

Wrap It, Stamp It, Mail It... and Pray



Is There Any Hope for the Postal Service?

By Morris K. Udall

Somewhere, I ran across the anguished prayer of an anonymous politician: "Oh, Lord, give us the wisdom to speak gentle and tender words, for tomorrow we may have to eat them."

The subject of this article is one I approach with sadness, humility and a touch of anger.

Sadness because of a broken dream.

Anger because a few men have lacked the vision and dedication that might have brought the dream closer to reality.

And humility because I must admit I was too optimistic.

This summer, we will mark the fifth anniversary of the signing of the Postal Reorganization Act of 1970. August 12, 1970, was a day of optimism. President Richard M. Nixon's signature on the act marked the climax of more than two years of intensive work. Many persons—inside and outside of Congress and the Post Office Department, private citizens and spokesmen for two administrations—had contributed to what was a truly bipartisan reform effort. Although we had approached the problem from many different angles, we had converged on a common point that emerged as the Reorganization Act.

Our dream was somewhat like that of President Franklin D. Roosevelt's in proposing the Tennessee Valley Authority: In 1933 he said Congress should create "a corporation clothed with the power of government but possessed of the flexibility and initiative of a private enterprise."

We did not exactly achieve such a plan. But we thought we had come close. We felt we had devised a mechanism that had great potential.

The best minds in the field had faith in what we had done. Then Postmaster General Winton M. Blount, and most of his living predecessors, were present for the bill-signing. Hopes were high. Nobody predicted either overnight miracles or long-term perfection. But we did expect measurable improvement within a reasonable period of time.

During debate in the House in 1970, I told my colleagues, "There are cynics and skeptics who believe this new postal organization will fail. No one can say it will not. But I have high hopes." The main thing was that the old system was not working and we had no choice but to try something else. Then I predicted, "During the coming years, I am sure modifications will be necessary, omissions will be discovered and corrected." But Congress could take care of that when the time came.

Well, the time has come. It was five years ago in July that the United States Postal Service came into being. And my disappointment cannot be contained. I have often kept silent when I felt like speaking out. I have given my support when my doubts were rising. I have felt the sting from colleagues who followed my advice in those days of 1970, and who now feel misled and cheated by a postal service which seems to get ever worse. I have counseled patience when my own patience was nearly exhausted.

I wanted—and still want—to believe in the system we had created. After all, it was the product of one of the most intensive examinations of a government service ever conducted, involving the work of a highly talented presidential commission, aided by numerous private consultants, endorsed by nearly every living postmaster general and by two administrations of opposite parties. I was impressed by these people—people like Lawrence O'Brien, who gave the problems of the Post Office Department his greatest effort and dedication, both as postmaster general and later as cochairman, with Thruston Morton, of a citizens' committee dedicated to reform.

I believed that the House Post Office and Civil Service Committee had done an outstanding job, and that the final product, hammered out on the floors of the House and Senate, represented the best combination of the ideal and the possible that the legislative process could produce.

So, I have waited and watched. And now the time has come to speak out. Five years have gone by and I no longer have much hope. The time has come to say that the system we created isn't working, and it is now painfully clear to me that there are no solid improvements in prospect. This bright new machinery, under this present management, simply isn't flying. It is as if we had built an engine with eight cylinders, four ran beautifully but the other four blew out, and the operator had never looked at the manual.

We designed politics out of the system and, insofar as we eliminated the political appointment of postmasters and promotion of upper-level supervisors, we largely succeeded. But when it came time to issue the first \$250,000 dollars in bonds, I was horrified and felt almost betrayed to discover that the old Wall Street firm of Peter Flanagan, White House business liaison and operator-at-large, got part of the business. And then when they picked the lawyers to handle the lucrative legal work related to the deal, they blatantly chose none other than the old Nixon-John Mitchell law firm. And when I complained, they behaved as though they couldn't understand what I was talking about!

This was one of the early jabs of disillusionment, but there were to be more. It was the first clear sign that politics and cronyism—of a far more vicious and destructive sort than the lower-level kind we tried to eliminate—was creeping in the back door.

We gave postal workers collective bargaining, and we have avoided much of the widespread employe discontent that plagued the latter days of the old system. But we have yet to see the emergence of the truly well-motivated work force that is essential if we ever are to achieve the kinds of productivity increases we need so badly.

We have seen some progress in construction of new postal plants and in the introduction of some modern equipment. But there has been a stubborn inability to approach any meaningful level of automated efficiency. I should add that the merits of some of these construction projects are somewhat dubious. For example, one feature of the bulk-mail program is that the building company headed by former Postmaster General Blount is sharing in it to the tune of \$90 million, about 10 percent of the total construction program.

We took rate-setting procedures out of the hands of Congress. But the public still considers postal rates to be too high for the quality of service received.

It seems that for every success there has been at least one failure—and some of the failures have lacked a redeeming success. So, what are the choices? What do we do? I can see a number of alternatives, but I have to say none of them is very good. We can't turn back the clock. The optimism of 1970 won't rise again.

For one thing, I now have deep doubts that any public service monopoly can function efficiently in a society and an economy as complex and dynamic as ours. The forces of powerful labor unions and the pressures of rapid changes in society's needs and demands may be too great.

The Postal Service and all its troubles aren't, after all, unique. Those who've tried to get a plumber or have had a TV or washer repaired know that even in straight private-enterprise fields service is often lousy. And a casual look at the other more or less monopolistic public or quasi-public service industries that serve us—or which we wish would serve us—tell the same doleful tale.

The nation's railroad system, public education, law enforcement, sanitation, urban bus and taxi systems, some of the privately owned utility monopolies, even fire departments and the mundane agencies of urban government—each has shown a tendency in recent years to become balky, inefficient, bureaucratic, unresponsive, even rebellious. Why? I doubt that anyone has all the answers. If someone has, why has he not come forward with the solutions?

But there are some common denominators here that may help explain some

WE CAN'T GO BACK TO THE OLD SYSTEM

of the basic causes of trouble. One is that these are all monopolies. And, true to all our capitalistic phobias about monopolies, they tend to do as they please when they discover they have no real competition. And this is compounded as they become bigger and more vital.

A second common denominator is that these public-service monopolies tend to be highly labor-intensive. When we say the public-service agencies and utilities are monopolies, what we are saying in large part is that the workers in those fields have a monopoly. They know, on the one hand, that they can put tremendous pressure on public executives and legislators when they want to, usually when they want their way in a dispute over a labor contract. At the same time, given the lack of competition, they have no really effective source of outside pressure to make them perform in the most responsive manner for the public. The only way they can be brought to act responsively and responsibly is to make them feel motivated to do so. And the necessary motivations and incentives have too seldom been provided.

So, one possibility is to chuck the whole thing overboard and go back to the old system. There are those among my colleagues who would like to go this route.

But we have been down that road already, and the results were disastrous. No evidence can persuade me that a 535-headed Congress can exert effective control and make the system work now, when congressional control failed so miserably before. Back in the good old days, we had severe and repeated labor discontent. We had politics intruding in all sorts of places where it didn't belong. We had annual rate battles and bottom-of-the-barrel financing of postal construction and improvement projects.

One of the men who had the burden of trying to run the system, Larry O'Brien, said during those days that the Post Office was "in a race with catastrophe." He was right, and despite reorganization, the system still is not winning the race.

Think of the problems we would have today if we had not changed. We would have continued to have all the problems I just mentioned, and on top of that, the present Administration (or a Humphrey Administration, had 1968 gone differently) would have had time to load the system with 12,000 patronage postmasters!

There is a commonly made assumption that is never challenged and should be: That is, if we had kept the bankrupt old system, it would somehow be giving us good or at least better service than we're now seeing. The critics of the new system simply forget how rapidly things were deteriorating when we tried to change them. We knew the old system was wrong, and it would have been wrong to keep it. The critics seem to imply that two wrongs would have made a right.

We can agree that things would not have been better if we had left them as they were. My guess is they might well have gotten worse. The problem is that they have not gotten enough better quickly enough.

So, if the old way is not the solution, what about the other extreme? We have

gone partway to independence, creating a special agency of the federal government, not cut loose from government apron strings, but tied to a longer tether. Why not follow the advice of the free-enterprisers and completely sever most of those strings?

In some areas of mail service, private enterprise probably could do a better job. But at what price? The rural areas where customers are far-flung would suffer immense cost increases. Many publications and nonprofit organizations, which the present system subsidizes, would also suffer dearly. These are serious arguments against putting postal services entirely in the hands of private enterprise.

Yet, if what we had in the past didn't work and what we have now isn't doing any better, we should not rule out any other alternative without at least giving it a full and fair hearing. We have come to a point where we must keep an open mind, reevaluate all the old assumptions and make room for some new approaches. I won't accept private enterprise right now as a solution, but I won't entirely rule it out as an eventual option either.

There is also a third choice. It isn't very promising either. It is to take this new,

IT IS A LABOR-INTENSIVE INDUSTRY

malfunctioning machine that we built five years ago and remodel it—redesign some of it, give it some new working parts. And, one more very important change—give it a new pilot and flight crew, a new management team that understands, better than the present one does, what we are trying to accomplish and how to operate it.

A central reason for the failure of the new postal system to rise to our expectations has been, I am convinced, the failure of those who were placed in charge of it to fully understand how it was to function and what would make it go. Its managers never really grasped the concept we had.

The managers who were put in charge of it were mostly good, capable men with commendable records as managers in private industry. They were honest, decent men, but they never fully understood what we were trying to do. They never were able to shift gears and make the change—from running a business to running a public service.

They—and the board of governors which was brought in with them—suffered from terribly narrow conceptions of the postal system. They were unable to grasp the central fact that they were running a highly labor-intensive industry. Labor accounts for something like 85 percent of the dollar cost of the Postal Service. This they have failed to understand. Under these circumstances, the central, most vital single job of management is to devise methods of bolstering employe morale, incentive and productivity.

These are men who have experience of essentially two kinds: They come either from highly mechanized industries or from the financial world. They know how to manage machines and money, but not enough about managing people.

Consider, for example, the business management techniques lately being employed in other industries and in other countries. To cite just one example that has captured attention not only in business circles but in the popular media, the Japanese have developed management techniques that might potentially be highly effective in the Postal Service but which, to the average American corporate executive turns everything upside down. It goes against the very grain and current of American management practice to give the initiative to people at the bottom of the management ladder, yet that is exactly what Japanese managers do.

At least one recent study has shown that their methods are significantly superior to ours.

Newsweek magazine recently published a report on the differences between the two systems and the successes the Japanese have had, even when using their methods in the United States, with American workers. To quote one management specialist named in the article, "The Japanese simply outmanage us when it comes to people. We've done very well coping with the inanimate elements of management. But a shocking number of American managers are really inept in dealing with people."

I don't know that the methods of the Japanese, or of other countries or industries that could be examined, would bring big, immediate improvements in the performance of our postal system. But a basic narrow-mindedness is revealed in the fact that the managers of the system have failed to give the idea any serious consideration and perhaps a field trial or two.

Another glaring deficiency, which indicates how the present management has failed to recognize the dominance of the human side of the Postal Service, is the lack of emphasis on having good staff members, or a director or two, who fully understand public-service labor unions and how they work.

No matter how many billions of dollars are spent on machines and buildings, that will not do the job unless management deals with the human side, which is 85 percent of the system.

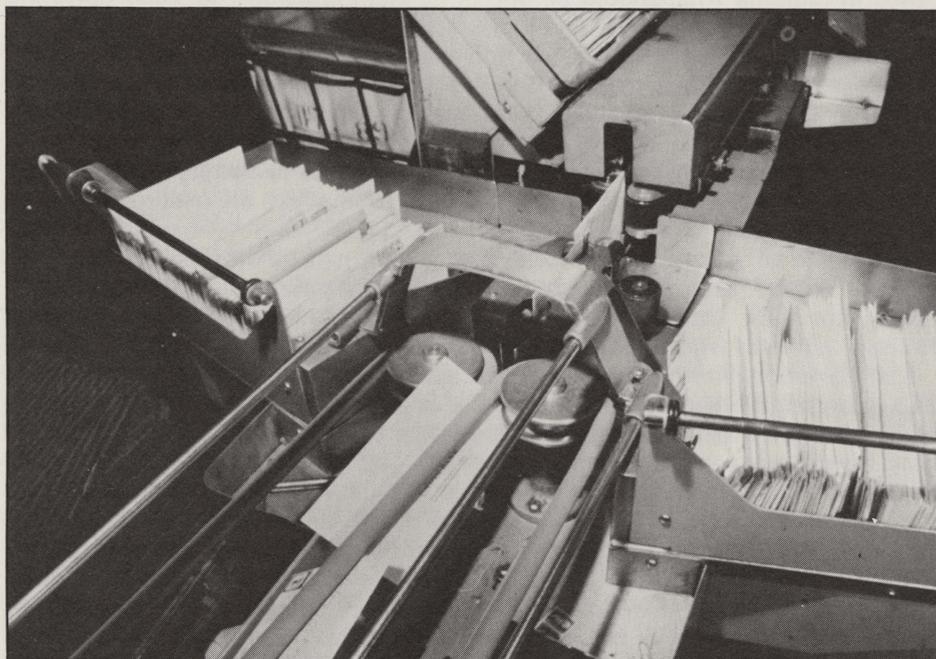
Besides being too homogeneous, too lacking in the kinds of background experience and perspective that were called for, the board of governors has fallen down in fulfilling what should be one of its main functions: to stand up to the management of the system, to challenge its judgments, to stimulate new thinking and to continually press for creative and appropriate solutions.

One reason for this is that the board of governors has been, in effect, hand-picked by the White House and management—with the unfortunate help of some congressional string-pullers. As a result, it has served as a rubber stamp, a tool of the management; instead, it should be prodding and challenging. I doubt that any of these men has ever been out in the work room when the mail rush is on, or has known a postal worker as a friend.

The board of governors should be part gadfly, part guiding light, part coach and part umpire. It should include men who understand managing a system such as this, but it also should include spokesmen for the interests the system is there to serve and with whom it must deal—mail users, citizens, postal workers.

The governors can not carry the load alone. It must have top managers who also understand what we are seeking and know how to achieve it. There have been some excellent appointments among the top managers to date, but these have been the exception rather than the rule. Too many of the senior managers, both past and present, do not seem to understand the mission of the public service—which is, precisely, to serve the public with efficient, reliable mail service. The postmaster general and his main aides must understand that this is not the American Can Company but a public-service area of government; that it is an agency that is not here to turn a profit, but which hopefully can break even, and which has as its chief task the delivery of the best possible service.

Lesser problems also have contributed to the overall difficulties. One problem has been an extremely high turnover rate among management personnel. We all have experienced the effect when there is a new letter carrier on our route; it slows down the mail for a few days. When there is constant change in personnel at the top, it has a similar effect but with far wider ramifications.



STEPPING UP THE MODERNIZATION PROGRAM One of the most time-consuming projects for postal workers was the stamp cancellation procedure. Above, can be seen the hand-feed method which required rearranging by hand the letters so the cancellation would hit the stamp. Today, the Mark II machine sorts the letters according to where the stamp is placed and then cancels them at the rate of 40,000 per hour, a three-fold increase in efficiency.



A FAST SHUFFLE FORWARD Under the old system, top, operators sorted letters by looking at the city, state and Zip Code. Replaced by the Optical Character Recognition system in which one operator does the work formerly required by 12, the OCR reads the city name first and then the Zip Code. It will even correct your mistake should you list the wrong state. The rate of sorting now comes to some 36,000 pieces per hour.

Finally, we have seen some cases of extremely bad judgment on the part of top-level management. If the reports that have become public in recent weeks about cronyism and favoritism in the sales of bonds, the buying of equipment and the letting of contracts are true, then it is a double tragedy.

It is a tragedy because it is yet another rip in the lately tattered moral fabric of our government. And it is a tragedy because men who were entrusted with a job that is vital to the commerce and communications of their country placed self-interest above that trust and thereby held it in contempt. Had they been dedicated to getting the job done the best possible way, they would have acted otherwise.

But hand-wringing and mourning the failures of the Postal Service will not correct its problems. We need strong practical measures. Many men have worked hard and with great dedication to try to reform this postal system, to create the new agency and start it down the road.

In the Postal Service itself, we have had the full support and dedication of some fine and able men as well. Many have struggled against great handicaps to try to make the new Postal Service fulfill the hopes and intentions of its authors and supporters. These men deserve every effort we can put forth, in recognition of what they have given, to try to correct the flaws that have become evident over the past five years, to try to make right what they believed in.

I for one feel a strong obligation to make what suggestions I have, if only because of my share of the responsibility for shaping the Reorganization Act. Here are some steps which might improve upon the present structure and functioning of the Postal Service:

First, I have never been satisfied with the composition of the board of governors. We should keep it at its present size—nine members plus the postmaster general and his deputy. But we should diversify the backgrounds of those members. We should consider including representatives of labor, mail users, perhaps Congress. While I have pointed out the Postal Service's heavy dependence upon human labor, it is important further to recognize that a large portion of that work force has been traditionally black. We should consider this, too, in choosing members of the board of governors. In connection with this reform, I believe that the independence of the board is essential to a healthy spirit of creativity and open-mindedness. Giving the board its own small independent staff would be a step toward this objective.

Second, we must clarify and tighten up the rules for recruiting, hiring and compensating high-level management personnel. Although local postmasters are now recruited from the ranks of the work force, too few career postal workers have been placed in top management positions at the headquarters level. Congress should specify the number of employes to be permitted in the \$36,000-and-up salary range and require more strict justification for placement of personnel at those levels and for outside recruitment.

Third, there should be congressional action mandating that the Postal Service follow the contract-letting procedures required of other federal agencies under present law. When we wrote the Postal Reorganization Act, we deliberately exempted the Postal Service from these requirements. For the most part, I am told, they are followed anyway, and I assume they are.

But the past five years or so have brought to American government some of the most discouraging examples of cronyism in a long, long time. We have learned of case after case in which public officials apparently just did not understand that a public servant does not give government business to a favorite friend just because he is a friend. Sadly, the Postal Service has not escaped these subversions of the

public trust. We have seen a stream of news articles alleging a variety of questionable acts by high officials. These charges and revelations only serve to send employe morale plummeting lower while heightening the public's sense that it isn't service that counts after all, but promotion or personal gain.

When Congress exempted the Postal Service from the usual contracting and

THERE CAN BE NO FAVORITISM

procurement restraints, it was done in the hope that this would provide a flexibility that would promote faster improvement in service. We gave freedom, but we did not intend free wheeling and dealing. It is time to pull in the reins.

Even if we could be assured that only the highest principles would govern future business transactions by the Postal Service, we must show the public and the postal work force that Congress won't stand for any more favoritism. Giving your pals the contracts may be the way private businesses operate; it may even be all right in the private sector. But public agencies can not be allowed to run that way.

It is disturbing that we turned to business to provide the management and leadership, and business has let us down. The reason may be that the Postal Service is a hybrid, only part business and the rest government bureaucracy, existing chiefly as a public-service institution. This is a far more difficult kind of institution to manage than a private corporation. Being confined by requirements such as competitive bidding doesn't make it any easier.

But this only demonstrates and underscores the need for topflight management that possesses a rare combination of know-how in both business and government, that understands politics and has the knack—so critical in a labor-intensive organization—of managing and motivating people.

Fourth, Congress should adopt the rate-setting safeguards contained in the House version of the Reorganization Act, but modified in conference with the Senate. The Congress, under this provision, would retain veto power over rate increases. This is one of the most emotional aspects of postal operations, and one in which the public wants its elected representatives to have a final say.

Fifth, the time has come for the American people to decide whether they want total freedom of variety in the form of the mail they send or whether they are willing to sacrifice some of this freedom—which seems to verge at times on anarchy—in exchange for greater efficiency.

We should carefully explore the feasibility of creating a new type of first class mail which would be sent in standardized envelopes, possibly containing pre-printed zip code spaces that a machine could find and read. This would be strictly a private-letter class of mail.

This is not a new idea. Great Britain uses a standardized mail system somewhat of this sort. It is optional, but it goes at a reduced rate. We already follow a plan somewhat like this in the international postal union's letter system, with the dimensions of letters required to fall within the standardized range.

What logic is there in having hundreds of possible sizes and shapes of envelopes, and then wondering why we can not have automation? Variety may keep life interesting, but it keeps the life of the postal worker confusing and frustrating. Americans should decide whether they want good service or every size and shape of envelope the human mind can devise.

Please note that I am not even suggesting that all mail should be standardized. I am only talking about what is sometimes referred to as Aunt Minnie Mail, personal letters. Yet, this accounts for fully one fifth of all first class mail—about 10

billion letters a year. It would seem that finding a way to automate its handling would not only speed its delivery but also ease handling the other four fifths.

While investigating this proposal, we also should consider freezing the postal rate for this kind of mail at the present 10-cent rate, for a fixed period of time, to avoid further increases in the cost of writing to Aunt Minnie.

Sixth, I believe we should seek the support of the postal workers in trying out, on a limited, pilot-test basis, a variety of incentive plans. These could range from piece work incentives (extra pay or benefits for handling or delivering more than some reasonable average number of pieces) to off-the-job benefits such as family recreation programs, group vacation plans and other ideas that would serve as fringe benefits while building esprit de corps.

The Postal Service is not designed to make a profit—heaven knows, we wish it would break even—so it would be difficult to attempt a profit-sharing incentive plan. But perhaps there are ways we could tie some employee benefits to improvements in efficiency and reduction of costs. This, too, at least should be explored.

Seventh, I believe that both the Postal Service and the public deserve to know where Congress stands on the question of postal service standards. Congress should adopt a clear-cut statement on the levels of service it expects, both in speed of mail delivery in the various classes and in the services delivered at the post office window and to customers along the route.

True, writing this down in the book won't guarantee that these service levels will be met. But they will provide a guideline and a yardstick that should help the Postal Service in its attempts to raise its levels of performance, and help the public measure its success.

Eighth, the general public is doubly frustrated in attempting to cope with the problems it perceives in the Postal Service. Besides being frustrated when the system does not perform as well as the public thinks it should, citizens are frustrated when they attempt to express their frustration. They complain to the local letter carrier and the hometown postmaster, who say they are doing the best they can but that policy is set in Washington. So the citizen writes his Congressman and is told that Congress doesn't run the post office anymore. There was good reason for getting Congress out of the everyday operations of the postal system. But the citizen still deserves to have a voice in the system.

To achieve this, I would suggest creating local citizen mail-users' councils, to meet regularly and discuss the operations of the system, to have a say in changes in policy and procedures before they are put into effect. In short, we should put to a productive use the public's desire to have a say in the system. We already do this to improve business-mail service. The ordinary citizen deserves at least equal treatment. Besides bringing the public into the picture in an orderly and constructive fashion, these councils would give postal officials a chance to express their frustrations and explain their problems. The result at a minimum would be greater understanding on both sides and at best could bring some real improvements in service.

I am sure others also have ideas; and I would hope that Congress, in the coming months, would give full, open-minded consideration to all of them. We must not leave any possible solutions outside our investigations. We must not accept any of the old assumptions without challenging them.

As long as men write laws, laws will be imperfect. If that weren't true, we would have legislated ourselves out of business long ago.

We can only do our best, and then try to improve on it. We did our best with our postal reorganization plan. Now it is time to do better. □