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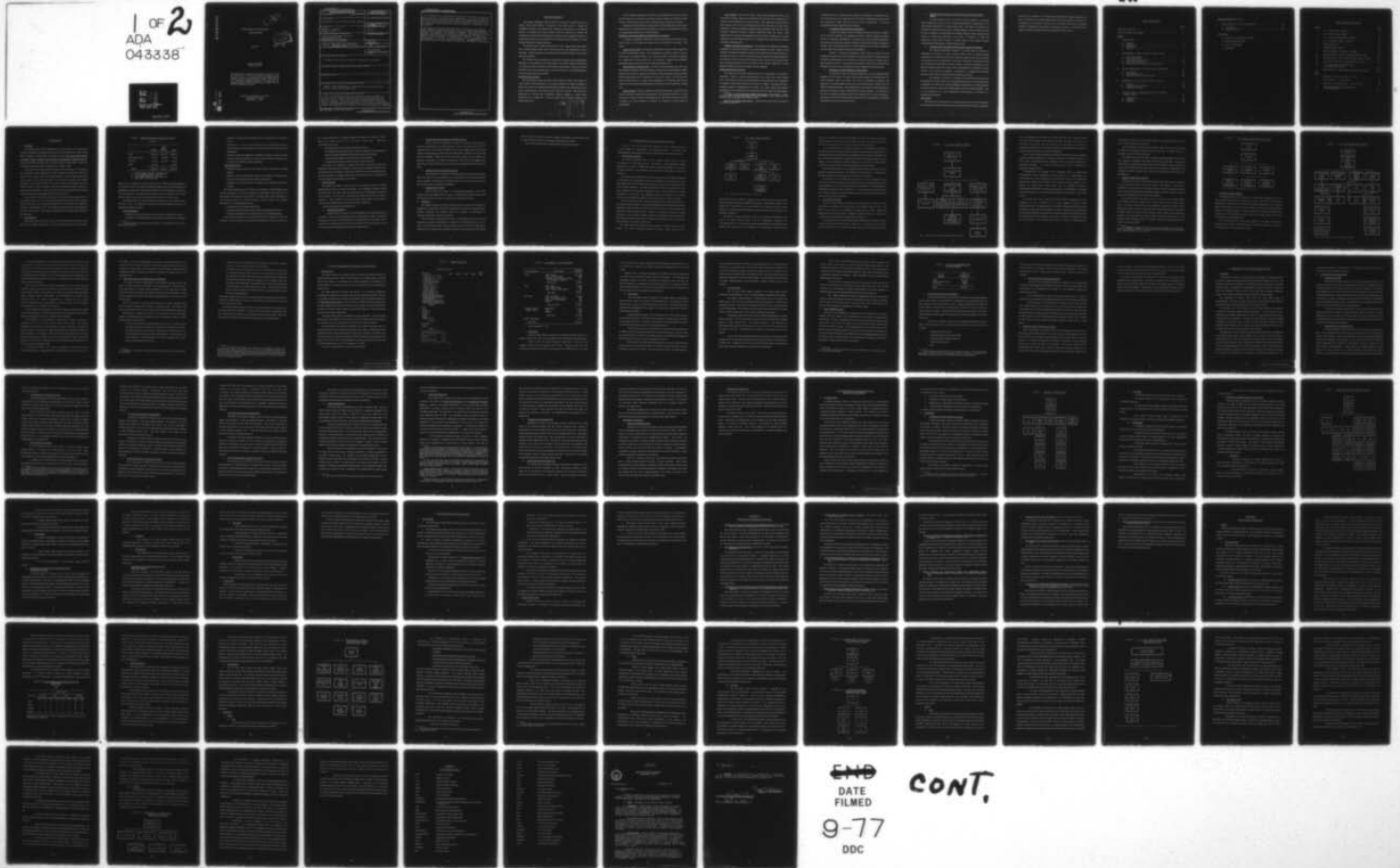
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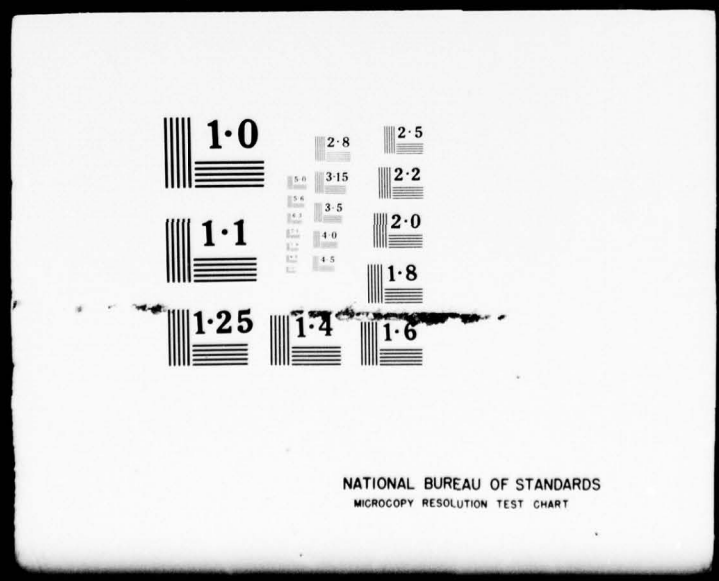
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July 1977

Eugene A. Narragon
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20. ABSTRACT (Continue on reverse side if necessary and identify by block number) → Each of the Military Services operates a postal system to provide for the dispatch and receipt of military official and personal mail in areas where the United States Postal Service does not operate. The Military Postal System (MPS) is a highly visible function, and when perceived to be operating inefficiently, results in complaints to high DoD officials and members of Congress. arc made (cont on p. 1473B)		

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At the request of the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), ASD(MRA&L), the Logistics Management Institute reviewed the management and operating practices of the MPS to identify those policies and procedures which contribute to unnecessary duplications or insufficiencies in management and facilities.

The review of the MPS revealed that the Services are meeting their assigned postal responsibilities; and though improvements are needed, the potential for savings is modest. The major findings indicate (1) gateway city operations could be streamlined; (2) the Services should establish a single postal manual; (3) operating costs are not a function of organization; and (4) reorganization is not necessary to correct existing problems. Recommendations for ASD(MRA&L) action on the above findings are included in the report.

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EXECUTIVE SUMMARY

The Logistics Management Institute (LMI) has completed an overall review of the Military Postal System (MPS). The purpose of the review was to: evaluate the management structure and administrative procedures and practices of the Military Services in executing their postal missions; assess the potential for reduced mail processing and distribution costs through more effective traffic management practices in overseas areas; and assess the opportunities for obtaining increased efficiency of the MPS through consolidation of postal operations.

The estimated cost of MPS mail service for FY 1977 is approximately \$231 million. This is divided between indicia costs of \$149 million and mail transportation costs of \$82 million. Postal personnel costs represented an additional \$45 million in FY 1976 (the latest data available).

The Military Services generally are meeting their assigned postal responsibilities effectively. In many countries, mail is distributed to the military member within one day of its arrival and return mail leaves within one day of being posted. Mail enters or leaves the MPS at the overseas terminal; prior to or after that point, it is the responsibility of the United States Postal Service (USPS).

POTENTIAL FOR SAVINGS

The opportunities for cost reductions within the MPS are modest. For example, the indicia portion of MPS expenditures (the amount reimbursed the USPS for delivery of official mail within the Continental United States (CONUS)), which represents half of all costs, is determined by mail volume and the USPS rate structure. Each Service has implemented an Official Mail Management Program designed to control postal expenditures by the application of the least costly class of postage, consistent with mailing requirements.

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The next largest expenditure in the MPS is mail transportation (the cost of air and surface movement of mail between CONUS and overseas theaters and between overseas theaters). The MPS does not play a role in determining rates charged by the carriers.

Personnel costs represent about twenty percent of MPS expenditures. Some modest reductions can be accomplished without sacrifice to service, but the potential for savings is not large (approximately in the 1-2 percent range).

IMPROVING THE MANAGEMENT AND OPERATION OF THE MPS

A number of managerial improvements which would enhance the efficiency of the MPS or result in some modest cost savings have been identified in this study. They include:

Liaison with the USPS. Each Service is authorized to provide a direct liaison with the USPS for operational matters. Prior coordination on matters of concern to two or more Services is frequently informal. As a result, the USPS has expressed a preference for a single point of contact within DoD. At a minimum, it appears that coordination procedures should be made more formal to obviate this problem area.

Representation at Gateway Cities. At each of the three gateway cities, New York, San Francisco, and Seattle, the Army operates a Military Mail Terminal (MMT) to support itself and the Air Force in dealing with the USPS. The Navy operates a Fleet Post Office (FPO) supporting itself and the Marine Corps in the same location. The MMT and FPO perform similar functions. A single military organization at the gateway cities with the proper mix of Service personnel could perform the duties of the MMT and FPO at reduced cost.

Seattle Gateway. Since the withdrawal of forces from Vietnam, mail volume to the Pacific, particularly through the Seattle gateway, has decreased substantially. Current volumes do not justify two West Coast gateway cities. Since carrier service to the Orient is superior out of San Francisco, the gateway city operation at Seattle should be disestablished.

Postal Manuals. Each Service complied with the basic regulations set forth in the Postal Service Manual. However, the uniqueness of the MPS has made it necessary for the Services to issue supplements to the basic manual. These supplements, though similar in many respects, have not been coordinated, and the end result has been some lack of uniformity in rules and procedures governing postal operations within the DoD. Such procedural differences sometimes hamper cooperation among the Service postal organizations and between those organizations and the USPS. Development of a single supplement to the USPS Postal Manual for use throughout DoD could eliminate whatever unnecessary differences exist.

Budgetary and Financial Management. The requirements for budgetary and financial management of the postal function are the same throughout the MPS. However, actual budgetary and financial management practices differ significantly among the Services. In particular, the Army and Air Force perform extensive analyses during budget preparation and execution while the Navy performs relatively little. Since the Army and Air Force have uncovered substantial errors by the USPS in their quarterly indicia bills, it would appear profitable for the Navy to establish a similar capability.

REORGANIZATION OF THE MPS

The postal function has high visibility because of its importance to the morale of servicemen. Despite its overall good performance, some delays occur, either through error or unavoidable circumstances, and frequently cause servicemen and their dependents to complain to high officials within both DoD and the Congress. The result has been a recurring demand for reorganization of the MPS. Two recent studies¹ have proposed consolidation of the existing Service postal organizations into a single DoD postal agency.

¹A Review of the United States Military Postal System, Subcommittee on Postal Facilities, Mail, and Labor Management, of the Committee on Post Office and Civil Service, House of Representatives, December 1976.

Report on the Military Postal Service, National Defense Transportation Association Committee, January 1977.

Consequently, LMI has examined several concepts for reorganization. In general, we have found that MPS costs are, in large measure not sensitive to organizational structure; thus any organizational change should be based on other considerations. The various organizational concepts considered in this study are:

1. A Completely Unitary Defense Postal Agency

A single postal agency would be established under the Secretary of Defense with its director reporting to the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics) (ASD(MRA&L)). The agency would have worldwide responsibility for military postal operations, personnel, facilities, practices and procedures, funding, and training. This concept should result in a fully integrated system, simplify coordination with the USPS, and standardize regulations and procedures.

However, a substantial reorganization effort would be required, with the likelihood of attendant turmoil and degradation of efficiency during the transition period. The Services understandably may be reluctant to relinquish control of a function with so large an impact on morale. They probably would establish liaison offices to deal with the new agency to insure that their particular needs were adequately taken into account.

2. Designation of a Single Manager for Postal Affairs

The Secretary of one of the Military Departments would be designated Single Manager for Postal Affairs. He would provide technical support and surveillance of all postal operations within the Services and would be responsible for gateway city operations. The Single Manager would be the only authorized point of contact with the USPS on operational matters. The responsibility for, and control of, postal facilities and personnel would still be retained within Service Command channels. The transition to this type of organization probably would be less turbulent than the total centralization associated with the Defense Postal Agency concept since the responsibility for facilities and personnel would remain with the Services.

3. Establishment of a Single Postal Affairs Office Within an Existing DoD Agency

An existing agency, such as the Defense Logistics Agency or the Military Traffic Management Command, could be assigned responsibility for administration of the MPS through establishment of a Postal Affairs Office. The scope of its authority and responsibility would be similar to that of the Single Manager. Such an office would have the same advantages and disadvantages as the Single Manager concept, except that the nucleus of a postal staff would have to be created. In addition, it is likely that ASD(MRA&L) would become involved to a greater degree in the resolution of postal operating problems than under the Single Manager concept.

4. A Restructuring of Procedures, Practices, and Field-Level Operations

The existing decentralized structure of the MPS would be retained, but coordination and direction to resolve existing problems would be achieved through revitalization of the Defense Postal Policy Committee under the authoritative direction of a representative of the ASD(MRA&L). Each Service would retain a headquarters office and deal directly with the USPS on uniservice matters. All matters involving two or more Services (including internal DoD matters, such as standardization of procedures) would be referred to the Committee mechanism. Consolidation of overlapping and redundant functions could be effected through interservice support agreements.

This approach would avoid the turbulence and inefficiencies associated with reorganization of a system which is now functioning effectively; yet it would still provide a mechanism for achievement of needed management improvements. The disadvantage of this concept is that it would require continuing OSD involvement in MPS operations. Also, it is not supportive of a recent Congressional recommendation on formation of a consolidated postal agency.

EVALUATION

The fact that the existing system is functioning effectively on an overall basis and that reorganization does not offer the potential for significant cost savings is a persuasive

argument for its retention. It is therefore recommended that favorable consideration be given to retention of the existing organizational structure as described in Alternative 4, recognizing that the necessary resources must be available within OSD for continuing attention to coordination and direction of multiservice matters. If this should not be feasible, Alternative 2 appears the next most desirable course of action.

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I. INTRODUCTION

A. OVERVIEW

The Military Postal System (MPS) operates as an extension of the United States Postal Service (USPS), as authorized by Title 39 of the United States Code. Each Military Service manages its postal affairs in accordance with the USPS Postal Service Manual; International Airmail Exchange Office Procedures, Transportation Handbook Series T-1 (issued by the USPS); and Department of Defense Directive (DoDD) 4635.1, "Department of Defense Postal Operations and Related Services," August 1, 1973.

Postal services are funded primarily through two major programs in the Operation and Maintenance (O&M) appropriation: second destination transportation (SDT) and indicia. SDT is included in Major Force Program (MFP) 7. The mail transportation portion of SDT funds air and surface movement of both official and personal mail between continental United States (CONUS) and overseas theaters, and between and within overseas theaters. Indicia is included in MFP 9 and reimburses the USPS for delivery of official mail within CONUS. In fiscal year (FY) 1977, the mail transportation and indicia budgets of the Services total approximately \$231 million (Table 1).

Other sources of postal service funding are the Military Personnel appropriations for the staffing of postal units, and the O&M appropriation (within MFP-2) for the operating costs of postal units. The cost of postal personnel in FY 1976 (the latest data available) is estimated to be \$45 million: Army - \$17.5 million; Navy/Marine Corps - \$13.3 million; and Air Force - \$13.7 million. The O&M costs of postal units are not separately identified in Service budgets.

B. BACKGROUND

Before 1940, when virtually all military forces were stably based within the United States and its overseas dependencies, the Army and Navy needed only a minor military

TABLE 1. ESTIMATED COST OF THE MPS - FY 1977

(Millions)

	Indicia ¹	Mail Trans- portation	Total
Army	\$ 53,625	\$29,216 ²	\$ 82,841
Navy/Marine Corps	42,277	28,600 ³	70,877
Air Force	32,516	24,231 ²	56,747
Other ⁴	20,226	-	20,226
Total	\$148,644	\$82,047	\$230,691

1. Program Budget Decision, December 1976
2. Army Budget Submission, May 1977
3. Navy Budget Submission, December 1976
4. See Table 3 for more detail

postal system to supplement the service provided by the USPS. The explosive growth of the Armed Forces and their global deployments during World War II necessitated the organization of major Army and Navy postal systems to provide adequate mail service to their far-flung units. These Service postal systems have been modified to some extent during the postwar years, but they are essentially the basis for the present MPS.

The MPS interface with the USPS is currently delineated in a joint agreement dated February 2, 1959.¹ This agreement sets forth the postal responsibilities of each of the organizations involved as follows:

DoD Responsibilities

- Provision of military postal services in areas where the USPS does not operate
- Maintenance of operating organizations to administer postal functions adequately

¹A new agreement is currently under negotiation. The Department of the Army is executive agent for DoD.

- Obtaining of foreign government approval for the establishment of military post offices
- Establishment of military control facilities at postal concentration centers to provide information for distribution and dispatch of mail for overseas fixed and mobile forces
- Provision of audits and inspections of military post offices to verify that postal effects are properly accounted for and that service rendered is adequate and in accordance with USPS and military regulations.

USPS Responsibilities

- Provision of postal services for the Armed Forces in areas where the USPS operates
- Operation of postal concentration centers for the dispatch of military mail in accordance with requirements of the Military Departments
- Arrangement of overseas movement of military mail to designated military mail terminals.

The postal responsibilities of the Office of the Secretary of Defense (OSD) and the Military Departments are further delineated in DoDD 4635.1 which provides for a decentralized MPS operated by each Service, but assigns overall policy responsibility to the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics) (ASD(MRA&L)). This responsibility includes:

- Coordinating with the Military Departments
- Serving as the DoD focal point with the USPS on all postal policy matters
- Furnishing policy guidance for compliance with the DoD/USPS agreement.

Each Military Department is required by DoDD 4635.1 to maintain an office with cognizance over postal matters at the departmental headquarters level. Each Service also

has a postal organization to manage and support the dispatch and receipt of military official and personal mail to, from, and within overseas areas. Department responsibilities also include

- Maintaining liaison with the USPS on operational matters
- Coordinating matters affecting more than one Department (When agreement cannot be reached, ASD(MRA&L) shall make the final determination.)
- Preparing recommendations for uniform policies and procedures
- Coordinating postal support policies to assure uniform application.

DoDD 4635.1 also establishes a Defense Postal Policy Committee to advise the ASD(MRA&L) and to provide a mechanism for the Services to cooperate with each other and civilian government agencies to insure a coordinated DoD position on postal matters. In practice, however, the Defense Postal Policy Committee has not met frequently and does not influence the formulation of postal policy.

C. PRIOR STUDIES

The quality and speed of postal service is an important element of efficient administration as well as a critical morale factor. As a consequence, numerous studies have been made of the MPS. Some were performed by an individual Service, others by outside agencies. All were aimed at identifying more efficient and effective methods of operation. A brief summary of the more significant postal studies and the follow-up actions taken by ASD(MRA&L) or the Services is given in Appendix A.

The primary problem areas identified were:

1. USPS/DoD Relationship

Questions have been raised as to the effectiveness of the USPS/DoD liaison on two counts. First, it has been suggested that the communications network is excessively burdened by the number of DoD organizations conducting liaison with the USPS. Also, it appears that the USPS primary point of contact, the Office of the Chief Inspector, may be too far removed from postal operations to provide optimum liaison.

2. Staffing, Structure, and Number of Military Gateways

Various studies have generated a number of dissimilar recommendations pertaining to operations at the military gateways. Some have maintained that the Army-managed Military Mail Terminals (MMTs) and the Navy-managed Fleet Post Offices (FPOs) at the three gateway cities, New York, San Francisco, and Seattle, are similar and should be combined. Others have found that military assistance to the USPS at the gateways is unnecessary and should be discontinued. Still others have suggested that postal service could be improved by either increasing or decreasing the number of gateway cities.

3. Staffing Criteria for Overseas Postal Units

Some studies have criticized the manning standards for overseas postal units. The criteria used by the Army and Navy, i.e., one postal clerk per 500 military patrons, and the regression formula (based on workload) used by the Air Force do not take into account such factors as geography and dependents.

4. Organization of the MPS

Several studies have found the decentralized organization of the MPS inadequate and have suggested that the lack of a strong central control element in the MPS organization has contributed to management and operational problems.

D. APPROACH

The Logistics Management Institute (LMI) was tasked to evaluate the organization, management, and operation of the MPS. The objective of the study is to identify policies, practices, procedures, and operations which may contribute to inefficiencies or unnecessary duplication of effort and facilities.

The study will be conducted in three phases: (1) obtaining an overview of the MPS (organization, functional responsibilities, management and operating practices, etc.) in order to identify selected areas meriting in-depth analysis and review; (2) conducting an in-depth review of selected areas, including an analysis of administrative and cost savings

benefits which may result from proposed changes; (3) preparing an implementation plan for those proposals which provide the greatest opportunities for benefits.

Phase I of this study has been completed and is the subject of this report.

II. ORGANIZATION OF THE MILITARY POSTAL SYSTEM

Within the office of the ASD(MRA&L), cognizance over postal matters is exercised by the Director for Transportation and Warehousing Policy. At present, these responsibilities are being carried out on a day-to-day basis by one member of his staff.

A. ARMY POSTAL SERVICE

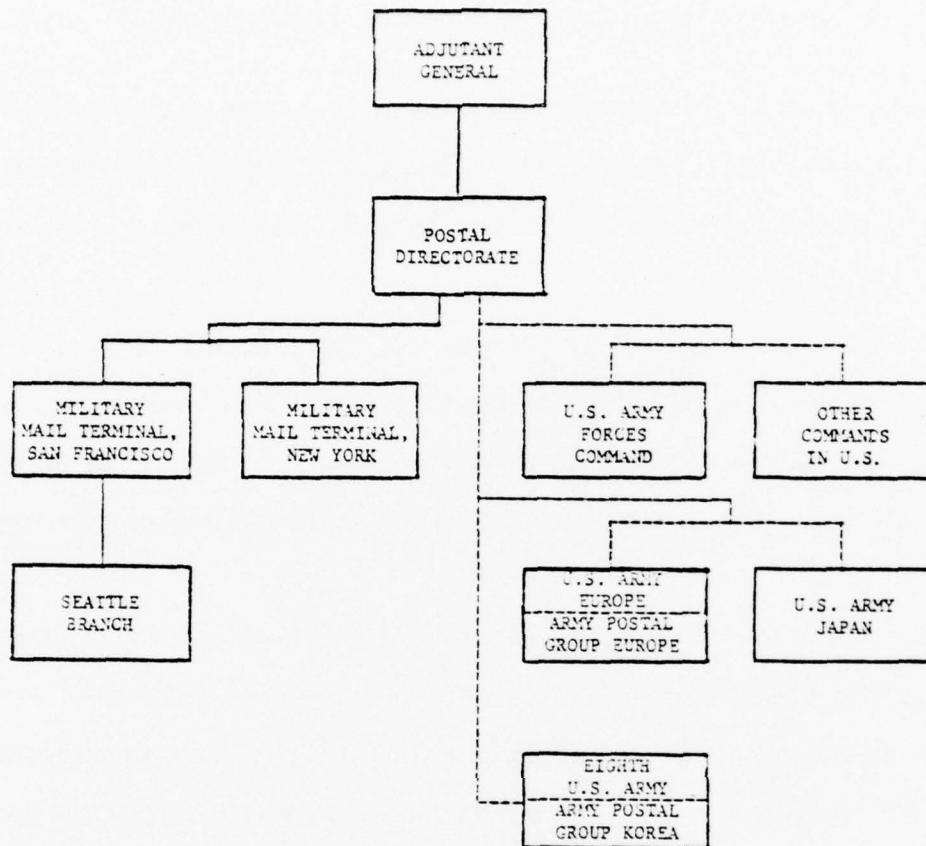
The Postal Directorate, Office of the Adjutant General (AG), has overall responsibility for Army postal matters. (See Figure 1.) This responsibility includes operation of two MMTs in CONUS and provision of technical guidance to Army postal activities worldwide. The Directorate has two divisions: Operations and Plans and Programs.

The functions of the Operations Division include liaison with the USPS; development of Army policy for mail processing, routing, and transportation; monitoring of Army post office (APO) mail moving between and within overseas commands; and implementation of DoD and USPS regulations. The Plans and Programs Division is responsible for Army postal regulations and directives, coordination of plans and policies with the MMTs, development of Army official mail management policy, and preparation of the Army's indicia and mail transportation budgets and the Air Force's mail transportation budget.

The MMTs are located in New York City and San Francisco. The San Francisco MMT has a branch terminal in Seattle. Army personnel assigned to the MMTs assist the USPS in dispatching military official and personal mail for Army and Air Force members (and dependents) stationed outside CONUS. Assistance is provided in the form of routing information on unit locations, mailing instructions, monitoring air and surface carrier performance, directorizing misrouted or inappropriately addressed mail, and monitoring USPS operations as they pertain to APO mail.

The Postal Directorate supplies technical guidance to various commands within CONUS. The Forces Command (FORSCOM) dominates CONUS postal activity.

FIGURE 1. U.S. ARMY POSTAL SERVICE



Note: Dashed line indicates technical responsibility.

FORSCOM's Staff Postal Officer is responsible for inspecting mail rooms and auditing base postal finance operations at FORSCOM installations. The Staff Postal Officer is also charged with maintenance of the Army official mail management program within FORSCOM. All postal personnel on FORSCOM installations are under the command of the installation commander.

The Director of Postal Operations for the U. S. Army Europe (USAREUR) is also Chief of the Postal Division, Office of the AG, Headquarters, USAREUR, and Commanding Officer, U. S. Army Postal Group Europe (USARPGE). The USARPGE is the principal postal organization within USAREUR. Its responsibilities include effective

operation of the postal service within USAREUR, command and control of assigned AG postal detachments and companies, and technical supervision over combat division postal sections and several table of distribution and allowance (TDA) postal units.

All AG detachments and companies assigned to the USARPGE are located in West Germany, as are all combat divisions to which it provides technical supervision. The remaining postal sections and units under USARPGE's technical direction (USARPGE does not have command responsibility over these postal units) are the Berlin brigade, a depot in England, and AG detachments in Belgium, Holland, Italy, and Turkey. In these locations installation commanders have command responsibility for postal operations.

Postal activities within U. S. Army Japan (USARJ) consist of APOs located at Army garrisons on Okinawa and Honshu. The USARJ Staff Postal Officer is a collateral duty assignment; garrison commanders have command of these postal units.

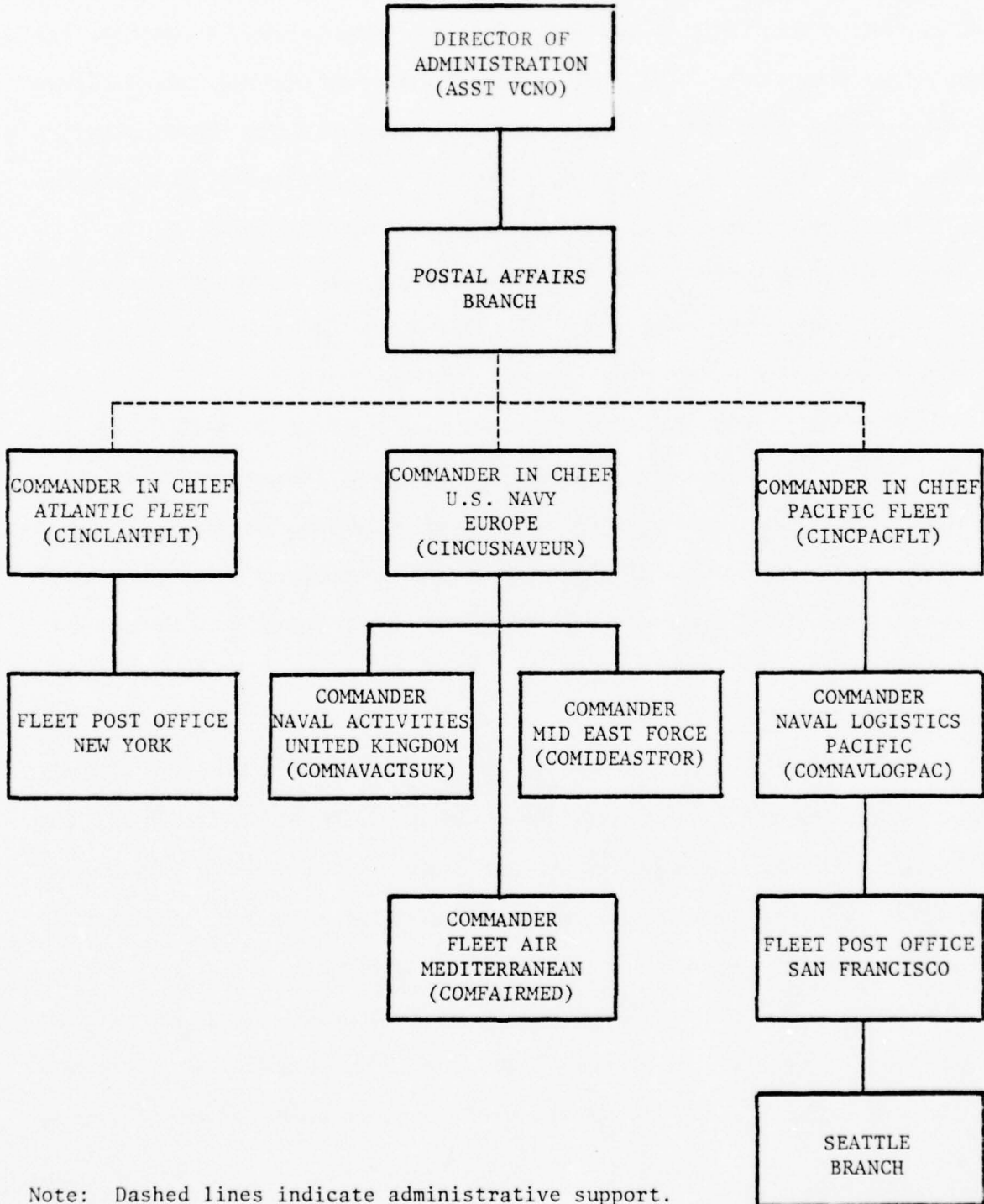
The Eighth U. S. Army (EUSA) postal organization is similar to USAREUR's in that the Director of Postal Operations for the command is also the Commanding Officer of the postal organization—U. S. Army Postal Group Korea (USARPGK). The responsibilities of USARPGK are identical to those of USARPGE. All AG detachments in Korea are under the command of USARPGK except the Postal Division of the 2nd Infantry Division over which it exercises technical direction.

B. NAVY POSTAL SERVICE

The Postal Affairs Branch, Administrative Division, Office of the Chief of Naval Operations, has responsibility for postal policy and procedures within the Navy. The Postal Affairs Branch is also responsible for liaison with the USPS. Operational responsibility for Navy postal units is assigned to individual commands. There are no centralized overseas management organizations. (See Figure 2.)

The primary duties of the Postal Affairs Office, Headquarters, Commander in Chief, Atlantic Fleet (CINCLANTFLT), Norfolk, Virginia, are: (1) maintenance of an accurate log of all ship activities in the Atlantic and Mediterranean areas for purposes of routing

FIGURE 2. U.S. NAVY POSTAL SERVICE



Note: Dashed lines indicate administrative support.

mail, and (2) operation of the Fleet Post Office (FPO) New York. The Postal Affairs Office forwards all changes in ship schedules to FPO New York which, in turn, passes the information to the USPS. The FPO fulfills the same functional role in Navy postal matters as the MMT does in the Army and Air Force; it assists the USPS in the dispatch of Navy and Marine Corps mail at the point of embarkation.

The U. S. Navy, Europe (NAVEUR) Postal Officer technically serves as a coordinator for postal activities throughout the command. However, the Commander in Chief, U. S. Navy, Europe (CINCUSNAVEUR), has delegated much of the postal responsibility to subordinate commands. As a result, the postal officer billet is a collateral duty assignment to a junior officer.

CINCUSNAVEUR has delegated to the Commander, Fleet Air Mediterranean (COMFAIRMED) overall responsibility for Navy mail in the Mediterranean area. COMFAIRMED has recently designated his Postal Officer to be the Mail Coordinator, Mediterranean, charged with coordinating mail movements with ship schedules. In this capacity, the Postal Officer works closely with the Air/Surface Coordinator, Mediterranean (ASCOMED), who directs ship operations for COMFAIRMED. The purpose of this relationship is to make ship schedules available to mail routers in a more timely manner.

The Commander in Chief, Pacific Fleet (CINCPACFLT) has delegated fleet postal responsibility to the Commander of the Naval Logistics Command, Pacific (COMNAVLOGPAC). The responsibilities of the COMNAVLOGPAC Postal Officer include coordination of postal operations throughout the Pacific, development of mail routings to shore and afloat activities, and operation of the FPO San Francisco and its Seattle branch. The COMNAVLOGPAC Postal Officer also serves as the Officer-in-Charge (OIC) of the FPO San Francisco. The Assistant Postal Officer is located at COMNAVLOGPAC

headquarters in Hawaii and is more directly involved in coordinating Terminal Navy Post Officer (TNPO) activities in the Pacific.¹

FPO San Francisco provides the same services as FPO New York, namely, assisting the USPS in the handling of Navy and Marine Corps mail. The Seattle branch is a subordinate activity of FPO San Francisco.

The mobile postal units in the Navy are generally small (depending on the size of the ship), operated in accordance with USPS and Navy postal regulations. They are the responsibility of the ship's Commanding Officer and Postal Officer. Shore-based units are also governed by USPS and Navy postal regulations, and although the responsibility of the installation commander, operate very much like the terminals and post offices of the other Services.

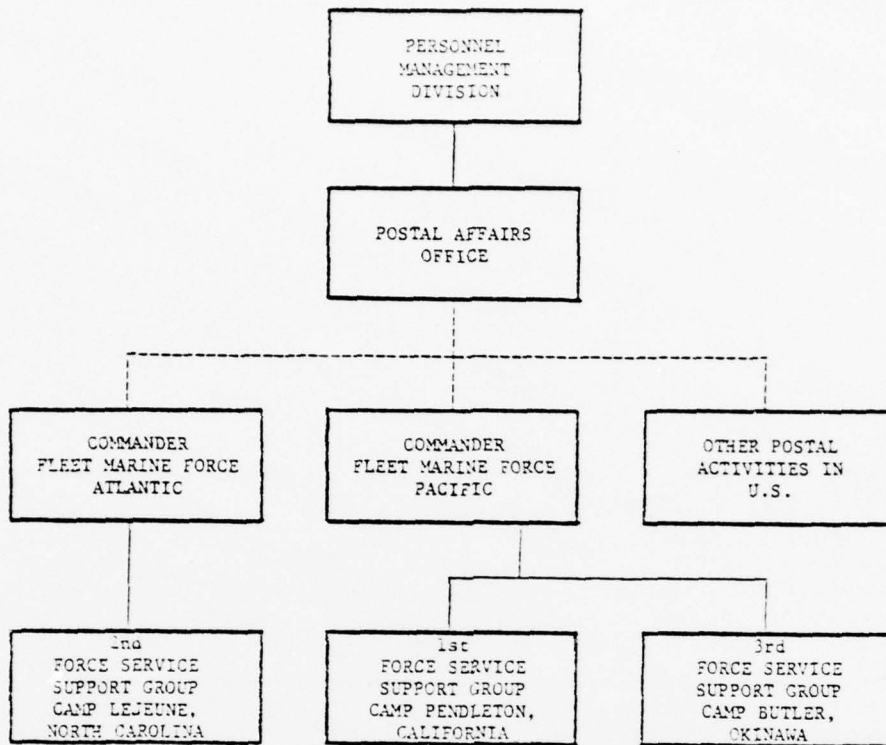
C. MARINE CORPS POSTAL SERVICE

The Postal Affairs Office, Personnel Services Division, Office of the Commandant, is the focal point for Marine Corps postal matters. (See Figure 3.) That office is responsible for postal policy and coordination of postal activities throughout the Marine Corps. The Marine Corps and the Navy cooperate closely on Marine Corps postal matters, with the Navy handling many of the Corps' mail problems.

The principal Marine Corps postal units are a part of the Force Service Support Groups (FSSGs) under Fleet Marine Force, Atlantic and Fleet Marine Force, Pacific. Fleet Marine Force, Pacific (FMFPAC) has established the position of FMFPAC Postal Officer at Camp Smith, Hawaii to coordinate Marine Corps postal matters in the Pacific. The FSSGs which are located at Camp Lejeune in North Carolina, Camp Pendleton in California, and Camp Butler on Okinawa, provide complete postal support to their respective Marine Amphibious Forces. The Marine Corps also has representatives at the Navy FPOs to assist the USPS.

¹The designation Terminal Navy Post Office is being changed to Fleet Mail Center (FMC). The designation TNPO is misleading and gives the impression of providing post office financial functions which it does not.

FIGURE 3. U.S. MARINE CORPS POSTAL SERVICE



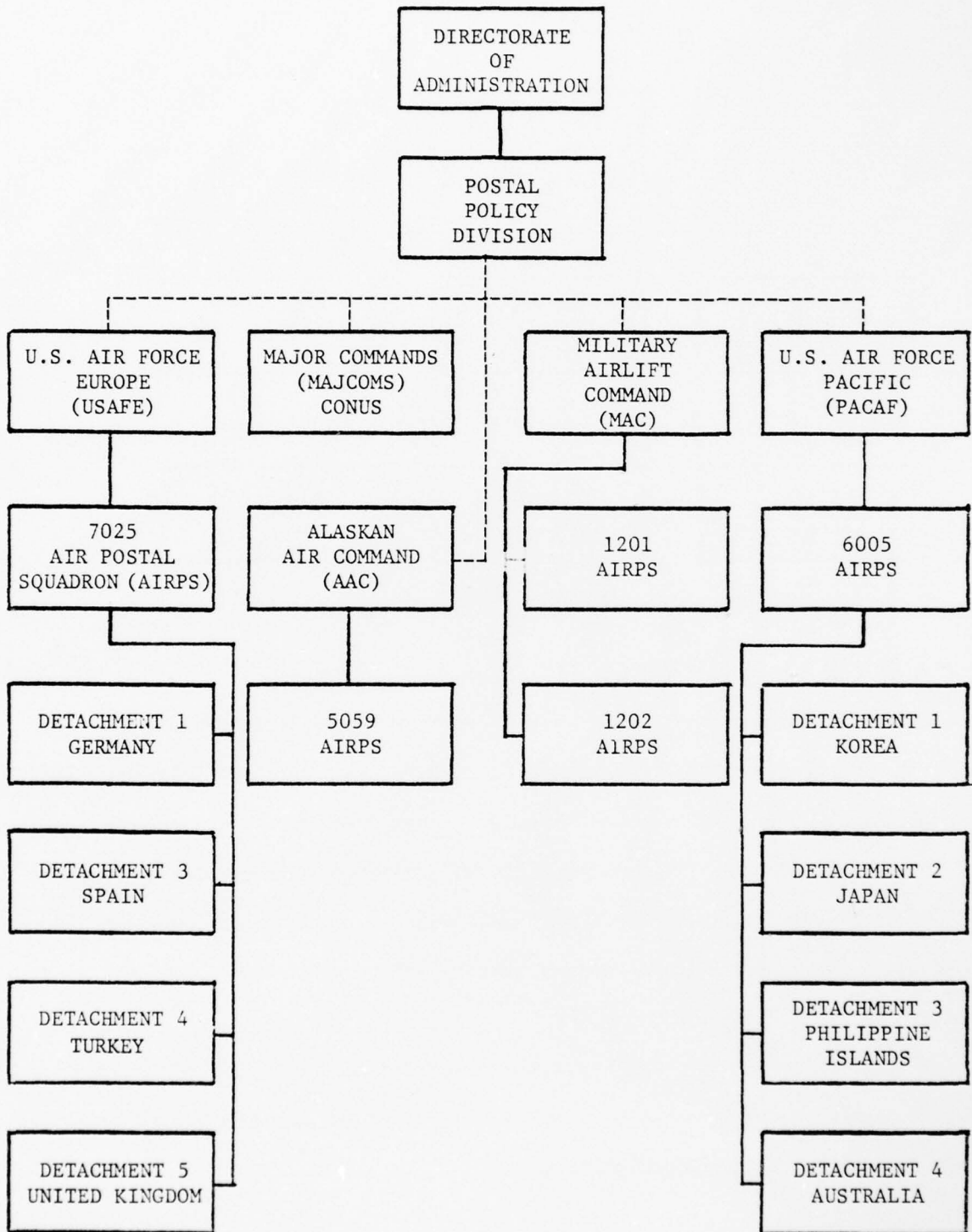
Note: Dashed lines indicate administrative support.

D. AIR FORCE POSTAL SERVICE

The Postal Policy Division, Directorate of Administration, Headquarters, U. S. Air Force, is the focal point for all Air Force postal matters. (See Figure 4.) The Division is responsible for: implementation of USPS and DoD policy; development of Air Force postal policy; construction of the Air Force indicia budget; monitoring of the indicia program; provision of technical guidance to major commands for labeling and pouching mail, maintenance of mail distribution schemes, aerial mail terminal operations, and other matters related to mail transportation.

The Air Force does not provide direct assistance to the USPS; this function is handled by the Army MMTs. As noted previously, the Army also supports the Air Force in the preparation of its mail transportation budget.

FIGURE 4. U.S. AIR FORCE POSTAL SERVICE



Note: Dashed lines indicate technical support.

The direct responsibility for Air Force postal operations has been delegated to the major commands. Their primary role in postal operations within CONUS is the command and control of Postal Service Centers (PSCs) which are often collocated with USPS post offices. One or more PSCs have been established at every base in CONUS and overseas as the distribution point for personal mail to Air Force personnel and their dependents. The PSCs contain lock boxes (similar to those found in a USPS post office) for each individual member assigned to the base.

Other Air Force commands with postal responsibilities have Air Postal Squadrons (AIRPS) to administer, monitor, and inspect all Air Force post offices (APOs) and Aerial Mail Terminals (AMTs) in the command. The Alaskan Air Command (AAC) operates all APOs in Alaska through the 5059 AIRPS. The 1201 AIRPS of the Military Airlift Command (MAC) has similar responsibilities in Greenland and the Azores. MAC's 1202 AIRPS has postal responsibilities in Central and South America (including postal assistance to U. S. Embassies in these areas).

The 1201 AIRPS is also responsible for the Postal Finance and Supply Office (PFSO) at Travis AFB, California. The PFSO maintains stamp and money order stocks and postal supplies and equipment for use by Air Force post offices worldwide.

The 7025 AIRPS, with headquarters at Rhein Main Air Base in Germany, is responsible for all U. S. Air Force, Europe (USAFE) postal matters. This includes developing command policy and administering, monitoring, inspecting, and auditing all APOs and AMTs in the command. These responsibilities are discharged through four postal detachments: Detachment 1, Rhein Main AB, Germany; Detachment 2, Torrejon AB, Spain; Detachment 4, Incirlik AB, Turkey; and Detachment 5, High Wycombe AB, England. Each detachment is responsible for the efficient handling and distribution of Air Force mail within its geographic region.

The 6005 AIRPS, Hickman AFB, Hawaii, is responsible for all Pacific Air Force (PACAF) postal matters. Responsibilities of the 6005 AIRPS are identical to those of the

7025 AIRPS. Local postal responsibilities are assigned to four postal detachments: Detachment 1, Osan AB, Korea; Detachment 2, Yokota AB, Japan; Detachment 3, Clark AB, Philippines; and Detachment 4, Sydney, Australia. Each detachment is responsible for all management functions affecting the efficient distribution and dispatch of mail in its geographic area.

E. USPS TAKEOVER OF STATESIDE POSTAL FUNCTIONS

As a result of the Senate Appropriations Committee (SAC) hearings on the FY 1976 budget, the USPS and DoD were directed to reach an agreement on a USPS takeover of postal responsibilities at CONUS military installations.² At that time the SAC deleted funds for 252 active duty Army postal personnel, 788 Army Reserve personnel, 12 active duty Navy personnel, 235 active duty Marine Corps personnel, and 442 active duty Air Force personnel.

Prior to the takeover, the House Post Office and Civil Service Committee asked that the General Accounting Office conduct a cost/benefit study. The results of this study, due in December 1976, have not yet been received by ASD(MRA&L) or the Services.

Nevertheless, as reported to the SAC by the Services in the FY 1978 budget hearings, the following actions, as requested by the SAC, pertaining to deletion of postal personnel positions, have occurred:

- The Army has deactivated the required Reserve Postal Units. Transfer of active Army postal functions to the USPS was expected to be completed by 1 July 1977.
- Four Navy positions have been deleted. Negotiations for USPS takeover of the remaining eight are continuing with the local postmaster. The Navy plans to use these positions as a Postal Assistance and Advisory Training Team to assist mobile and shore-based personnel units.

²Department of Defense Appropriation Bill, Senate Report 94-446, November 6, 1975; pp. 64-68.

- Ninety-nine Marine Corps positions were reinstated by the FY 1977 Appropriations Act. The remaining positions have been deleted.
- The USPS initially resisted taking over the Air Force PSCs because post offices do not provide the same range of services. It finally undertook a three-month test operation at Andrews AFB, and the results indicated that the USPS could take over the primary PSC function of sorting mail into lockboxes where PSCs and post offices are collocated. One-hundred-nine Air Force personnel would be eliminated instead of the 368 mentioned by the SAC. The remaining 259 would still be required to operate non-collocated PSCs and provide directory service and mail retention elsewhere.

In summary, it appears that the Army will have reduced its postal personnel by 1040³ (252 active duty and 788 reserve), the Navy by 4, the Marine Corps by 136, and the Air Force by 109 for a DoD total of 1289.

The number of postal personnel involved in the postal functions is more visible in the Air Force than the other Services. The other Services do not have an equivalent to the PSC. Personal mail is handled by unit mail clerks who also have other duties. These mail clerks are not identified in personnel rosters as being a part of the postal function.

³The Army expects to complete the transfer of responsibility of active duty personnel to the USPS by 1 September 1977. The active duty personnel positions to be deleted include all independent postal units but two and all divisional and brigade postal units. The number of positions deleted will probably be higher than the amount mentioned by the SAC since the three additional divisions being formed at that time were not included in the appropriation bill.

III. BUDGET PREPARATION AND FINANCIAL MANAGEMENT

A. INDICIA MAIL

The indicia accounts of the Military Services reimburse the USPS for delivery of military official mail within CONUS. Only the costs of the CONUS portion of military official mail destined to or returning from overseas installations are included in the indicia accounts. The overseas costs of such mail are funded by the mail transportation portion of SDT.

The USPS determines the amount each Service is to be billed by sampling all incoming first through fourth class letters and parcels at selected installations. The mail to be sampled is processed by the Services in accordance with instructions prescribed in the USPS Postal Service Manual. From the sample, the USPS estimates the average rate per class, weight per piece, number of pieces, and total weight by class and computes the amount due the USPS. Figure 5 displays a typical USPS indicia bill. Bills are submitted quarterly to the Military Departments.

The indicia billing process is complicated by several problems: bills are received approximately three months after the close of the quarter; USPS and DoD fiscal quarters do not coincide; and, most importantly, the accuracy of the sample is in doubt.

The sample design was originally developed for the total DoD; therefore, there is a prevailing belief that stratification by Service affects its validity. Several studies of the sampling process have been conducted, but none have been conclusive. The Office of the Assistant Secretary of Defense (Comptroller), (OASD(C)), has taken the position that the Services must either accept the USPS approach or develop an alternative (such as self-sampling, postage meters, etc.), that is acceptable to the USPS.

The FY 1977 indicia budget of the DoD is shown in Table 2.

FIGURE 5. USPS INDICIA BILL

DEPARTMENT OF THE ARMY

<u>TYPE OF MAIL</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>PIECES</u>	<u>POUNDS</u>	<u>OUNCES/ PIECE</u>
1st Class Letters Flats & Packages, Local DoD					
1st Class Letters Flats & Packages, Non-Local DoD					
1st Class Cards, Local DoD					
1st Class Cards, Non-Local DoD					
Airmail Letters Flats & SPRS Under 9 Ounces					
Priority Mail, Local DoD					
Forms 3547, DoD					
Shortpaid, All Classes DoD					
3rd Class, Local DoD					
3rd Class, Non-Local DoD					
Forms 3549, DoD					
Priority Mail, Non-Local DoD					
4th Class, Local DoD					
4th Class, Non-Local DoD					
Special 4th Class Rate, Local DoD					
Special 4th Class Rate, Non-Local DoD					
Domestic Special Delivery Fees, DoD					
Certified Fees, DoD					
Domestic Return Receipt Fees, DoD					
Special Handling Fees 4th Class, DoD					
Originating Domestic Registered Fees, DoD					
Originating Domestic Insured Fees, DoD					
<u>TOTAL</u>					
<u>APO/FPO</u>					
1st Class					
1st Class Cards					
Airmail					
Airmail Cards					
Priority					
3rd Class					
4th Class					
4th Class Special Book					
Certified					
<u>TOTAL</u>					
<u>INTERNATIONAL</u>					
Surface					
Airmail					
<u>TOTAL</u>					
<hr/>					
BALANCE FORWARD FROM ABOVE	\$	_____			
THIRD CLASS BULK-RATE	\$	_____			
EXPRESS MAIL	\$	_____			
CONTROLLED CIRCULATION	\$	_____			
GRAND TOTAL - 3rd QUARTER PFY 1976	\$	_____			

TABLE 2. DoD INDICIA: FY 1977 BUDGET*

DoD Component	Fund Source	Amount (Millions)
Army	O&M, Army	\$ 47,000
	O&M, National Guard	6,000
	Research, Development, Testing, and Evaluation (RDT&E)	625
	Total Army	53,625
Navy	O&M, Navy	35,000
	O&M, Marine Corps	6,696
	O&M, Marine Corps Reserve	581
	Total Navy	42,277
Air Force	O&M, Air Force	30,597
	O&M, Air National Guard	644
	O&M, Air Force Reserve	644
	RDT&E	621
	Total Air Force	32,506
Defense Logistics Agency (DLA)	Stock Fund	12,311
	O&M	2,402
	RDT&E	287
	Total DLA	15,000
Other Components		5,226
Total DoD		\$148,634

*As of December 4, 1976.

1. Army Indicia

The Army indicia budget is prepared by the Postal Directorate, Office of the Adjutant General. In FY 1977, the Army budgeted approximately \$54 million for indicia.

During FY 1976, the Postal Directorate constructed a data base of all available Army indicia data beginning with FY 1973. Historical trends were then established for each of the 22 classes of mail identified in the USPS indicia bill. The trend

data are being used to evaluate USPS quarterly bills during the execution phase of the FYs 1976 and 1977 budgets, and to forecast Army indicia requirements for the FY 1978 budget.

During FY 1976, a \$3 million overcharge by the USPS was detected by contrasting the actual bill with forecasted volume and cost information. The \$3 million was subsequently returned to the Army in the form of a reduction in the FY 1977 bill. The Postal Directorate has considered both self-sampling and the use of postage meters to avoid similar difficulties in the future, but recent studies have led to the conclusion that these alternatives do not now appear to be cost effective.

2. Navy Indicia

The Navy indicia budget is prepared in the Budget Branch, Administrative Services Division, Office of the Chief of Naval Operations. Even though the Postal Affairs Branch is also in the Administrative Services Division, it is not directly involved in preparation and management of the budget. The Navy indicia budget for FY 1977 is approximately \$42 million.

Budget preparation begins with an examination of the indicia entry in the Five Year Defense Plan (FYDP). This figure is then compared to historical data to determine if an adjustment is required. To minimize the likelihood of a funding shortfall, the greater of the FYDP/historical trend estimate is customarily submitted.

The Navy does not have a formal program for monitoring indicia expenditures. The USPS invoice is not routinely analyzed and is paid upon presentation. While the Navy has made some effort to uncover a relationship between the quarterly USPS billings and future expenditures, it has yet to find a meaningful correlation.

Lack of faith in the USPS sampling technique is one reason the Navy gives for restricting the use of small parcel carriers even though they may offer faster and more economical service than the USPS. The Navy doubts the ability of the USPS sample to

detect a workload shift from the USPS to the small parcel carriers. If the USPS sample is insensitive to such workload shifts, then the Navy would continue to pay the USPS at the same level in addition to paying the small parcel carriers. In FY 1977, funding for small parcel carriers was included in SDT, but beginning with FY 1978, small parcel carriers will appear as a separate line item in the indicia budget. The Navy hopes that this will assist in avoiding a funding shortfall if the USPS sample is unable to detect a shift in Navy workload.

3. Air Force Indicia

The Air Force indicia budget is prepared by the Postal Policy Division, Directorate of Administration. The FY 1977 indicia budget is approximately \$33 million.

The budget is based primarily on historical data, much of it derived from postage meters. (The Air Force is striving to have 80 to 90 percent of its indicia costs controlled by meters.) That portion of the budget not based on meters consists of permit mail and USPS samples. Even though the Air Force has a heavy commitment to postage meters, the USPS still bases the Air Force indicia bills upon its own sample.

The postage meters permit the Air Force to identify discrepancies in the USPS invoice more easily. With the metered data as a base, the Air Force performs a detailed analysis of USPS quarterly bills. The analysis indicated a total overcharge of approximately \$2.8 million in the fourth quarter of FY 1976, the FY 1977T quarter, and the first quarter of FY 1977. The USPS has not yet agreed to, or disproved, the Air Force analysis.

The Air Force has received permission from the USPS to develop an internal sampling system for those locations where mail volume does not justify the installation of a postage meter. Beginning with FY 1979, the Air Force indicia budget will be prepared entirely from internally developed data rather than from USPS billings.

The Air Force base level mail distribution system makes it feasible to use postage meters. Each base has a Base Information Transfer System (BITS),¹ which controls the distribution of all outbound and inbound official mail. This control results in a limited number of postage meters being required on a base, thereby minimizing the cost of equipment leasing and maintenance. Large installations may have several meters, depending upon mail volume.

One limitation of postage meters is that they permit visibility only over the total cost of mailings; there is no breakout by class, weight, or unit cost. The Air Force believes that this disadvantage is greatly overshadowed by the meter's capability of identifying high cost users and providing ready information on indicia costs.

The budget preparation and financial management practices of the Marine Corps and other DoD components with indicia responsibility were not reviewed. However, like the Navy's Postal Affairs Branch, the Marine Corps Postal Affairs Office is not involved in the preparation or management of the indicia budget.

B. MAIL TRANSPORTATION

The cost of mail transportation is included in the SDT programs of the Military Services. The Army budgets for and monitors Army and Air Force mail transportation expenditures. The Navy is responsible for and funds mail transportation of the Navy and Marine Corps. The FY 1977 DoD budget for mail transportation totaled approximately \$82 million, as shown in Table 3. Mail transportation costs stem directly from: (1) the volume moved; (2) tariffs established by the Civil Aeronautics Board for commercial air carriers; (3) tariffs established by the OASD(C) for MAC; (4) shipping agreements between the Military Sealift Command (MSC) and commercial surface shippers; and (5) tariffs established by foreign governments for their carriers.

¹The BITS is under the control of the base Directorate of Administration and is outside the postal organization.

TABLE 3. DoD MAIL TRANSPORTATION:
FY 1977 BUDGET

Military Service	Mail Transportation (Millions)
Army	\$29,216
Navy & Marine Corps	28,600
Air Force	24,231
Total	\$82,047

1. Army and Air Force Mail Transportation

The Army Postal Directorate prepares the budgets and monitors expenditures for Army and Air Force mail transportation: by agreement, mail transportation costs are split 55 percent Army and 45 percent Air Force. A planning, budgeting and management system—Military Automated Mail Accounting System (MAMAS)—is used to develop the airlift portion of the budget. The surface portion is developed by the Office of the Deputy Chief of Staff for Logistics, based on estimated volume movements supplied by the Postal Directorate.

Data used in monitoring overseas mail are developed concurrently with the budget. Historical data are used to construct monthly estimates of mail volume and costs as follows:

- Commercial air priority mail
- Commercial military official mail (MOM)
- Commercial space available mail (SAM)²
- Commercial surface mail
- MAC.

²Space Available Mail consists primarily of personal parcels. The Civil Aeronautics Board has set reduced rates for the carriage of SAM. As such, it is boarded on the commercial carrier after all other revenue traffic has been accommodated.

Actual Army and Air Force mail transportation performance throughout the budget year is tracked against these estimates. MAMAS also has an override capability so that unusual mailing patterns (such as extremely heavy mailings during a Christmas season) can be monitored.

2. Navy and Marine Corps Mail Transportation

The Navy mail transportation budget is prepared by the Transportation Directorate, Naval Supply Systems Command (NAVSUP). The Postal Affairs Branch does not participate in the development of the budget nor in the monitoring of expenditures during budget execution.

The mail transportation budget is based upon historical data. If there are known future rate increases (or other changed conditions), the historical data are adjusted.

NAVSUP prepares a monthly estimate of priority air mail, MOM, and SAM costs. Similar estimates are not prepared for MAC and MSC because they represent only a small portion of the total mail transportation program of the Navy. The air mail, MOM, and SAM estimates are then compared with copies of Navy mail transportation bills, which the USPS forwards to NAVSUP concurrently with its submission of bills to MAC. NAVSUP can thus monitor the mail transportation program during the budget year in a timely manner.

C. USPS/MAC ROLE IN BUDGET EXECUTION

USPS is responsible for arranging commercial air transportation of military mail. Based upon monthly USPS forecasts of mail volume by class, the participating air carriers bill the USPS for the anticipated revenue approximately one month after the month of movement. The USPS then reimburses the carriers for 95 percent of their anticipated revenues and, in turn, bills MAC for that amount. MAC pays the USPS and then cross-charges the Services from an advanced obligational authority provided by the Services. Air Force and Army obligational authority is based on estimates developed from

the Army MAMAS. The Navy advance obligational authority is based on the monthly estimates developed during the budget cycle. The Army and Air Force are billed directly by MAC while the Navy is billed via the Navy Management Fund.

The USPS usually submits the final bill to MAC two to three months after presentation of the estimated bill. Final bills to the Services may be delayed by MAC because the Airlift Service Industrial Fund (ASIF) must identify charges to non-Service agencies and bill accordingly. This procedure is time consuming; for example as of the end of November 1976, the Army had not yet received its final bill for February 1976.

IV. ASSESSMENT OF THE MILITARY POSTAL SYSTEM

A. OVERVIEW

The mission of the MPS is to provide a level of postal support to military operations and military members in overseas areas consistent with that available in the U. S. The Secretary of Defense has delegated to the individual Services responsibility for satisfying the MPS mission. In carrying out this responsibility, the Military Services: (1) assist the USPS in the dispatch of military mail from the gateway cities, (2) process and distribute military mail in overseas areas, and (3) operate postal finance units overseas.

The importance of effective mail service for troop morale cannot be overemphasized. The ability to sustain a high level of morale directly affects Service retention rates and is of primary importance to the Services' mission.

Our overview of the MPS indicated that the Military Services are effectively meeting their individually assigned postal responsibilities. In many countries, mail is distributed to the military member within one day of its arrival and leaves within one day of being posted at an APO/NPO. Of course, there are exceptions. Service to outlying installations is less prompt than to those near major international airports or ocean terminals; flight schedules, SAM lift capability, and sailing schedules can affect service; and local customs and procedures sometimes introduce delays.

The opportunities for cost reductions through organizational change or consolidation of the MPS are quite modest. Indicia expenses, which amount to over fifty percent of total MPS costs for FY 1977, are a function of the volume of Service mail within CONUS, and each of the Services has already implemented an Official Mail Management Program to control postal expenditures by use of the least expensive class of mail consistent with delivery requirements. Similarly, mail transportation charges, which account for another thirty percent of total MPS costs, are insensitive to organizational considerations. The

remaining twenty percent of MPS costs are in the personnel area; some savings can be effected here, but the potential is not large.

B. ORGANIZATION AND PRACTICES

1. Liaison with the USPS

Each Service has direct liaison with the USPS on operational matters. On occasion this function has resulted in inadequate prior coordination among the Services. The USPS believes that its interface with the DoD would be simplified if there were a single organization to deal with on operational matters involving more than one Service. The USPS perceives that it has problems in dealing with the Services individually because of differences in Service procedure and practices and some difficulty in distinguishing between operational and policy matters. It seems possible that this problem area could be alleviated by more rigorous adherence to current directives.

DoDD 4635.1 provides for ASD(MRA&L) to make a final determination when a coordinated position that affects more than one Military Department cannot be reached. ASD(MRA&L) could also appoint one Military Department to act as executive agent for DoD operational liaison with the USPS. Alternatively, the Postal Policy Committee could be used to insure coordinated DoD positions.

2. Representation at the Gateway Cities

The Army operates an MMT and the Navy an FPO at each of the three gateway cities. These organizations have either adjacent or nearby offices at each gateway and perform similar functions, such as monitoring USPS and carrier operations, downgrading mail, traffic management, and reporting. In some cases, either the MMT or FPO has assumed responsibility for a specific common function, and each is familiar with the other's duties and responsibilities. It seems likely that a single organization at each gateway city, with the proper mix of Service personnel, could perform the liaison function. An accurate estimate of potential savings could not be made without a detailed

study, but a gross estimate appears to be in the range of from seven to no more than twenty-five personnel.

3. Disestablishment of the Seattle Gateway

The Seattle gateway became fully operational during the Vietnam conflict to ease the burden on San Francisco in dispatching mail to the Far East. Since the end of hostilities in Vietnam, mail volume to the Pacific, particularly through the Seattle gateway, has decreased substantially.¹

Both the MMT and FPO branches at Seattle have small staffs. The House Subcommittee and a number of West Coast military and USPS mail managers feel that current volume does not justify maintaining a military postal gateway at Seattle. However, the savings associated with disestablishing it are small. An informal FPO San Francisco report noted that the savings in personnel allowance/maintenance costs from closing FPO Seattle would almost be offset by the additional cost of transporting SAM from San Francisco to Korea and Japan (estimated net savings would be approximately \$15,000 per year). No comparable cost/benefit study has been made concerning the disestablishment of the Seattle MMT.

4. CINCLANTFLT Postal Affairs

The CINCLANTFLT Postal Affairs Office is a five-man operation whose primary function is to provide mail routing guidance to FPO New York. Other responsibilities include: technical postal guidance to the Atlantic Fleet (LANTFLT) postal units, assistance in resolving postal problems, and mail traffic management.

In carrying out its routing function, the Postal Affairs Office forwards ship mail routing instructions received from the Fleet to FPO New York. This action appears

¹Report 94-23 on the Review of the United States Military Postal System by the Subcommittee on Postal Facilities, Mail, and Labor Management of the Committee on Post Office and Civil Service of the House of Representatives, December 1976, p. 24 suggested that the USPS was transferring military mail from San Francisco to Seattle as a result of Seattle's declining volume.

redundant since FPO New York already acts on routing instructions from subordinate LANTFLT and NAVEUR activities. Furthermore, FPO New York's West Coast counterpart in San Francisco receives ship routing instructions without a CINCPACFLT intermediary. Other CINCLANTFLT postal functions also involve close liaison with FPO New York because the FPO deals directly with the USPS and commercial carriers and is thus in a better position to take positive action. Accordingly, it appears that there is an opportunity to save several personnel spaces in this area through elimination of redundant functions.

5. Air Force Postal Finance and Supply Office

The PFSO was established to support all Air Force APOs in acquiring stamps, supplies, and equipment. It has nine assigned personnel. Post Offices of the other Services deal directly with the USPS in such matters. The Air Force feels PFSO is necessary because there is no Air Force liaison office located near either coast to support it when reordering problems occur. (The other Services order stamps from the postmasters in New York and San Francisco.)

Discussions with postal personnel worldwide and across all Services did not indicate the essentiality of a PFSO. The Army and Navy do not experience any significant difficulty in maintaining proper stock levels of materials supplied through the USPS and there were no complaints of USPS service. The PFSO appears to serve primarily as a buffer between the APOs and the USPS: accordingly, it offers the potential for personnel reductions.

6. Accounting Procedures at Military Post Offices

For the past year, the USPS and the Army have been testing the Flexible Accounting System in Japan and Korea. The objective of the system is to improve receipt and dispatch of stamp requisitions by relaxing some of the procedural requirements. This approach contrasts with the more rigid stamp requisitioning procedures of the Navy and those of the Air Force which are PFSO-controlled.

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The response to the Flexible Accounting System has been enthusiastic. It has apparently simplified the ordering of stamps and the management of receipts, while still retaining the necessary accounting controls and audit trails. The system appears to have considerable merit and should be considered for full implementation.

7. Overseas Organization

The Service postal organizations vary widely in overseas areas. The Army Postal Groups in Europe and Korea are either directly or technically responsible for all postal matters within the theater or country;² the Air Force AIRPS have total responsibility for postal matters in their theaters or geographical regions; while in the Navy and Marine Corps, the local base commander is responsible for postal affairs.

The type of postal organization employed by the Navy in overseas areas may be more economical, but the lack of central control may make it more difficult to detect and resolve significant problems. For example, during a NAVSUP tour of transportation facilities in the Mediterranean, it was discovered that surface mail from CONUS was encountering inordinate intransit times to the Mediterranean. This major problem was uncovered accidentally, since the tour was not supposed to conduct a review of postal facilities, and Navy postal personnel were unaware of the unsatisfactory service.

Since the Services have established their postal organizations to meet their own needs, there are some cases of apparently duplicative or excessive management of the MPS in overseas areas. For example, the 7025 AIRPS Headquarters, the first detachment of the 7025 AIRPS, and the USARPGE are all located in Germany. A similar situation exists in Korea. In each location, the Services work together and have attempted to establish clearly defined responsibilities to avoid unnecessary delays in the distribution and dispatch of mail. Nevertheless, some opportunities for savings through

²In other areas, the installation commander is responsible for postal operations.

physical consolidation or by the negotiation of inter-Service support agreements appear to have been overlooked.³

8. Manuals and Regulations

Each Service must comply with the basic rules and regulations for postal operations as set forth in the Postal Service Manual and the Transportation Handbook Series T-1. Because of the special requirements of the MPS, each Service has issued supplements to the basic manuals which are essentially similar but have not been thoroughly coordinated.⁴ The end result is a wide range of rules and regulations governing postal operations within the DoD. The differences become important at points of interface among the Service postal organizations and between the Services and the USPS; formulation of joint positions and coordination of effort tend to be hampered by unnecessarily differing rules, regulations, or procedures. Such disparities contribute to the liaison problem between DoD and the USPS. A single manual could eliminate a number of the existing differences and highlight those that continue to be justified.

In some instances the Services interpret or execute the same instruction differently. For example, a National Security Council (NSC) directive requires classified matter sent by registered mail to remain within U. S. citizen control.⁵ The Army and

³There are also instances of overmanagement within a Service. It was asserted that Detachment 1 of the 6005 AIRPS is located in Korea because Korea is too far from Japan to be managed by Detachment 2. Yet Detachment 2 is responsible for Air Force postal operations on Okinawa which is further from Japan than much of Korea. Detachment 3 is spread even further with postal operations in the Philippines, Taiwan, and Thailand. It has been suggested that Detachments 1 and 2 be combined with headquarters at Yokota AB Japan.

The Air Force and Navy have been discussing the possibility of consolidating the AMT at Yokota AB with the TNPO at Yokohama. Similar consolidations are being considered by the Army and Air Force, e.g., Kimpo Airport in Seoul, Korea, and Rhein Main AB, Frankfurt, Germany.

⁴These supplements are: AR 65-1, "Army Postal Operating Instructions," April 1974; OPNAVINST 5112.1A, "Postal Instructions," December 1, 1976; and Air Force Postal and Courier Service Manual 182-3, "Postal and Operating Procedures," October 1, 1969 (This manual will soon be replaced by AFM 182-1, "Postal Operations and Transportation Policies and Procedures.")

⁵National Security Council Directive Governing the Classification, Downgrading, Declassification, and Safeguarding of National Security Information, 17 May 1972.

Navy maintain that this directive bars the tendering of such registered mail to all foreign nationals. The Air Force's interpretation is that registered mail may be given to a foreign national so long as he is the authorized representative of a U. S. flag carrier. Since foreign nationals are the only airline representatives at many overseas locations, the Air Force believes that there is no other practical alternative. The Army and Navy are able to maintain their strict interpretation only because they turn registered mail over to the Air Force at the AMT. In some locations (e.g., Tokyo and Seoul), they tender non-registered mail directly to the carrier. The ASD(MRA&L) has been apprised of this problem area.

9. Transportation of Registered Mail

Registered mail which moves through the MPS is restricted to U. S. flag aircraft or MAC flights according to the NSC Directive discussed above. Dispatch of registered mail is at times delayed for several days due to this requirement. The problem is particularly noticeable in Europe. There are no MAC flights and few U. S. cargo flights between Germany and northern Italy. Thus, all registered mail must be flown back to CONUS and then redispached overseas. This practice is both time-consuming and costly (although it does ensure literal compliance with the requirement that registered mail remain within the control of U. S. citizens). On the other hand, a 1974 policy change lifted similar restrictions on the transportation of Armed Forces Courier Service material, which frequently consists of highly classified documents. Resolution of this apparent inconsistency could lead to some transportation savings.

10. Budgeting and Financial Management

The requirements for budget preparation and financial management of the postal function are the same throughout the MPS. Each Service prepares an indicia budget; the Army prepares the mail transportation budget for the Air Force, and the Navy provides mail transportation for the Marine Corps. However, budgeting and financial

management practices for postal services vary widely among the Services. The Army and Air Force have centralized responsibility for these functions, while such responsibility is fragmented within the Navy. The Army and Air Force perform extensive analysis during budget preparation and program execution; the Navy performs very little. The Army and Air Force also require substantial operational data to be submitted monthly or quarterly—the Navy does not.

The analyses conducted by the Army and Air Force of their quarterly indicia bills have uncovered substantial errors in the USPS samples. The Navy may be paying unwarranted amounts for postal service by not performing a similar analysis.

C. ADDITIONAL COMMENTS

1. Abuses in the Exchange System

During visits to the West Coast gateway cities we observed an extremely large amount of exchange parcels being sent to relatives and friends in CONUS. USPS, U. S. Customs, and military representatives at the Seattle gateway estimated that in excess of 50-60 percent of inbound SAM was exchange-related parcels. This estimate was reinforced by the number of exchange catalogs also being mailed to friends and relatives in CONUS. It appears that the personal use of subsidized overseas mail transportation by military members may have gone beyond the intent of Congress. The widespread availability of exchange catalogs and the consolidation of regional catalogs into a single worldwide catalog have contributed to this situation.

There are a number of actions that would bring this situation under better control without reducing legitimate benefits to Service personnel. These include (1) requiring all mail order parcels to be shipped by surface means (except possibly during the Christmas season), (2) restricting distribution of catalogs to exchanges so that orders and selections are only made by eligible personnel, or (3) limiting mail orders to the orderer's theater to reduce inter-theater transportation costs.

2. USPS-DoD Mail Massing Test

The USPS and DoD tested a new concept for processing military mail between September 1976 and February 1977. The objectives were to improve transit times and reduce personnel costs. The New York AMF massed letter mail on selected APOs in Europe, with the final sort to the military organization being performed at the APO. Similarly, the APOs did not sort CONUS-destined letters by city and state but massed the letters on the New York AMF.

The results of the test were mixed. While there was some improvement in transit times for outbound mail from CONUS, return mail encountered increased transit times. Furthermore the massing placed an extra workload on many APOs during peak periods. To process the additional workload, it was necessary to adjust personnel schedules or defer other work. From the DoD perspective, the outbound transit time improvement was offset by inbound transit time degradation. In addition, personnel costs were not reduced.

V. ORGANIZATIONAL ALTERNATIVES FOR THE
MILITARY POSTAL SYSTEM

A. INTRODUCTION

As briefly discussed in Section I, the quality of mail service is a critical morale factor for personnel on sea duty or stationed in foreign areas, as well as their dependents. These MPS customers expect fast efficient service; delays or inefficiencies almost immediately produce complaints to higher authority. The efficiency of the MPS is consequently highly visible and has been frequently scrutinized by the legislative as well as the executive branches of the Government.

In the course of these inquiries, questions have been raised as to the need for maintaining separate Service postal organizations ever since the inception of the DoD. The advocates of consolidation believe that such action would contribute to the efficiency and professionalism of the MPS and provide an effective organizational mechanism for rapid resolution of the long-standing problems discussed in Section IV. On the other hand, those who favor retention of the present organization point out that: the MPS is functioning well overall; any savings from consolidation would be small; and the impact of similar organizational consolidation on efficiency in other fields has not been very impressive. Also, they appear to be concerned that loss of Service control over this important morale factor might result in a postal system inherently less responsive to the particular problems and needs of each Service.

Within the past year, both the House Subcommittee on Postal Facilities, Mail, and Labor Management and the National Defense Transportation Association Committee on Military Postal Service have come out in favor of reorganization of the MPS into a consolidated DoD postal system. Accordingly, at the request of the study sponsor, we

have examined several concepts for reorganization of the MPS and compared them with the existing structure. They are:

1. A Completely unitary Defense Postal Agency
2. Designation of a Single Manager for Postal Affairs
3. Establishment of a Single Postal Affairs Office within an existing DoD Agency
4. A Restructuring of Procedures, Practices, and Field Level Operations.

A summary of their respective advantages and disadvantages is set forth below.¹

B. DISCUSSION

1. A Completely Unitary Defense Postal Agency

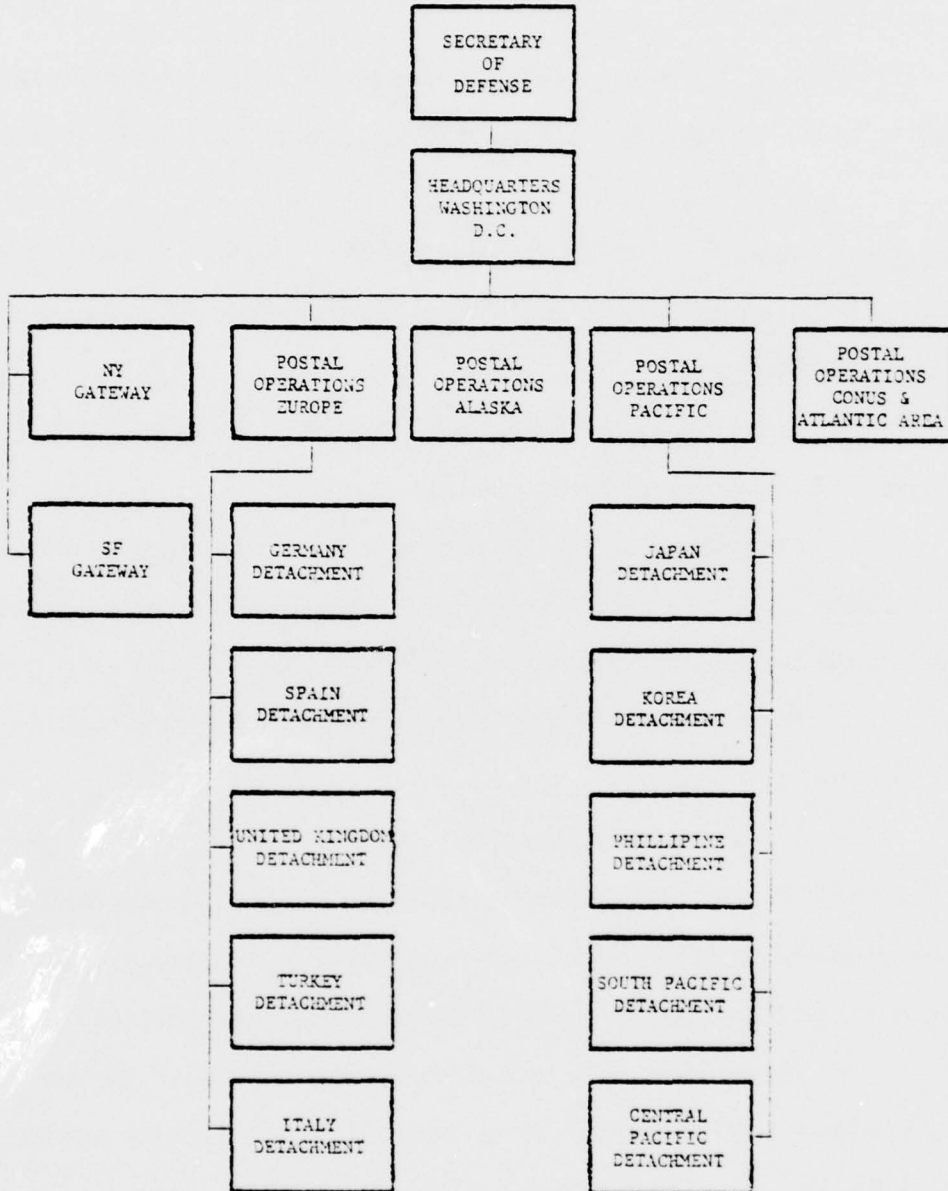
A single postal agency would be established under the Secretary of Defense. The director of the agency would report directly to the ASD(MRA&L) as the designee of the Secretary of Defense. The agency would have worldwide responsibility for military postal operations, personnel facilities, practices and procedures, funding, and training, down to the unit level. (See Figure 6.) To accomplish its mission in an equitable manner, personnel would be assigned from each of the Military Departments.

The Defense Postal Agency would be the only authorized point of contact with the USPS on operational matters. However, the responsibility for policy matters (under this alternative and all others) would remain with ASD(MRA&L). The agency would have obligational authority for all DoD funds appropriated to execute the postal mission including indicia, mail transportation, personnel, TDY, etc. Costs would not be prorated among the Services. The agency would have establishment/disestablishment authority for military postal facilities worldwide.

This concept of completely centralized responsibility for military postal matters should ultimately result in a fully integrated system.

¹A large number of variations on each of these broad concepts is, of course, possible. They are not addressed in this report to avoid undue complexity.

FIGURE 6. DEFENSE POSTAL AGENCY



a. Advantages

- Existing coordination problems with the USPS might be alleviated.
- Procedures, regulations, and staffing criteria could be effectively standardized worldwide.
- Planning, programming, budgeting, financial management, billing, and training would be the responsibility of one central authority and could then be made uniform.
- Some modest personnel savings could be realized from the consolidation of redundant CONUS and overseas management and support organizations.

b. Disadvantages

- A significant reorganization effort would be required, with attendant turmoil and risk of inefficiency during the transitional period.
- Congressional pressures for direct OSD involvement in the resolution of postal operating problems might be enhanced because of the close organizational linkage between the Defense Postal Agency and ASD(MRA&L).
- The Services would be reluctant to relinquish their ability to control a function so important to morale.
- The Services would probably have to establish (postal) liaison offices to deal with the new organization to insure that their particular needs and problems would be given due consideration in the formulation of policy and in actual operations. Some, or possibly all, of the personnel savings stemming from consolidation would thus be offset.
- There might be a loss of command control over the use of postal personnel for routine station military duties (security patrols, working parties, etc.) if they reported directly to the Defense Postal Agency.
- Administration of the system and its personnel would be more complex than at present at the organizational level (and particularly within mobile units).

- There might be a lowering of postal cost consciousness within the individual Services.

2. Designation of a Single Manager for Postal Affairs

Under this concept, a Secretary of one of the Military Departments would be assigned as the Single Manager for MPS matters including operation of the postal gateways at the DoD level. He would also provide technical support and surveillance of all command postal operations within each Service. Resources and administrative support would be essentially provided by the assigned department, as is the case with other Single Managers. The Single Manager would have obligational authority for all indicia and mail transportation funds and he could choose to prorate the costs among the Services. He would also be responsible for establishing and implementing common worldwide postal practices and procedures.

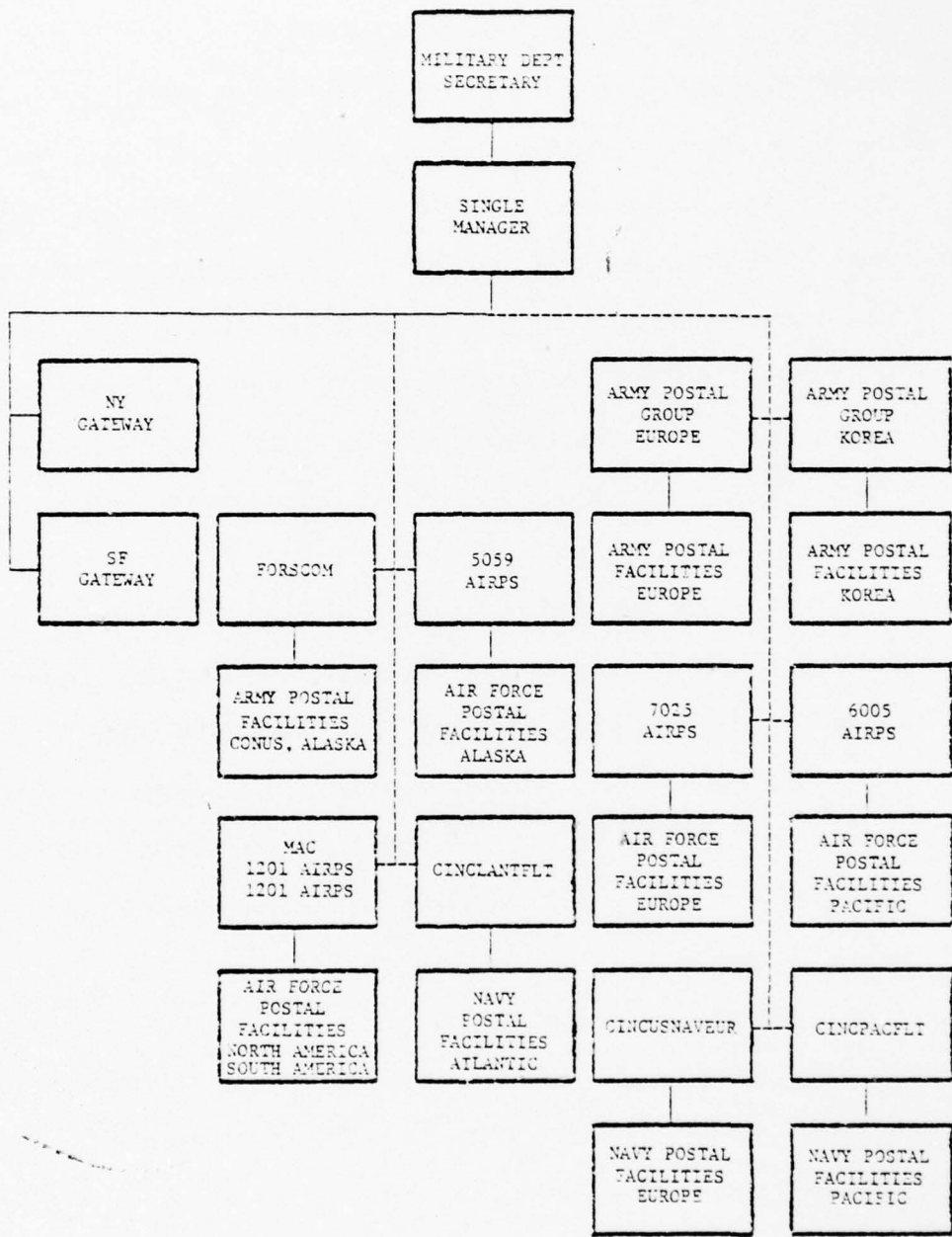
The Single Manager would be the only authorized point of contact with the USPS on operational matters. He would be directly responsible for gateway city operations and provide technical support and inspection of command postal operations for all Services in CONUS and overseas. (See Figure 7.) Each Service would provide personnel to assist the Single Manager in meeting his postal support requirements. Command responsibility for Service postal facilities and personnel would, however, be retained within Service channels.

a. Advantages

- The primary advantage of the Single Manager concept would be to delegate the basic responsibility for the coordination and efficient operation of the MPS to a more appropriate level within the DoD.

- The administrative complexities of Alternative 1 would be avoided because command responsibility for Service postal facilities and personnel would be maintained within Service channels.

FIGURE 7. SINGLE MANAGER FOR POSTAL AFFAIRS



- Since the amount of consolidation would be limited and an existing postal organization would become the nucleus of the Single Manager's management staff, the turmoil of reorganization would be lessened.

- The Single Manager concept would minimize the possibility of undue involvement by ASD in the operations of the MPS.

- The advantages associated with a single Defense Postal Agency also generally apply to this concept except with respect to the potential for personnel savings.

b. Disadvantages

- As with the single agency concept, the Services may be reluctant to turn over to a Single Manager a responsibility so important to morale, and they probably would have to maintain postal liaison offices to ensure that their special needs would continue to be met.

- A Single Manager might encounter more Service resistance to the formulation and implementation of common procedures than would be the case with a Defense Postal Agency.

- For all practical purposes, no net personnel savings could be expected.

3. Establishment of a Single Postal Affairs Office Within an Existing DoD Agency

An existing agency (for example, DLA or MTMC) could be assigned the responsibility for administration of the MPS at the DoD level through establishment of a new Postal Affairs Office, with authority and responsibilities similar to that of the Single Manager. Specifically this Defense Agency would have obligational authority for all MPS indicia and mail transportation funds. It would determine whether to maintain fiscal responsibility within the agency, prorate costs to the users, or operate under an industrial fund type of arrangement. It would also be responsible for establishing and implementing common worldwide practices and procedures.

The Postal Affairs Office would be the only authorized point of contact with the USPS on operational matters. It would be directly responsible for gateway city operations and would provide technical support for, and inspection of, Service Postal operations in CONUS and overseas. Each Service would be required to provide personnel to assist the Postal Affairs Office in meeting their postal support requirements, and command responsibility for Service postal facilities would be retained within Service channels.

a. Advantages

- This variation of the Single Manager concept shares the latter's advantages except that the nucleus for a postal affairs office would not exist in the designated Defense Agency and a new organization would have to be created.

b. Disadvantages

- The disadvantages of the Single Manager concept apply here also. In addition, an agency-based Postal Affairs Office might result in a greater degree of OSD involvement in the resolution of postal operating problems than would a Single Manager organization.

4. A Restructuring of Procedures, Practices, and Field-Level Operations

Under this alternative, the decentralized structure of the MPS would be retained, but coordination and direction to eliminate existing inefficiencies and problems would be achieved through revitalization of the Defense Postal Policy Committee under the authoritative direction of a Chairman designated by ASD(MRA&L). In addition, one Service would be assigned responsibility for gateway city operations.

Each Service would retain its headquarters office and deal directly with the USPS on uniservice operational matters. All matters of concern to two or more Services would be referred to the Defense Postal Policy Committee, for formulation of a common DoD position to be used in liaison with the USPS. The same mechanism would be used for the standardization of operating procedures, coordination of a single Defense postal

manual, and so forth. Each Service would retain command responsibility for its own postal facilities, but the use of interservice support agreements to achieve personnel savings through elimination of unnecessarily duplicated efforts would be heavily emphasized.

a. Advantages

- Restructuring would avoid the costs and inefficiencies associated with reorganization of a system which is now functioning effectively.

- Needed management improvements within DoD (e.g., a single postal manual; coordinated worldwide procedures, regulations, and staffing criteria; personnel reductions; consolidation of gateway city operations) could still be achieved.

- The Service would still maintain a high degree of involvement in and influence over an important morale factor.

- Layering of USPS liaison channels (and thus delay) on operational matters of concern to only one service would be avoided.

b. Disadvantages

- Effective and authoritative coordination and control of Service postal operations through the Defense Postal Policy Committee requires a greater degree of OSD involvement in the operation of the MPS than any other alternative. Effective performance of these functions may require an increase in the staff of ASD(MRA&L).

- Restructuring is not in consonance with the thrust of the recent Congressional finding on formation of a consolidated postal agency.

C. EVALUATION

Needed management improvements can be effected under any of the alternative concepts examined above; however, none of them offers the possibility of significant cost reduction. The fact that the existing system is generally functioning effectively is a persuasive argument for its retention. However, the achievement of greater efficiencies and more effective coordination under the present Defense Postal Policy Committee

concept requires a high degree of OSD involvement. In view of impending personnel cuts within OSD, such increased attention to MPS matters may not be feasible.

All of the concepts for organizational consolidation (Defense Postal Agency, Single Manager, Postal Affairs Office) are likely to require less managerial attention at the OSD level than the present system. Implementation of the Single Manager concept would be more effective than either of the other two in this regard. All of the consolidation concepts share disadvantages of associated turmoil and one-time costs and the loss of primary Service responsibility for, and influence over, a significant morale factor.

VI. CONCLUSIONS AND RECOMMENDATIONS

A. CONCLUSIONS

1. The MPS mission is being performed effectively within the framework of DoD's existing postal organizations.

2. Since approximately eighty percent of DoD's annual postal expenditures are devoted to reimbursing the USPS for indicia mail and payment of overseas transportation charges, the opportunities for cost savings without adverse impact on service are modest.

3. There is, however, a potential for enhancing the efficiency of the MPS or achieving some minor personnel savings through improved management and consolidation. Areas meriting consideration in this regard by OSD and the Services are as follows:

- More effective DoD coordination of USPS liaison activities on matters of interest to two or more Services
- Development of a single supplement to the Postal Service Manual for use throughout DoD, in order to eliminate unnecessary differences in Service regulations, procedures and operating practices, which hamper coordination and inter-service support arrangements
- Elimination of some apparent redundancy between the functions performed by the five-man CINCLANTFLT Postal Affairs Office and FPO New York.
- Consolidation of West Coast gateway activities at San Francisco through disestablishment of the small FPO and MMT detachments at Seattle
- Consolidation of Service representation at the New York and San Francisco gateways into single organizations
- Disestablishment of the Air Force Postal Finance and Supply Office, with the responsibility for assisting Air Force APOs in their liaison with the

Postmaster at New York and San Francisco being assigned to the military gateway city organizations

- Operational implementation of the Flexible Accounting System in all Services on the basis of USPS-Army tests in Japan and Korea
- Development of an improved Navy capability for financial analysis. This would lessen the risk of significant overcharges such as those already detected by Army and Air Force postal organizations.

4. In view of the very limited potential for achieving cost savings, more detailed investigation of the above opportunities for managerial improvement can be most appropriately and efficiently carried out through normal staff channels rather than by analytical research.

5. Such managerial improvements can theoretically be achieved under the existing MPS organization by revitalization of the Defense Postal Policy Committee and the conclusion of interservice support agreements as well as through organizational centralization of the MPS. The achievement of cost savings is, to a large degree, not sensitive to the question of organizational structure.

6. The primary disadvantage of retaining the present decentralized organizational structure of the MPS is the need for continuing OSD involvement in the resolution of postal problems in order to achieve needed managerial improvements. This drawback should, however, be weighed against the advantage of retaining existing organizations which are performing the MPS mission effectively.

7. Of the several alternative concepts for centralized organization of the MPS, the designation of a Single Manager for postal affairs, appears to involve the least risk of organizational turbulence and temporary loss of efficiency.

B. RECOMMENDATIONS

1. Favorable consideration should be given to retention of the existing MPS organizational structure, as described in V.B.4 above provided that ASD(MRA&L) can

devote the necessary staff resources to provide continuing attention to, and authoritative coordination and direction of, MPS matters. If this is not feasible, the designation of a Single Manager for postal affairs, should be considered as the preferred course of action.

2. ASD(MRA&L) should initiate Service action, under existing procedures regarding the managerial improvements set forth in Conclusion 3 above, pending any decision on changes in the organizational structure of the MPS.

3. In view of the very limited potential for achieving cost savings through detailed analytical investigation of the MPS, it is recommended that LMI research efforts be terminated at this point and that this document be accepted as the final report on LMI Task 77-3, Management of the Military Postal System.

APPENDIX A

SUMMARY OF PREVIOUS POSTAL STUDIES

1. A Study of the Air Force Postal and Courier Worldwide Network, Postal and Courier Division, Directorate of Administrative Services, USAF, March 14, 1966.

This study focused on ways of improving the performance of the Air Force Postal and Courier Division. The major recommendation was that postal operations within PACAF and USAFE be made field activities of the Directorate of Administrative Services, HQ USAF, as a means of greater centralization. As a result of this study, the Air Force Postal and Courier Service was established in July 1966.

2. Joint Management-Manpower Study, Army and Air Force Postal Service, February-March 1967.

The objectives of this study were: to assess the effectiveness of the then-joint Army and Air Force Postal Service (AAFPS). A secondary objective was to review existing regulations and operating practices to determine their effect on the MPS. The study team concluded that: (1) the MPS was necessary, (2) separate MMTs and FPOs were not necessary, and (3) the concept of a unified postal service was valid. The following benefits of such a unified service were cited: the creation of a single authority for military postal matters, uniform regulations and training, and better resource utilization. The establishment of a trilateral military postal service under an executive agent was therefore recommended, but neither this nor any other of the study's recommendations were implemented.

3. United States Air Force Postal and Courier Service Worldwide Survey of Aerial Mail Terminals, Col. H. W. Brazier and 1st. Lt. J. L. Sullivan, USAF, August, 1968.

This study sought to determine the impact of the Boeing 747 aircraft on overseas aerial mail terminals under the assumption that all military mail would be moved by air. It was concluded that many of the aerial mail terminals required modification or expansion in order to accommodate the increased mail volume effectively. As a result of the study, better conveyor equipment was placed in some aerial mail terminals.

4. Special Review of Military Postal Concepts, Joint Service Study Team, September 30, 1971.

This study was initiated by a request from the ASD(MRA&L) to the Services to review various aspects of the MPS. The major recommendations were: (1) the revision of the APO/FPO numbering system into a single zip-code-type structure, (2) the establishment of an additional international mail gateway at Miami, (3) negotiation of lower rates for certain classes of containerized mail by DoD, and (4) the movement of all APO/FPO mail by air (provided that container service was available and lower rates had been implemented).

No changes were made in the APO/FPO numbering system. The USPS did not concur in the opening of a Miami gateway stating that their facilities were insufficient. (The USPS and DoD have recently resumed discussion of the feasibility of a Miami gateway.) Container rates have not been established and a portion of the mail still moves by surface.

5. Defense Postal Operations: Management and Organization Alternatives, Office of the Assistant Secretary of Defense (Comptroller)-Administration, July 31, 1973.

The subject of this report was alternatives to the existing postal organization and methods of operation. The principal findings included: (1) postal policy and operations had to be more closely coordinated within the DoD; (2) no coordinated direction was being given to DoD postal activities; (3) there was duplication among the Services in postal budgeting; and (4) some USPS and MPS operations within CONUS overlapped. The only action taken as a result of this study was the creation of two positions in the Directorate of Transportation and Warehousing to handle postal matters.

6. Report on the Audit of the Military Postal System in Europe, Office of the Assistant Secretary of Defense (Comptroller)-Audit, November 29, 1974.

This audit of the military postal system focused on postal operations within West Germany. The Audit Group concluded that (1) the U. S. Army Postal Group, Europe was over-staffed; (2) the Army and Air Force were unnecessarily duplicating operations in

the greater Frankfurt area; and (3) operational economies were possible through various alternative practices.

The Services contested the findings of the Audit Group. As a result, no action has been taken, but some streamlining of operations in the Frankfurt area has occurred, and the Army and Air Force feel consolidation is possible if an adequate facility can be obtained.

7. Authority to Manage the Transportation of Military Mail Funded by the Department of Defense, Capt. J. L. Sullivan, USAF, June 13, 1975.

This was a two week review of the changes necessary for the DoD to assume traffic management authority over the transportation of military mail. The basic assumption was that the assigning of such authority to the DoD would be more economical. Some of the actions for expanding DoD traffic management authority included: (1) DoD's establishment of carrier performance standards, (2) the DoD's prescription of penalties for poor carrier performance, and (3) DoD's determination of how mail would be distributed among competing U. S. carriers. If these actions were incorporated into the USPS/DoD agreement, the DoD would be in a much better position to completely manage its postal operations. No action has been taken on them, however.

8. Indicia Verification and Decentralized Budget and Accountability Project, Maj. C. P. Vermilyea, Maj. D. E. Roesler, and C. C. Matthews, September 30, 1975.

The intent of this study was to explore various alternatives to existing Army indicia operating practices. The study team concluded that: (1) decentralization of the indicia budget was impractical; (2) USPS indicia sampling techniques resulted in a representative cost estimate; (3) few benefits could be gained through the adoption of postage meters; and (4) the Army needed a better indicia mail management program. As a result of this study, the Army decided not to invest in postage meters, but developed an analytical approach for the review of USPS indicia bills.

9. Organization of the Army Postal Service, Ltc. R. J. Leonard, June 30, 1975.

The objective of this study was to determine if the existing Army postal service organization should be retained or modified. The findings were: (1) management data were not routinely available; (2) use of population served was an ineffective staffing criteria; and (3) the postal organization was command-peculiar. Various organizational changes were recommended and implemented as a result of this study, including the establishment of Army Postal Group, Korea.

10. Letter Report on the Military Postal Services, General Accounting Office, March 28, 1975.

This GAO study of the MPS was undertaken to review selected aspects of military postal operations. The following conclusions were made: (1) service representation at the CONUS gateway cities was unnecessary; (2) military postal clerks could be replaced with civilians at reduced cost; and (3) the assignment of the postal mission to local Air Force commands, rather than to a specialized postal organization, would reduce temporary duty costs.

DoD did not concur with the first recommendation. The second recommendation led to the Senate Appropriation Committee directive that the USPS take over all stateside military postal activities. The final recommendation resulted in the disestablishment of the Air Force Postal and Courier Service. The Air Force Postal function was reorganized into its present form.

11. A Review of the United States Military Postal System, Subcommittee on Postal Facilities, Mail, and Labor Management, of the Committee on Post Office and Civil Service, House of Representatives, December, 1976.

This review was initiated to identify problem areas in the military postal system. Some of the problems uncovered were: (1) liaison and communication between the USPS and DoD was ineffective; (2) military postal facilities and equipment can be improved; and (3) the Seattle branches of the San Francisco MMT and FPO were not required. The principal recommendation was the establishment of a single manager for military postal

matters. No action has been taken on reorganization pending the results of the LMI study, nor has action been taken on the other matters.

12. Report on the Military Postal Service, National Defense Transportation Association Committee, January 19, 1977.

The charter for this study called for an evaluation of military postal services and the preparation of recommendations for improving postal operations within the DoD. The Committee recommended that: (1) a consolidated postal management organization be established within the DoD; (2) the DoD seek direct access to a high operating level of management within the USPS; and (3) the USPS assume funding responsibility for military mail. No action has been taken on reorganization pending the result of the LMI study, nor has action been taken on the other matters.

APPENDIX B

SERVICE POSTAL OPERATIONS

1. CONUS

Military postal operations within CONUS encompass a variety of postal finance and support activities on CONUS installations. They also include assisting in the dispatch of military mail at the gateway cities. These operations are described in the following sections.

a. Military Gateways

Mail does not technically enter the MPS until it is turned over to a military activity at the carrier's overseas destination. The process of dispatching military official and personal mail to overseas destinations takes place at the three gateway cities—New York, San Francisco, and Seattle. The most important function of the MMTs/FPOs at these gateways is to monitor the overall performance of the USPS in processing military mail. The presence of the military at the gateway cities exerts a constant (and apparently necessary) pressure on the USPS. There appears to be a greater need for this monitoring in New York than on the West Coast.

The MMTs and FPOs assist the USPS in dispatching military mail in similar ways. This assistance includes:

(1) Routing schemes—specific instructions on bagging/labeling procedures and routing information for each APO/NPO/mobile unit by class of mail

(2) Locator service—correction of misaddressed or illegibly addressed mail (the Army, Navy, and Air Force provide this service to the unit level, but the Marine Corps service is to the individual member level.)

(3) Air carrier selection—identification of situations (such as during periods of frequent flight cancellations, strikes, or full loads) when MAC airlift is required and coordination of a smooth transfer of military mail from the commercial air carriers.

The principal difference (which is often exaggerated) between the MMTs and FPOs is the type of activity supported. An MMT is generally concerned with fixed installations while an FPO must route mail to both fixed locations and mobile units. Dispatching mail to mobile units requires knowledge of ship schedules, mail transit times to many overseas areas by class of mail, pouch restrictions, bagging instructions, and closeout times for getting the mail to the carriers. It also requires knowledge of the availability of other resources (such as ships with carrier on-board delivery (COD) aircraft, tankers, underway replenishment ships, etc.), to assist in the ultimate delivery of the mail to the ship.

To illustrate the major distinction between the MMT and FPO, the FPO at the CONUS gateway must coordinate airmail deliveries with either a ship's time in port or its proximity to a shore establishment which has the capability to further move the mail to the ship. If a carrier does not expeditiously dispatch SAM mail or inappropriate flights are selected, mail may arrive at a port after a ship has departed. Thus, the mail may have to be redispached and the ship may not receive airmail for several days. (Surface mail is not as important or time-dependent and is usually sent to the home port or intermediate port well in advance of the ship's arrival.) It is the responsibility of the FPO to minimize such occurrences.

Other differences in MMT/FPO operations occur in the procedures for reviewing postage applied to logistics mail (supplies, parts, etc.) to reduce the mail transportation costs whenever possible by downgrading the parcel to a less expensive classification. Logistics mail is so identified on the outside of the parcel. In the New York MMT, Army logistics mail is frequently downgraded from priority to MOM (or surface if possible) and also from MOM to surface, provided the required delivery date (RDD) of the parcel can still be satisfied. No Air Force logistics mail is downgraded at the New York MMT (as per Air Force request), nor does the Navy downgrade logistics mail at New York. Both Services claim that logistics mail is too critical to downgrade. However, all Services mail is downgraded at San Francisco.

Another difference between the MMTs and FPOs occurs on the West Coast. The instructions for forwarding military mail through the Seattle and San Francisco gateways are completely different. All Army and Air Force airmail for the Orient which originates in the northern tier of the U. S. is channeled through Seattle by the USPS (even though it is addressed to San Francisco). Likewise, airmail originating in the southern half of the U. S. is routed through San Francisco. The Navy, on the other hand, bases its choice of a gateway city primarily on the distance to the destination country. Shore-based addresses in Japan, Korea, and Okinawa use an FPO Seattle zip code; and all mobile units in the Orient and shore-based units in the Philippines, Hong Kong, and the balance of the South Pacific use an FPO San Francisco zip code.

The MMTs/FPOs also have different service standards to the same general destinations. To illustrate, Table B-1 displays the service standards to various destinations from west coast gateways. The standards displayed under Army apply to mail

TABLE B-1. SELECTED SERVICE STANDARDS FROM THE WEST COAST

(Days)

Destination	Class of Mail							
	Priority		MOM		SAM		Surface	
	Army	Navy	Army	Navy	Army	Navy	Army	Navy
Japan	3	2	4	2	*	3	18	20
Korea	4	4	5	4	*	5	28	24
Okinawa	3	3	4	3	*	4	29	31
Hawaii	2	1	1	1	*	2	15	13

* Since the air carrier has 72 hours to dispatch SAM, the Army has not established a SAM standard.

destined for Army and Air Force units, while the Navy standards apply to Navy and Marine Corps mail. The Army standards as specified in Army Regulation 340-3, "Official Mail," August 1, 1976, are the result of letter and parcel tests. The Navy standards, also based on test letters and parcels, are evaluated and modified more frequently because of the requirements of a mobile fleet. There does not appear to be any need to conduct separate tests or establish separate standards. The standards represent average transit time to the point of in-country distribution, such as a TNPO. Actual delivery to the addressee may take an additional day.

b. Military Installations

Postal operations at CONUS military installations vary widely between and within Services. Most Army postal activities are at FORSCOM installations. As noted previously, the FORSCOM Staff Postal Office oversees and inspects all postal finance and mail support activities at FORSCOM installations. The office does not have a counterpart in the other Services. The CONUS postal activity in the Air Force is limited to operation of PSCs, where a member's personal mail is placed in a lock box. Each PSC is the total responsibility of the base commander.

Navy CONUS activities include two postal finance units (one each at Norfolk and San Diego) and a TNPO at Norfolk. The function of the Norfolk TNPO is the dispatch and receipt of mail for the ships in port, including twice-daily dockside delivery and pickup. There also is a TNPO at the Pearl Harbor Naval Base, Hawaii, that operates in the same manner as the Norfolk TNPO.

CONUS installations also have a variety of internal mail support activities which generally are not classified as postal, nor are the assigned personnel classified as postal clerks. At Army installations, Mail and Distribution Centers (M&DCs) and Consolidated Mail Rooms (CMRs) fall in this classification. The Base Information Transfer System (BITS) operation at Air Force installations can be similarly classified, as can the Navy's Central Mail Rooms (CMRs).

The functions of these activities are similar. With the exception of the Army CMRs, these activities are the focal point for official mail at the installations—inbound, outbound, and internal distribution. They may also have responsibility for many administrative matters such as reproduction, stuffing, etc. The role of the Army CMR is primarily distribution of personal mail (and sometimes official mail) to the military member. Army and Navy CMRs and the Air Force PSCs provide locator service. It is anticipated that the M&DCs, BITS, and Navy CMRs will not be affected by the USPS assuming full responsibility for postal operations on military installations.

c. Postal Supplies

The Air Force Postal Finance and Supply Office (PFSO), Travis AFB, California, fills all Air Force APO requests for stamps and money order stocks, postal supplies, and postal equipment. The other Services send requests for stamps and money orders directly to the General Post Office USPS, in New York or San Francisco. Requests for supplies and equipment repair are sent to USPS centers at Topeka, Kansas, or Somerville, New Jersey. If the Army/Navy Post Offices are dissatisfied with the service being provided by the USPS, then the MMTs/FPOs are requested to intercede.

The principal mission of the PFSO is to insure tighter financial control over Air Force APOs, provide responsive service on requests for postal supplies, and assure adequate and timely repair of postal equipment. Discussions with the MMTs/FPOs and APOs/NPOs revealed that while there are several minor problems associated with ordering supplies and equipment through the USPS, they have little impact on military postal operations.

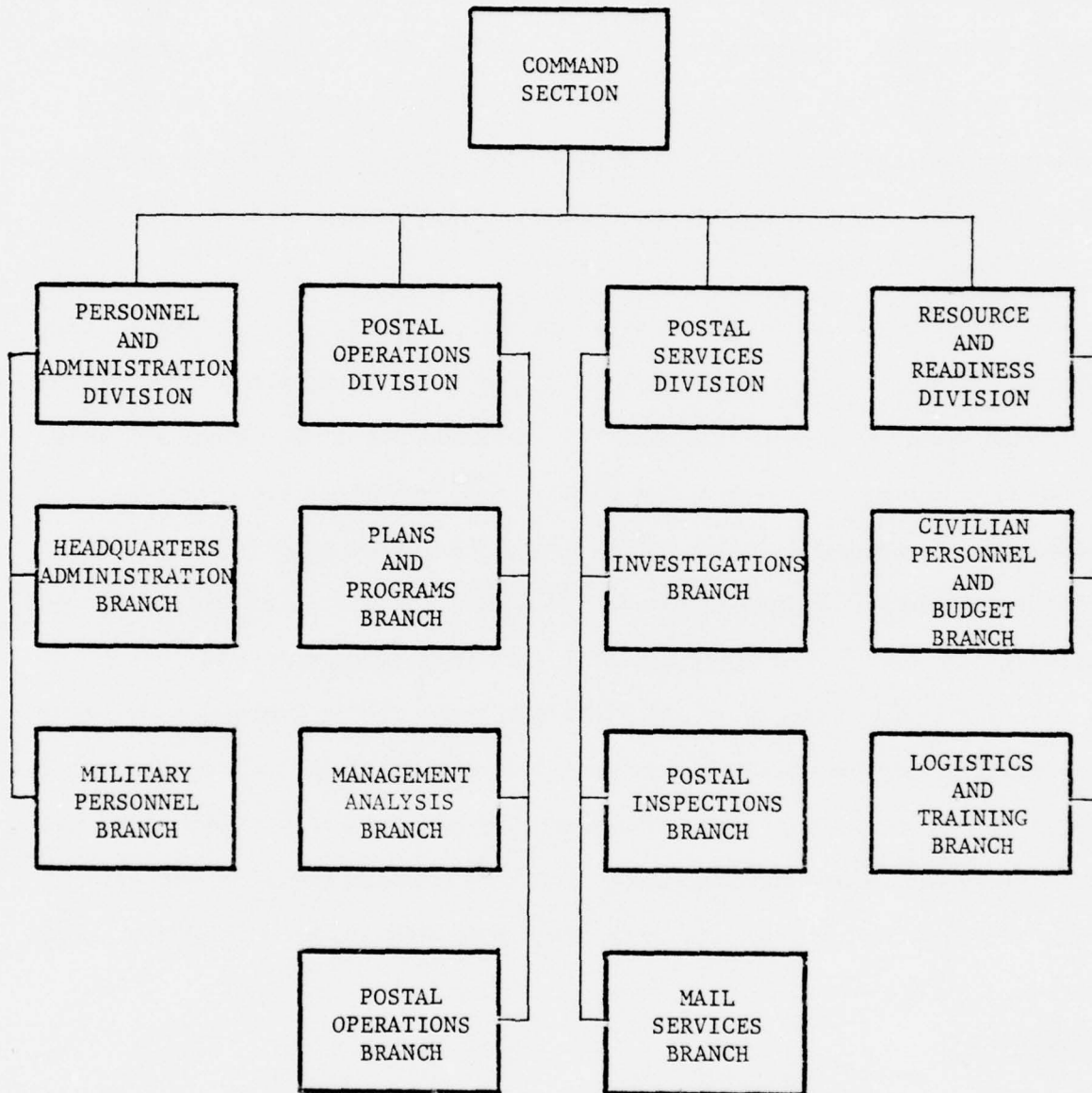
2. OVERSEAS

a. Europe

(1) Army

As noted previously, USARPGE is the principal postal organization within USAREUR. Figure B-1 is an organizational chart of Headquarters USARPGE.

FIGURE B-1. HEADQUARTERS, USARPGE
ORGANIZATIONAL CHART



The Personnel and Administration Division is responsible for Administration of USARPGE headquarters and all matters related to military personnel. The responsibilities of the Postal Operations Division include:

- Establishing, changing and terminating military postal service within USAREUR
- Implementing mail transportation policies and procedures
- Preparing modified Tables of Organization and Equipment (TOE) and TDA submissions for assigned postal units/activities
- Monitoring mail movement to, from, and within the command.

The Postal Services Division is concerned with the overall quality of the mail service provided USAREUR assigned personnel. This includes reviewing locator service operations, evaluating mail delivery practices, auditing APO operations, and monitoring the mail distribution scheme in place at the New York MMT. The Resource and Readiness Division is responsible for budget development and all civilian personnel functions within USARPGE. It is also the headquarters focal point on the combat readiness status of subordinate postal units.

The actual postal operations within USAREUR are performed by AG companies (AGCs), AG detachments (AGDs), postal units in combat divisions, and several TDA postal units. Two AGCs and sixteen AGDs are under the command of the Commander, USARPGE.¹ These eighteen units are all located in West Germany. The remaining postal units, which are scattered throughout Europe, report to local commanders, but they receive technical guidance on postal matters from the Commander, USARPGE.

The AGCs/AGDs are responsible for all Army postal matters within assigned geographic regions. The responsibility may include:

- Operating several postal finance units

¹The distinction between an AGC and an AGD is based on personnel strength. An AGC is larger than an AGD.

- Dispatching trucks to an aerial mail terminal or mail consolidation point for pickup of incoming mail and offload of outgoing mail
- Distributing incoming mail to unit mail clerks or outlying postal units, which in turn distribute to unit mail clerks
- Sorting outgoing mail by city or state (if destined for CONUS) or by country (if the destination is non-CONUS).

The unit mail clerk picks up incoming mail from the AGC/AGD and sorts it for distribution to the individual member. He is also required to perform a preliminary sort of all outgoing mail.

The combat division postal units provide postal support to division personnel. This includes operation of postal finance units, distribution of mail to unit mail clerks, and complete front-line support in the event of hostilities.

Army mail is distributed throughout West Germany in the following general manner. Priority mail is offloaded at the Frankfurt International Airport and moved to the Air Force-operated AMT. If the mail is containerized, the container is transported directly to the APO² (using Army trucks) for breakout by unit. Non-containerized mail is picked up by the Army and brought to the Offenbach facility (in the greater Frankfurt area) for sorting to the APO level. The sorted mail is then loaded into trucks for movement to the respective APOs.

The MSC shipping agreement calls for surface mail to be transported from the ocean port (usually Rotterdam) directly to the APO. Several APOs may be served by the same surface container. All military vehicles used in transporting Army mail within West Germany are provided by the 37th Transportation Group. The USARPGE does not pay for this service, but it is responsible for effective scheduling of the vehicles.

²In this context, the term APO is used interchangeably with AGC/AGD, even though the latter may support several APOs.

The USARPGE developed its operating budget for FY 1977 for the first time. The responsibility for budget development had previously rested elsewhere within the Adjutant General's Office. The FY 1977 budget totals \$220,000 and includes funds for temporary duty, shipment of civilian household goods back to CONUS, and postal supplies and equipment. The funds spent at the AGC/AGD level are the responsibility of the commanding officer of those units.

(2) Navy

Responsibility for Navy postal matters within NAVEUR is delegated to three subordinate commands—NAVACTSUK, COMFAIRMED, and COMIDEASTFOR.

Within the United Kingdom, the Command Postal Officer is also the Officer-in-Charge of the London TNPO. In these capacities, she has extensive responsibility for postal operations throughout the UK, including: mail routing to all ships operating in the North Atlantic, dispatch/receipt of all mail to/from Navy activities in the UK, and inspection of all NPOs.

Most airmail for the UK comes through Heathrow Airport, London. TNPO personnel pick up all Navy mail at Heathrow and move it to the TNPO in downtown London. The mail is then sorted by NPO. Mail destined for NPOs outside London is dispatched by British Rail.

Surface mail follows a similar pattern. The mail is either delivered to the TNPO (as per the MSC shipping agreement) or picked up at the ocean port, moved to the TNPO, sorted by NPO, and then placed on British Rail for final movement to the installation.

Because the COMFAIRMED postal organization is in the process of being reorganized, the following discussion pertains only to the new structure. The COMFAIRMED Postal Officer has overall responsibility for mail routing in the Mediterranean. Local base commanders (e.g. Sigonella NAF, Rota Naval Station, and Naval Support Activity, Naples) are responsible for postal service.

The focal point for coordinating most Navy postal activities in the Mediterranean is the Fleet Mail Center (FMC) Naples. The FMC is located at the Naples military air terminal, with a detachment at the Rome International Airport. With the exception of SAM for Sigonella, most of the Navy air-eligible mail destined for the Mediterranean area is moved by U. S. flag carriers to Rome. From Rome, it is moved by foreign flag carriers or local truck to the appropriate ports or installations. The truck operations are primarily daily runs between Rome and Naples. All SAM destined for Sigonella from CONUS is moved by MAC out of Norfolk. This practice avoids placement of SAM on foreign flag carriers at full international mail rates.

The postal operations at Sigonella and Rota are similar. The responsibilities of the base Postal Officers include effective operation of postal finance units and further movement of mail to mobile units operating in nearby waters (primarily by carrier on-board delivery (COD) aircraft).

(3) Air Force

The 7025 AIRPS, Rhein Main AB, Germany is responsible for all Air Force postal services within USAFE. An organizational chart of the 7025 AIRPS Headquarters is given in Figure B-2. There are three branches—Administration, Transportation, and Operations. The Administration Branch is primarily concerned with personnel and budget matters throughout the squadron. The Transportation Branch is responsible for effective application of Air Force mail transportation funds and for surface mail transportation, which is supplied primarily by the Army's 37th Transportation Group. The Operations Branch is responsible for USAFE postal policy and procedures as well as annual inspections of all Air Force operating locations (AMTs and APOs).

To carry out the 7025 AIRPS responsibilities, postal detachments have been established in Germany, Spain, Turkey, and England. Each detachment has total responsibility for quarterly inspection of all operating locations and control over all Air Force Postal matters in its assigned geographic area. The organization of the England Detachment is given in Figure B-3.

FIGURE B-2. HEADQUARTERS, 7025th AIRPS
ORGANIZATIONAL CHART

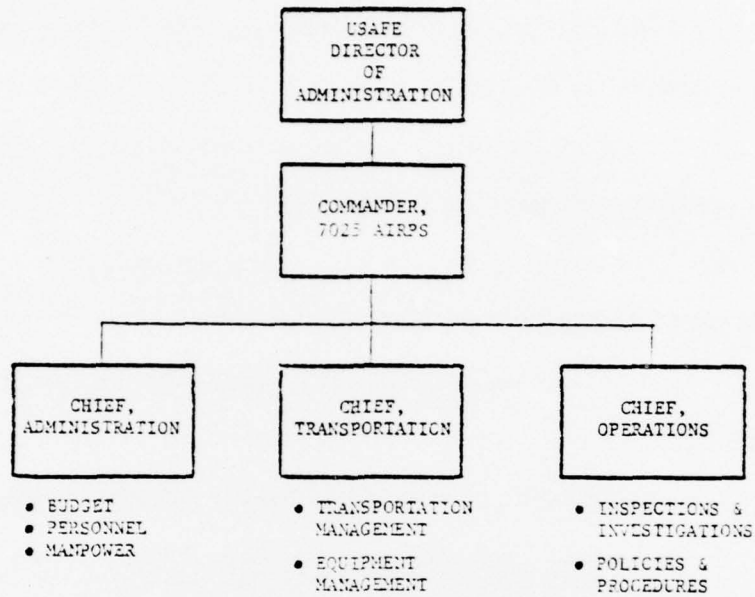
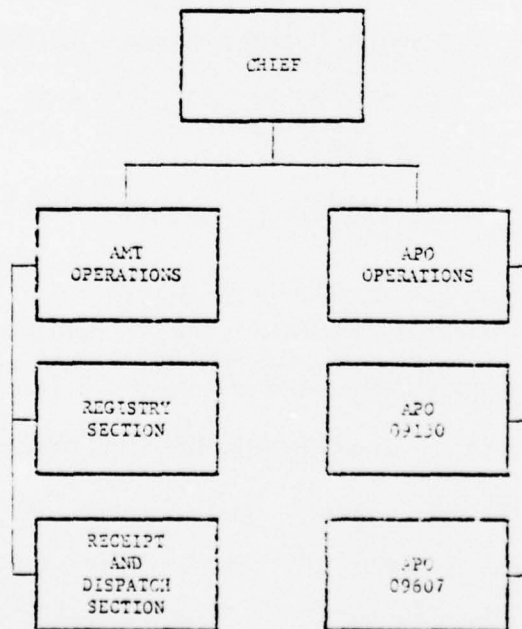


FIGURE B-3. ENGLAND DETACHMENT
ORGANIZATIONAL CHART



The environment in which each detachment operates varies because of the assigned geographic responsibility (i.e., span of control, dealing with the host government, etc.). To illustrate, the Germany Detachment has responsibility for all Air Force operating locations in Germany, Denmark, and Norway, while the Spain Detachment has responsibility for operating locations in Spain, Portugal, Italy and Greece. There are also differences in facilities, number of post offices served, and the like; however, overall operating practices are the same.

Air Force postal operations in Germany are similar to those of the Army. Airmail comes in by U. S. flag carriers to Frankfurt International Airport. The mail is moved to the AMT where it is sorted by APO. Daily truck runs are made from the AMT to the various operating locations. Transportation is provided by the 37th Transportation Group. Surface mail to Air Force operating locations in Germany is identical to that of the Army—commercial carriers move the ocean container directly to the APO.

The FY 1977 O&M budget for the 7025 AIRPS is approximately \$686,000. The principal cost categories are civilian pay, foreign national pay, AMT rentals in Frankfurt, Milan, Brussels, and Istanbul and temporary duty. All fixed costs at operating locations on Air Force installations are local base responsibilities; other operating location costs are covered by obligation authorizations (OA) from the 7025th. Each detachment is given an OA for temporary duty expenditures and their usage of these funds is closely monitored by the 7025th.

b. Pacific

(1) Army

As in Europe, the USARPGK is the principal postal organization in EUSA. Its primary mission is to provide command and control over all postal activities within EUSA excluding the 2nd Infantry Division for which only technical supervision is provided. USARPGK responsibilities also include staff guidance on postal matters to the Commander of the United Nations Command (UNC) and the Commander U. S. Forces

Korea (USFK). Figure B-4 displays the organization of USARPGK. Specific responsibilities of USARPGK are essentially the same as those of USARPGE. Minor differences are the result of the Status of Forces Agreement, liaison procedures with host government postal authorities, and local procedures.

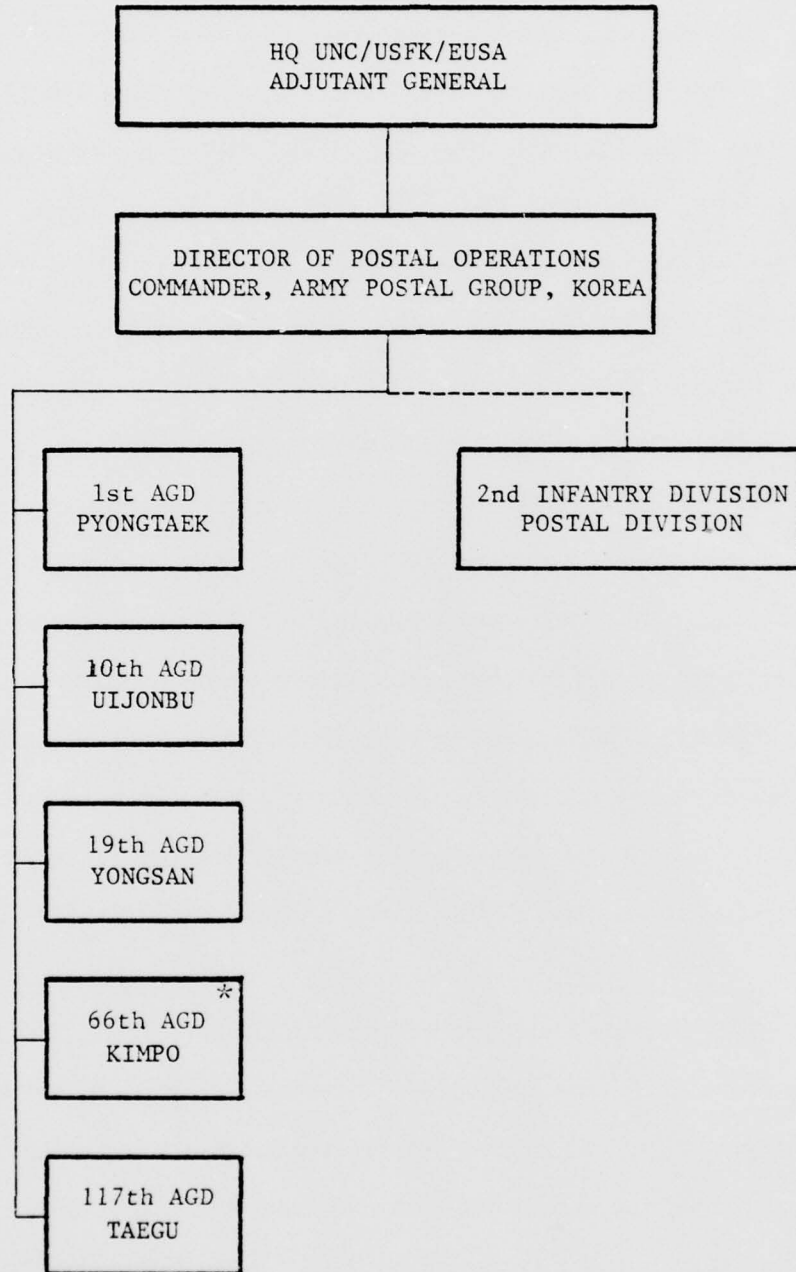
Each of the AGDs is classified as an Army Postal Unit (APU) and has a commanding officer whose responsibilities also include military mission readiness. The APU is responsible for postal operations in a given geographic area. It is usually collocated with a large APO and has several smaller satellite APOs. The functions of the AGDs in USARPGK, and the unit mail clerks which they serve, are identical to their counterparts in Europe, although some operational differences are caused by local geography, military conditions, and host government requirements.

The 2nd Infantry Division operating near the Demilitarized Zone, is in a constant state of readiness. Six small APOs, at six different camps, provide postal services for the camps. The APO deploys with the camp on exercises and would do so in the event of a contingency; thus they are under Division command and control.

The Army, with 56,000 patrons, is the major force in Korea and handles most of the mail moving in and out of the country. Working closely with the other Services, USARPGK coordinates and schedules most of the distribution of USFK mail. Trucks and drivers (members of the Korean Army) are supplied by the 69th Transportation Brigade.

All airworthy mail enters Korea at Kimpo Airport, Seoul, where it is taken to the Air Force AMT. The AMT loads all Army and Navy mail, and Air Force mail for Kunsan and Kwang Ju AB directly onto Army trucks. The trucks either make a direct run to the APO or deliver the mail to the 66th AGD mail terminal at Kimpo to be worked and dispatched to Army and Air Force APOs. Mail for the Naval facility at Chinhae is tendered to the Navy at the APO in Pusan. To expedite dispatch of the mail and help balance mail tendered to the airlines, the 66th AGD tenders mail received in the morning

FIGURE B-4. U.S. ARMY POSTAL GROUP KOREA
ORGANIZATION CHART



*The 66th AGD is a mail terminal only. It has no finance responsibility.

direct to the airlines. Mail received in the afternoon is turned over to the AMT. The Services believe this type of cooperation results in expeditious movement of the mail at minimal distribution cost.

All surface mail arrives at the ports of Pusan and Inchon and, under MSC agreement, is delivered to its destination by contract trucks. USARPGK is making changes in port-to-destination delivery procedures to expedite delivery and result in reduced costs. Since Korean customs are involved, these changes require the approval of the Korean government and possibly a change in the Status of Forces Agreement.

The postal units at the USARJ Garrisons at Honshu and Okinawa are under the command and control of the garrison commander. APO operations are the same as elsewhere, except that they are inspected by the USARJ Postal Officer. USAR Garrison, Honshu, uses a Japanese contract truck to pick up and deliver mail to the AMT at Yokota AB. USAR Garrison, Okinawa, makes two runs daily to the AMT at Naha AB using organic equipment.

The Army surface transportation management function is not being used to support postal operations in Japan. The geographic locations of the Services and local traffic conditions make consolidated truck runs impractical. Therefore, each Service provides for its own transportation.

(2) Navy/Marine Corps

COMNAVLOGPAC is responsible for postal matters in CINCPACFLT. As previously noted, the COMNAVLOGPAC Postal Officer is also the OIC of FPO San Francisco. The Assistant Postal Officer, located in Hawaii, is more directly involved in day-to-day postal matters in the Pacific.

Responsibility for the postal function in the Pacific is fragmented but, generally, the OIC, TNPO Yokohama, Japan, is responsible for coordinating postal matters in the western Pacific including Japan, Korea, Okinawa, and Hong Kong. The OIC, TNPO

Subic Bay, Philippines, is the coordinator for the southern Pacific. Both TNPOs have Marine Corps postal clerks assigned to assist in dispatching Marine Corps mail.

TNPO Yokohama is responsible for the movement of mail to and from shore-based and mobile Navy and Marine Corps units in Japan and Okinawa. The mail is distributed by Navy trucks to nearby locations. Japanese National Railways is used for remote locations in Japan; Japan Airlines for mobile units ported in Okinawa; U. S. commercial carriers and USARPGK for the single Navy facility in Korea; and MAC and U. S. commercial carriers for surface units in Okinawa. The TNPO receives mail from, and dispatches mail directly to, the airlines at Haneda Airport, Tokyo.

TNPO Yokohama makes mail transit tests just as the FPOs in San Francisco and New York do, to be sure mail can reach mobile units in the time allowed. It receives copies of mail routing instructions for all ships in the Pacific so that it may forward mail from CONUS received after a ship has departed and dispatch mail originated in Japan. Surface mail is received at Yokohama and is delivered by an MSC contractor directly to an APO, NPO, the AMT at Yokota AB, or the TNPO to be processed.

TNPO Subic Bay is responsible for dispatch and receipt of mail in its area. (When Navy ships are ported in Manila, first day mail delivery is made by the Manila AMT from information provided by the TNPO). The TNPO dispatches a truck daily to the Manila AMT for pickup and delivery of mail. NPOs pick up from and deliver mail to the TNPO.

TNPO Subic Bay works closely with the Commander Naval Services Group, which is responsible for underway replenishment, so that it may take advantage of opportunities to expedite the mail to ships at sea. Where possible, helicopters are used to deliver mail to ships on local exercises.

Surface mail for the Philippines arrives on an MSC ship at the Subic Bay Naval Base and is delivered to the TNPO or AMT by contract truck.

The TNPOs maintain a distribution board similar to that in USPS facilities at the CONUS gateways for dispatch of mail to ships. If ships are ported locally, mail is sent to the nearest NPO, otherwise it is held for arrival or sent back to the AMT for forwarding to the next port. If the ship is operating at sea but within range of a COD aircraft, and such an aircraft is available, the mail is delivered by the aircraft.

The NPOs ashore and afloat handle finance operations in the same manner as APOs, i.e., they function as a post office. When at sea, postal clerks maintain close contact with shore-based underway replenishment units and other ships at sea in their area or within helicopter range. Every attempt is made to dispatch the mail as frequently as possible by giving it to another ship which may reach port before it does, and to receive the mail as soon as possible via a COD aircraft, helicopter, or underway replenishment ship. Most of the effort to receive and dispatch mail to ships at sea is coordinated by the TNPO.

At shore activities, each command uses mail clerks to pick up and deliver the mail to the NPO. The mail clerk then distributes it to the individual member. Lock boxes are only provided for dependents of members assigned to mobile units currently at sea.

At both the TNPO and NPO, the persons in charge budget for supplies, salaries of local nationals, and TDY. The base Postal Officer is responsible for inspections and audits.

The NPO, Hong Kong, is part of the Navy Purchasing Department. Its mission is to (1) support Navy ships on rest stops, (2) provide postal service to military and other authorized personnel on leave in the area, and (3) support the American Consulate. The NPO receives and tenders mail directly to the airlines at Kai Tai Airport.

The only major Marine Corps postal function in the Pacific is located at Camp Butler, Okinawa, in support of the 3rd Marine Division. During peacetime, the postal unit operates under the 3rd Force Service Support Group with finance activities in

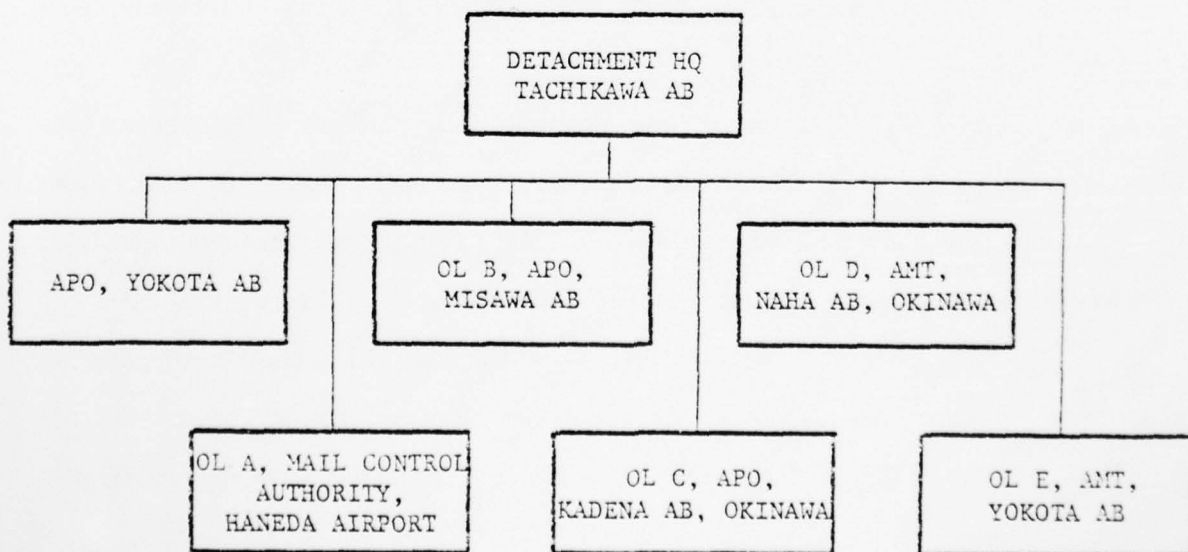
seven different locations. In the event of hostilities or training exercises, a Marine Corps post office deploys with its group only if the location to which it deploys is not served by a post office of another Service.

The commanding officer of the Camp Butler postal function reports directly to the Assistant Chief of Staff of the Camp and coordinates daily with the FMFPAC Postal Officer on such matters as routing. The commanding officer is also responsible for inspections and audits of post offices in the camp. Mail is received and dispatched several times per day depending on volume, to the Naha AMT.

(3) Air Force

The 6005 AIRPS, Hickam AFB, Hawaii, is responsible for all Air Force postal facilities within PACAF. The responsibilities of the 6005 AIRPS are identical to those of the USAFE 7075 AIRPS in Germany. The 6005th has established Detachments in Korea, Japan, the Philippines, and Australia to manage the operating locations (OLs) and be responsible for postal matters in their geographic area. Figure B-5 shows the organization of Detachment 2, Japan.

FIGURE B-5. DETACHMENT 2, 6005TH AIRPS
ORGANIZATION CHART



The 6005 AIRPS is a separate organization within PACAF: the commander reports directly to the PACAF Directorate of Administration. Detachment commanders report directly to 6005th headquarters and OL chiefs report to Detachment headquarters. There is no base command and control over OLs located on the base. The presence of officers at Detachment headquarters allows the Air Force to assign OL command responsibility to enlisted personnel.

Air Force postal operations in Korea are coordinated closely with the USARPGK. As previously stated, USARPGK claims approximately 56,000 patrons while Detachment 1, 6005 AIRPS claims approximately 8,000. However, Detachment 1 at Osan AB is responsible for all Air Force postal operations in Korea. Where mail distribution is not furnished by USARPGK, Detachment headquarters makes the necessary arrangements.

Detachment 2, Tachikawa AB (soon to move to Yokota AB) is responsible for operation of all Air Force postal units in Japan and Okinawa. Airmail enters Japan at Haneda Airport, Tokyo, and is trucked to the Yokota AMT where it is processed for further distribution by MAC or Japanese domestic airlines. Since there is no major mail operation at Haneda Airport, and there are 20-25 dispatches a day, the Detachment has found it necessary to establish a Mail Control Authority there to monitor carrier activity.

Detachment 3, Clark AB, Philippines, is the most complex of the 6005 AIRPS Detachments. Its responsibilities include APOs at embassies in the Philippines, Thailand, and Indonesia; AMTs in the Philippines and Taiwan; and APOs at air bases in the Philippines and Taiwan. Embassy APOs and the Manila AMT are low military profile operations, i.e., all military personnel work in civilian clothes. The Manila AMT is a somewhat unique operation in that unlike other AMTs, it is not a massing point. Since it serves only three facilities—Clark AB, Subic Bay Naval Base, and the Manila Embassy, which are large enough to allow locations elsewhere to build full pouches on them, massing on the Manila AMT is not necessary and permits a smaller work force there. Pouches are

unloaded by airline personnel directly into trailers for one of the three destinations; AMT personnel do not handle the mail. There is a daily truck run between the AMT and Clark AB for pick up and delivery of the mail. Outlying air bases are serviced out of Clark AB.

Taiwan also is unusual in that the Air Force is responsible for postal matters on the entire island, even though the Taipei APO is a tenant of the Navy Support Activity of the Taiwan Defense Command (TDC). Furthermore, the TDC provides personnel augmentation in heavy volume periods. When Navy ships port in Taiwan, they are served by the Air Force. Mail is distributed throughout Taiwan by Navy trucks and by the Chinese Postal System under an agreement by which they receive and dispatch mail to the AMT at the Taipei Airport.

APPENDIX C
LIST OF ABBREVIATIONS

AAC	Alaskan Air Command
AG	Adjutant General
AGC	Adjutant General Company
AGD	Adjutant General Detachment
AIRPS	Air Postal Squadron
AMT	Aerial Mail Terminal
APO	Army Post Office
ASCOMED	Air/Surface Coordinator, Mediterranean
ASD(MRA&L)	Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics)
ASIF	Airlift Service Industrial Fund
BITS	Base Information Transfer System
CINCLANTFLT	Commander in Chief, Atlantic Fleet
CINCPACFLT	Commander in Chief, Pacific Fleet
CINCUSNAVEUR	Commander in Chief, U. S. Navy, Europe
CMR	Central Mail Room
COD	Carrier On-Board Delivery
COMFAIRMED	Commander, Fleet Air Mediterranean
COMNAVLOGPAC	Commander of the Naval Logistics Command, Pacific
CONUS	Continental United States
EUSA	Eighth U. S. Army
FMFPAC	Fleet Marine Force, Pacific
FORSCOM	Forces Command
FPO	Fleet Post Office

FSSG	Force Service Support Group
FYDP	Five Year Defense Plan
M&DC	Mail and Distribution Center
MAC	Military Airlift Command
MAMAS	Military Automated Mail Accounting Service
MMT	Military Mail Terminal
MOM	Military Official Mail
MPS	Military Postal System
NAVEUR	U. S. Navy, Europe
NAVSUP	Naval Supply Systems Command
O&M	Operation and Maintenance
OIC	Officer-in-Charge
PACAF	Pacific Air Force
PFSO	Postal Finance and Supply Office
PSC	Postal Service Center
SAC	Senate Appropriations Committee
SAM	Space Available Mail
SDT	Second Destination Transportation
TNPO	Terminal Navy Post Office
USAFE	U. S. Air Force, Europe
USAREUR	U. S. Army, Europe
USARJ	U. S. Army, Japan
USARPGE	U. S. Army Postal Group, Europe
USARPGK	U. S. Army Postal Group, Korea
USPS	United States Postal Service

APPENDIX D



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

12 November 1976

INSTALLATIONS AND LOGISTICS

TASK ORDER SD-321-60
(77-3)

1. Pursuant to Articles E-1 and E-3 of the Department of Defense Contract No. SD-321 with the Logistics Management Institute, the Institute is requested to undertake the following task:

A. TITLE: Management of the Military Postal System

B. BACKGROUND: Defense postal service management is decentralized; each of the Military Departments maintains an office for the direction of its postal activities, both within CONUS and overseas. DoD postal service policy is a responsibility of the Assistant Secretary of Defense (Installations and Logistics). The ASD(I&L) also is responsible for DoD liaison with the US Postal Service.

The decentralized organization of the Military Postal System has remained relatively unchanged since World War II. DoD worldwide postal operations cost about \$300 million per year (\$100 million for oversea mail transportation, \$40 million for Defense postal personnel and \$150 million for domestic (indicia) mail service from USPS). A comprehensive management evaluation is desired in order to assure that the system is being managed efficiently.

C. SCOPE OF WORK: LMI will evaluate the present organization and management of the Military Postal System, both domestically and overseas. Among the factors to be considered in this evaluation are: (1) statutory requirements and limitations, (2) DoD and USPS interfaces, (3) impact of related departmental programs (e.g., transportation), (4) differences in Service approaches to management of indicia mail, (5) manning levels throughout the system, (6) variation in standards among the Services, and (7) budgeting and billing systems.

Specific attention shall be directed to identifying those policies, practices, procedures, and operations which may contribute to unnecessary duplicative effort and facilities, both within DoD and in its relationships with USPS. The final report will recommend improvements in overall management and organization, and include plans for implementation of recommended actions.

TASK ORDER SD-321-60
(Task 77-3)

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2. SCHEDULE: LMI will begin work on 1 November 1976. A study plan will be submitted by 3 December 1976. Progress briefings will be provided monthly. A final report will be presented by 31 August 1977.

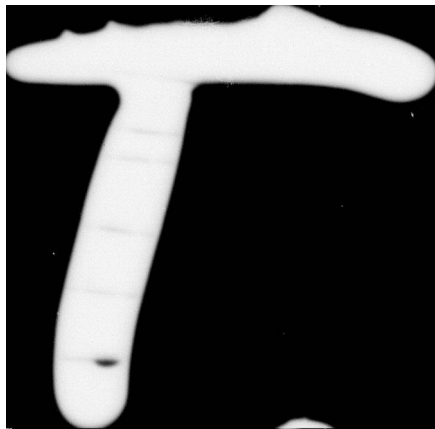
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John R. Belknap



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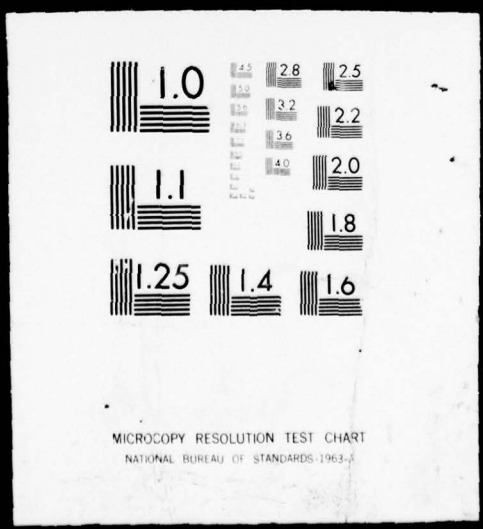
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LOGISTICS MANAGEMENT INSTITUT
4701 SANGAMORE ROAD, WASHINGTON, D.C. 20016 229-100


4 October 1977

Please make the following corrections to the July 1977 report on "Management of the Military Postal System," LMI Task 77-3, by Messrs. Narragon and Neil:

Table 1, page 2 -- entries are in thousands,
not millions

Table 2, page 21 -- entries are in thousands,
not millions

Table 3, page 25 -- entries are in thousands,
not millions


Eugene A. Narragon