

II. PROCESSING OF MAIL

A. Description

This category provides for processing of mail in postal plants, railway post offices, and highway post offices.

B. Services provided (process 82.2 billion pieces of mail)

Separates mail by class for priority handling (special delivery—airmail—etc.). Provides for the most efficient method of distribution by destination in order to advance delivery. Applies mechanized procedures where volume warrants and savings can be effected.

Schedules the movement of mail to and from all transportation media.

Checks postage affixed to mail and established amount due, if insufficient.

Processes mail requiring forwarding, return to sender, or of incorrect address.

Provides for the temporary storage of sacks of mail and outside pieces moving in-transit between post offices.

C. Financing

Funds for processing of mail are provided by the appropriation, "Operations." For 1968 it is estimated that this appropriation will total \$5,495,863,000, of which \$1,530,061,000 will be required to provide processing of mail, including transfers and supplementals. Some of the mail handling activity is provided on a reimbursable basis, amounting to \$1,574,000.

D. Employment

Grade or level:

Professional: PFS-14 and above	None
Technical: PFS-13 and below	216,462

¹ This basically includes clerks, mail handlers, and first-line supervisors.

E. Statutory authority

Title 39 United States Code.

Category manager—Mr. William M. McMillan, Assistant Postmaster General, Bureau of Operations.

Mr. McMILLAN. Well, my operating budget is approximately \$5½ billion this year. So it is a little more than 25 percent of the total, of my total operating budget. There are about 216,000 employees engaged in this particular program category activity.

Mr. BELEN. As an answer to your question, I do believe we have made a lot of progress in the mail processing area. I have here a chart which shows that, if we were processing mail at the same rate that we were in 1961, when I became Director of Operations, it would have cost us, this year, \$331 million more in this area. So there has been an increase there in performance.

Mr. BROOKS. May we have this for the record, this chart with the comparison of the improvements in that particular section?

Mr. BELEN. Yes, sir.

(The chart referred to follows:)

POST OFFICE DEPARTMENT
ESTIMATED SAVINGS DUE TO PRODUCTIVITY GAINS 1961-69

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Volume (thousands)	1961 productive rate	Derived man-years	Compara- tive man-years	Man-years saved	Cost per man-year current year	Amount saved (thousands)
1961	64,932,859	112,438	577,498	577,498		\$7,358	
1962	66,493,190	112,438	591,376	584,200	7,176	7,415	\$53,210
1963	67,852,738	112,438	603,468	591,505	11,963	7,805	93,371
1964	69,676,477	112,438	619,688	601,918	17,770	8,133	144,523
1965	71,873,166	112,438	639,225	610,079	29,146	8,495	247,595
1966	75,607,302	112,438	672,435	639,090	33,345	8,809	293,736
1967 (actual)	78,367,000	112,438	696,980	675,849	21,131	9,075	191,764
1968 (estimate)	82,159,000	112,438	730,705	703,748	26,957	9,684	261,052
1969 (estimate)	83,966,000	112,438	746,776	713,854	32,922	10,078	331,788
Total							1,617,039