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**REPORT TO THE
HOUSE COMMITTEE ON
POST OFFICE AND CIVIL SERVICE**



**BY THE COMPTROLLER GENERAL
OF THE UNITED STATES**



**Federal Agencies Could Do More
To Economize On Mailing Costs**

The Federal Government is the largest single user of postal services. In fiscal year 1974, Federal agencies and departments spent about \$440 million to send 2.8 billion pieces of mail.

In passing the Postal Reorganization Act, the Congress intended that the Postal Service become a self-sustaining enterprise. To do so, its customers must pay their full share of mailing costs.

This report reviews present Federal mailing procedures and includes recommendations for improvements.

GGD-75-99

AUG. 25, 1975

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

B-114874

The Honorable David N. Henderson
Chairman, Committee on Post Office
and Civil Service
House of Representatives

Dear Mr. Chairman:

In response to the Committee's request, we are providing you with our observations on the mailing practices of Federal agencies.

As your office agreed, agency comments have been obtained and are included as appendix II.

We want to invite your attention to the fact that this report contains recommendations to the Administrator of the General Services Administration which are set forth on pages 14 and 15. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House and Senate Committees on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report. We will be in touch with your office in the near future to arrange for copies of this report to be sent to the Administrator and the four other Committees to meet the requirements of section 236.

Sincerely yours,


ACTING Comptroller General
of the United States

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ABBREVIATIONS

DOL	Department of Labor
DSA	Defense Supply Agency
GAO	General Accounting Office
GSA	General Services Administration
NARS	National Archives and Records Service
SSA	Social Security Administration

COMPTROLLER GENERAL'S REPORT
TO THE CHAIRMAN, COMMITTEE ON
POST OFFICE AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES

FEDERAL AGENCIES COULD DO
MORE TO ECONOMIZE ON MAILING
COSTS

D I G E S T

Federal agencies can save millions of dollars by economizing in their mailing practices. Savings can be achieved by using

- less expensive classes of mail service such as first class in lieu of airmail, and third class in lieu of first class (see p. 2);
- special mail services such as special delivery, insured, and certified mail, only when warranted (see p. 5); and
- letter-size envelopes instead of the more costly "flats" or large-size envelopes (see p. 7).

Before the Postal Reorganization Act of 1970, postal deficits were covered by the U.S. Treasury. There was little incentive on the part of the old Post Office to insist that agencies pay their fair share of mailing costs.

As a result, mailing instructions for departments and agencies did not receive much attention from their managements. There was

- inadequate instructions to mail users on the various types of mail service available (see p. 9);
- little or no training for mail users in many agencies on how to use available mailing services (see p. 12); and
- little or no review of mailing practices to see that mail was sent most economically (see p. 12).

The Postal Reorganization Act created the Postal Service to be a self-sustaining enterprise. Therefore, customers must pay their full mailing costs.

Tear Sheet. Upon removal, the report cover date should be noted hereon.

Toward this end, the Service adopted a more accurate method of determining Federal agencies' mailing costs. This new method has resulted in higher costs to agencies.

The National Archives and Records Service of the General Services Administration is responsible for setting records management standards and for evaluating agency programs to see that effective controls over paperwork (including mail) are established and maintained. (See p. 9.)

The National Archives and Records Service should:

- Revise its Government-wide mailing instructions to provide clear guidance on the circumstances under which each class of mail or special mail service should be used. The instructions should be revised periodically to reflect changes in available services, delivery times, and costs. (See p. 15.)
- Expand its records management program evaluations to see that Federal agencies are (1) moving their mail most economically and (2) providing training to show mail users how to reduce mailing costs. (See p. 15.)

The National Archives and Records Service has concurred with these recommendations and is taking corrective actions to improve agency mailing practices. (See app. II.)

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CHAPTER 1

INTRODUCTION

The Federal Government is the largest single user of postal services. In fiscal year 1974, agencies and departments spent about \$440 million on 2.8 billion pieces of mail. Mail originates from many Federal installations and field offices throughout the Nation.

Federal agencies' postage costs increased greatly after the Postal Reorganization Act (39 U.S.C. 101) terminated the Post Office Department and created the United States Postal Service in July 1971. In fiscal year 1973, for example, postage costs for Federal agencies increased 38 percent over the previous fiscal year--from \$272 million to \$374 million. The higher costs for fiscal year 1973 resulted primarily from more accurate volume measurements rather than from any substantial increase in Federal mail usage.

Before the Postal Reorganization Act, postage costs for Federal agencies were determined in an informal way, since any Post Office Department deficit was met by congressional appropriation. As a result, most Federal agencies did not pay their actual costs nor, in many cases, were they aware of their true postage costs.

The Postal Reorganization Act gave the Postal Service a self-sufficiency mandate; the ultimate objective is to have mailers pay total Postal Service operating costs. To comply, Government agencies are now expected to reimburse the Service on the basis of services rendered.

We planned our work to cover nine agencies whose postage costs were among the highest for fiscal year 1974. We decided to identify mailing cost reduction opportunities at selected field installations rather than make a detailed analysis of any single agency's mailing practices. The agencies and locations studied are listed in chapter 5.

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CHAPTER 2

FEDERAL MAILING COSTS CAN BE REDUCED

Federal agencies can do more to reduce mailing costs by not using

- airmail and first-class mail when less expensive services are adequate for their purposes;
- special delivery, insured, and certified mail; and
- large-size envelopes or "flats" to send material which could be folded and mailed in less costly letter-size envelopes.

LOWERING THE USE OF PREFERENTIAL SERVICES

During fiscal year 1974, about 2.1 billion pieces mailed by Federal agencies were airmail or first-class mail. Federal agencies can save significantly by reducing their use of these classes of service. For example, two agencies could have saved about \$340,000 annually by using first class instead of airmail. Use of third-class instead of first-class mail service would have saved about \$500,000 at another agency. These examples are discussed below.

Reducing airmail use under the Department of Labor's Unemployment Insurance Program

The Department of Labor (DOL) pays all the administrative costs of the Unemployment Insurance Program. At the California State Employment Development Department, we studied mailing practices under this program. State employment security agencies could economize on postage costs by eliminating airmail service for interstate claim transactions.

DOL and State officials were unaware that, according to Postal Service delivery standards, the time advantage of using airmail for destinations exceeding 600 miles is only 1 day because first-class mail is also transported by air. Given this data, DOL and State officials agreed that first class was adequate for all interstate claim mailings. We estimated that the potential annual savings from eliminating such airmail use nationwide could be about \$240,000.

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Savings from less airmail use by
the Social Security Administration

The Social Security Administration (SSA) could also reduce mailing costs by eliminating unnecessary use of airmail service.

SSA headquarters in Baltimore used airmail for approximately 1 million annual mailings to its 1,300 district offices. The pieces mailed, in large and odd-size envelopes, contained routine material which did not warrant preferential airmail service. SSA officials were unaware that the time advantage of using airmail for distances exceeding 600 miles is only 1 day.

We estimated SSA could save about \$102,000 by using first-class instead of airmail. SSA officials agreed to use the less expensive class of postal service for these routine items.

Less costly service possible
for Bureau of Mint mailings

In conjunction with reviewing mail use by the Department of the Treasury, we examined the need for the Bureau of the Mint in San Francisco to use first-class mail in advertising its numismatic products. The Mint could economize by using third-class bulk mail service for mailing announcements of the various coins and medals offered for sale to the public.

In fiscal year 1974, the San Francisco Mint mailed announcements to potential customers on seven occasions using first-class mail. Each mailing involved 2.8 million announcements. Two of these mailings were specifically for the American Revolution Bicentennial Administration, which pays the Postal Service directly. The postage rate for first-class mail is 10 cents per ounce or fraction of an ounce. Third-class mail costs are about 40 percent less.

About \$500,000 could have been saved by using third-class bulk service (at approximately 6 cents per piece) to mail these announcements. These savings result from the difference between first- and third-class rates reduced by the extra cost incurred for certain postal fees and

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for preparation necessary to qualify for third-class bulk rates.

Comments of Mint officials
and our evaluation

Officials at the Mint agree there are potential savings in converting from first-class to third-class mail. However, they also feel there are some disadvantages in using third-class mail. The officials believe that third-class mail (1) does not insure delivery of announcements to most customers reasonably close to the same day and (2) tends to give the contents a "junk mail" image.

Mint officials told us that, for public relations purposes, it is important that announcements be delivered to all potential customers on or about the same day because purchase orders are processed on a first-in-first-out basis, and avid collectors are highly sensitive to the possibility that some customers might have an earlier opportunity to respond. To help insure that announcements are received on about the same day, first-class mailings to the East Coast are released by the Mint 1 day before those sent to the West Coast because time standards established by the Postal Service show 2-day delivery within a 600-mile radius and 3-day delivery beyond 600 miles.

We told the officials that, according to Postal Service delivery standards, third-class bulk mailings could also be staggered to insure delivery to customers on about the same day. With third-class bulk service, however, mailings to the East Coast would have to be released 4 days before those to the West Coast, since the standards show 6 days for delivery within a 600-mile radius, and 10 days for distances over 1,800 miles. They believe, however, that the nonpreferential treatment of third-class mail would defeat their objective, as announcements could be delivered sporadically over a period of at least 10 days.

In any case, the number of coins and medals manufactured is based on the number of orders received, and the Mint usually does not receive more orders than it can produce. The collectors, therefore, are not in any real danger of having an order unfilled. In the absence of material loss, we believe the sensitivity issue of who receives the announcements first does not outweigh the potential savings involved.

With respect to the issue of junk mail, Mint officials believe that third-class mail is more suitable for random mailings of coupon distributions, contests, and "give-away" promotions, where only very small percentage

responses are sought, than it is to marketing a known mailing list anticipating a 30-percent response. They further stated that, because they are marketing a product of value, they attempt to imply value in their packaging and mailing material to convince customers their product is worth the selling price. To do otherwise, the officials believe, might cause a substantial loss in gross receipts.

We contacted several large direct mail advertising firms and were told that use of third-class bulk mail does not create an undesirable image and that the junk mail issue is not a problem. One firm, for example, conducted a study which showed advertising mail sent first class does not elicit a greater customer response. Furthermore, in our opinion, the concept of junk mail would depend on the contents of an envelope and not on the class of mail by which it was sent. In the case of the Mint, the envelope and the contents would be the same no matter what class of mail was used.

In summary, the officials stated that they plan to conduct further investigation into conversion to third-class mail, seek advice from private researchers on the subject, and possibly conduct some research on their own.

MISUSE OF SPECIAL MAIL SERVICES

During fiscal year 1974, Federal agencies paid approximately \$6.7 million for such special mail services as special delivery, registered, insured, return receipt, and certified mail. These services entail fees in addition to the regular postage for the items mailed. Unnecessary use of these services can result in costs from which no commensurate benefit is derived. Examples of nonessential use of special services are discussed below.

Certified and return-receipt mail

Certified mail provides only a record of delivery. The carrier obtains a signature from the addressee which is kept for 2 years by the delivering post office. When the mailer requests it, proof of delivery service in the form of a return receipt can be obtained in conjunction with certified mail.

During fiscal year 1974 Federal agencies paid nearly \$1.5 million for certified and return receipt services. For example, the Air Force paid \$101,000 for certified and return receipt services. At the Air Force Accounting and Finance Center in Denver, these special services were used in mailing routine items to retired or reserve personnel at an estimated annual cost of \$3,500.

Air Force officials agreed that certified and return receipt service was not justified for such routine mailings. We were told such misuse resulted from lack of knowledge of mail services and inadequate attention to mailing practices.

Insured mail

Third- and fourth-class mail may be insured for protection against loss or damage up to \$200. However, for many years, it has been the general policy of the Federal Government to self-insure against all risks of monetary loss. Therefore, postal insurance should never be purchased by a Federal agency. In spite of this fact, various Federal agencies paid about \$165,000 for insured mail during fiscal year 1974.

Data compiled by the Department of the Air Force illustrates the lack of a valid use of postal insurance. During fiscal year 1973, the Air Force paid \$147,974 in insurance fees and filed claims with the Postal Service totaling \$5,622.

The Defense Supply Agency's (DSA's) costs for insured mail during fiscal year 1974 were \$35,600. At its Tracy, California, depot, DSA spent an estimated \$4,700 for insurance to mail particular military support items. No claims were filed with the Postal Service.

DSA and the Air Force together accounted for 37 percent of insured mail use by Federal agencies during fiscal year 1974. The Departments of the Army and Navy were other large users of this service. As shown below, these four agencies accounted for 85 percent of the amounts spent for postal insurance.

	<u>Insurance fee</u>	<u>Percent of total fees</u>
DSA	\$ 35,599	22
Army	27,740	17
Navy	51,727	31
Air Force	<u>24,712</u>	<u>15</u>
Total	139,778	85
Other agencies	<u>24,882</u>	<u>15</u>
Total	<u>\$164,660</u>	<u>100</u>

Special delivery

Special delivery mail is delivered as soon as practicable after it arrives at the addressee's post office. Special delivery is supposed to assure delivery on the day received at that post office, but does not speed up the transportation from point of origin to destination post office. Federal agencies' costs for special delivery service during fiscal year 1974 were about \$1.4 million

At SSA headquarters, Baltimore, postage costs can be reduced by eliminating the nonessential use of special delivery service. SSA used this service to mail certain computer tapes at an estimated annual cost of \$10,960. When we questioned this practice, SSA officials agreed that the items mailed did not require special delivery service. The unnecessary use of this service resulted from a belief that it provided faster transportation from point of origin to delivery post office.

On January 9, 1975, the Department of Defense established a policy limiting all special mail services to those instances specifically required by law or directive.

EXCESSIVE USE OF LARGE ENVELOPES

Letter-size envelopes should be used whenever possible. Larger envelopes are referred to in the Postal Service as "flats." Flats can cost up to six times the cost of letter-size envelopes to purchase, and up to nine times as much to mail. Unlike letter-size envelopes, flats cannot be processed by conventional sorting equipment. This not only increases the handling cost to the post office but may also cause delays in delivery. Therefore, mail items should be folded, whenever practicable, to fit letter-size envelopes.

Letter-size envelopes stuffed with folded items measuring up to 1/4 inch in thickness can be machine processed by the Postal Service. The thickness limitation is not exceeded when 8 sheets of bond paper or 16 tissue-weight sheets, or equivalent combinations, are folded to fit letter-size envelopes.

We found several instances where items being mailed in flats could have been folded to fit letter-size envelopes. The Navy Finance Center in Washington, D.C., for example, mailed 20,000 flats containing the equivalent of 4 sheets of bond paper. The items could have been folded and mailed

in letter-size envelopes, cutting postage costs by \$6,000. Navy field activities were also using flats to return two of the sheets to the Finance Center.

We were told that mailroom personnel at the Finance Center routinely use flats regardless of the number of pages to be mailed. Officials responsible for mail management were unaware of the additional costs from this practice. The administrative officer stated the Finance Center would eliminate the excessive use of flats.

Similar situations exist at other locations. For example, an official of the Post Mail Distribution Center, Presidio of San Francisco, California, estimated that about 150,000 flats containing one-, two-, or three-page letters are mailed annually at that location. We estimate the Army could save \$45,000 in postage by sending this material folded in letter-size envelopes at a charge of 10 cents per piece as opposed to the 40-cent charge for flats. This official stated flats were misused because mail users were not aware of the additional costs.

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CHAPTER 3
FACTORS CONTRIBUTING TO UNECONOMICAL
MAILING PRACTICES

The conditions we noted show mailing practices are not receiving sufficient attention from management. As a result, there have been

- inadequate instructions to mail users on the various types, costs, and delivery times of available mail service;
- little or no training for mail users in many agencies on how to use the various mailing services; and
- little or no monitoring of mailing practices to see that mail is sent most economically.

In our opinion, these mail management weaknesses are attributable, in part, to the billing system which until recently understated agency mailing costs. This method did not cause a financial problem for the old Post Office Department since it, unlike the Postal Service, was given appropriated funds to meet any shortfall between expense and revenue. The method, however, understated the agency operating costs and, by not relating charges to use, eliminated the incentive for agencies to manage their mail volume efficiently.

INADEQUATE INSTRUCTIONS TO MAIL USERS

The General Services Administration (GSA) is responsible for overseeing the creation, maintenance, use, and disposition of records in the Federal Government. GSA delegated its records management responsibility to the National Archives and Records Service (NARS). NARS sets Government-wide records management standards and evaluates agency programs to see that effective paperwork controls (including mail) are established and maintained.

GSA's Federal Property Management Regulations outline the requirements for Federal agency mail management programs. Each agency is expected to implement the mail management standards set forth in the GSA Records Management

Handbook, Managing the Mail, by

--establishing and implementing standards and procedures for the receipt, delivery, collection, and dispatch of mail and

--reviewing, on a continuing basis, agency mail practices and procedures to find opportunities for improvement and simplification.

National Archives and Records
Service's involvement in efforts
to improve mailing practices

To fulfill GSA's responsibility for providing mail management guidance to Federal agencies, NARS has developed a 2-hour training course designed to emphasize envelope preparation rules established by the Postal Service to make letter-size mail compatible with high-speed machine processing. Although this course points out the need to use letter-size envelopes whenever possible, it focuses on the rules for positioning addresses and other markings on envelopes and generally does not provide guidance on the economical use of available mail services.

In addition, NARS (1) issued guidelines and handbooks for preparing and managing Government mail and (2) provided assistance to agencies in resolving mail preparation problems. We believe, however, that these efforts do not provide sufficient guidance in the selection of the class of mail to be used.

In addition, NARS evaluates records management programs. These evaluations cover all aspects of records management, including mail management. However, mail management evaluation is directed toward such operations as organizing mail stations, planning for and processing incoming and outgoing mail, operating a mail control system, and designing agency mail stations. Little or no effort is directed to the class of mail used.

Some of the deficiencies we found were the result of agencies and NARS not revising their mailing practices or instructions to keep up to date with changes in the postal services offered to Federal agencies or to recognize the delivery standards the Postal Service has established for all classes of mail. Mailing instructions should be up to date and require mailing practices that will obtain the service needed at minimum cost.

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In most departments and agencies, mailing instructions prepared by the headquarters office provide guidance to field offices and installations. An analysis of mailing instructions issued by 12 agency headquarters units (either at the agency or subagency level) shows that they are not adequate to prevent uneconomical mailing practices. For example:

--Nine of 12 instructions make no mention of the use of large envelopes or of the economies to be realized by using letter-size envelopes for all material which is not too bulky to be folded and would not be damaged by folding.

--Most instructions either indicate that it might be permissible to purchase insurance under some conditions or do not prohibit the use of insured mail.

--Specific postage cost information is available in only 2 of the 12 instructions.

The NARS publication, Managing the Mail, which provides guidance in designing and planning for the economical and effective management of agency mail, also needs to be revised to prevent uneconomical mailing practices in the use of airmail and special services.

Guidance on selection of proper class of service

Since October 13, 1973, the Postal Service has been transporting on reserve air-carrier space all first-class mail weighing 12 ounces or less and traveling over 600 miles. This development, coupled with new delivery standards providing no more than a maximum 1-day delivery difference between airmail and first-class mail, makes the payment of airmail charges for letters and small parcels questionable at best.

These mail service characteristics are not mentioned in most of the instructions we reviewed, including the NARS publication. In fact, users generally are either not provided with guidance as to how and when these classes of service should be used or are instructed to use first class for distances less than 250 or 200 miles, which implies that airmail should be used for greater distances.

In some cases, mailing instructions of different agencies are inconsistent on the use of these services. For example:

--Department of Health, Education, and Welfare
in effect instructs mailers to use airmail for
distances over 500 miles.

--Air Force and Navy instructions prohibit the use
of airmail regardless of the distance involved.

Air Force and Navy instructions recognize the cost
saving feature of first-class mail, since the delivery
standard shows no more than a 1-day difference in delivery
time.

Third-class mail service is now available to Federal
agencies for qualifying mail. Qualifying mail consists
generally of circulars or printed letters, identical in
size and weight, weighing less than 15 ounces, which are
mailed to a number of addresses. Use of this service,
instead of first class, for qualifying mail when speed of
delivery is not important, can save 40 percent on postage.

The NARS publication, while it does mention third-
class mail, does not provide guidance on its use. We
believe NARS should emphasize the major savings that can
be made by using third-class mail and cite examples of
qualifying mail such as circulars, newsletters, announce-
ments, and other routine mailings.

Five out of 12 agency instructions we reviewed did not
mention the availability of third-class service. While
instructions for seven agencies mention this service, two
of these instructions do not provide guidance on how and
when third-class mail should be used.

Similarly, use of fourth-class service instead of
first class, for qualifying mail, when speed of delivery is
not important, can save 70 percent on postage. Qualifying
mail consists generally of printed matter and merchandise
weighing more than 16 ounces and less than 70 pounds. Five
agencies' instructions do not mention the availability of
fourth-class service.

ABSENCE OF MONITORING AND TRAINING PROGRAMS

Agency personnel can readily utilize the various mail
services available merely by indicating the type of service
desired on the face of the mail. The easy ability to desig-
nate the type of service wanted requires a monitoring pro-
gram to insure that personnel use these services with
discretion.

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Most agencies are not actively monitoring their mailing operations. Of the 14 department and/or agency headquarters we contacted, only GSA and SSA were in the early stages of implementing mail monitoring programs.

Training is an essential part of any management control system and is particularly important in mail management because of the need to keep up with changes in the postal services offered to Federal agencies. A majority of the agencies we contacted did not provide training designed to inform secretaries, clerks, and others who prepare material for mailing of the most economical means available.

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CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Importance of sound mailing practices is emphasized by total annual postage of about \$440 million being made to Postal Service by Federal agencies. Although some of the examples given in this report do not represent substantial savings in themselves, we believe they are indicative of the situation Government-wide and show that there is a potential for millions of dollars in savings, if Federal agencies used more economical mailing practices.

Federal agencies could minimize mailing costs by focusing management attention on (1) reducing the use of airmail and first-class service when time of delivery is not critical and (2) eliminating the nonessential use of such special mail services as certified mail, special delivery, return receipt service, and insurance. Additional economies could be realized by using letter-size envelopes whenever practicable.

Because of increased postage rates and the expectation that there will be further increases, it is important that every agency keep its mailing instructions current and establish practices that will obtain needed services at the lowest cost. The conditions we found indicate that mail management has not received sufficient attention because agencies have not revised their mailing instructions to keep up with the changes in available postal services. The lack of management concern is further evidenced by the absence of monitoring and training programs needed to assure that use of mail services is consistent with actual communication needs, and not based on the decisions of uninformed personnel.

We recognize that NARS has provided extensive guidance in mail management to the various Federal agencies, particularly in its publication, Managing the Mail. However, this guidance could be improved by more explicit statements on when a particular postal class should be used.

RECOMMENDATIONS

Because high mailing costs are a concern Government-wide, the solution must have Government-wide application.

To assure procurement of postal services at minimum cost commensurate with the service needed, we recommend that the Administrator, General Services Administration, have the Archivist of the United States:

--Revise the Government-wide mailing instructions to provide clear guidance on the circumstances under which each class of mail or special mail service should be used. The instructions should be revised periodically to reflect changes in the services available, along with delivery times and costs.

--Expand the records management program evaluations to assure that Federal agencies are (1) moving their mail by the most economical means available and (2) providing training to show mail users how to reduce mailing costs.

AGENCY COMMENTS

In commenting on our recommendations, the General Services Administration stated:

"We agree that additional guidance and monitoring are needed to effectively disseminate the information necessary to ensure that Government mailers adopt economical practices to reduce postage costs. GSA/NARS therefore agrees with the two recommendations of the report on proposed NARS actions involving updating its Government-wide guidance, expanding its program evaluation monitoring, and providing more widespread training on mail cost reduction practices." (For additional details, see app. II.)

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CHAPTER 5

SCOPE OF REVIEW

Our review of Federal agencies to determine whether or not they were using the most economical mailing means available was made between April and October 1974.

We reviewed and discussed with agency officials policy matters concerning mail practices at the headquarters of the following departments and/or agencies:

Washington, D.C.

Department of Agriculture
Department of the Air Force
Department of the Army
Department of Defense
Department of Health, Education, and Welfare
Department of Labor
Department of the Navy
Department of the Treasury
General Services Administration

We observed and monitored agency mailing practices and interviewed agency mail users, mail clerks, and mail managers at the following field installations:

Baltimore, Maryland

Social Security Administration

Denver, Colorado

Air Force Accounting and Finance Center
Air Force Reserve Personnel Center

Oakland, California

Oakland Army Base
Naval Air Station, Alameda

Sacramento, California

California Employment Development Department

San Francisco, California

Department of Agriculture, Region IX Agricultural
Marketing Services
Department of Labor, Region IX Headquarters
Department of the Treasury, Bureau of the Mint
Sixth Army Headquarters, Presidio of San Francisco
Social Security Administration, San Francisco
District Office
U.S. Postal Service, Western Regional Headquarters

Stockton, California

General Services Administration, Federal Supply
Service, Region IX Warehouse Center

Tracy, California

Defense Supply Agency, Defense Depot Tracy

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U.S. House of Representatives
COMMITTEE ON POST OFFICE AND CIVIL SERVICE
207 CANNON HOUSE OFFICE BUILDING
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August 8, 1974

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Honorable Elmer B. Staats
Comptroller General of the United States
General Accounting Office
Washington, D. C. 20548

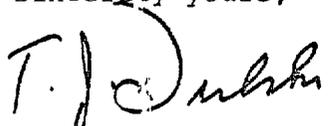
Dear Mr. Comptroller General:

Members of this Committee have previously inquired as to the mailing practices of Federal agencies and found areas where improvement could be made. Management of the mail is even more important today because of increased postage rates and the expectation that there may be further increases.

In order that this Committee can be assured that Federal agencies are using the most economical mailing practices, I am requesting that your office make a review of these activities. In view of the fact that the review will involve many Federal agencies and in order to expedite any final report, formal agency comments should not be obtained. Agency views should, of course, be obtained during the course of the review.

Your assistance in this request would be appreciated.

Sincerely yours,



THADDEUS J. DULSKI
Chairman

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APPENDIX II

UNITED STATES OF AMERICA
GENERAL INVESTIGATIVE ADMINISTRATION
WASHINGTON, D.C. 20405

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JUN 23 1975

Honorable Elmer B. Staats
Comptroller General of the United States
General Accounting Office
Washington, DC 20548

Dear Mr. Staats:

Thank you for the opportunity to review your draft report on "Federal Agencies Could Do More to Economize on Mailing Costs."

We agree that additional guidance and monitoring are needed to effectively disseminate the information necessary to ensure that Government mailers adopt economical practices to reduce postage costs. GSA/NARS therefore agrees with the two recommendations of the report on proposed NARS actions involving updating its Government-wide guidance, expanding its program evaluation monitoring, and providing more widespread training on mail cost reduction practices.

Attached is a statement of actions planned and underway in response to the recommendations made in the report. Representatives of the NARS Office of Records Management will be pleased to meet with members of your staff to discuss any questions concerning the report and recommendations.

Sincerely,

Dwight H. Ink
Dwight H. Ink
Acting Administrator

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GENERAL SERVICES ADMINISTRATION (GSA)
NATIONAL ARCHIVES AND RECORDS SERVICE (NARS)

COMMENTS

Draft report of the Comptroller General to the Chairman, Committee on Post Office and Civil Service: "Federal Agencies Could Do More to Economize on Mailing Costs."

CHAPTER 4, Conclusions and Recommendations:

- revise its Government-wide mailing instructions to provide clear guidance as to the circumstances under which each class of mail or special mail services should be used. The instructions should be revised periodically and updated to reflect changes in the services available, along with delivery times and costs.
- expand its records management program evaluations to assure that Federal agencies are (1) moving their mail by the most economical means available and (2) providing training to educate mail users on how to economize mailing costs by using the various mailing services available.

GSA-NARS actions planned or underway to implement the GAO report recommendations are:

NARS will issue, as soon as possible, a GSA FPMR Bulletin to all departments and agencies updating and expanding the coverage of the present mail practices guidelines now included in the "Managing the Mail" handbook. Because of the time lag involved in revising and reissuing this comprehensive handbook, it is believed the issuance of this proposed Bulletin referencing the handbook would provide the fastest possible method to implement the first GAO recommendation.

After the issuance of the proposed FPMR Bulletin on Mailing Costs, greater emphasis will be given to monitoring the efforts of agencies to keep their mailing instructions current and to achieve postage cost reductions through applying the proper mailing practices. This increased monitoring will begin with the issuance of the proposed FPMR Bulletin on Mailing Costs.

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NARS will include current guidance on economical mailing practices in the "U.S. Government Correspondence Manual" now being revised and updated. The revision of this widely distributed manual is nearing completion. Its chapter on "Envelopes and Mailing" is designed to provide practical guidance on reducing postage costs to the many secretaries, typists, and clerks involved in mail operations throughout Government. The work on updating and revising the Manual was undertaken primarily in order to update the obsolete information on use of mail classes and special services contained in Chapter II, "Envelopes and Mailing." This handbook is now in the final stage of review prior to printing.

NARS will continue and intensify present efforts at reaching an agreement with the U.S. Civil Service Commission to collaborate in disseminating NARS workshop training as widely as possible using the Government-wide training facilities of the Commission. Such collaboration will supplement the limited resources of NARS, and better enable us to provide the widespread training program on economical mail practices recommended by the GAO report.

NARS is presently collaborating with the Department of Defense and the U.S. Postal Service in order to issue a GSA memorandum to all civilian departments and agencies transmitting a Department of Defense "Policy Statement to Achieve Reductions in Mail Costs." This statement covers the type of guidance the GAO report envisaged on practices designed to reduce costs of mailings to, from, and between overseas areas via the military postal system. As soon as approval of the DOD policy statement is received from the U.S. Postal Service, the GSA memorandum to all civilian agencies using this military mail service will be issued.

NARS will continue to promote NARS sponsored conferences addressing the adoption of proven techniques for reducing postage costs.