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REPORT TO THE CONGRESS

Need To Revise Work Schedules Of Employees Assigned To Railway And Highway Post Offices B-114874

Post Office Department

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

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

B-114874

To the President of the Senate and the
Speaker of the House of Representatives

This is our report on the need to revise work schedules of employees of the Post Office Department assigned to railway and highway post offices. Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the act of September 2, 1960 (39 U.S.C. 2206).

Copies of this report are being sent to the Director, Bureau of the Budget, and to the Postmaster General.

Comptroller General
of the United States

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ABBREVIATIONS

RPO	Railway Post Office
HPO	Highway Post Office
PFS	Postal Field Service
GPO	Government Printing Office
GAO	General Accounting Office

D I G E S T

WHY THE REVIEW WAS MADE

The Post Office Department mobile unit employees' 8-hour day consists of an average of 6 hours and 25 minutes for duties performed while on mobile units and an allowance of 1 hour and 35 minutes for certain duties to be performed while away from their assigned units (layoff allowance).

The General Accounting Office (GAO) estimated that the cost of the layoff allowance amounted to about \$3.8 million for fiscal year 1969.

A February 1966 report issued by the Department's Internal Audit Division questioned the need for the layoff allowance and recommended that it be reevaluated. Because no action was taken on the internal audit recommendation, GAO examined the reasonableness of the allowance under current operating conditions.

FINDINGS AND CONCLUSIONS

Most of the duties required to be performed by mobile unit employees during off-duty periods, which formed the basis for the employees' daily work schedules, had been eliminated or could be eliminated or reduced.

For example, the Department instituted a new procedure which eliminated the need for mobile unit employees to manually stamp certain facing slips placed on packages of mail to facilitate their distribution. Also, certain labels that were prepared manually could be furnished in a ready-to-use condition.

GAO concluded, therefore, that the annual layoff allowance of 399 hours for each mobile unit employee was greatly in excess of the time required to perform the duties under current operating conditions.

GAO believes that work schedules for mobile unit employees should be established on the basis of the duties required under current operating conditions. GAO believes also that, by revising the work schedules of mobile unit employees, a potential exists for considerable savings. (See pp. 4-10.)

RECOMMENDATIONS OR SUGGESTIONS

GAO recommends that the Department establish realistic work schedules for mobile unit employees based on an evaluation of the duties required under current operating conditions.

GAO recommends also that, if, the Department believes it to be desirable or necessary to change the law relating to the layoff allowance to fully implement the recommendation, the Department should request the necessary legislation from the Congress. (See p. 12.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Post Office Department agrees that conditions have changed substantially since the law authorizing the layoff allowance has been in effect and that the 1-hour, 35-minute daily allowance may be in excess of current needs. The Department has pointed out, however, that there has been an 80-percent reduction in the number of mobile unit employees since February 1967 and that it is continuing to make changes in its mail transportation plan which will replace mobile unit service by more effective modes of transportation.

The Department also has stated that, if it finds that a certain amount of mobile unit service will need to be retained indefinitely, the Department will at that time evaluate the service required on layoff time and consider whatever adjustments are appropriate.

Although there has been a significant reduction in layoff allowance costs since 1967, GAO believes that the costs are still substantial and that timely corrective action is needed. (See pp. 11-12.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

This report was prepared to inform the Congress of the potential for significant savings which could be realized by the Post Office Department if the work schedules of mobile unit employees were revised giving consideration to the changes which have occurred in operating conditions since the layoff allowance was established in 1921 and was last amended by Congress in 1955.

CHAPTER 1

INTRODUCTION

The General Accounting Office has made a review of the daily time credit allowance (layoff allowance) of 1 hour and 35 minutes allowed mobile unit employees of the Post Office Department for certain duties scheduled to be performed during periods when they are away from their assigned mobile units.

Our review was directed principally toward determining the reasonableness of the layoff allowance in relation to the duties being performed by the employees while away from their duty stations (layoff periods). It did not include an overall evaluation of the mobile unit transportation program. A detailed description of the scope of our review is found on page 13.

sorting Mobile units are specially designed and equipped railway cars and trucks designated as railway post offices (RPOs) and highway post offices (HPOs), respectively, which provide ^{for} the distribution of mail en route by postal employees. Mobile units are staffed by postal clerk employees whose annual compensation ranges from \$6,675 to \$9,128 (PFS level 6). Compensation of foremen assigned to these units (PFS levels 8 or 9) ranges from \$7,802 to \$10,963 a year. The pay of mobile unit employees is based on an 8-hour day, an average of 6 hours and 25 minutes of service aboard mobile units and a layoff allowance of 1 hour and 35 minutes. By law, clerks assigned to mobile units are rated one level above clerks performing similar duties in fixed postal facilities. As of July 1, 1969, there were 90 mobile units, staffed by 2,109 employees, operating in 12 postal regions. The salary costs for these employees in fiscal year 1969 amounted to over \$19 million, including \$3.8 million for the layoff allowance.

The principal management officials of the Post Office Department responsible for the administration of the activities discussed in this report are listed in appendix II.

CHAPTER 2

NEED FOR REVISING WORK SCHEDULES OF MOBILE UNIT EMPLOYEES BECAUSE OF CHANGED OPERATING CONDITIONS

We believe that the time provided during layoff periods for mobile unit employees to perform scheduled duties is substantially in excess of the time actually spent or required to perform the duties. Because of changed operating conditions, many of the duties have been or could be eliminated or reduced. We noted, for example, that (1) in July 1968 the Department instituted a new procedure which eliminated the need for mobile unit employees to manually stamp certain facing slips which are placed on packages of mail to facilitate their distribution and (2) certain labels manually prepared by some mobile unit employees could be furnished by the Department in a ready-to-use condition.

We estimate that the layoff allowance cost the Department about \$3.8 million in fiscal year 1969. It represents 399 hours a year or approximately 20 percent of the total annual paid time for each mobile unit employee. In our opinion, work schedules for mobile unit employees should be established on the basis of the duties required under current operating conditions.

The layoff allowance was authorized by the act of June 5, 1920 (41 Stat. 1051) which stated:

"Service of clerks shall be based on an average of not exceeding eight hours daily for three hundred and six days per annum, including proper allowance for all service required on lay-off periods."

The Post Office Department circular letter 1348, dated May 21, 1921, specified a daily allowance of 1 hour and 20 minutes for assignments on class B RPO or HPO trips which had a large volume of mail and 40 minutes for assignments on class A trips which had a smaller volume. The Postal Salary Reclassification Act of July 6, 1945,

increased the daily allowance to 1 hour and 35 minutes for assignments on class B and to 50 minutes for assignments on class A trips.

The Postal Field Service Compensation Act of 1955 established a uniform allowance of 1 hour and 35 minutes a day for both assignments. This act provided that the tours of duty of mobile unit employees aggregate an average of not more than 8 hours a day for 252 days a year, including the allowance of 1 hour and 35 minutes a day for work to be performed on layoff periods. The Department schedules these employees to work a stipulated number of round trips each year--the number being determined on the basis of the frequency of the scheduled RPO or HPO trips and of certain variable factors, such as the en route time of each trip--to attain a daily average tour of duty near to, but not in excess of, 6 hours and 25 minutes.

Because data was not available by which we could readily determine the specific duties required of mobile unit employees while they were away from their mobile duty stations and the time required to perform each of the duties, we asked the Assistant Postmaster General, Bureau of Transportation, to furnish us with this information. In response to our request, the then Deputy Assistant Postmaster General, Bureau of Transportation and International Services, advised us that mobile unit employees' duties covered by the layoff allowance included preparing facing slips, pouch labels, and case headers; correcting mail distribution schemes and mail route schedules; answering official correspondence and making reports; attending various meetings and training conferences; and maintaining registry records. He stated that the time allowance applicable to each of the duties would vary with the individual assignments, and no estimate of the time required for each duty was provided.

The Bureau of Transportation was officially abolished on August 26, 1969, to recognize the transfer of this function to the Bureau of Operations in April 1969.

Because the Department did not furnish us with an estimate of the time required to perform each of the duties included in the layoff allowance, we made a review to develop such information. The results of our review with respect

to each of the mobile unit employee duties mentioned by the Deputy Assistant Postmaster General were as follows:

PREPARING FACING SLIPS AND POUCH LABELS

Facing slips are placed on packages of mail and pouch labels are placed on mail pouches to facilitate the distribution of mail. Formerly, mobile unit clerks were required during off duty hours to stamp facing slips with their name, RPO or HPO number, and the date of the trip. However, on July 1, 1968, the Department instituted new facing slip procedures which required the use of color-coded facing slips and, except for certain nonstandard facing slips, eliminated the need for mobile unit employees to stamp the slips. Mobile unit officials and employees have advised us that nonstandard slips which require stamping are used infrequently and that, in instances where such slips are utilized, the stamping is generally done during duty time on mobile units. Thus, it appears that mobile unit employees use very little time preparing facing slips during periods when they are away from their mobile units.

The time that a mobile unit employee spends in preparing mail pouch labels depends not only on the quantity of labels utilized but also on the type of labels that are furnished. In the three regions we visited, varying types of labels were furnished. For example, labels in strips of five were furnished to all mobile units in the Boston region and to some mobile units in the Chicago region. The mobile unit employees must cut the labels, stamp them with the date, and sort the labels into the order in which they are to be used. However, some mobile units in the Chicago and Washington regions were furnished precut and presorted labels requiring only date stamping, while other mobile units in these two regions were furnished precut, presorted, and predated labels.

An official in the Chicago Regional Office advised us that precut, presorted, and predated labels had not been furnished to all mobile units in the region merely because they had not been requisitioned. The Superintendent of Mobile Units in the Washington Post Office told us that he had arranged for mobile unit employees on some mobile units to be furnished ready-to-use labels because these employees

were reporting for duty without labels, claiming that the labels had not been received. In our opinion, pouch labels should be furnished to all mobile unit employees in a ready-to-use condition as they are being furnished to employees in fixed facilities and some mobile units. The furnishing of ready-to-use pouch labels would eliminate the need for mobile unit employees to prepare such labels.

PREPARING CASE HEADERS

Case headers are pieces of heavy paper or cardboard on which are printed the names of States, cities, towns, or other mail-sorting separations. The case headers are placed over various sections of the mail-sorting cases to assist employees in identifying the proper destination sections during mail-sorting operations.

We were informed by Post Office officials and mobile unit employees that, depending on their use, a set of case headers would generally last from about 6 months to about 2 years and that the time spent in preparing case headers would vary considerably depending upon the number of sets an employee was required to maintain, the number of separations within each set, and the method used in their preparation.

The manual preparation of case headers can involve the hand printing of identifying names on blank headers or simply placing pieces of preprinted adhesive paper on blank headers. During our review, however, we noted that some mobile units were equipped with permanent case headers while other mobile units had accumulated a sufficient supply of removable case headers to eliminate the need for the mobile unit crews to prepare case headers during off-duty hours.

In our opinion, the need for an allowance for preparing case headers could be eliminated if the Department provided preprinted case headers to mobile units. We were informed by an official of the Government Printing Office (GPO) in Chicago that case headers used in fixed postal facilities in the Chicago area during the Christmas mailing period were printed by GPO and that case headers could be printed for mobile units.

CORRECTING MAIL DISTRIBUTION SCHEMES
AND REGIONAL MAIL ROUTE SCHEDULES

Mobile unit employees, including the foremen, are required to maintain, and post changes to, mail distribution schemes and regional mail route schedules. The number of schemes and schedules maintained by a mobile unit employee depends upon his work assignment. In the three postal regions where we made our review, mobile unit employees normally maintained from two to seven schemes and from one to three regional mail route schedules.

To determine the approximate amount of time required for correcting schemes and schedules, we recorded the time taken by us to make the changes that occurred within an 11-month period to most of the schemes and schedules in use in the three postal regions we visited. On this basis, we estimated that the time needed by a mobile unit employee to post changes to schemes and schedules would range from a minimum of 9 hours a year to a maximum of 51 hours a year--the time depending upon the number of schemes and schedules maintained.

We were advised by certain Post Office officials and mobile unit employees that, although there previously was a need for mobile unit employees to maintain regional schedules of mail routes, these schedules were not essential under the sectional center concept. This concept, which involves about 550 large post offices that serve as focal points for mail entering and leaving designated areas, was designed to improve mail collection, processing, and delivery. Since the establishment of sectional centers, mail transported by mobile units is usually combined with other mail processed by the sectional centers before it is transported from the centers to the various destinations. Therefore, mobile units usually are not now required to route mail to various destination points.

Department procedures require mobile unit foremen also to maintain the regional schedules. If the Department determines that the regional schedules are, in fact, needed by mobile units under the existing sectional center concept, we believe that such schedules should be maintained only by the mobile unit foreman. In the event of delays en route, he

would be the one employee in the unit most likely to refer to the schedules in making decisions as to the rerouting of mail.

ANSWERING OFFICIAL CORRESPONDENCE AND PREPARING REPORTS

We have been informed by Post Office officials and by mobile unit employees that mobile unit employees spend very little time answering official correspondence and that any correspondence is usually handled by the mobile unit foremen.

We found that generally the only report required on a regular basis is the foreman's trip report which summarizes the results of a trip. The foremen also prepare other required reports such as accident reports, fire reports, and damaged mail and equipment reports. These reports are prepared only when a situation arises that requires them.

ATTENDING MEETINGS AND TRAINING CONFERENCES

The majority of mobile unit employees had not attended any meetings or, with the exception of initial training and requalification in the use of firearms, any training conferences in recent years. Initial firearms training requires a maximum of 5 hours and subsequent requalification requires a maximum of 3 hours a year.

MAINTAINING REGISTRY RECORDS

The maintenance of registry records is applicable only to those clerks assigned registry duty and consists primarily of filing registry records, matching registry receipts against registry billings, and following up any irregularities. Generally, there is only one registry clerk on a mobile unit trip.

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In a report entitled "Administration of Mobile Unit Services and Compensation" dated February 1966, the Post Office Department internal auditors stated that "Operating

requirements have changed and a daily allowance of one hour and thirty-five minutes for off-duty work by mobile unit employees may no longer be needed." The report indicated that (1) slips and labels previously were prepared by individual employees in off-duty hours, but now are printed and furnished by the Post Office, (2) most corrections for mail distribution schemes and regional mail route schedules are now issued in looseleaf form and require only a few pen and ink changes, which average less than an hour a week, (3) the time required for the preparation of case headers is very minor, and (4) the small amount of official correspondence required is handled by foremen.

The internal auditors recommended that the allowance be reevaluated and, if appropriate, a request for adjusting the allowance be included in the Department's legislative program. Although the Bureau of Transportation and the Bureau of Personnel both concurred in the internal audit findings, more than 3 years have elapsed since the report was issued and the Department had not initiated action to implement the recommendation.

CHAPTER 3

AGENCY COMMENTS AND GAO EVALUATION AND RECOMMENDATION

On March 28, 1969, we brought the results of our review to the attention of the Department and suggested that the Department consider scheduling tours of duty for employees on mobile units on the basis of an 8-hour workday. The Executive Assistant to the Deputy Postmaster General, in a letter to us dated May 19, 1969 (app. I), stated that the Department agreed that conditions had changed substantially since the law was enacted and that the 95-minute daily layoff allowance might be in excess of current needs. He stated also that the Department could, perhaps, discontinue all work on layoff time, organize the units on full 8-hour days, and record any required work now covered by the layoff allowance "on-the-clock" as subject to overtime compensation.

He also informed us that there had been an 80-percent reduction in the number of authorized regular mobile unit employees since February 1967 and that continuing changes in the transportation plan would replace mobile unit service by more effective modes of transportation.

He advised us that, if the Department found that a certain amount of mobile unit service would need to be retained indefinitely, it would, at that time, evaluate the work required on layoff time and consider whatever adjustments were appropriate. He advised us also that this method of reducing the layoff allowance would avoid impairment to employee morale and would avoid the "intense pressures" which could be caused by eliminating a work practice which was very well established and had existed for many years.

The Executive Assistant to the Deputy Postmaster General stated also that the estimated cost of the layoff allowance would amount to about \$1.6 million during the current (1969) fiscal year. We were subsequently advised that this amount represented the estimated cost of \$3.2 million for the layoff allowance reduced by estimated overtime costs of \$1.6 million that would be incurred if the 95-minute layoff allowance was eliminated and overtime was paid for any

work required during layoff periods. However, specific data could not be provided by the Department to support these estimates.

During the 3 fiscal years which have elapsed since the internal auditors brought this matter to the attention of the Department, the cost of the layoff allowance has amounted to more than \$25 million. Although there has been a reduction of 80 percent in the number of mobile unit employees and a reduction in the amount of the layoff allowance costs since February 1967, we estimate that the cost of the layoff allowance for fiscal year 1969 amounted to approximately \$3.8 million.

Many of the duties formerly required of mobile unit employees while away from their mobile unit duty stations have been eliminated or could be eliminated or substantially reduced. We believe that, for the remaining duties required, a mobile unit employee's tour of duty should be established to provide for the performance of such duties. It seems to us that, by establishing a more realistic work schedule, overtime compensation would not be necessary.

Recommendation to the Postmaster General

We recommend that the Post Office Department establish realistic work schedules for mobile unit employees based on an evaluation of the duties required under current operating conditions. If the Department believes that, to fully implement our recommendation, it would be desirable or necessary to change the law relating to the layoff allowance, we recommend that the Department request the necessary legislation from the Congress.

CHAPTER 4

SCOPE OF REVIEW

Our review was made at the Department Headquarters, Washington, D.C., the Boston, Chicago, and Washington postal regional offices, and at selected post offices within these regions. It consisted primarily of an analysis of the need for and the time required for the duties scheduled to be performed by mobile unit employees during layoff periods.

Also included in our review was an examination of pertinent provisions of applicable legislation and the policies and procedures of the Post Office Department. In addition, we examined reports and records of the Post Office Department and interviewed Post Office Department officials and employees.

APPENDIXES

THE DEPUTY POSTMASTER GENERAL
WASHINGTON, D.C. 20260

May 19, 1969

Dear Mr. Neuwirth:

We have reviewed your letter report of March 28 on the time credit (layoff) allowance received by mobile unit employees of the Post Office Department for duties required to be performed by them during off-duty or layoff periods.

Your report alleges that the 95 minutes daily allowance to mobile unit employees is substantially in excess of the time actually required under current operating conditions and recommends that the Department take whatever action is necessary to eliminate the layoff allowance in its present form.

We agree that conditions have changed substantially since the law (39 U.S.C. 3581) was enacted, and that the 95-minute daily allowance may be in excess of current needs. We could, perhaps, discontinue all work on layoff time, organize the units on full 8-hour days, and record any required work (scheme examinations, firearms training, etc.) "on-the-clock" as subject to overtime compensation. However, such a change in established work practice would be strongly resisted by the employees, and their representatives, the United Federation of Postal Clerks, would insist that they be consulted before any such change is made, pursuant to Article IV of the National Agreement.

Since February 1967, there has been an 80 percent reduction in authorized regular mobile unit employees. This has reduced layoff allowances by about \$16 million, which very greatly exceeds the estimated \$1.6 million of such allowances during the current fiscal year. Furthermore, we are continuing to make changes in the transportation plan which will replace mobile unit service by more effective modes of transportation. If we find that a certain amount of mobile unit service will need to be retained indefinitely, we will at that time evaluate the service required on layoff time and consider whatever adjustments are appropriate. This method of reducing the layoff allowances will avoid impairment to employee morale and the intense pressures which could be caused by eliminating a work practice which is very well established and has existed for many years.

I think you will agree with me that this is a most effective way to carry out the recommendation in your letter report to eliminate the layoff allowance in its present form.

Sincerely,

A handwritten signature in cursive script, appearing to read "A. C. Hahn".

A. C. Hahn
Executive Assistant

Mr. Max A. Neuwirth
Associate Director, Civil Division
U. S. General Accounting Office
Washington, D. C. 20548

THE PRINCIPAL MANAGEMENT OFFICIALS OF
THE POST OFFICE DEPARTMENT
RESPONSIBLE FOR ADMINISTRATION OF THE ACTIVITIES
DISCUSSED IN THIS REPORT

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
POSTMASTER GENERAL:		
Winton M. Blount	Jan. 1969	Present
W. Marvin Watson	Apr. 1968	Jan. 1969
Lawrence F. O'Brien	Nov. 1965	Apr. 1968
DEPUTY POSTMASTER GENERAL:		
Elmer T. Klassen	Feb. 1969	Present
Frederick C. Belen	Feb. 1964	Jan. 1969
ASSISTANT POSTMASTER GENERAL:		
Bureau of Transportation		
(notes a and b):		
Charles A. McIntyre (acting)	Mar. 1969	Aug. 1969
Frederick E. Batrus	Feb. 1968	Mar. 1969
William J. Hartigan	Mar. 1963	Feb. 1968
Bureau of Personnel:		
Kenneth A. Housman	Feb. 1969	Present
Richard J. Murphy	Mar. 1961	Feb. 1969
Bureau of Operations (note b):		
Frank J. Nunlist	Apr. 1969	Present

^a Prior to November 1967 the Bureau of Transportation was entitled the Bureau of Transportation and International Services.

^b On August 26, 1969, the Bureau of Transportation was abolished as part of a headquarters reorganization of the Post Office Department. The functions of the Bureau were transferred to the Bureau of Operations.