S CONCEPTION AND ARE NOT NECESSARILY ACCURATE.

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THE POSTMASTER GENERAL
Washington, DC 20260-0010

July 16, 1981

Dear Mr. Anderson:

This refers to the draft report you submitted to us on the "Quality of Mail Service to Postal Patrons in Montana."

According to the report, in 1980 (1) overnight delivery for first class mail exceeded the Service's 95% on-time delivery goal, but mail committed to 2-day and 3-day areas did not meet the 95% goal; (2) compared to 1977 statistics, delivery performance deteriorated; and (3) mail originating outside Montana was generally below the overall delivery performance level.

It should be noted that since 1977 the Postal Service has increased its two-day service commitment to additional service areas, making the two-day standard more difficult to achieve. This change has also had the effect of removing some of our easier three-day commitments, thereby making it harder to achieve our overall three-day service goal.

In addition, air service to Billings has been reduced somewhat since 1977. Although scheduled planes fly within the necessary time frames, their lift capacity is, at times, inadequate. As a result, the mail must be deferred to later flights, sometimes delaying delivery.

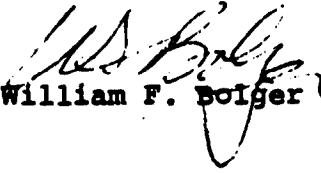
In most states, mail originating outside the state takes longer to reach its destination than intra-state mail. Mail originating outside Montana is affected by the somewhat inadequate air service into the state.

To deal with these problems, we are reviewing our two-day and three-day service commitments for Montana, and we are placing increased emphasis on monitoring the late arrival of managed mail to identify specific transportation and transfer problems.

We have also had a quality improvement team survey all Montana mail processing centers. It found that all were current in processing mail except Butte, and corrective action has been taken there to improve distribution and dispatch procedures.

We think the measures we have taken will be helpful and we appreciate having had the opportunity to review your proposed draft.

Sincerely,



William F. Bolger

Mr. William J. Anderson
Director, General Government
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