

GAO

Report to Congressional Requesters

June 1987

POSTAL SERVICE

Mail Delivery to New Residential Addresses:
Adherence to Policy Can Be Improved



039080



General Government Division

B-226092

June 5, 1987

The Honorable William D. Ford
Chairman, Committee on Post Office
and Civil Service
House of Representatives

The Honorable Mickey Leland
Chairman, Subcommittee on Postal
Operations and Services
Committee on Post Office and
Civil Service
House of Representatives

The Honorable Robert Garcia
House of Representatives

This report responds to your request that we review the Postal Service's national program to deliver mail to neighborhood delivery and collection box units which are commonly called cluster boxes. As requested, we focused our efforts on (1) determining how the Service's national policy governing the placement of cluster boxes was being implemented during 1985 and (2) reviewing the validity of the Service's mail delivery cost study. As you agreed, we will report separately on these two issues. This report describes the results of our review to determine how the national policy on the placement of cluster boxes was carried out by postal officials at 15 communities in 13 states.

Our review of the implementation of the cluster box policy, performed from October 1985 through October 1986, included interviews with postal officials responsible for mail delivery services on a national level as well as at community post offices, letter carriers at the 15 communities visited, officials from the two major mail carrier unions, and housing developers. We also reviewed available documents and records on how national policy governing the use of cluster boxes was being interpreted and carried out by postal officials at the community post offices visited.

Our review showed that:

- Since 1978 Postal Service policy on providing mail delivery services to residential customers stipulates that delivery to cluster boxes is one of three delivery options available to new housing areas. The other two are mailboxes located either at the curb or behind the sidewalk.

- To contain mail delivery costs, postal managers are strongly encouraged by top postal officials to actively promote delivery to cluster boxes. However, they are required by postal policy to make developers of new housing areas aware of the three options.
- Decisions on the type of mail delivery service to be provided to new homes are supposed to be made by developers who, for new housing areas, are viewed by the Postal Service as postal "customers."
- Postal officials in 3 of the 15 communities visited told us they had not offered any alternative to delivery to cluster boxes. (See p. 10 of app. I.)
- Postal officials in the 12 other communities told us that they routinely revealed the three delivery options to developers. However, 19 of the 24 developers we interviewed in the 12 communities said that they had been offered only cluster boxes by postal officials. Thirteen of the 19 preferred cluster boxes for their housing areas but 6 told us that they would have selected curbside delivery if they had known about this option. (See p. 11 of app. I.)
- For cluster boxes installed during fiscal year 1985, postal officials in 2 of the 12 communities provided none of the required documentation of developers' consent to have mail delivered to cluster boxes. At 9 of the 12 post offices, the required documentation was missing for some of the 1985 installations. The number of installations with missing documentation ranged from a high of 76 percent to a low of 15 percent. One post office had documents signed by developers for all of its 1985 cluster box installations. (See p. 12 of app. I.)
- Most of the post offices visited used a form to document developers' consent to have mail delivered to cluster boxes. The forms did not, however, indicate the availability of three delivery options. One post office had added a sentence to its form saying that the developer was advised of the three delivery options. (See p. 13 of app. I.)
- Postal officials publicly claim that three delivery options are available and that customers (i.e., developers) are choosing cluster box mail delivery over the other options in new housing areas. The Service does not, however, have a monitoring system to assure that all options are being offered. (See p. 14 of app. I.)

Details on the methodology and results of our review are in appendixes I and II.

Recommendations to the Postmaster General

To improve local adherence to the Postal Service's policy on providing options for mail delivery services to new residential addresses, we are recommending that the Postmaster General have (1) post offices' compliance with policy requirements periodically checked and (2) the developer-consent document revised so that it clearly discloses to developers the availability of two delivery options in addition to cluster boxes. (See p. 14 of app. I.)

Agency Comments

In commenting on a draft of this report, the Postal Service agreed with our recommendations. We were told that audit items responsive to the first recommendation are being included in the Service's review process and that a policy paper issued to field divisions in January 1987 stressed the importance of proper documentation and signed agreements for centralized mail delivery to new residential addresses. The Service said they are also reviewing the entire program.

To better document the offering of mail delivery options, the developer's consent document will be manually modified to clearly disclose the availability of delivery options. The modification will be incorporated into the next printing of the form.

The three post offices not offering delivery options when we did our field work have assured postal headquarters that they are now doing so and that centralized delivery has been the developers' first choice. One office reported that cluster boxes have become so popular that some residents and housing associations have requested that their curbside delivery be converted to cluster boxes. The Service's comments on the draft report are included as appendix III.

As arranged with your offices, we are sending copies of this report to the Postmaster General; the Director, Office of Management and Budget; and other interested parties, including the Chairman of the Subcommittee on Government Information, Justice and Agriculture, Committee on Government Operations, House of Representatives.

W. J. Anderson

William J. Anderson
Assistant Comptroller General

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Mail Delivery to New Residential Addresses

Figure I.1: Cluster Boxes in Virginia Beach, Virginia

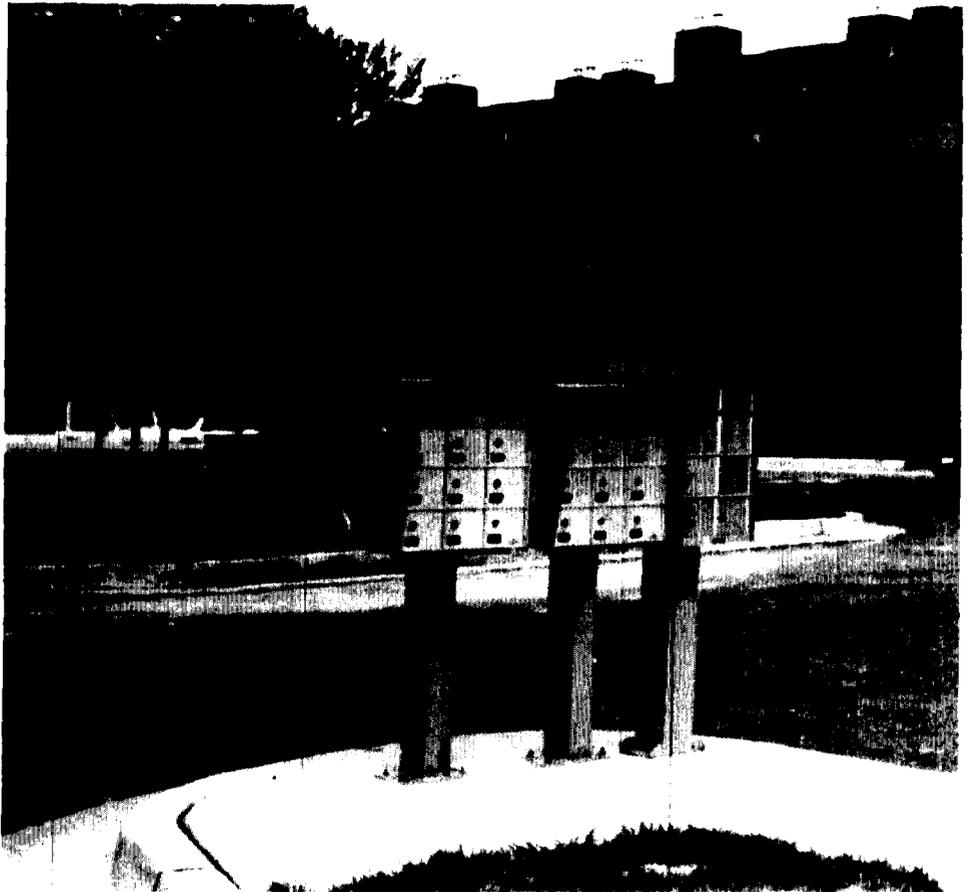


Background

Mail for residential customers is delivered either to the door, to curbside mailboxes, to sidewalk mailboxes, or to cluster boxes. Residential customers are responsible for purchasing, installing, and maintaining the mailboxes used for delivery to the door, curbside, and sidewalk locations. The Postal Service purchases, installs, and maintains cluster boxes. Door delivery for new residential customers was stopped in 1978.

Cluster boxes are pedestal-mounted units which are located outdoors and are used to consolidate mail delivery at a single point for either 8, 12, or 16 houses. Each house served by a cluster box is required to pick up mail from its own separate, locked compartment.

Figure I.2: Cluster Boxes in Columbia, Maryland



The Service conducted an experimental program delivering mail to cluster boxes from 1967 to 1975. During that period the Service purchased, installed, and maintained cluster boxes. This program was suspended by the Postal Reorganization Act Amendments of 1976 which placed a moratorium on the Service installing cluster boxes in new housing areas. The congressional concern was that delivery to cluster boxes represented a reduction in mail delivery service.

After the moratorium expired in March 1977, the Service continued to encourage mail delivery to cluster boxes but with the boxes being purchased and installed by customers. This arrangement apparently proved to be ineffective in promoting the use of cluster boxes. In December 1980, the Service proposed that postal regulations be modified to allow the Service to encourage the acceptance and continued use of cluster boxes by agreeing to purchase, install, maintain, and replace the boxes.

The proposed modification was finalized by publication in the March 5, 1981, Federal Register.

The final rule authorized the Service to procure, install, maintain, and replace cluster boxes when it determined that this would improve the efficiency of mail delivery.

Figure I.3: Cluster Boxes in Maryland Village East, Phoenix, Arizona



Cluster Boxes Expected to Contain Costs

By consolidating mail delivery at a single point for 8 to 16 homes, cluster boxes are expected to contain delivery costs by reducing the amount of time required to deliver mail.

In June 1984, the Service initiated a study to update its costs of delivering mail to the door, curbside, and cluster boxes. The Service desired

more comprehensive information to provide greater certainty that claimed savings from delivering mail to cluster boxes were valid. We have reviewed this study and, as agreed with the staff of the Subcommittee on Census and Population, we will report separately on our analysis of the cost data compiled by the Service.

Objectives, Scope, and Methodology

In September 1985, Representative William D. Ford, Chairman of the House Committee on Post Office and Civil Service; Representative Robert Garcia, former Chairman of the Committee's Subcommittee on Census and Population; and Representative Mickey Leland, Chairman of the Committee's Subcommittee on Postal Operations and Services, asked us to review the Service's cluster box program. Based on discussions with staff of the Subcommittee on Census and Population, we focused on (1) evaluating how national policy governing the use of cluster boxes was carried out during fiscal year 1985 by local postal officials and (2) reviewing the validity of the data in the Service's mail delivery cost study.

As requested by staff of the Subcommittee on Census and Population, we divided our work into two phases. This report on the first phase describes how the Service's national policy on cluster box usage was carried out by local postal officials in 15 communities.¹

The first phase of the requested review began in October 1985. We briefed staff of the Subcommittee on Census and Population on the results of our work in August 1986. We worked at Postal Service Headquarters in Washington, D.C.; all five postal regional offices; and at post offices in the 15 communities visited. The communities, listed in appendix II, were selected to ensure coverage of (1) all five postal regions, (2) communities with relatively large numbers of cluster boxes, (3) varying geographic and environmental conditions, and (4) both urban and rural areas. We reviewed pertinent fiscal year 1985 documents, records, and files on (1) policy interpretations, (2) policy exceptions, (3) cluster box installations, (4) mailbox theft and vandalism incidents, (5) congressional inquiries on cluster box deliveries, (6) customer complaints, and (7) cluster box maintenance problems.

We interviewed Service officials responsible for mail delivery services on national and local levels, postal Inspection Service personnel at 12

¹We visited 16 communities but the Annandale, Virginia, Post Office had, contrary to what the records showed, no cluster box installations during 1985.

field locations, and 36 letter carriers, who were selected based on the high number of cluster boxes on their routes. We also interviewed officials from the two major mail carrier unions.

Additionally, we interviewed 32 property developers, builders, or managers who were randomly selected from post office records at the 15 communities visited. The number we interviewed was not large enough to permit statistically sound projections, but was, we believe, large enough to obtain a sense of whether property developers, builders, or managers were typically made aware of the three mail delivery options before agreeing to have mail delivered to cluster boxes.

We performed our work in accordance with generally accepted government auditing standards.

Three Communities Offer No Options

Postal Service policy on how mail delivery services are to be provided to new residential addresses stipulates that cluster mailbox delivery is to be offered as one of three mail delivery options available to new housing areas. Mail delivery to curbside boxes or to mailboxes located behind the sidewalk are the other two options. Postal managers are supposed to promote delivery to cluster boxes while still making sure that developers of new housing areas are aware of all three options. The decision on the choice of mail service should then be left up to the developer who, for new addresses, is considered by the Postal Service to be the postal "customer."

Despite the requirement that all three options be offered to developers, postal officials at 3 of the 15 communities visited told us that they only offer delivery to cluster boxes. The three communities were Houston, Texas; Shawnee Mission, Kansas; and Columbia, Maryland.

Houston has experienced unusually high population growth in recent years and in order to deal with the increase in the number of deliveries, postal officials deemed it necessary to install as many cluster boxes as possible. Consequently, mail delivery to cluster boxes was the only option offered to developers of new housing. Similarly, in Shawnee Mission, Kansas, and Columbia, Maryland, cluster boxes were "promoted" during discussions with developers. Program coordinators said that they did not inform developers of the other two options but would approve them if requested by developers. (Options were not offered to any of the developers of Columbia because of a long-standing agreement with the major developer to use only cluster boxes for mail delivery to residents.)

Options Important to Some Developers

All eight developers we interviewed from Houston, Shawnee Mission, and Columbia told us that they were not offered delivery options by local postal officials. Moreover, even though the availability of delivery options was unimportant to five of the developers interviewed (they told us they would have selected cluster box delivery over the other two options), the options were important to the three developers who told us they would have preferred curbside delivery. To illustrate this:

- A Shawnee Mission developer said that he had been forced to use cluster boxes in the second phase of a new housing area even though the first phase had curbside delivery which he preferred.
- Similarly, two Houston developers told us they were required to use cluster boxes even though they would have preferred curbside delivery because they believe it provides a more convenient service to homeowners.

Adherence to Policy in Other Communities Is Questionable

Postal officials in 12 communities² told us that they routinely revealed the three delivery options, reaching mutual agreements with developers on the type of delivery to be provided. However, our discussions with developers and the extent to which documentation of consent by developers is lacking makes the validity of this claim questionable. Nineteen out of 24 developers interviewed told us that they had not been offered any delivery options other than cluster boxes.

Of the 19 developers, 13 told us that they would have, if offered, selected delivery to cluster boxes. However, 6 said that they would have selected curbside delivery if they had been informed of this option. For example:

- A Sacramento, California, developer told us he would have selected curbside boxes if he had been aware of that option. He believes that cluster boxes are convenient for the Postal Service and not for the homeowners who would prefer individual home delivery.
- A Tucson, Arizona, developer said that she specifically requested curbside delivery for the townhouses in a retirement community, but postal officials told her that she did not have a choice. She told us that she preferred curbside service because the cluster box locations are an inconvenience for disabled residents.

²The 12 communities are: (1) Brooklyn, New York; (2) Bronx, New York; (3) Boston, Massachusetts; (4) New Brunswick, New Jersey; (5) Virginia Beach, Virginia; (6) Greensboro, North Carolina; (7) West Palm Beach, Florida; (8) Lexington, Kentucky; (9) Saint Paul, Minnesota; (10) Tucson, Arizona; (11) Phoenix, Arizona; and (12) Sacramento, California.

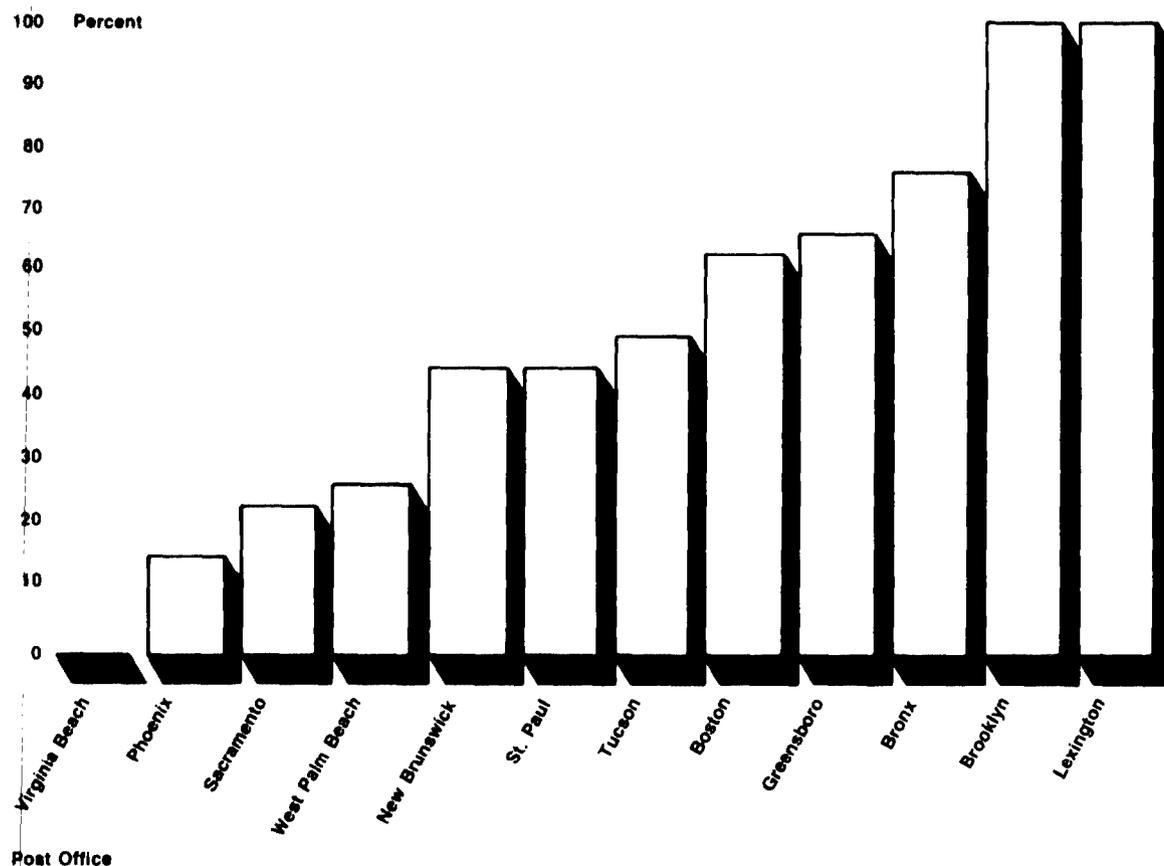
- A Bronx, New York, developer of townhouses also would have selected delivery to curbside boxes if that option had been mentioned, so that residents would not have had to walk so far for their mail.

Developers' Consent Documents Missing

Documentation of the fact that developers' representatives consented (by signing a document) to have mail delivered to cluster boxes is required by the Service's national policy. Service headquarters has supplied a preprinted "Mode of Delivery Fact Sheet" for this purpose.

Despite this requirement, postal officials in 2 of the 12 communities who claimed to have routinely offered delivery options were unable to provide any signed documents to indicate that decisions to install cluster boxes in fiscal year 1985 were agreed to by developers. (Two hundred and seventy-eight cluster boxes were installed in these two communities during 1985.) Moreover, as shown in figure I.4, missing developer-consent documents in nine of the other post offices ranged from 76 percent to 15 percent. One post office (Virginia Beach) was able to provide documents signed by developers for 100 percent of its 1985 cluster box installations.

Figure I.4: Unavailability of Developer Consent Documents at 12 Post Offices (Fiscal Year 1985)



Delivery Options Not Disclosed on Developer-Consent Document

More than one-half of the post offices who claimed to have routinely offered delivery options used the standard preprinted "Mode of Delivery Fact Sheet" supplied by Service headquarters to document developers' consent to have mail delivered to cluster boxes. However, this form does not disclose to developers the availability of three delivery options. One post office (New Brunswick, New Jersey) has modified this form to openly and clearly state:

"I have been advised of the alternative methods of delivery such as curblin, sidewalk or Neighborhood Delivery and Collection Box Units (NDCBU)."³

³"Neighborhood Delivery and Collection Box Unit," or NDCBU, is Postal Service terminology for cluster boxes.

Program Managers' Dilemma

Program managers face a dilemma as they are periodically reminded by top management officials of the requirement to offer the three delivery options, while they are also periodically reminded that the increased use of cluster boxes is considered crucial to the Service's objective of containing delivery costs. Furthermore, the Service has a monitoring system to find out if managers have a plan to promote cluster box usage but, as discussed below, there is no system to ensure local adherence to the policy which requires that delivery options be offered.

Local Adherence to Offering Delivery Options Not Monitored

The policy requirement to offer delivery options and to document developer consent to have mail delivered to cluster boxes has existed since 1981. However, our discussions with program managers and our review of program files showed that compliance with these requirements is not periodically checked by postal officials. Consequently, the failure by postal officials to consistently reveal the availability of delivery options and to document developers' consent goes undetected while postal officials are publicly claiming (in correspondence and congressional testimony) that postal customers (i.e., developers) are choosing cluster box mail delivery in new housing areas.

Conclusions

Postal officials responsible for establishing mail delivery services in the communities we visited did not consistently adhere to the Service's policy on providing mail delivery services to new addresses in 1985. They did not in all cases make developers aware of the availability of the two delivery options in addition to cluster boxes and did not adequately document that developers agreed to the decision to install cluster boxes. Developer awareness and documentation of resultant decisions could be improved if the developer-consent document clearly disclosed the availability of three mail delivery options.

Recommendations

In order to ensure that all post offices nationwide are consistently adhering to the policy on providing mail delivery service to new residential addresses, we recommend that the Postmaster General direct:

- that Division Managers/Postmasters periodically check post offices' compliance with policy requirements to assure that the three delivery options are being offered to developers and that decisions made by developers are adequately documented; and
- the Assistant Postmaster General, Delivery Services Department, to revise the developer-consent document so that it clearly discloses to

developers the availability of two delivery options in addition to cluster boxes.

Proportion of Cluster Box Deliveries to Total Deliveries in Communities Visited (Fiscal Year 1985)

Communities visited listed by postal region	Total residential deliveries	Total clusterbox deliveries	Cluster box deliveries as percent of total deliveries
Northeast Region			
Boston, MA	654,013	1,895	0.29
New Brunswick, NJ	27,007	1,836	6.80
Brooklyn, NY	928,733	436	0.05
Bronx, NY	423,189	322	0.08
Eastern Region			
Annandale, VA	18,828	1,938	10.29
Columbia, MD	25,465	16,836	66.11
Virginia Beach, VA	116,960	18,748	16.03
Southern Region			
Greensboro, NC	68,195	8,829	12.95
West Palm Beach, FL	131,016	14,670	11.20
Houston, TX	915,364	35,208	3.85
Central Region			
Lexington, KY	84,449	5,282	6.25
St. Paul, MN	220,510	10,782	4.89
Shawnee Mission, KS	90,061	8,911	9.89
Western Region			
Tucson, AZ	219,283	58,909	26.86
Phoenix, AZ	419,328	27,545	6.57
Sacramento, CA	221,744	18,937	8.54

March 16, 1987, Letter From the Postmaster General



THE POSTMASTER GENERAL
Washington, DC 20260-0010

March 16, 1987

Dear Mr. Anderson:

Thank you for the opportunity to comment on your proposed report entitled Mail Delivery to New Residential Addresses: Adherence to Policy Can Be Improved.

We agree with the report's recommendations (1) that post offices' compliance with the Service's policy requirements regarding mail delivery to new residential addresses be periodically checked and (2) that the developer's consent document be revised so it clearly discloses the availability of other delivery modes in addition to cluster boxes.

Audit items responsive to your first recommendation are being included in our review process, and on January 28 a policy paper was issued to our field divisions stressing the importance of proper documentation and signed agreements in regard to centralized delivery systems for new residential addresses. We are also reviewing the entire program.

In keeping with your second recommendation, instructions are being issued to the field to manually modify the developer's consent document to clearly disclose the availability of other delivery systems. These changes will also be incorporated into the next printing of the forms.

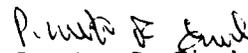
The three offices visited in GAO's early 1986 field work that were not offering alternative delivery modes to developers have been contacted, and they assure us they are now doing so, and centralized delivery is the developers' first choice. In the Shawnee Mission area cluster boxes have become so popular that some residents and housing associations

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have requested that their curbside delivery be converted to cluster boxes.

We appreciate having the benefit of your review and your helpful recommendations.

Sincerely,


Preston R. Tisch

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