

Mr. BROOKS. Mr. Belen, would you give us the estimate of the total number of pieces of mail handled annually by the Department?

Mr. BELEN. Yes. We will handle this year about 80 billion pieces of mail and it increases by about 3 billion pieces of mail annually.

Mr. BROOKS. How much?

Mr. BELEN. Three billion is the increase. There are 80 billion pieces currently, and it increases about 3 billion pieces each year.

Mr. BROOKS. Would you give us a brief justification for the size and extent of your support program?

Mr. BELEN. Category 7, Administrative Postal Support, basically provides the executive direction and administration of the entire postal service. This direction flows from headquarters through the regions to the post offices and is essential in an operation as diverse and complex as that of the Post Office Department which has over 700,000 employees, over 32,000 post offices, and a budget of almost \$7 billion.

Intensive effort is continually required to assure the most efficient use of these resources. It is only through very effective management that the Post Office Department can continue to cope with the constantly increasing mail volume and it is the personnel in this category who provide his management.

B. BUDGET PROCESSES

Mr. BROOKS. Mr. Belen, would you outline briefly and give us a status report on the efforts of your Department in the implementation of program budgeting?

Mr. BELEN. I would like to call on Mr. Nicholson to answer that particular question, if he would.

Mr. NICHOLSON. Mr. Chairman, we have recently revised our program structure and it has been approved by the Bureau of the Budget just last April on the revised form.

This program structure does, as you indicated, in some ways follow lines different from the organizational chart. However, the program structure itself is basically on functional lines and those functional lines, in the case of our largest single category of activity, do follow the organizational lines in the Bureau of Operations.

We are in the process of expanding and improving our program budgeting operation, but during the last two and a half years we feel we have made very substantial progress in this direction. We have established an Office of Planning and Systems Analysis to give leadership to both short- and long-range planning. We have established a Division of Programing, a Programing Division is the proper title, to administer the Department's programing system. We have established program category managers for each of our major activities.

In the 1969 budget justifications we broke out our conventional appropriation presentations by program categories and in 1970 we will prepare the budget on program lines. We have installed test installations in 54 post offices of an operating budget that extends the usefulness of this system to the field. And we have established a task force to develop a nationwide management information system to support program budgeting throughout the postal service.