

United States Postal Service

July 29, 2010

FY 2010 Strategic Sustainability Performance Plan

The data contained within this report has not been third-party verified for accuracy; however, the information presented represents the most accurate data that the USPS had available at the time of initial publication. If material changes are subsequently discovered, USPS will restate the data in future reporting years.

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Section 1: Context and background

1. USPS Sustainability leadership commitment and FY 2010 update

The U.S. Postal Service (USPS) has a statutory mandate to provide secure, efficient and affordable mail service to every person in the United States. Central to this universal service obligation, and a key element of our *Vision 2013: USPS Five-Year Strategic Plan for 2009-2013*ⁱ, is a commitment to “Be a Sustainability Leader.”

Vision 2013 outlines our strategic business plan to strengthen core operations and services, while balancing our immediate and urgent need to reduce costs.

The Postal Service has a long history of sustainability leadership. Since 1775, we have pioneered environmentally and socially responsible business practices while providing a growing America with universal mail service. Recent USPS sustainability leadership efforts among the mailing industry and our federal agency peers include these achievements:

- The first federal agency to have a sustainability officer.
- The first federal agency to publish a third-party-verified greenhouse gas (GHG) emissions inventory and commit to absolute GHG reductions.
- One of the first federal agencies to issue Global Reporting Initiative (GRI)-based public sustainability performance reports (2008 and 2009).
- A leading member of an international posts coalition to become the first industry sector to commit to GHG reductions at the 2009 UN Climate Conference in Copenhagen.
- Achieving the status of “most trusted government agency” for six consecutive years.

While neither Executive Orders 13423 nor 13514 apply to the Postal Service because of its unique mission and status, we have issued our own comprehensive portfolio of sustainability goals that are relevant to our statutory mandate, our operations, our customers and the communities we serve.

This FY 2010 Strategic Sustainability Performance Plan (SSPP) describes these goals, our targets and summarizes our implementation initiatives.

We have established a Sustainability Leadership Committee (SLC), co-chaired by the Deputy Postmaster General/Chief Operating Officer and the Vice President of Sustainability, and made up of key functional vice presidents, to oversee implementation of corporate sustainability goals across our operations and to monitor our progress toward them.

The committee has approved 15 USPS sustainability goals across 10 focus areas. These goals match the intent of EO13514 by helping us better serve customers, reduce greenhouse (GHG) emissions, resource consumption, achieve zero waste and increase transparency.

Achieving these sustainability goals will be extremely challenging as we face the most significant financial crisis in our history. Mail volume and revenue are rapidly declining, while the number of delivery points we serve continues to increase. The costs of energy and

ⁱ http://www.usps.com/strategicplanning/_pdf/Vision2013FullDocument.pdf

employee health care are both rising faster than the consumer price index — the point past which we can't raise prices.

In addition, we are restricted from closing post offices and are nearing our statutory debt limit, which in turn limits our capital investments and increases our long-term debt.

We can't achieve these goals unilaterally. We need the support of the White House, Congress, our customers, our employees and our supply chain partners to emerge from this crisis a leaner, greener, world-class organization.

Because of these challenges, we are focusing our near-term efforts on implementing low-cost, high-benefit initiatives that achieve our goals, increase operational efficiencies and have a shorter return on investment. A key element of our plan is engaging our employees to help us adopt a culture of conservation.

To that end, we are establishing Lean Green Teams at areas, districts and in facilities nationwide. They are charged with eliminating waste through improved operational efficiencies, and by utilizing industry and government best practices.

Despite our significant near-term financial challenges, we are committed to ensuring a viable U.S. Postal Service providing affordable, universal mail service for current and future generations.

Samuel M. Pulcrano

Vice President, Sustainability

2. USPS mission and Sustainability vision: “Be a Sustainability Leader”

USPS mission and service obligation

The mission of the U.S. Postal Service is to provide the nation with reliable, affordable, universal mail service, now and for future generations. We have fulfilled this mission for 235 years through unexpected challenges, technological changes, global wars and adverse weather by developing new and better ways to process and deliver mail to every household and business.

Today, USPS provides mail service to 150 million U.S. addresses, utilizing the world’s largest civilian vehicle fleet of 216,000 vehicles, 33,000 postal facilities and the efforts of nearly 600,000 employees. We have a unique role because of the scale of our mission — to deliver mail to every person in America.

Challenges to fulfilling our mission

There are several ongoing challenges to our mission of providing reliable, affordable mail service to everyone in the country today and for future generations:

- Shifting customer demands from mail to electronic communication/media.
- An increasing number of delivery points (1 million new addresses per year).
- Legislative restrictions on delivery frequency, network consolidations and pricing.
- Our financial crisis and capital constraints.

Vision 2013: be a sustainability leader

To ensure a viable Postal Service for future generations, USPS is working to strengthen our core operations and services in ways that makes the best use of our resources and reduces our financial costs.

One of 10 core elements of *Vision 2013: USPS Five-Year Strategic Plan for 2009-2013* is the Postal Service’s commitment to be a sustainability leader.

This strategic plan focuses on two broad sustainability objectives:

- Build a conservation culture among all employees.
- Lead adoption of sustainable business practices by the mailing industry, our customers, our suppliers and our federal agency peers.

To be a sustainability leader, we will assist the mailing industry in becoming more energy efficient and environmentally responsible. We will expand our leadership role within the industry by adopting and promoting business practices that are environmentally and fiscally responsible. We will actively engage suppliers, employees, customers and the communities we serve or who support the Postal Service to adopt sustainable business practices.

By building a conservation culture, we will engage our nearly 600,000 employees in our efforts to reduce both energy use and our impact on the environment. And we will take advantage of improved measurement systems, advances in renewable energy sources and comprehensive employee education to help us meet those goals.

We will focus first on facility and fleet energy use, and then extend our efficiency practices to water and other resources. And we are incorporating new efficiency standards into mail processing equipment and facility designs.

To adopt sustainable business practices, we will take a comprehensive life-cycle approach that incorporates environmental responsibility from creation to disposal of mail pieces. We will expand our already robust green supply chain, facility management and IT purchasing practices, and redesign networks to provide sound environmental benefits and contribute to cost reductions.

We will expand efforts to help customers be more sustainable by providing more in-lobby recycling containers and continuing to study product mail-back programs for small electronics and other materials. We will measure our greenhouse gas emissions to serve as a baseline for a long-term strategy to reduce our carbon footprint.

Sustaining our mission

This strategic sustainability performance plan provides a framework for connecting sustainability to our mission, vision and broader business strategy. It introduces the organizational sustainability goals that are most material to our service obligation and business requirements. Throughout FY 2011, our Sustainability Leadership committee and cross-functional steering teams will track goal performance. Steering teams will convene to further develop implementation roadmaps and enhance methods for tracking goal progress.

Continuous sustainability performance improvement has significant potential to help the Postal Service reduce costs, increase revenue, reduce and better manage risks, and improve brand equity. USPS is committed to a sustainable, responsible operation that has high regard for the environment and the communities we serve.

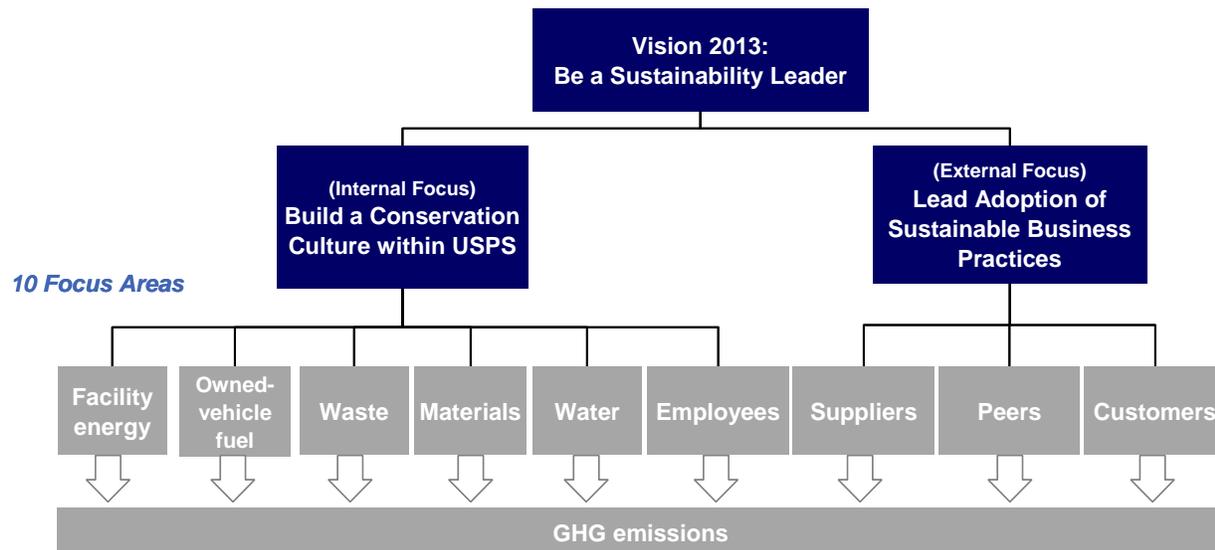
3. USPS Sustainability strategy framework

This sustainability strategy connects the vision of “Being a Sustainability Leader” with traditional enterprise value drivers of cost and efficiency, brand and revenue improvement. And as we noted earlier, the USPS sustainability strategy framework, illustrated below, is grounded in our *Vision 2013* commitment to “be a sustainability leader.”

Achieving that sustainability leadership at the Postal Service will require improvement across 10 focus areas, which convey a balance of social, environmental, and economic sustainability and reflect the areas where the Postal Service has a material impact on the environment and the communities we serve.

Our vision of leadership requires that we maintain both an inward focus on culture change and an outward focus on championing the adoption of more sustainable practices among our customers and stakeholders. Our 10 focus areas align with *Vision 2013* and support building a conservation culture and leading adoption of sustainable business practices as outlined in the figure below. It is important to note that the greenhouse gas emissions focus area is shown crossing each of the nine other focus areas. That is because changes in each of those focus areas will drive changes in our greenhouse gas emissions.

Figure 1. USPS Sustainability strategy and goal framework

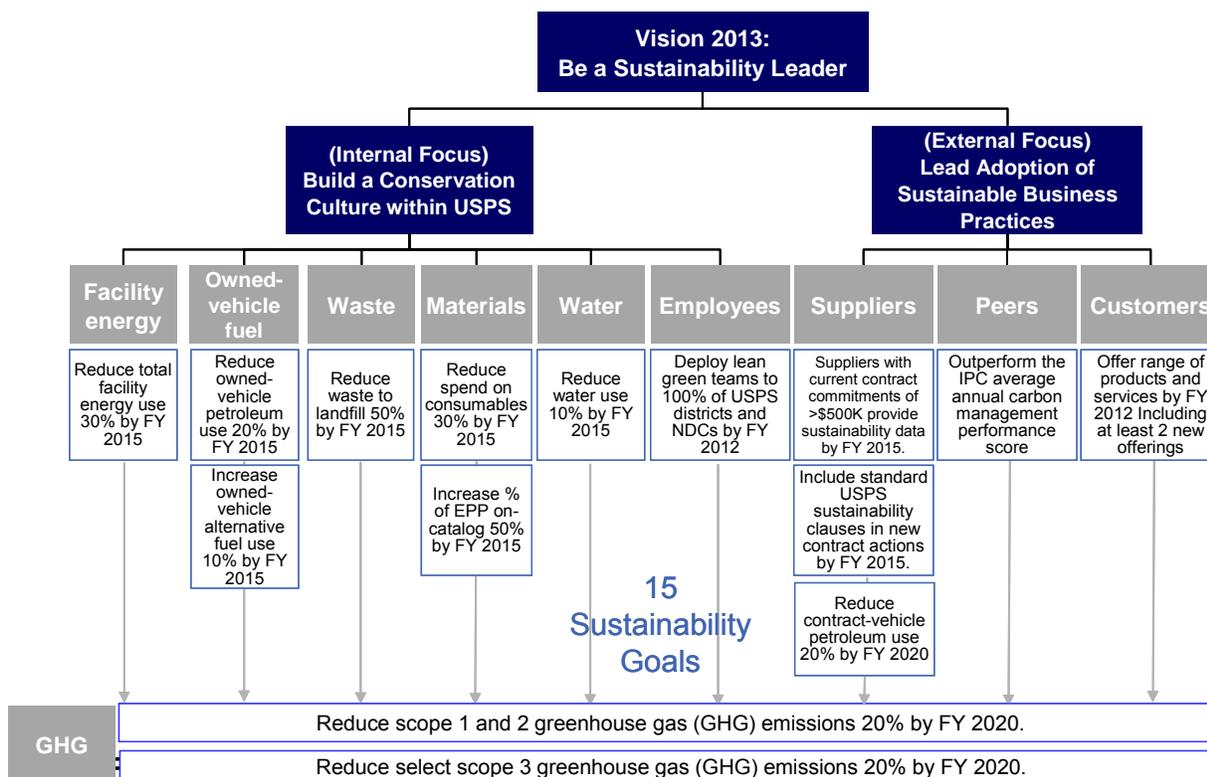


The Postal Service has established 15 USPS sustainability performance goals across the 10 focus areas listed in table 1. All of these goals contribute to USPS scope 1, 2, and 3 greenhouse gas emission reduction goals as shown in figure 2, and discussed in the next section.

Table 1. USPS Sustainability goals: 15 goals across 10 focus areas

Focus Area	USPS Sustainability Goals		Lead Office
Greenhouse gas	1	Reduce scope 1 and 2 GHG emissions 20% by FY 2020 (FY 2008 baseline).	Operations/ Sustainability
	2	Reduce select scope 3 GHG emissions 20% by FY 2020 (FY 2008 baseline).	
Facility energy	3	Reduce total facility energy use 30% by FY 2015 (FY 2003 baseline).	Facilities
Owned-vehicle fuel	4	Reduce owned-vehicle petroleum fuel use 20% by FY 2015 (FY 2005 baseline).	Delivery Operations
	5	Increase owned-vehicle alternative fuel use 10% annually by 2015 (FY 2005 baseline).	Operations
Waste	6	Reduce waste to landfill 50% by FY 2015 (FY 2009 baseline).	Employee Resource Management
Materials	7	Reduce spend on consumables 30% by FY 2020 (FY 2008 baseline).	Operations/Finance
	8	Increase % of identified environmentally preferable products (EPP) available for purchase on-catalog (eBuy2) by 50% by FY 2015 (FY 2010 baseline).	Supply Mgmt.
Water	9	Reduce water use 10% by FY 2015 (FY 2007 baseline).	Facilities
Employees	10	Deploy lean green teams to 100% of USPS districts and network distribution centers by FY 2012 (FY 2009 baseline).	Sustainability
Suppliers	11	Reduce contract transportation petroleum fuel use 20% by FY 2020 (FY 2008 baseline).	Network Operations
	12	Require suppliers with current contract commitments of over \$500,000 to provide sustainability data by FY 2015 (FY 2011 baseline).	Supply Mgmt.
	13	Include standard USPS sustainability clauses in new contract actions by FY 2015 (FY 2011 baseline).	Supply Mgmt.
Customers	14	Offer customers a range of sustainable products and services by FY 2012, including at least two new customer offerings (FY 2009 baseline).	Mailing & Shipping Services
Peers	15	Outperform the international postal sector's average annual carbon management performance score, as calculated by the International Post Corporation (IPC).	Operations/ Sustainability

Figure 2. USPS Sustainability goals: 15 goals across 10 focus areas



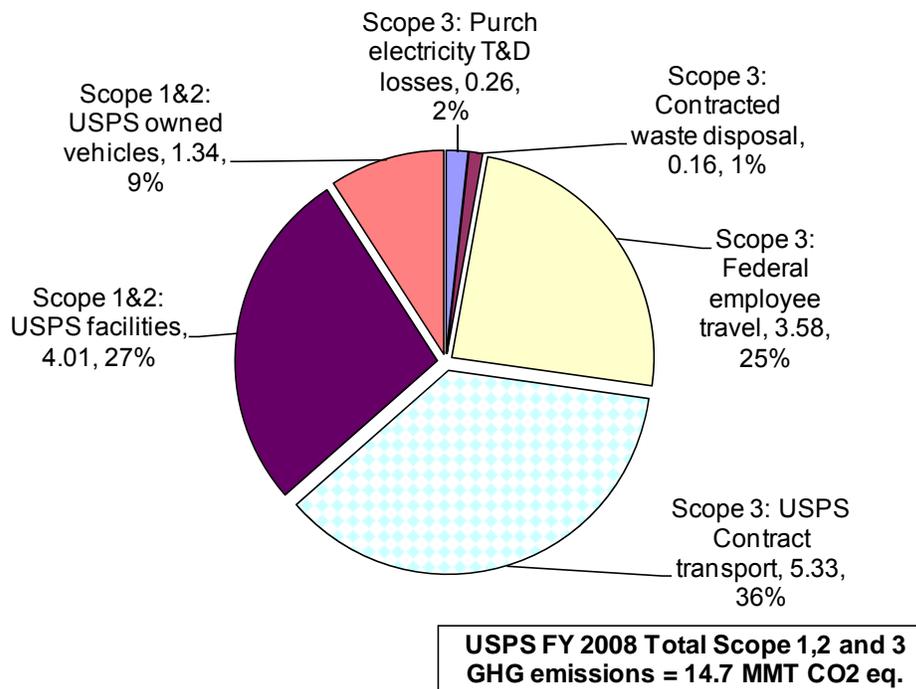
4. USPS Greenhouse gas reduction goal summary

Our greenhouse gas goals are to reduce our GHG emissions (scope 1, 2 and select scope 3) 20% by FY 2020 using a FY 2008 baseline (20% equals 2.9 million metric tons of carbon dioxide equivalent (MMT CO₂ eq))

As shown in Figure 3, our FY 2008 GHG emissions totaled 14.7 MMT CO₂ eq., and are primarily from four source activities:

1. Petroleum fuel used to transport mail in our owned fleet of trucks and administrative vehicles.
2. Petroleum fuel used in our contracted transport vehicles to move mail in contracted planes, trucks, cars, trains and ships.
3. Petroleum fuel used by our employees for business travel and commuting.
4. Electricity use in our facilities.

Figure 3. USPS FY 2008 scope 1, 2 and 3 GHG emissions (MMT CO₂ eq)



Our efforts over the next three years focus primarily on reducing petroleum use and electricity purchases by better matching employee work hours, mail processing plants, mail processing equipment and delivery routes to decreased mail volumes. Due to our financial crisis, we are not scheduled to make large capital investments over the next three to five years in new equipment nor facilities.

In FY 2009 we removed over 1,000 pieces of mail processing equipment from our plants, consolidated plant operations hours from 24 to 18, and eliminated over 11,000 city delivery and 1,200 rural delivery routes.

USPS scope 1 & 2 goal is a 20% reduction by FY 2020 against a FY 2008 baseline. Our scope 1 and 2 emissions include direct emissions from our facilities and vehicles and indirect emissions from facility electricity use. FY 2008 USPS GHG emissions (5.4 MMT CO₂ equivalent) are calculated using the calendar year (CY) 2007 and CY 2008 third-party verified GHG emission reports submitted to The Climate Registry, which followed their general reporting protocols. Our FY 2008 GHG emissions total is not third-party verified, as we have extrapolated verified CY 2007 and CY 2008 data in order to estimate FY 2008 emissions.

USPS scope 3 goal is a 20% reduction of select scope 3 emissions by FY 2020 against an FY 2008 baseline. Our scope 3 emissions include USPS contracted mail transport, USPS federal employee travel, transmission and distribution losses for purchased electricity, and contract waste disposal. These categories, which total 9.3 MMT CO₂ equivalent) in FY 2008, are estimated using non-verified data. Our contract transport GHG emissions were based on both measured fuel use from our highway contract routes and estimated fuel use from our air transport contracts, employee owned rural route vehicles, rail transport and ship transport.

We also used the scope 3 estimating tool provided by the Department of Energy to estimate emissions associated with employee commuting, contracted waste disposal, and transmission and distribution losses. All scope 3 emissions are not third-party verified and represent our best estimates given currently available data.

5. USPS Sustainability implementation and governance

USPS Sustainability governance structure

The USPS Sustainability Leadership Committee (SLC) serves as the advisory body to the Postal Service Executive Committee on sustainability issues and guides the development, integration and implementation of corporate sustainability principles — social responsibility (People), environmental responsibility (Planet) and fiscal responsibility (Profit) into all USPS policies, procedures, operations, products and services.

The Senior Leadership Committee is co-chaired by the Deputy Postmaster General (DPMG)/Chief Operating Officer (COO) and the Vice President for Sustainability, and comprised of VPs and other senior leaders across the organization. On Sept. 16, 2008, the DPMG/COO and the VP of Sustainability approved the charter for the USPS SLC. It is currently chartered through Oct 1, 2011. The DPMG will review the charter at that time to determine if it will be continued, canceled or revised and reissued.

Roles and responsibilities of the Sustainability Leadership Committee include:

1. Reviewing USPS sustainability policies for signature by the Postmaster General.
2. Establishing and reviewing the USPS Strategic Sustainability Performance Plan vision, strategic goals, performance metrics, interim and annual performance targets.
3. Identifying opportunities for USPS initiatives that will achieve corporate, area and business unit sustainability goals.
4. Championing sustainability initiatives within functional units and areas and providing resources to achieve targets.
5. Identifying opportunities to integrate sustainability concepts into USPS strategic planning, facility design, procurement, core operations, supply chain, employee training and engagement, marketing and community outreach efforts.
6. Reviewing performance of the initiatives against sustainability goals.
7. Identifying and resolving barriers to achieving USPS Sustainability goals and objectives.
8. Identifying opportunities for partnerships across USPS functional areas to achieve sustainability performance targets.
9. Identifying opportunities for outreach programs to educate the USPS community, stakeholders and the public about USPS sustainability.

The Sustainability Leadership Committee meets every six weeks, with additional meetings as appropriate. Meetings normally last 90 minutes and the agenda includes:

- Review of overall USPS corporate sustainability progress and performance metrics.
- Review and discussion of plans and status of corporate initiatives.
- Functional proponent/Area sustainability updates.

Establishing and implementing Sustainability goals

To date, USPS has integrated sustainability concepts within our operations, products and services, and across functional offices, so that sustainability is not viewed as a “bolt-on” initiative or separate function. We have taken a similar cross-functional approach to establishing our corporate sustainability goals.

The Sustainability Leadership Committee helped define sustainability goals, and oversees their implementation across operations. The committee monitors quarterly and annual progress.

Steering teams are responsible for goal implementation and performance, and where applicable, will develop implementation roadmaps that tie functional budgets to goal attainment, establish interim performance targets and enhance methods for tracking progress.

Disseminating the performance plan to USPS functions and area offices

Headquarters business units and area offices are responsible for implementing the projects necessary to achieve the goals articulated in the SSPP. The Office of Sustainability disseminates the plan to USPS functional and area offices, with the help of headquarters green teams.

Figure 4 displays the USPS Sustainability governance structure, and depicts the process for implementing corporate Sustainability initiatives and the Strategic Sustainability Performance Plan across USPS functions and area offices. Figure 5 illustrates a similar process at the facility level.

Figure 4. USPS Sustainability governance structure and implementation process

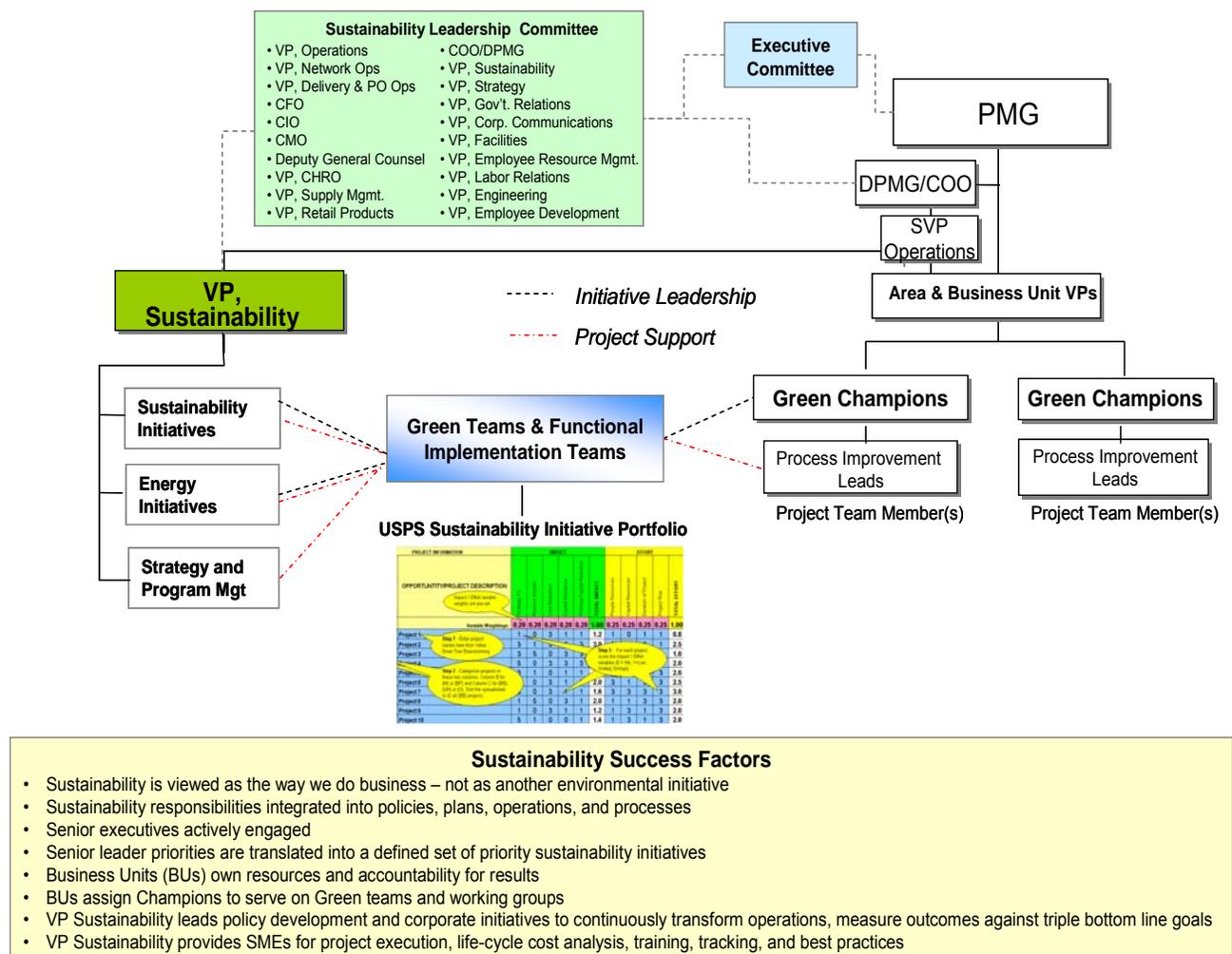
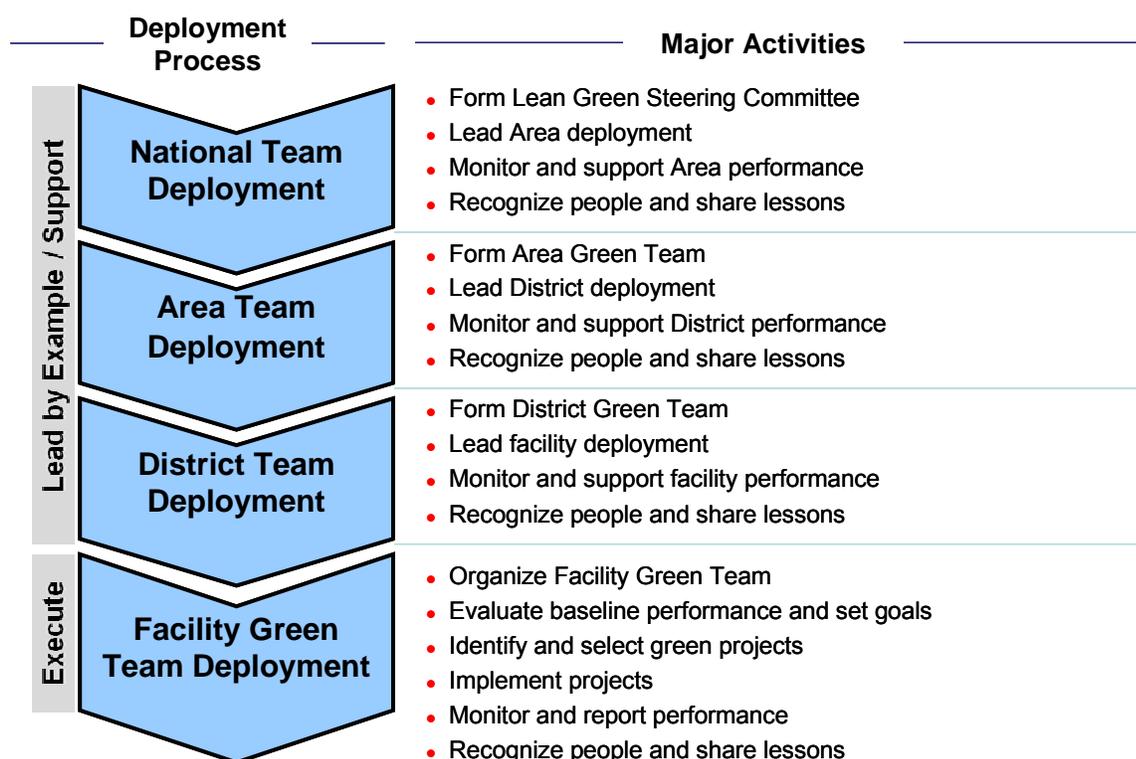


Figure 5. Process for disseminating goals to the facility level



Leadership and accountability

The Postal Service has very mature and systematic national performance assessmentⁱⁱ (NPA) and pay for performanceⁱⁱⁱ (PFP) systems that ensure corporate performance metrics are assigned down to individual managers’ score cards. The Postal Service implemented the NPA system to ensure that all management employees have a direct stake in the success of the organization. This system is linked directly to the PFP that the Postal Service uses to reward employees for achieving standardized, measurable performance goals, which include financial performance indicators. These indicators are directly affected by the effective use of postal

ⁱⁱ The United States Postal Service National Performance Assessment (NPA) is a web-based system that collects performance-related metrics such as retail revenue, on-time express mail delivery, etc. from source systems across the organization. These metrics are translated into web-based, balanced scorecards that can be used to monitor the performance of both the entire enterprise and of individual units across the nation. NPA is a stand-alone program, which supports the Pay for Performance (PFP) program and Performance Evaluation System (PES). By instituting these standardized, objective measurements, USPS has a system that increases the objectivity of the USPS Pay-for-Performance Program, gives employees access to their current performance data and empowers them to take a more active role in the tracking, improvement and evaluation of their own performance.

ⁱⁱⁱ The Pay-for-Performance program places emphasis on the organization’s success through objective, measurable performance indicators. These indicators are aligned at the corporate, functional and individual levels. With PFP, employees learn at the beginning of the evaluation period what priorities are, what is expected of them and how results impact the organization. The program enables employees to concentrate on achievements that are within their control and that are based on their line of sight in the organization. The program is designed to: align objectives at the individual level through the unit and organizational structures, ensure that performance expectations are clearly stated, link individual contributions to organizational success, provide periodic feedback on actual individual performance compared to established targets, recognize and reward individual successes that drive unit and organizational performance upward and ensure accountability at all levels of the organization.

resources — including capital funds. The NPA system supports our capital investment process by aligning individual performance with corporate strategies and initiatives.

All Strategic Sustainability Performance Plan goals are either assigned as individual position objectives on the USPS Performance Evaluation System to senior USPS officers and functional managers or are part of the corporate Pay for Performance system. Our key performance indicators — reductions in facility energy use and owned vehicle petroleum use — have been added to all District Manager and Plant Manager annual Pay for Performance scorecards. Table 2 depicts the FY 2010 USPS level 1 Sustainability goals articulated in this document and the lead USPS office responsible for implementation.

Table 2. USPS lead office for Sustainability goals

Focus Area	USPS Sustainability Goals		Lead Office
Greenhouse gas	1	Reduce scope 1 and 2 GHG emissions 20% by FY 2020 (FY 2008 baseline).	Operations/ Sustainability
	2	Reduce select scope 3 GHG emissions 20% by FY 2020 (FY 2008 baseline).	
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Owned-vehicle fuel	4	Reduce owned-vehicle petroleum fuel use 20% by FY 2015 (FY 2005 baseline).	Delivery Operations
	5	Increase owned-vehicle alternative fuel use 10% annually by 2015 (FY 2005 baseline).	Operations
Waste	6	Reduce waste to landfill 50% by FY 2015 (FY 2009 baseline).	Employee Resource Management
Materials	7	Reduce spend on consumables 30% by FY 2020 (FY 2008 baseline).	Operations/Finance
	8	Increase % of identified environmentally preferable products (EPP) available for purchase on-catalog (eBuy2) by 50% by FY 2015 (FY 2010 baseline).	Supply Mgmt.
Water	9	Reduce water use 10% by FY 2015 (FY 2007 baseline).	Facilities
Employees	10	Deploy lean green teams to 100% of USPS districts and network distribution centers by FY 2012 (FY 2009 baseline).	Sustainability
Suppliers	11	Reduce contract transportation petroleum fuel use 20% by FY 2020 (FY 2008 baseline).	Network Operations
	12	Require suppliers with current contract commitments of over \$500,000 to provide sustainability data by FY 2015 (FY 2011 baseline).	Supply Mgmt.
	13	Include standard USPS sustainability clauses in new contract actions by FY 2015 (FY 2011 baseline).	Supply Mgmt.
Customers	14	Offer customers a range of sustainable products and services by FY 2012, including at least two new customer offerings (FY 2009 baseline).	Mailing & Shipping Services
Peers	15	Outperform the international postal sector's average annual carbon management performance score, as calculated by the International Post Corporation (IPC).	Operations/ Sustainability

Policy and planning integration

Being a Sustainability Leader is a core component of our 2008-2013 *Vision 2013* strategic plan and will remain a key component of our 2020 strategic plans. Though each business unit and Area office is responsible for accomplishing the initiatives needed to achieve the goals articulated in the performance plan, the Office of Sustainability has the overall lead to ensure that the plan goals are integrated throughout USPS policies, plans and operations, and that each functional office has proper coordinated support to ensure performance achievement.

The Office of Sustainability will work with each member of the Senior Leadership Committee to identify where new or revised policies are required within their areas of responsibility to achieve the performance plan goals, and to ensure that corporate policies and plans are updated on a regular basis.

Table 3 depicts how the individual goals articulated in the performance plan are supported by other USPS policies, plans and performance tracking systems.

Table 3. Critical planning coordination

Originating Plan/ Progress Report	Scope 1 & 2 GHG Reduction	Scope 3 GHG Reduction	Develop and Maintain Agency Comprehensive GHG Inventory	High-Performance Sustainable Design / Green Buildings	Regional and Local Planning	Water Use Efficiency and Management	Pollution Prevention and Waste Elimination	Sustainable Acquisition	Electronic Stewardship and Data Centers	Agency Specific Innovation
USPS Vision 2013	yes	yes	yes	yes	yes	yes	yes	yes	n/a	yes
USPS 10-Year Strategic Action Plan to 2020	yes	yes	yes	yes	yes	yes	yes	yes	n/a	yes
USPS Energy Management Plan	yes	yes		yes		yes	yes	yes	yes	yes
USPS Sustainability Annual Report	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
USPS Annual Energy Data Report	yes	n/a	n/a	yes	n/a	yes	yes	n/a	n/a	n/a
USPS National Performance Assessment Report	yes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
USPS Lean Green Team deployment plan	yes	yes	n/a	yes	n/a	yes	yes	yes	n/a	n/a
USPS Supply Management 2013 action plan	n/a	yes	n/a	n/a	n/a	n/a	yes	yes	yes	yes
USPS OMB scorecards	yes	yes	yes	yes	n/a	yes	yes	yes	yes	yes
USPS input to DOE's Annual Federal Fleet Report to Congress and the President	yes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	yes
USPS Environmental Management System	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Budget integration

It is important to note that USPS does not receive direct appropriations for its operations and must fund all initiatives with revenues generated from the sale of its products and services. Because of this, USPS has not adopted the SSPP template financial planning tables, and any goal planning tables included in this report do not depict ongoing funding or future budget requests.

All initiatives articulated in this plan are aligned with the USPS standard business case system for requests for corporate expenditures, tracked by the lead finance number and the decision analysis report^{iv} (DAR) process for major requests^v (greater than \$5 million) for operating or capital expenses.

^{iv} All major operating expense investments must be supported by a Decision Analysis Report (DAR) prepared by the sponsoring organization to justify the expenditure. The DAR explains the background and purpose of the program and fully documents costs and benefits estimates. Costs must be supported with documentation showing the

The business case system supports the performance plan by standardizing creation of business cases across USPS organizations and captures the pertinent information about life-cycle program cost (estimates limited to 10 years, in most cases), financial value (estimates of revenue/income), strategic alignment and risk necessary to compare and prioritize programs in order to make informed investment decisions. Each initiative in this performance plan must identify the following elements:

- program goal
- program description
- DAR details (if applicable)
- program obligations
- program dependencies
- cash flow details
- program metrics
- program risks

On an ongoing basis, the Office of Sustainability compiles all approved corporate initiatives that the functional business units and area offices are working on to ensure they are adequate to achieve our corporate sustainability goals.

The Office of Sustainability is the corporate portfolio manager for sustainability initiatives to:

- Focus USPS enterprise resources on the highest value work.
- Coordinate all of the individual initiatives in the portfolio.
- Facilitate portfolio and individual project assessments to see which new ones need to be added, or whether any existing projects need to be changed, as well as which ones should be canceled based on changing business or market conditions.
- Provide efficient and effective utilization of the organization's finite resources and capabilities.

calculations and the basis for all assumptions. Revenue projections or volume changes should be supported by a market analysis that outlines the justification with supporting volume changes, price increases, and impact on the total market.

See the following handbooks for additional Decision Analysis Report requirements and review and approval steps:

- Handbook F-66, [General Investment Policies and Procedures](#)
- Handbook F-66A, [Investment Policies and Procedures – Major Facilities](#)
- Handbook F-66B, [Investment Policies and Procedures – Major Equipment](#)
- Handbook F-66C, [Field Investment Policies and Procedures](#)
- Handbook F-66D, [Other Investment-Related Policies and Procedures](#)

^v A major operating equipment investment (MOEI) is an expense investment associated with a new initiative, project or program and must include a one-time expense outlay. MOEIs may also include ongoing operating expenses associated with the initiative, as well as capital expenditures that may fall under the \$5 million capital DAR threshold. When the total investment is less than \$5 million, and the total of all new expenditures exceed \$7.5 million, the investment is classified as a MOEI and a DAR is required.

The Office of Sustainability will brief the Executive Committee and the Board of Governors as necessary. Also, USPS produces and reports annual performance in a consolidated statement of corporate sustainability performance and through other venues.

Figure 7 contains a sample USPS Sustainability dashboard of our performance toward sustainability goals. This new tracking system is being refined and will be utilized in FY 2011.

The USPS Sustainability dashboard will help the Sustainability Leadership Committee track performance against goals on a quarterly and annual basis. Each quarter, functional business leads present summaries of performance against their goals to the SLC, and explain the progress of the initiatives supporting the goals.

The dashboard creates an important link between the multiple corporate initiatives underway and the established sustainability goals. The Office of Sustainability will update the performance dashboard on a quarterly basis to enable mid-year adjustments when performance is trending off track.

Figure 7. Performance report dashboard

#	Focus Area	Goal	Owner	Baseline Year	Target Year	Target	Units	Baseline Performance	Progress from Baseline to FY09	FY09 Performance			FY10 Performance YTD			2010 Q1 Performance			Initiatives
										Annual Goal	Annual Performance	Status	YTD Goal	YTD Performance	Status	Quarterly Goal	Quarterly Performance	Status	
1	GHG	Reduce scope 1 and 2 GHG emissions 20% by FY 2020 (FY 2008 baseline)	Operations / Sustainability	2008	2020	20%	Metric Tons CO2-e	5,286,561		5,198,452			5,120,708			5,120,708			85%
2	GHG	Reduce select scope 3 GHG emissions 20% by FY 2020 (FY 2008 baseline)	Operations / Sustainability	2008	2020	20%	Metric Tons CO2-e	9,333,495		9,177,937			9,040,679			9,040,679			86%
3	Facility Energy	Reduce total facility energy use 30% by FY 2015 (FY 2003 baseline)	Facilities	2003	2015	30%	Btu	33,720	24%	29,673	25,659		7,165			7,165			96%
4	Vehicle Fuel	Reduce owned-vehicle petroleum fuel use 20% by FY 2015 (FY 2005 baseline)	Delivery Operations	2005	2015	20%	GGE	140,669,277	-3%	129,415,735	145,378,527		127,583,763			127,583,763			76%
5	Vehicle Fuel	Increase owned-vehicle alternative fuel use 10% annually by 2015 (FY 2005 baseline)	Operations	2005	2015	100%	GGE	939,303	114%	1,315,024	2,009,920		1,376,188			1,376,188			100%
6	Waste	Reduce waste to landfill 50% by 2015 (FY 2009 baseline)	Employee Resource Management	2009	2015	50%	Metric Tons	209,306	0%	209,306	209,306		193,802			193,802			90%
7	Materials	Reduce spend on consumables 30% by FY 2020 (FY 2008 baseline)	Operations	2008	2020	30%	\$US	785,228,638	16%	765,597,922	659,709,863		748,276,702			748,276,702			100%
8	Materials	Increase % of identified environmentally preferable products (EPP) available for purchase on-catalog (eBuy2) by 50% by FY 2015 (FY 2010 baseline)	Supply Management	2010	2015	50%	Products	N/A	N/A	N/A			N/A			N/A			75%
9	Water	Reduce water use 10% by FY 2015 (FY 2007 baseline)	Facilities	2007	2015	10%	1,000 Gallons	5,456,000	-4%	5,319,600	5,650,400		5,268,937			5,268,937			100%
10	Employees	Deploy lean green teams to 100% of USPS districts and network distribution centers by FY 2012 (FY 2009 baseline)	Sustainability	2009	2012	100%	Districts	N/A	N/A	N/A	0		N/A			N/A			100%
11	Suppliers	Reduce contract transportation petroleum fuel use 20% by FY 2020 (FY 2008 baseline)	Network Operations	2008	2020	20%	GGE	580,128,161	2%	570,459,359	568,631,607		561,928,062			561,928,062			75%
12	Suppliers	Require 100% of suppliers with current contract commitments of over \$500,000 to provide sustainability data by FY 2015 (FY 2011 baseline)	Supply Management	2011	2015	100%	Suppliers with >\$500K Contracts	N/A	N/A	N/A	na		N/A			N/A			50%
13	Suppliers	Ensure that 100% of new contract actions contain standard USPS sustainability clauses by FY 2015 (FY 2011 baseline)	Supply Management	2011	2015	100%	Contract Actions	N/A	N/A	N/A	na		N/A			N/A			50%
14	Peers	Offer customers a range of sustainable products and services by FY 2012, including at least two new customer offerings (FY 2009 baseline)	Mailing and Shipping Services	2009	2012	200%	Customer Offerings	N/A	N/A	N/A			N/A			N/A			100%
15	Customers	Outperform the international postal sector's average annual carbon management performance score, as calculated by the International Post Corporation (IPC)	Operations / Sustainability	N/A	2012	Outperform	Annual Carbon Management Performance Score	N/A	N/A	N/A			N/A			N/A			89%

6. USPS approach to evaluating return on investment

All projects, initiatives and efforts described in this performance plan are prioritized based on the total costs and benefits throughout their service life, including economic, environmental, social and operational elements. Detailed discussion of these elements is included in *USPS*

Handbook F-66, General Investment Policies and Procedure. Sustainability and energy management investment decisions also consider the following specific criteria:

- *Life-Cycle cost analysis*: a method for evaluating all relevant costs of a project, product or measure. It takes into account upfront, future and disposition costs. Upfront costs include capital investment, purchase and installation. Future costs include energy, operating and maintenance. Disposition costs include disposal cost or salvage value.
- *Replicable*: The Postal Service will give priority to projects that, if successful, can be implemented across the organization. These projects have significant impact by improving large portions of the USPS fleet and facility portfolio. For example, facility energy audits are identifying best practices, lessons learned and energy conservation measures that can be distributed nationally. Additionally, advances in the efficiency of mail processing equipment will have an impact at the largest and most energy-intensive facilities.
- *Leverage co-funding*: The Postal Service will take advantage of opportunities to share the costs of energy projects, such as on-site renewable energy generation. These opportunities may include taking advantage of state or utility rebates and incentives. USPS also will consider partnership opportunities for new technologies, such as partnering with vendors to test new vehicle technologies or partnering with neighbors on alternative energy projects.
- *Innovative projects*: Innovative demonstration projects allow USPS to test new technologies and support other objectives, such as continuity of operations through on-site energy generation, or corporate citizenship through projects that support the local community. These projects may include emerging technologies and projects that don't meet traditional funding requirements. Because USPS gains customer loyalty from favorable publicity, proposed projects likely to attract recognition are encouraged. For example, innovative green building design, renewable energy projects, combined heat and power applications, or geothermal heat pumps are good candidates for innovative demonstration projects.
- *Compliance impact*: Proposed projects related to certain requirements, such as those contained in the Energy Independence and Security Act, the Energy Policy Act and the Clean Air Act, are also a priority. These projects might include means of helping USPS reduce energy consumption, air emissions or hazardous waste production in accordance with local, state or federal requirements.

Functional organizational units with primary responsibilities for energy management will use these criteria to develop implementation plans with prioritized lists of opportunities to achieve the objectives in this National Energy Management Strategy. These priorities will include sequencing projects to avoid duplication or rework. Each organization will request necessary capital and operational funding through annual budget requests.

USPS general guidance for determining economic return

The vice president of Finance, Controller, periodically publishes a memo updating the required return on investment for all USPS project investments. The memo establishes the current cost of borrowing and risk factors, which are used to determine the discount rate used in the cash flow to calculate the net present value (NPV) of a proposed investment. The NPV determines whether a project meets the investment standards of the Postal Service. This memo also provides updated DAR factors for escalation of baseline costs, service-wide costs, productive work years and facility start-up costs.

Generative and sustaining investments

Different discount rates apply, depending on the type of project and whether the investment is generative or sustaining:

- *Generative investments* are driven by economic considerations. They must not only measurably enhance postal operations but must demonstrate the potential to provide economic benefits (an ROI that equals or exceeds the established minimum ROI).
- *Sustaining investments* assure the continuation of ongoing operations by correcting or eliminating a problem, while maintaining security, service and appropriate working conditions. Economic benefits, if any, are generally secondary.

While investments in real and personal property (buildings, vehicles and mechanization equipment) may be either sustaining or generative, all high-technology and new ventures are considered to be generative investments, that is, their approval must be based on economic considerations.

National Environmental Policy Act compliance

All major USPS investments where a DAR is required should reflect a project's compliance with the National Environmental Policy Act (NEPA), if applicable. All investments must be examined at the outset to determine whether analysis under NEPA is required. It should be noted that NEPA has sweeping organizational applicability, and thus is not limited to facility-level projects.

The purpose of NEPA is to identify and consider a project's potential impacts on the environment, rather than cleaning up contaminated property.

Under Postal Service regulations implementing NEPA (see 39 CFR Part 775), an environmental assessment must be prepared for all investment projects unless one of the regulation's categorical exclusions is applicable. The approving authority uses the environmental assessment to determine whether a project can be pursued without preparing a more detailed environmental impact statement. For further guidance, see handbook RE-6, *Facilities Environmental Guide*, for facility projects, or management instruction AS-550-96-4, *National Environmental Policy Act Operational Guidance* (May 17, 1996), for other investment projects.

7. USPS Sustainability communication and transparency

Current Sustainability communication

USPS uses several channels and mediums to communicate sustainability information, through articles and stories to our employees and a range of external stakeholders. Summary tables provide a breakout of internal and external communication channels, mediums, frequency and intended audiences.

Internal Communication

Channel Name	Medium	Frequency	Audience
www.usps.com	Electronic	Real time	All external and internal stakeholders.
Blue (USPS Intranet)	Electronic	Real time	200,000 Postal Service executives and all USPS employees with ACE computers.
USPS News Link	Electronic (online and via e-mail)	Daily	600,000 USPS employees with online access to Blue intranet or LiteBlue extranet, and via postal e-mail.
Screensavers	Electronic	Ongoing as needed.	200,000 Postal Service executives and all USPS employees with ACE computers.
USPS-TV video monitors	Video	Ongoing as needed.	600 sites in shared spaces (i.e. hallways, lobbies, facilities)
Sustainability Annual Report	HTML PDF Limited print copy	Annually	All USPS employees (as well as general public and all USPS external stakeholders).
Sustainability Leadership Council meetings	e-mail updates Presentations	Monthly and as needed.	Deputy PMG/COO, functional Vice Presidents

Going forward, USPS plans to engage employees on our sustainability commitment, goals and progress toward these goals more actively through the current mediums, as well as in appropriate functional and cross-functional presentations and employee training.

For example, USPS is developing and deploying “Lean and Green Team” training to engage employees in our corporate offices, facilities and fleet operations on ways to eliminate waste, improve efficiency and optimize network operations. Sustainability information will be integrated into this training at appropriate levels of detail and content over time.

The primary internal communication vehicles for communicating USPS sustainability progress and performance will be through Blue (intranet), LiteBlue (extranet) and on an annual basis in our sustainability annual report.

External communication

USPS currently uses a range of channels to communicate sustainability information to our external stakeholders, including customers, supply chain partners, government officials and Congress, federal agency and industry peers, regulatory bodies, the academic community and the general public. Several examples are detailed in the table below:

Channel Name	Medium	Frequency	Audience
www.usps.com	Electronic	Real time	All external and internal stakeholders.
http://www.usps.com/green	Electronic	Daily	General public.
Sustainability annual report http://www.usps.com/green/report/2009/welcome.htm	HTML PDF Limited print copy	Annually	All external and internal stakeholders.
Congressional Testimony http://www.usps.com/communications/newsroom/testimony/2010/pr10_pulcrano0127.htm	Verbal testimony Electronic reprint	As needed	Congress and general public.
OMB Sustainability performance scorecards	E-mail submission	Semi-annually	OMB
Department of Energy reports	E-mail submission	Multiple dates.	DOE
USPS retail post office lobby displays	Kiosks, posters	Varies	General public.
USPS annual report USPS annual comprehensive statement	HTML PDF Limited print copy	Annually	All external and internal stakeholders.
USPS news releases, media stories	Electronic	Varies	General public.
USPS Supply Management Strategic Plan (2010 – 2012)	Electronic	Annually	USPS suppliers
Postal Supplier Council	Meetings and e-mail	Quarterly	USPS suppliers
Supply Newsletter	Electronic	As needed	USPS suppliers
<i>Vision 2013</i>	HTML PDF Limited print copy		All external and internal stakeholders.

Communicating the SSPP and Sustainability performance

A range of internal and external mediums will continue to be used to communicate broader USPS sustainability information, educational content, employee and facility best practice stories, agency accomplishments and awards and general discussion of our sustainability goals.

For FY 2010, USPS is communicating our complete Strategic Sustainability Performance Plan submission, including our agency's sustainability strategy plans, goals, objective and targets, metrics and implementation plans in this submission. Additionally, USPS will provide OMB with updated sustainability performance information in the semi-annual performance scorecards.

Beginning with our FY 2010 Annual Sustainability Report and continuing in future sustainability reports, USPS will communicate a summary and discussion of our sustainability performance as it relates to the 15 sustainability goals that are specified in this performance plan. Potential mediums will include:

- USPS publicly available website (www.usps.com).
- USPS Blue intranet (<http://blue.usps.gov/wps/portal>).
- USPS *LiteBlue* extranet.
- USPS Sustainability Annual Report (HTML online, PDF and printed versions).
- USPS Annual Report.
- USPS Annual Comprehensive Statement.

In FY 2011, we will begin assessing our performance against these 15 goals on a quarterly basis and report our progress to our Senior Leadership Committee. Future SSPP reports will include a quarterly performance assessment against sustainability goals.

Section 2: USPS Sustainability goals and performance review

Part 1: Summary of USPS FY 2009 Sustainability accomplishments

Since 1775, the U.S. Postal Service has pioneered environmentally and socially responsible business practices while providing America with secure, efficient and affordable mail service. Some examples of our accomplishments throughout FY 2009 include:

- **Sustainability reporting:** One of the first federal agencies to issue GRI-based public sustainability performance reports (2008 and 2009). The FY2008 Annual Sustainability Report is available at: <http://www.usps.com/green/report/2008/welcome.htm> and the FY2009 report at <http://www.usps.com/green/report/2009/welcome.htm>.
- **3rd Party GHG reporting:** First federal agency to publish a third-party-verified greenhouse gas emissions inventory via The Climate Registry and continued our commitment to absolute GHG reductions: http://www.usps.com/green/pdf/ghgrpt_cy07.pdf.
- **Climate Action Champion award:** Awarded one of two Climate Action Champion awards by the California Climate Action Registry for leadership in engaging and shaping public response to climate change and for substantially reducing greenhouse gas emissions. For additional information, go to: http://www.usps.com/communications/newsroom/2009/pr09_036.htm.
- **International Postal sector GHG leadership:** Leading member of a coalition of international posts to become the first industry sector to commit to GHG reductions at the 2009 UN Climate Conference in Copenhagen. Additional information is in the International Post Corporation's FY2009 Postal Sector Sustainability Report: http://www.ipc.be/~media/Documents/PUBLIC/Sustainability/Sustainability%20Report%202009_old.ashx.
- **Most Trusted Government Agency:** Named the "Most Trusted Government Agency" and the third "Most Trusted Business" in the nation by the Ponemon Institute: http://www.usps.com/communications/newsroom/2009/pr09_ma0916.htm.
- **Green roof:** Dedicated a 109,000 square-foot green roof, New York City's largest green roof, on top of the Morgan mail processing facility in Manhattan: http://www.usps.com/communications/newsroom/2009/pr09_063.htm.
- **"Triple bottom line" facility benefits:** Improved indoor environment through extensive facility upgrades for employees and customers (people), reduced trillions of BTUs of energy use (planet) and realized financial ROI (profit) through hundreds of projects resulting in energy, water and waste reductions.
- **Green Team Deployment:** Began national deployment of USPS Lean Green Team initiative, which may become the world's largest employee sustainability engagement and training program, even surpassing Wal-Mart's Personal Sustainability Project program.
- **Cradle-to-Cradle Certification:** Achieved silver level of Cradle to Cradle® Certification for over 700 million USPS-branded mailers and packaging products across 114 products, including Priority Mail, Express Mail and ReadyPost packaging, stamps, stamped postcards and stamped envelopes. http://mbdc.com/client_profile.aspx?linkid=4&sublink=14&cid=141.

Part 2: USPS Sustainability goals and performance review

Sustainability goal status and potential GHG savings

While USPS is not subject to Executive Orders 13423 or 13514, we have taken the initiative to issue a comprehensive portfolio of sustainability goals that includes 15 goals across 10 focus areas related to our business and sphere of influence in our supply chain, within our organization and in communities in which we operate. These goals and our FY 2009 status against these goals are summarized in the table below.

Table 4. Status of goals and potential GHG savings

Focus Area	USPS sustainability goals		FY 2009 status against baseline	Related GHG scope	Potential GHG savings (MMT CO ₂ -e)
GHG	1	Reduce scope 1 and 2 GHG emissions 20% by FY 2020 (FY 2008 baseline).	ND	NA	NA
	2	Reduce select Scope 3 GHG emissions 20% by FY 2020 (FY 2008 baseline).	ND	NA	NA
Facility energy	3	Reduce total facility energy use 30% by FY 2015 (FY 2003 baseline).	-24%	1, 2	0.2-0.4
Owned-vehicle fuel	4	Reduce owned-vehicle petroleum fuel use 20% by 2015 (FY 2005 baseline).	+3.35%	1	0.2-0.4
	5	Increase owned-vehicle alternative fuel use 10% annually by 2015 (FY 2005 baseline).	+114%	1 ¹	NA ²
Waste	6	Reduce waste to landfill 50% by FY 2015 (FY 2009 baseline).	-6%	3	0.05-0.09
Materials	7	Reduce spend on consumables 30% by FY 2020 (FY 2008 baseline).	-16%	3	NC ³
	8	Increase % of identified environmentally preferable products available for purchase on-catalog (eBuy2) by 50% by FY 2015 (FY 2010 baseline).	ND	NA	NC
Water	9	Reduce water use 10% by FY 2015 (FY 2007 baseline).	ND	3	0.0006-0.0010
Employees	10	100% of districts deployed with lean green teams by FY 2012.	+1%	1, 2	NC ⁴

Suppliers	11	Reduce contract transportation petroleum fuel use 20% by FY 2020 (FY 2008 baseline).	-2%	3	0.7-1.2
	12	Require suppliers with current contract commitments of over \$500,000 to provide sustainability data by FY 2015 (FY 2011 baseline).	ND	3	0
	13	Include standard USPS sustainability clauses in new contract actions by FY 2015 (FY 2011 baseline).	ND	3	0 ⁵
Customers	14	Offer customers at least two new green customer offerings services by FY 2012.	ND	3	NC ⁶
Peers	15	Outperform the international postal sector's average annual carbon management performance score, as calculated by the International Post Corporation.	ND	NA	0

Table 1 notes:

- NA: not applicable
- NC: not calculated
- ND: data not available

1. A small percentage of alternative fuel-related GHG emissions (<0.05%) are considered scope 2 emissions, from electric sources.

2. Since USPS has already achieved its goal to increase owned vehicle alternative fuel use 10% annually by FY 2015, there are no associated GHG savings between FY 2009 and FY 2015.

3. Reducing spending on consumables will decrease scope 3 GHG emissions associated with extraction of raw materials and production of finished products; however, these emissions are not estimated.

4. Lean Green teams may potentially generate GHG savings in five focus areas (i.e. facility energy, owned-vehicle fuel, waste, materials, and water); therefore, savings are not included for Lean Green teams to avoid double-counting.

5. This goal will not directly lead to GHG savings for USPS.

6. USPS can more accurately quantify cost and GHG savings after product offerings are finalized. Customers will realize associated fuel and GHG savings.

Goal and performance review format

The following 10 subsections of *Part 2* are organized to match our 10 sustainability focus areas, and include a detailed description and discussion of each of our 15 sustainability goals. Each subsection contains the following elements:

- USPS Sustainability goal.
- Goal background, description, and rationale.
- Past performance.
- Existing strategies and initiatives
- Planned actions (July-December 2010, January-June 2011 and longer term).

USPS Sustainability performance summary: FY 2005-FY 2009

In addition to the 15 detailed goal performance summaries, the following table summarizes USPS sustainability performance from FY 2005 to FY 2009 across approximately 50 key performance metrics that we track for our business, environment, people and community.

Table 5. Summary of FY 2005 to FY 2009 key Sustainability performance metrics

Metric Description	Units	Actual Data					% Change FY05-FY09
		FY2005	FY2006	FY2007	FY2008	FY2009	
Our Business							
Revenues	\$Million	\$ 69,907	\$ 72,650	\$ 74,778	\$ 74,932	\$ 68,091	-3%
Net Profit	\$Million	\$ 1,445	\$ 900	\$ (5,327)	\$ (2,806)	\$ (3,740)	-359%
Price of First Class Stamp	\$	\$ 0.37	\$ 0.39	\$ 0.41	\$ 0.42	\$ 0.44	19%
Consumer Price Index	\$	\$ 195	\$ 202	\$ 207	\$ 215	\$ 214	10%
Mail Volume (Pieces)	Million pieces	211,742	213,138	212,234	202,703	177,058	-16%
Mail Weight	Million lbs	25,842	25,932	25,643	24,237	20,802	-20%
Delivery Points	Million	144	146	148	149	150	4%
Total Miles Traveled	Million mi	nd	nd	nd	6,953	6,422	nd
Facilities (total owned, leased, other)	Count	34,588	34,412	34,318	34,175	33,264	-4%
Total gross square footage	MSF	318	321	324	326	293	-8%
Our Environment							
Total Energy Use	GJ	135,952,502	134,227,774	131,030,253	123,474,667	116,572,541	-14%
Facility Energy Use [1]	BBtu	37,298	36,372	30,072	30,732	25,659	-31%
Total Transportation Energy Use	GGE	772,824,726	766,845,080	794,435,744	728,422,135	716,020,054	-7%
Owned Vehicle Energy Use	GGE	141,608,581	143,110,932	145,564,337	148,293,974	147,388,447	4%
Contract Transportation Energy Use	GGE	631,216,146	623,734,148	648,871,406	580,128,161	568,631,607	-10%
GHG Emissions: Scopes 1, 2, 3 [2]	MT CO2 eq	nd	nd	11,158,235	14,691,452	nd	nd
From Direct Sources	MT CO2 eq	nd	nd	1,776,396	1,899,779	nd	nd
From Indirect Sources	MT CO2 eq	nd	nd	9,381,839	12,791,674	nd	nd
GHG Emissions: Scopes 1, 2	MT CO2 eq	nd	nd	5,375,277	5,357,958	nd	nd
From Facilities	MT CO2 eq	nd	nd	4,057,376	4,012,978	nd	nd
From Owned Vehicles	MT CO2 eq	nd	nd	1,317,901	1,344,980	nd	nd
GHG Emissions: Scope 3 [3]	MT CO2 eq	nd	nd	5,782,958	9,333,495	nd	nd
From T&D Losses from Purchased Electricity	MT CO2 eq	nd	nd	nd	255,528	nd	nd
From Contracted Waste Disposal	MT CO2 eq	nd	nd	nd	161,657	nd	nd
From Business Travel	MT CO2 eq	nd	nd	nd	3,582,331	nd	nd
From Contract Transportation	MT CO2 eq	nd	nd	5,782,958	5,333,979	nd	nd
Municipal Solid Waste Generated	Metric tons	nd	nd	nd	455,000	423,988	nd
Municipal Solid Waste Sent to Landfills	Metric tons	nd	nd	nd	223,000	209,306	nd
Municipal Solid Waste Diverted from Landfills	Metric tons	nd	nd	nd	232,000	214,682	nd
Hazardous Waste Generated	Metric tons	nd	55	52	38	nd	nd
Post Offices with Lobby Recycling for Customers	Count	3,250	3,344	3,626	3,984	5,579	72%
USPS Districts Enrolled in WasteWise Program	% Districts	11%	11%	11%	100%	100%	nd
Facilities Enrolled in Zero Waste Initiative	Count	nd	nd	nd	nd	19	nd
Total Water Use	1,000 gal	5,126,000	4,731,000	5,456,000	5,454,000	5,650,400	10%
Total Spend on Consumables	\$	\$722,904,745	\$776,314,292	\$787,523,723	\$785,228,638	\$659,709,863	-9%
Total Spend on Environ. Preferable Products	\$	nd	nd	\$251,456,864	\$269,445,181	nd	nd
USPS Products Cradle-to-Cradle Certified	Count	nd	nd	758,438,525	892,741,727	799,491,606	nd
Percentage of Online transactions	% of total transactions	30.0%	33.4%	37.9%	44.1%	49.8%	66%
Alternative Fueled Vehicles in Fleet	Count	37,618	39,816	43,573	46,125	45,864	22%
Federal/State Compliance Violation Rate	To be determined	nd	nd	nd	nd	nd	nd
Environmental Fines and Penalties	\$	nd	nd	nd	nd	nd	nd
USPS Buildings Conforming to HPSB Guidelines	% GSF	nd	nd	nd	nd	nd	nd
Districts & NDCs with an active Lean Green Team	% of Districts/NDCs with > 1 site	nd	nd	nd	nd	13%	nd
Suppliers providing sustainability data	% of suppliers in compliance	nd	nd	nd	nd	nd	nd
New Contract Actions w/ sustainability clauses	% of new contract actions	nd	nd	nd	nd	nd	nd
Carbon Management Proficiency score	% score on IPC EMMS CMP	nd	nd	nd	53%	nd	nd
Our People							
Total Employment (Full Time Equivalents)	FTEs	803,000	796,199	785,929	765,088	712,082	-11%
Career Employees	Count	704,716	696,138	684,762	663,238	623,128	-12%
Non-Career Employment (Full Time Equivalents)	FTEs	98,284	100,061	101,167	101,850	88,954	-9%
Employees Registered in Unions	% of total employees	90%	85%	85%	85%	85%	-6%
Change in Total Factor Productivity	% change from previous yr	1.1%	0.4%	1.0%	-0.5%	-0.9%	-182%
OSHA Illness and Injury Rate	Per 100 employees	5.74	5.60	5.51	5.47	5.33	-7%
Formal EEO Complaints	Per 100 employees	nd	nd	0.80	0.80	0.76	nd
Results of Voice of Employee Survey	% approving	64%	63%	64%	64%	64%	0%
Our Community							
Results of Customer Satisfaction Surveys	% approval rate	93%	92%	92%	92%	93%	nd
Funds Raised by Semi Postal	\$Million	\$ 7.7	\$ 5.2	\$ 5.0	\$ 7.0	\$ 3.8	-51%
Funds Raised in the Combined Federal Campaign	\$Million	\$ 38.7	\$ 39.0	\$ 40.2	\$ 37.2	nd	nd

Notes:

[1] Facility energy estimates based on guidance provided by DOE per EO 13423; estimate methodology changed in FY09.

[2] Reported FY07 GHG emissions are based on CY07 data.

Reported FY08 GHG emissions are estimated either based on CY07 and CY08 data (Scope 1&2) or based on the Federal Agency GHG Tool (Scope 3).

[3] FY08 Scope 3 GHG emissions include several additional categories of emissions per the Federal Agency GHG Tool (e.g. T&D losses, business travel), which increase totals.

1. Greenhouse Gas (GHG)

GHG goal summary

The Postal Service’s greenhouse gas (GHG) management objectives are to reduce our GHG emissions (scope 1, 2 and select scope 3) 20% by FY 2020 using a FY 2008 baseline (20% of equals 2.9 million metric tons carbon equivalent (MMT CO₂ eq). annually measure, third-party verify, publically report and benchmark our annual GHG emissions, and to outperform the international postal sector’s average annual carbon management performance score^{vi}.

The specific USPS sustainability performance goals for reducing scope 1, 2 and 3 GHG emissions are to:

1. Reduce USPS scope 1, 2 GHG emissions 20% by FY 2020 against a FY 2008 baseline.
2. Reduce USPS select scope 3 GHG emissions 20% by FY 2020 against a FY 2008 baseline.

Scope 1 & 2 GHG emissions goal background, description and rationale

The USPS goal is to reduce scope 1 and 2 GHG emissions 20% by FY 2020 against a FY 2008 baseline. Our scope 1 and 2 emissions include direct emissions from our facilities and postal owned vehicles, and indirect emissions from electricity use at our facilities. FY 2008 USPS GHG emissions (5.4 MMT CO₂ eq) are calculated using the CY 2007 and CY 2008 third-party verified GHG emission reports submitted to The Climate Registry, following the Registry’s general reporting protocols. As described above, as presented, our FY 2008 GHG emissions total is not third-party verified, as we have extrapolated verified CY 2007 and CY 2008 data to estimate FY 2008 emissions.

Two existing subordinate goals support the achievement of this goal:

- Reduce total facility energy use 30% by FY 2015 (FY 2003 baseline).
- Reduce USPS owned-vehicle petroleum fuel use 20% by FY 2015 (FY 2005 baseline).

These goals and supporting strategies are discussed in the “Facility” and “Owned-vehicle Fuel” sections.

GHG Scope 1 & 2 goal and performance summary

Goal	Reduce USPS Scope 1 & 2 GHG emissions 20% by FY 2020 against a FY 2008 baseline.
Baseline year	FY 2008
Metric	Metric tons of carbon dioxide equivalents (MT CO ₂ eq)
Interim targets	TBD

^{vi} Outperform the postal industry average carbon management performance score, as calculated in the annual report produced by the International Post Corporation. This goal is described in detail in the subsequent “Peers” focus area chapter.

GHG Scope 1 & 2 goal and performance summary

Data sources	FY 2008: USPS GHG emissions report to The Climate Registry Beyond FY 2010: USPS Corporate Energy Interface system
Responsible offices	Sustainability and Employee Resource Management
Baseline performance (FY 2008)	5.4 MMT CO ₂ eq
Recent performance (FY 2008)	5.4 MMT CO ₂ eq
Difference in performance (2008 to 2020)	1.1 MMT CO ₂ eq
Potential cost savings (2008 to 2020)	TBD

Scope 3 GHG emissions goal background, description and rationale

The USPS goal is to reduce select scope 3 GHG emissions 20% by FY 2020 against a FY 2008 baseline. Sources included in our scope 3 GHG emissions are:

- Emissions from USPS contracted mail transport (air, contracted highway trucks, employee-owned rural route vehicles, ship and rail).
- Emissions from USPS federal employee travel to include employee business travel and employee commuting.
- Emissions from transmission and distribution losses for purchased electricity.
- Emissions from contract waste disposal to include wastes sent to offsite landfills and waste sent to wastewater treatment plants.

These sources, which total 9.3 MMT CO₂ equivalent in FY 2008, are estimated using non-verified data. For contract transport GHG emissions, we utilized both measured fuel use from our highway contract route transport and estimated fuel use from our contract air transport, employee owned vehicles used on rural delivery routes, contract rail transport, and contract ship transport. We also used the scope 3 estimating tool provided by the Department of Energy to estimate emissions associated with employee commuting, contracted waste disposal, and transmission and distribution losses. All USPS scope 3 emissions are not third-party verified and represent our best estimates given currently available data.

GHG Scope 3 goal and performance summary

Goal	Reduce USPS scope 3 GHG emissions 20% by FY 2020 against a FY 2008 baseline.
Baseline year	FY 2008
Metric	Metric tons of carbon dioxide equivalents (MT CO ₂ eq)
Interim targets	TBD
Data sources	Non-verified data using a methodology similar to that used for our submissions to The Climate Registry for CY 2007 and CY 2008. DOE Scope 3 estimating tool for emissions associated with employee commuting, contracted waste disposal, and transmission and distribution losses.
Responsible offices	Sustainability and Employee Resource Management
Baseline performance (FY 2008)	9.3 MMT CO ₂ eq
Recent performance (FY 2008)	9.3 MMT CO ₂ eq
Difference in performance (2008 to 2020)	1.9 MMT CO ₂ eq
Potential Cost Savings (2008 to 2020)	TBD

Past performance

We have been a leader in measuring and reducing GHG emissions dating back to 1999 when we worked with the World Resources Institute and the World Business Center for Sustainable Development to review and pilot test the (now) global standard for corporate GHG accounting. In 2007, we became a founding reporting member of the California Climate Action Registry (CCAR), the leading registry in North America.

In 2009, we became the first federal agency to publish a third-party-verified greenhouse gas emissions inventory by publically releasing our CY 2007 scope 1 and 2 GHG emissions inventory, and became the first federal agency to issue a public commitment to a 20 percent absolute GHG reduction for scope 1 and 2 emissions. The Postal Service received CCAR's "2009 Climate Champion Award" for these efforts

Also in 2009, we joined 20 other Posts in the international postal sector to create common GHG sector standards, and become the first industry sector to jointly commit to a 20% GHG reduction by FY 2020. We are also the only federal agency to issue both public sustainability and GHG performance reports for FY 2008 and FY 2009.

In 2010, we released our third-party-verified CY 2008 scope 1 and 2 GHG emissions inventory and were able to demonstrate a 200,000 MT CO₂ eq. scope 1 & 2 GHG emissions reduction.

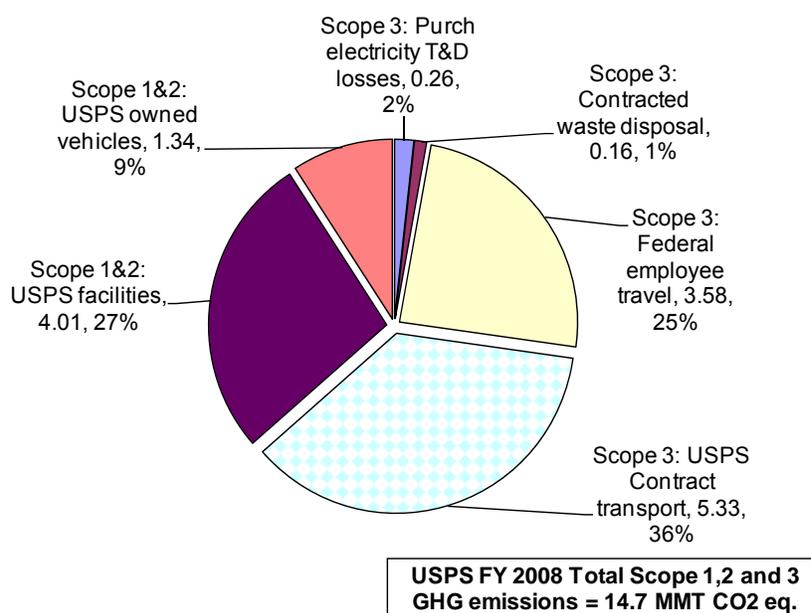
Specific steps USPS has taken over the last six months (January-July 2010), include:

- Obtained third-party verification and publically released our CY 2008 GHG scope 1 & 2 emissions via The Climate Registry.
- Released, in partnership with the International Post Corporation and 20 other international Posts, the first industry carbon performance report and issued a commitment to reduce GHG emissions 20% by FY 2020.
- Created the USPS corporate energy interface to monitor and track all scope 1 & 2 GHG emissions and scope 3 GHG emissions from all contract mail transport modes.
- Publically released our second Annual Sustainability Report (FY 2009), which included four years of data in approximately 50 key sustainability performance metrics.
- Expanded our www.usps.com/green site with updated tools for customers to view our annual GHG and sustainability performance reports, a calculator that lets customers see their GHG emissions savings by ordering postal products online, estimate their individual lifestyle carbon footprint and track pledges to reduce it.

As shown in Figure 8, our FY 2008 scope 1, 2 and select scope 3 GHG emissions totaled 14.7 million metric tons of carbon dioxide equivalents (MMT CO₂ eq). A 20% GHG reduction equals 2.9 MMT CO₂ eq. Our GHG emissions are primarily from four source activities:

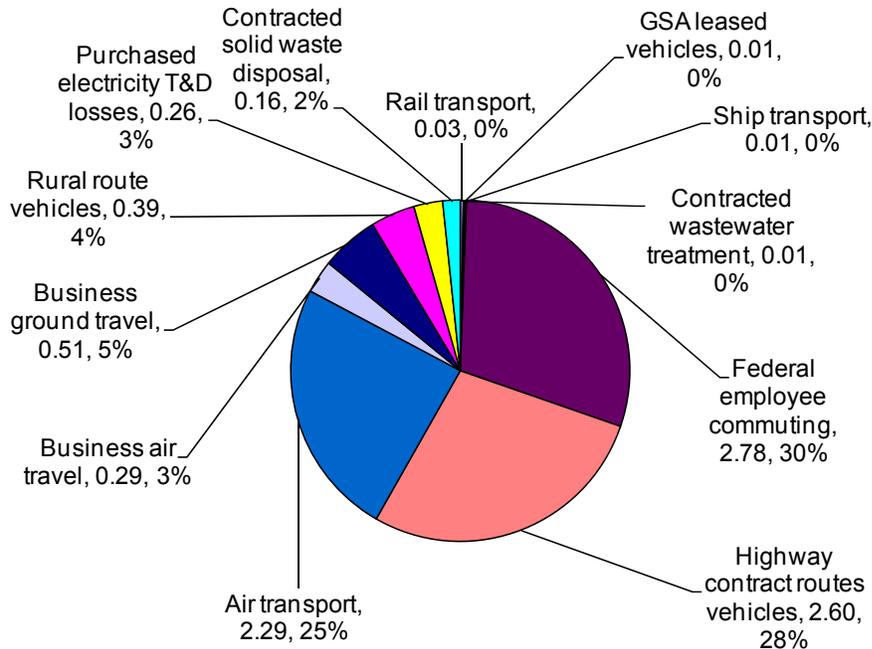
- petroleum fuel used in our contracted transport vehicles to move mail in contracted planes, trucks, cars, trains and ships
- petroleum fuel used by our employees for business travel and commuting
- electricity use in our facilities
- petroleum fuel used to transport mail in our owned fleet of trucks and administrative vehicles

Figure 8. FY USPS FY 2008 scope 1, 2 and 3 GHG emissions (MMT CO₂ eq)



As illustrated in Figure 9, the majority of our FY 2008 baseline scope 3 GHG emissions (9.3 MMT CO₂ eq) come from contract transport of mail (highway contract routes, air transport, employee-owned rural route vehicles, rail and ship transport) and USPS employee travel. Less than 5% is from transmission and distribution losses (2%) and contracted waste disposal (1%).

Figure 9. USPS FY 2008 scope 3 GHG emissions by source



Existing strategies and initiatives

Strategies to measure, verify, report and benchmark corporate GHG emissions

We are committed to establishing robust, automated and auditable corporate carbon accounting processes and information systems. Specifically we will:

- Improve information systems and data quality. We are refining the USPS Corporate Energy Interface system and the associated data warehouse to contain postal District level scope 1, 2, and contract mail transport fuel and facility energy usage data, by month and by district.
- Obtain annual third-party verification of GHG emissions. We will continue to obtain third-party verifications of all publically reported scope 1 and 2 GHG emissions. We currently obtain third-party verifications for calendar year emissions via The Climate Registry and the International Post Corporation Environmental Measurement and Monitoring System (EMMS) protocols. We plan to obtain third-party verifications for our fiscal year GHG data (scopes 1, 2 and 3) beginning in FY 2010.

- Publically report our annual GHG emissions via:
 - The Climate Registry (scope 1 and 2 using a calendar year base).
 - International Post Corporation (scopes, 1, 2, and select scope 3 using a calendar year base).
 - Annual USPS Strategic Sustainability Performance Plan (scopes 1,2 and 3 as defined by the Executive Order 13514).
- Improve USPS annual performance against the International Post Corporation's annual assessment of carbon efficiency performance of postal operators using its environmental management and monitoring system (EMMS).

Strategies for achieving scope 1 and 2 emission reductions

The majority of our baseline scope 1 and 2 GHG emissions come from building electricity and vehicle petroleum use. Our strategies focus around three major objectives:

1. Reduce non-renewable facility electricity purchases from the grid by 30% by FY 2015 against an FY 2003 baseline.
2. Reduce vehicle petroleum in USPS-owned vehicles by 20% by FY 2015 against an FY 2005 baseline.
3. Increase alternative fuel use 10% annually (where cost effective) to include compressed natural gas, ethanol and biodiesel and other fuels.

Detailed discussion of each of these goals and supporting strategies are discussed in the corresponding focus area sections that follow.

Strategies for achieving select scope 3 emission reductions

Our strategies for achieving select scope 3 emissions focus around the following 4 objectives:

1. Reduce petroleum use 20% by FY 2020 against a FY 2008 baseline in our contract air transport, highway contract route transporters, and employee-owned vehicles on rural routes. For detailed reduction strategies, please refer to the contract fuel goal in the "Suppliers" section.
2. Minimize petroleum use from federal employee travel:
 - a. Optimize plant and Post Office staffing levels to match future mail volumes.
 - b. Minimize petroleum use from employee commuting by encouraging them to carpool, adopt good driver behaviors, maintain their private automobiles and utilize public transportation in metropolitan areas.
 - c. Minimize employee business travel by expanding use of web-based employee training and web-based meetings.
3. Minimize transmission and distribution losses by reducing electricity purchases. GHG emissions from transmission and distribution losses account for approximately 3% of our scope 3 GHG emissions. Our strategies to minimize these losses are defined in the scope 2 GHG emissions section related to reducing facility electricity purchases from the grid.

4. Minimize contracted waste disposal. Contracted waste disposal only accounts for approximately 2% of our scope 3 GHG emissions, but constitutes a significant cost and concern from our customers and the general public. Our strategies to minimize contracted waste disposal focus on reducing waste to landfills 50% by FY 2015 against a FY 2009 baseline. See the subsequent “Waste” focus area in this plan to learn more.

Table 6 summarizes ongoing GHG measurement, benchmarking and reporting initiatives. Detailed initiatives to reduce facility energy, owned-vehicle fuel use, contract fuel use and waste to landfills are contained in corresponding focus/goal sections that follow.

Table 6. Summary of ongoing GHG measurement and benchmarking initiatives

Goal	Lead Office	Initiative
GHG Emissions 20% reduction by FY 2020	Operations/Sustainability	Complete and obtain third-party verifications of our FY 2010 GHG report for scope 1, 2, and 3 emissions using the DOE Federal GHG public accounting protocol.
		Complete and obtain third-party verifications of our CY 2009 GHG emissions inventory submitted to the International Post Corporation.
		Complete development of the GHG reporting module as part of the USPS corporate energy interface.
	Employee Resource Management	Complete and obtain third-party verifications of our CY 2009 GHG emissions inventory submitted to The Climate Registry.
		Initiate agreement with travel management firm to provide GHG estimates for USPS business travel.
		Conduct employee commuting survey.

Planned actions

July-December 2010

- Complete and obtain third-party verifications of our CY 2009 GHG emissions inventory submitted to The Climate Registry.
- Complete and obtain third-party verifications of our CY 2009 GHG emissions inventory submitted to the International Post Corporation.
- Initiate our FY 2010 GHG report for scope 1,2 and 3 emissions using the Federal GHG public accounting protocol.
- Initiate development of the GHG reporting module as part of the USPS Corporate Energy Interface (CEI).
- Initiate agreement with travel management firm to provide GHG estimates for USPS business travel.
- Conduct employee commuting surveys.

Note: See “Facility Energy”, “Owned-vehicle fuel”, “Waste” and “Suppliers” focus area sections for discussions of planned energy and fuel reduction actions.

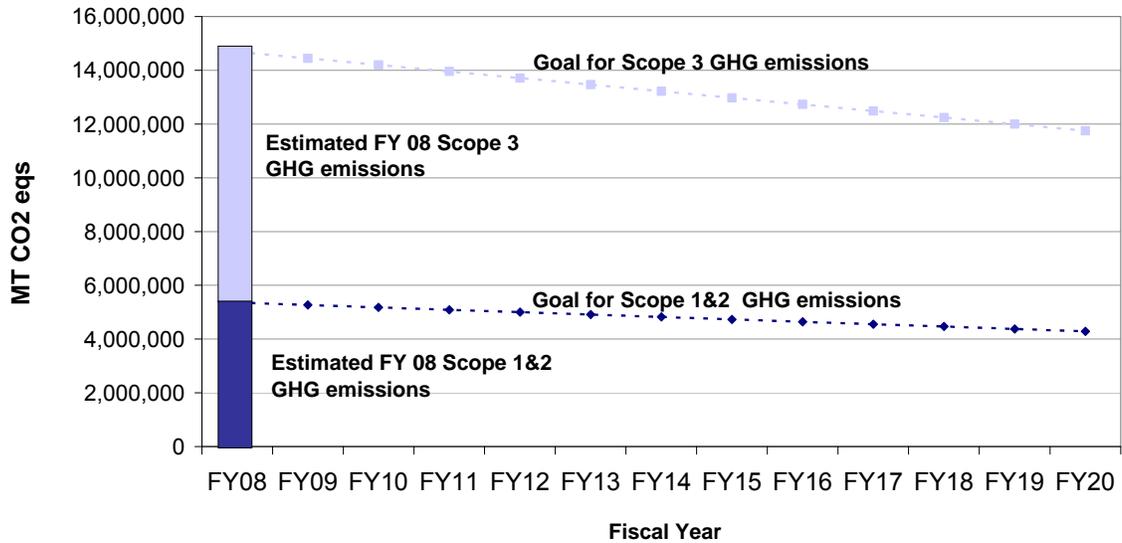
January-June 2011

- Complete and obtain third-party verifications of our FY 2010 GHG report for scope 1, 2 and 3 emissions using the Federal GHG public accounting protocol.
- Complete development of the GHG reporting module as part of the USPS CEI.
- Complete and obtain third-party verifications of our CY 2010 GHG emissions inventory submitted to The Climate Registry.
- Complete and obtain third-party verifications of our CY 2010 GHG emissions inventory submitted to the International Post Corporation.

Projected performance

Figure 10 depicts our projected scope 1, 2 and 3 GHG performance between FY 2008 and FY 2020 if we achieve our subordinate goals for facility energy, owned-vehicle fuel, contract fuel, employee commuting and waste to landfills.

Figure 10. USPS FY 2008 to FY 2020 projected GHG performance



2. Facility energy

Background

As a sustainability leader, USPS continues our longstanding commitment to operate with the lowest possible facility energy cost and impact to the environment, by reducing energy, water, and waste.

Because USPS is taking a “total network energy efficiency approach,” we have two broad strategies outside the immediate scope of energy and sustainability that have a significant influence on our energy reduction efforts:

- To consolidate underutilized facilities across our network.
- To use automation to improve our network operational efficiencies.

While this approach is expected to decrease our total energy use and increase overall energy efficiency — as well as decrease the amount of energy used per piece of mail processed — some individual facilities may actually become more energy intensive per square foot, while becoming less energy intensive per mail piece.

Due to our unique mission and status, Executive Orders 13423 and 13514 do not apply to the Postal Service, nor do the renewable energy provisions of the Energy Policy Act of 2005. However, USPS does seek to fulfill the spirit and intent of those non-mandatory energy goals, and it is in that spirit that USPS voluntarily reports on those categories to enable the DOE and Federal Energy Management Program (FEMP) to create a more comprehensive picture of energy management efforts across the federal government. Additionally, USPS voluntarily pursues increased use of renewable energy through projects that both reduce the use of fossil fuels and have a favorable return on investment.

Goal description and rationale

USPS continues to work aggressively to reduce facility energy impact through two energy conservation goals across our inventory of 33,000 facilities:

1. **Reduce total facility energy use (Btu) 30% by FY 2015 (FY 2003 baseline).** This is one of our 15 corporate sustainability goals, and is a measurement of absolute energy use that does not take into account how many square feet of inventory are involved. It includes all energy sources at all facilities.
2. A related goal is to **reduce our facility energy intensity (Btu/SF) 30% by FY 2015 (FY 2003 baseline).** This is a per-unit based measurement that is subject to changes in two variables. It may change in a different way than absolute energy use. It includes only facilities classified as “goal-subject” rather than all facilities in the portfolio. Although this is not illustrated separately throughout this report as one of the 15 sustainability goals, it is an essential part of reducing facility energy use.

While our total facility energy use goal applies to all USPS facilities, the energy intensity goal applies only to “goal-subject” buildings as defined by Section 431 of the Energy Independence and Security Act (EISA). This reduces the total number of facilities captured in the energy intensity goal, and as such, the total and energy intensity goals cannot be directly compared.

Facility energy goal and performance summary

Goals	Reduce total facility energy use 30%, and goal-subject facility energy intensity 30% by FY 2015.
Baseline year	FY 2003
Metrics	Total facility energy use: Btu Goal-subject facility energy intensity: kBtu/SF
Interim targets	2 to 4 percent per year
Data sources	Enterprise Energy Management System (EEMS), Utility Management System (UMS); Enterprise Data Warehouse (EDW)
Responsible offices	Facilities
Baseline performance (FY 2003)	Total facility energy use = 33.7 trillion Btu Goal-subject facility energy intensity = 103.82 kBtu/SF
Recent performance (FY 2009)	Total facility energy use = 25.7 trillion Btu Goal-subject facility energy intensity = 81.59 kBtu/SF
Difference in performance to goal (FY 2009 to FY 2015)	Total facility energy use = 2.1 trillion Btu Goal-subject facility energy intensity = 8.92 kBtu/SF
Potential cost savings (FY 2009 to FY 2015)	US\$40M - \$70M / year, recurring annually
Potential carbon reduction equivalent (FY 2009 to FY 2015)	0.2-0.3 MMT CO ₂ -e

Past and projected performance

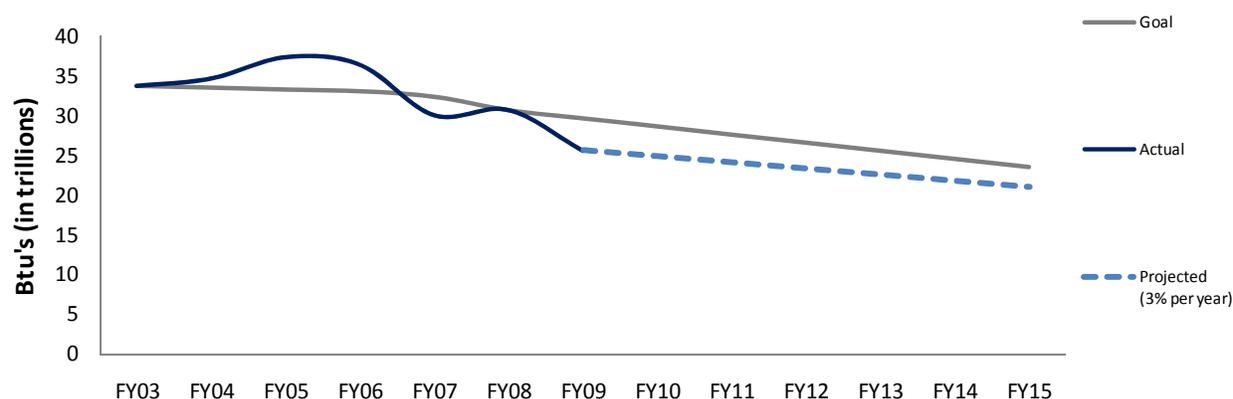
USPS is on track to meet FY 2015 reduction goals for both total facility energy use and goal-subject facility energy intensity. As of FY 2009, we have reduced total facility energy use by 23.91% (from 33.7 trillion Btu to 25.7 trillion Btu), and reduced our goal-subject facility energy intensity by 21.41% (from 103.82 kBtu/SF to 81.59 kBtu/SF) against our FY 2003 baseline, well exceeding the federal requirement.

Our facility portfolio energy performance is summarized from FY 2003 to FY 2009 in our *FY 2009 Annual Report on Energy Management and Conservation Programs* (restated February 2010). Total facility energy performance is shown in Table 7 and Figure 11 below.

Table 7. USPS total facility energy usage for the past 3 years against FY 2003 baseline

Fiscal year	Total facility energy use (Trillion Btu)	Total change from FY 2003 (%)
FY 2003	33.72	
FY 2007	30.07	-10.82%
FY 2008	30.73	-8.86%
FY 2009	25.66	-23.91%

Figure 11. Facility energy: past and projected performance



Highlights of the many actions USPS has taken over the past six months (January-July 2010) include:

- Expanded Corporate Energy Interface (CEI) system to include GHG data.
- Submitted scope 3 GHG emissions reduction goal to OMB.
- Updated DOE on findings of covered facility evaluations conducted.
- Audited additional 25.5 million square feet of covered facilities, bringing total to 114 million square feet.
- Implemented numerous energy conservation measures.
- Building Design Standards (BDS) to further incorporate energy-efficiency approaches: advanced metering and energy management system (EMS).
- Awarded indefinite-delivery indefinite-quantity (IDIQ) contract for solar power generation system installations to increase purchased power from renewable energy sources.
- Awarded national IDIQ contract for advanced metering.
- Completed preliminary evaluation of 25 buildings for remote building automation system (BAS) control.
- Conducted energy management training for all USPS facilities project managers, focusing on HVAC repair and alteration project requirements.
- Produced two *Going Green* videos to inform employees about good energy conservation practices.
- Expanded green team outreach from nine to 29 teams.
- Developed green team metrics and tools and rolled out to the district level.

- Achieved a LEED gold rating at the Greenville, SC, Processing and Distribution Center (263,000 square feet) and a LEED-certified rating at the Troy, MI, Royal Oak Processing and Distribution Center (151,000 square feet).
- Developed Energy Management System (EEMS) data extraction reporting providing actionable information for management.

Existing policies, strategies and initiatives

USPS energy management policy: USPS has an established energy management policy that is designed to make all USPS facilities as energy-efficient as is life-cycle cost effective, reduce total operating costs where the Postal Service pays utility costs, and achieve mandated energy reduction goals. This policy focuses on reducing consumption and costs, while supporting continuity of operations. It identifies energy goals, objectives and strategies for all aspects of postal operations, including utilities management, facilities design, construction, major renovations, and operations and maintenance.

Related policies, guidance standards, procedures and plans

- U.S. Postal Service National Energy Management Strategy.
- Handbook AS-503, Standard Design Criteria, and related design and construction standards incorporated into a comprehensive set of Building Design Standards (BDS).
- Handbook AS-558, Facility Energy Management Guide.
- Management Instruction AS-550-97-4, Facility Energy Management Program.
- Energy Compliance Certification standard form.
- Energy ROI calculator standard tool.
- Facility Energy Audit Standard Operating Procedures guidance.
- Life-Cycle cost analysis standard tool.

Facility energy reduction strategies

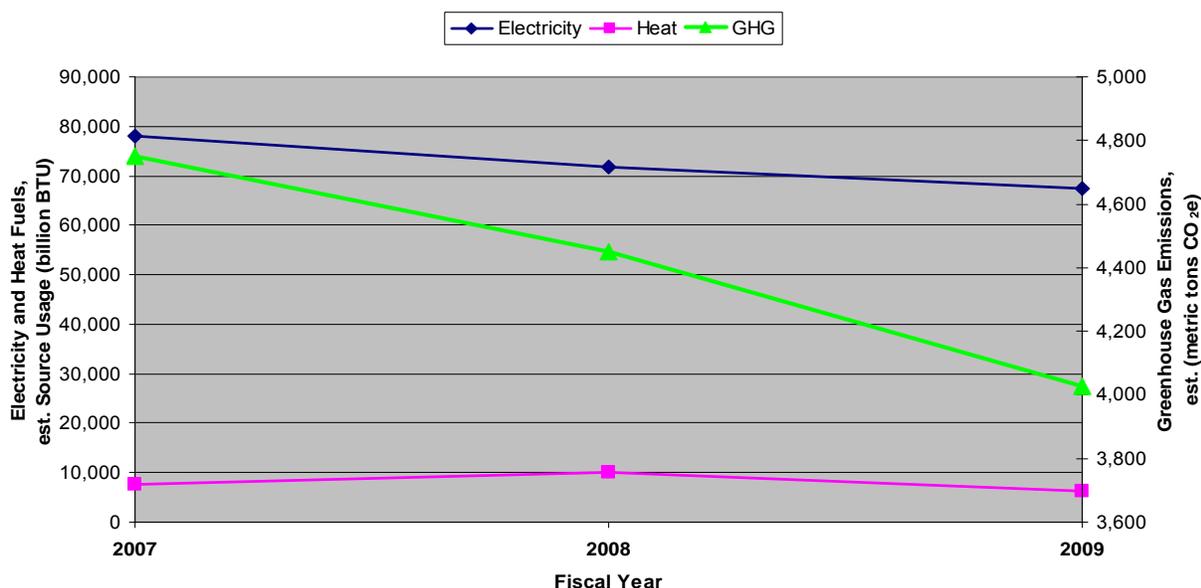
The focus of our efforts is to reduce facility electricity purchases from the grid. Zeroing in on electricity purchases from the grid enables us to eliminate wasted energy without specifically focusing on reducing natural gas consumption.

Our facility energy reduction efforts over the next five years will be those that also contribute most significantly to greenhouse gas emissions reduction. While the Postal Service pursues overall end-use reduction as our first energy management priority, we also strive to shift the proportion of our energy supply toward renewable and clean energy sources, a key factor affecting GHG emissions.

Because the vast majority of GHG emissions come from electricity production — particularly from coal-burning electric plants — we intend to accelerate this shift by reducing electricity purchases from the grid. In contrast, natural gas and propane generate far less GHG, so reduction of these utilities is not as high a priority.

This enables us to meet numerous strategic objectives: eliminate energy waste, improve energy efficiency, reduce both site and source BTU, reduce GHG and shift the balance of energy use to more renewable and clean energy sources. Projects that decrease both site BTU and source BTU/GHG emissions will receive highest priority, while those increasing either will receive significantly higher scrutiny.

Figure 12. Source energy reduction and GHG impact for USPS facilities



USPS employs several strategies to reduce facility energy cost and consumption, procure energy-efficient products, construct, operate and maintain energy-efficient facilities, and promote efficient energy use among employees. These strategies are in the *USPS National Energy Management Strategy* and updated annually in the *USPS Annual Report on Energy Management and Conservation Programs*. Some of the highlights include:

- Continue to consolidate operations to minimize underutilized facilities and equipment.
- Expand use of the USPS Enterprise Energy Management System (EEMS) to monitor monthly energy use for 80% of utility use.
- Implement energy conservation measures in all new construction and major renovations to achieve 30% better energy efficiency than outlined by the ASHRAE 90.1-2004 standard, or achieve the best energy efficiency that is life-cycle cost-effective.
- Include building electricity reduction goals as part of appropriate postal managers' Pay for Performance (PFP) objectives.
- Ensure that USPS Building Design Standards (BDS) pertaining to new building design specifications and operating procedures continue to conform to high performance sustainable building guidance.
- Utilize renewable energy in select cases where we are able to achieve life-cycle cost parity with electricity purchases from the grid.
- Engage employees to reduce facility energy and increase operational efficiencies, including powering down unused equipment and lights and maintaining appropriate HVAC settings.
- Continue to perform comprehensive energy and water audits on approximately 25% of our largest energy-consuming facilities (EISA designated covered facilities) annually to identify energy and water conservation opportunities, and implement energy efficiency upgrades that offer a favorable financial return on investment and environmental benefits.

There are numerous initiatives underway that directly or indirectly contribute to reducing total facility energy use. These initiatives include energy audits to identify where improvements can be made, consolidating facilities to minimize overall inventory consumption and operating buildings in a way that conforms to high-performance sustainable building and LEED-EBOM (Leadership in Energy and Environmental Design-Existing Building: Operations and Maintenance) principles. Table 8 summarizes many of these ongoing initiatives.

Table 8. Summary of ongoing initiatives

Goal	Lead Office	Initiative
Facility energy <i>30% reduction in use and intensity by FY 2015</i>	Facilities	Sustainable building implementation plan operations guidance.
		Comprehensive energy audits to identify energy conservation opportunities.
		Viable energy/water reduction projects.
		EEMS (Enterprise Energy Management System).
		Advanced metering and HVAC monitoring at buildings 20,000-100,000 square feet.
	Network Operations	Area mail processing consolidation.
		Remote encoding center consolidation.
		Mail transport equipment service center network realignment.
		ERS (error reporting system) — barcode sorter.
		ERS — upgraded flat sorter machine.
		ERS — small parcel and bundle sorter.
		ERS — facing and canceling machines.
		ERS — advance facer canceller— removal & tarping.
		ERS — power industrial equipment.
		ERS — LDC (labor distribution code) 11 and 12 Sunday ops.
		ERS — LDC 11 and 12 tour 2 ops.
		ERS — LDC 14 tour 2 and 3.
		ERS — LDC 17 and 18.
		SPO (serving post office) utilization.
	Sustainability	Lean Green Team initiative.
		Six- to five-day operations initiative.
	Delivery and PO Operations	<i>Post Office of the Future initiative.</i>
		Computerized forwarding system consolidations.
		Carrier sequence bar code sorter excessing.
	Supply Management	Solicitation for renewable energy including solar.
		Aggregated electric contracts.
Demand response (with facilities)		

Planned actions

July-December 2010

- Complete evaluation of opportunities to implement more renewable energy at a favorable return on investment (ROI), with goal to identify economically feasible solutions and award work orders.
- Conduct first article testing of advanced metering and remotely controlled HVAC monitoring system at two sites.
- Install advanced metering and remote HVAC monitoring system at 200 sites.
- Establish sustainable building implementation plan operations guidance.
- Roll out Green Team program where facility green teams identify low/no cost sustainability opportunities, such as energy conservation.
- Submit LEED-EBOM certification for two 1 million square-foot sites, one in Washington, one in New York.
- Continue effort to implement a vending machine “de-lamping” effort to reduce energy consumption.
- Evaluate EEMS control and monitoring solutions from three vendors.
- Complete automated feed of EDI data to EEMS.
- Expand corporate energy interface functionality to include green team dashboard.
- Expand Utility Management System to include 1,500 additional water accounts.

January-June 2011

- Expand the sustainable building implementation plan guidance and facility adoption.
- Install advanced metering and remote HVAC monitoring system at additional sites.
- Further deploy Green Team program in field facilities.

Longer term

- Perform comprehensive energy/water audits on approximately 25% of appropriate facilities to identify energy-conservation opportunities.
- Certify 7 million square feet of facilities as high-performance sustainable buildings by end of FY 2012.

3. Owned-vehicle fuel

Background

Section 142 of the 2007 Energy Independence and Security Act (EISA) requires federal agencies to achieve a 20% reduction in annual petroleum fuel consumption and a 10% increase in annual alternative fuel consumption, beginning Oct. 1, 2015, both against an FY 2005 baseline.

USPS maintains and operates the world's largest civilian fleet, with over 217,000 owned postal vehicles. In FY 2009, this fleet used approximately 147.39 million gallons of gasoline equivalent (GGE), including 145.38 GGE of petroleum fuel and 2.01 GGE of non-petroleum fuel. This equates to about 16% of the Postal Service's total energy use.

As a sustainability leader, USPS recognizes the environmental and financial benefits from reducing our fleet's petroleum fuel use and dependency. We have a continued commitment to employing a range of vehicle petroleum fuel use reduction strategies, and to identifying and utilizing non-petroleum fuel alternatives that are cost-effective fuel sources for our fleet.

Consistent with both our sustainability and EISA commitments, USPS has established and continues efforts toward two goals in this focus area^{vii}:

1. Reduce owned-vehicle petroleum fuel use 20% by FY 2015 (FY 2005 baseline).
2. Increase owned-vehicle alternative fuel use 10% annually by FY 2015 (FY2005 baseline).

Decrease owned-vehicle petroleum fuel use: goal description and rationale

USPS continues to work toward the goal of reducing our owned-vehicle petroleum fuel use 20% by FY 2015 against a FY 2005 baseline.

Owned-vehicle petroleum fuel goal and performance summary	
Goal	Reduce owned-vehicle petroleum fuel use 20% by FY 2015.
Baseline year	FY 2005.
Metrics	Gasoline gallon equivalent (GGE) of petroleum used per year.
Interim targets	TBD.
Data sources	Corporate Energy Interface (CEI) system
Responsible offices	Engineering, Delivery and Post Office Operations, Network Operations and Sustainability
Baseline performance (FY 2005)	140.67 million GGE petroleum.

^{vii} USPS has also established a petroleum fuel reduction goal for contract transportation vehicles, which is discussed in the "Suppliers" focus area chapter.

Owned-vehicle petroleum fuel goal and performance summary

Recent performance (FY 2009)	145.38 million GGE petroleum (+3.35% from base year).
Difference in annual performance to goal (FY 2009 to FY 2015)	-32.84 million GGE petroleum fuel.
Potential annual cost savings (FY 2009 to FY 2015)	US \$50 million-\$90 million ^{viii} .
Potential carbon reduction equivalent (FY 2009 to FY 2015)	0.2-0.4 MMT CO ₂ -e

Past and projected performance

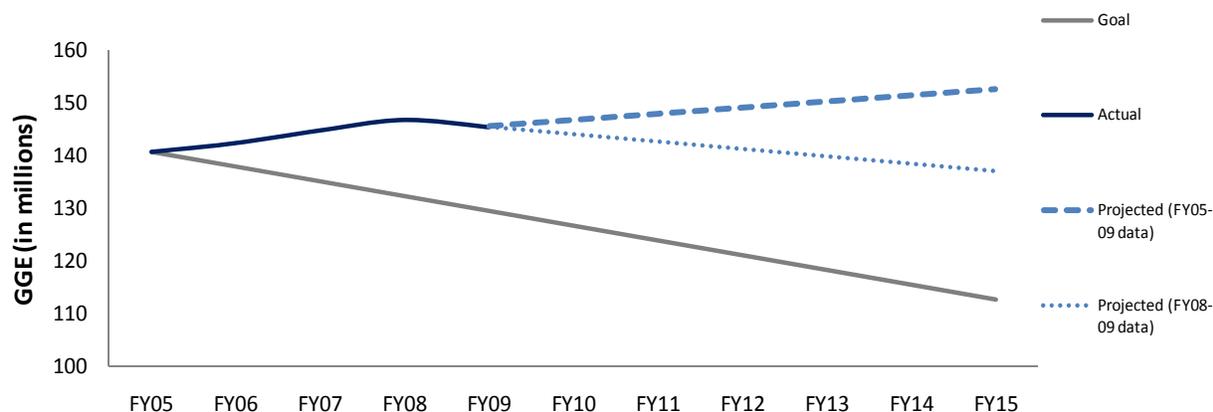
Although total mail volume decreased between FY 2005 and FY 2009, the number of delivery points increased, resulting in an increased amount of fuel used by delivery vehicles. During this time period, USPS owned-vehicle petroleum fuel use increased 3.35%, from 140.67 million to 145.38 million GGE of petroleum. Detailed performance information during this time period is discussed in our FY 2009 Annual Sustainability Report and 2009 Federal Automotive Statistical Tool (FAST) report (revised July 2010). A performance summary is shown in Table 9.

Table 9. USPS owned-vehicle petroleum use: FY 2005-FY2009

Fiscal Year	Owned-vehicle petroleum use (million GGE)	Change from FY 2005 (%)
FY 2005	140.67	
FY 2006	142.35	+1.19%
FY 2007	144.77	+2.91%
FY 2008	146.77	+4.34%
FY 2009	145.38	+3.35%

^{viii} For estimation purposes, the calculation assumes the price of fuel remains constant between 2009 and 2015. Cost savings could be considerably higher if the price of fuel were to rise. These calculations also include only the cost associated with reduced fuel and do not include the cost of implementing specific initiatives.

Figure 13. Owned-vehicle petroleum fuel use: past and projected performance



For USPS to achieve a 20% reduction in owned-vehicle petroleum fuel use by FY 2015, we must reduce our annual petroleum fuel consumption by at least 32.84 million GGE petroleum fuel, (down to 112.54 million GGE).

Over the past few years, USPS has been able to reduce a small portion of its petroleum fuel use through several initiatives, such as carrier optimal routing and use of our flat sequencing system. Some examples of recent actions we have taken, from January-July 2010, include:

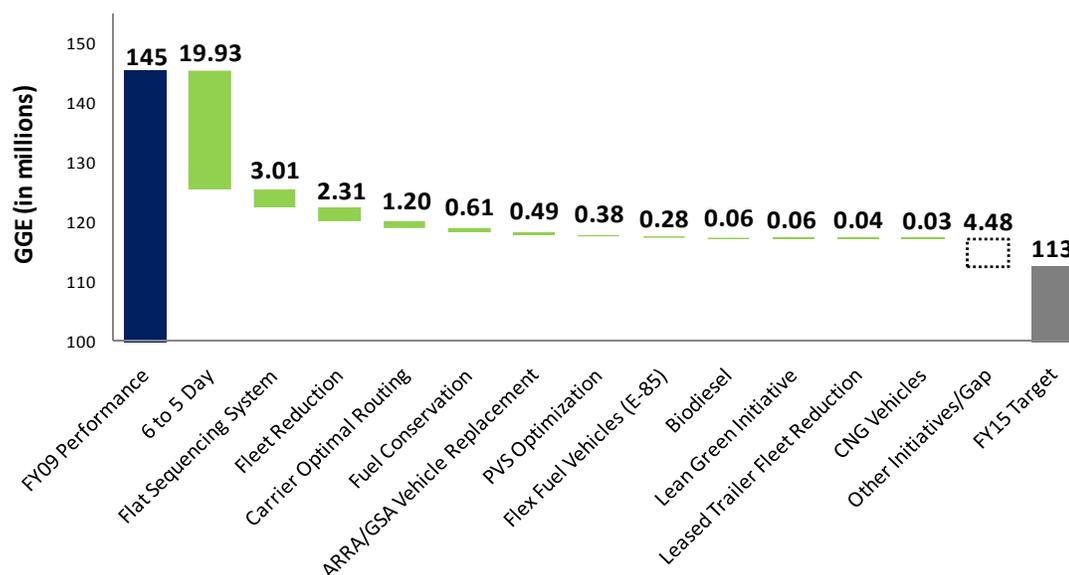
- Reduced the number of owned vehicles in our fleet.
- Developed and implemented pay for performance metrics to encourage senior managers to influence fuel reduction behavior.
- Conducted audit of USPS fuel data management systems and the corporate energy interface (CEI).
- Expanded Lean Green Team outreach from nine to 29 teams to drive fuel reductions (see “Employees” focus discussion).
- Created fuel conservation videos and distributed to field operations.

USPS continues to implement a range of initiatives and evaluate new ones to meet the FY 2015 fuel reduction goal. The proposed initiative with the largest fuel reduction potential is the reduction of delivery days from six to five days to better match declining mail volumes. If Congress approves this initiative and it is implemented, this could help save about 20-25 million GGE petroleum fuel used annually.

Owned-vehicle petroleum fuel: projected performance gap

Based on past performance and estimates of the potential contributions of ongoing initiatives, USPS is not on track to meet our FY 2015 goal, especially if five-day delivery is not allowed to be implemented. If it is implemented and all initiatives contribute estimated fuel reductions, USPS may still have a performance gap of about 4.48 million GGE petroleum fuel annually (as illustrated in Figure 14 below).

Figure 14. Owned-vehicle petroleum fuel: projected performance gap



Existing policies, strategies and initiatives

USPS energy management policy: USPS has an *Energy Management Policy* intended to guide its efforts to make all USPS-owned vehicles as energy and fuel efficient as life-cycle cost effective and to reduce total operating costs to achieve mandated energy and fuel reduction goals. This policy focuses on reducing consumption and costs while supporting continuity of operations. It identifies energy goals, objectives and strategies for all aspects of operations. Related policies and guidance standards include:

- *U.S. Postal Service National Energy Management Strategy*
- Postal Service policy for vehicle idling, as set forth in section 245.27 of Handbook PO-701, *Fleet Management*.

Owned-vehicle petroleum fuel use reduction strategies and initiatives: The focus of our efforts over the next five years is to reduce average fuel costs and implement low- and no-cost projects to reduce total petroleum use in our owned delivery and transport fleet. USPS employs a spectrum of strategies to reduce vehicle fuel use cost and consumption. They are described in the *USPS National Energy Management Strategy*, and include:

- Work with Congress and the Postal Regulatory Commission to reduce delivery days from six to five to accommodate declining mail volumes.
- Reduce vehicle miles driven by our owned fleet by:
 - Consolidating delivery points into fewer, but longer and more contiguous routes.
 - Consolidating mail collection runs throughout the network.
- Increase fuel efficiency by:
 - Engaging managers and drivers to eliminate idling and deviations from routes, to monitor air pressure, and to maintain proper driving behaviors.

- Engaging managers to properly maintain vehicles and maintain proper tire air pressure.
- Engaging managers by including petroleum reduction goals in managers' pay for performance.
- Evaluating available technologies to retrofit current LLV engines to reduce fuel.
- Continue to explore viable vehicle technologies and alternative fuel through vehicle research and development.

There are a variety of initiatives underway that directly or indirectly contribute to reducing total vehicle petroleum use. Table 10 summarizes some of these ongoing initiatives:

Table 10. Summary of ongoing initiatives

Goal	Lead Office	Initiative
Owned Vehicle Petroleum Use <i>20% reduction by FY 2015</i>	Engineering	Retrofit compressed natural gas vehicles.
		Continue fleet reduction activities.
		American Recovery and Reinvestment Act /General Services Administration vehicle replacement.
	Operations	Expand flat sequencing system.
		Expand carrier optimal routing (COR).
	Network Operations	Postal vehicle system route optimization.
	Sustainability	Five-day mail delivery reduction initiative.
		Continue fuel tracking and performance reporting .
		Deploy Lean Green Team Initiative.
		Deploy Fuel Conservation Engagement Initiatives.
	Delivery and Post Office Operations	Conduct COR to reduce routes.
		Design Post Office and delivery operations of the future.
		Computerized forwarding system consolidations
	Expedited Shipping	Establish cubic pricing for commercial shipments.

Planned actions

July-December 2010

- Expand functionality of USPS corporate energy interface to track fuel use by petroleum and non-petroleum fuel types.
- Evaluate petroleum use metrics on USPS manager pay for performance score cards.
- Pilot test USPS city delivery driver engagement videos.

January-June 2011

- Pursue proposed five-day delivery initiative.
- Work with suppliers on the redesign of the long-life vehicle (LLV) engine for better fuel economy and emissions.
- Deploy city delivery driver engagement videos.
- Issue the national contract award for oil used at vehicle maintenance facilities.
- Test the modified engine for long-life vehicles and report the findings

Longer term

- Pursue proposed five-day delivery initiative.
- Develop rural delivery driver engagement materials.
- Continue to consolidate delivery routes using carrier optimal routing.
- Continue to refine fuel tracking systems.
- Continue to implement fuel price reduction strategies.
- Initiate strategic acquisition process for long-life vehicle fleet replacement.

Increase alternative fuel use: goal description and rationale

USPS maintains a fleet of about 44,500 alternative fuel-capable vehicles, including vehicles that can operate on E-85 flex fuel, compressed natural gas and electricity.

Consistent with EISA requirements, USPS established a goal to increase owned-vehicle alternative fuel use 10% annually by FY 2015 (FY 2005 baseline). USPS defined the goal as a 10% increase from FY 2005 to FY 2015 — an equivalent overall increase of 100%, or doubling the FY 2005 baseline amount.

Owned-vehicle alternative fuel goal and performance summary

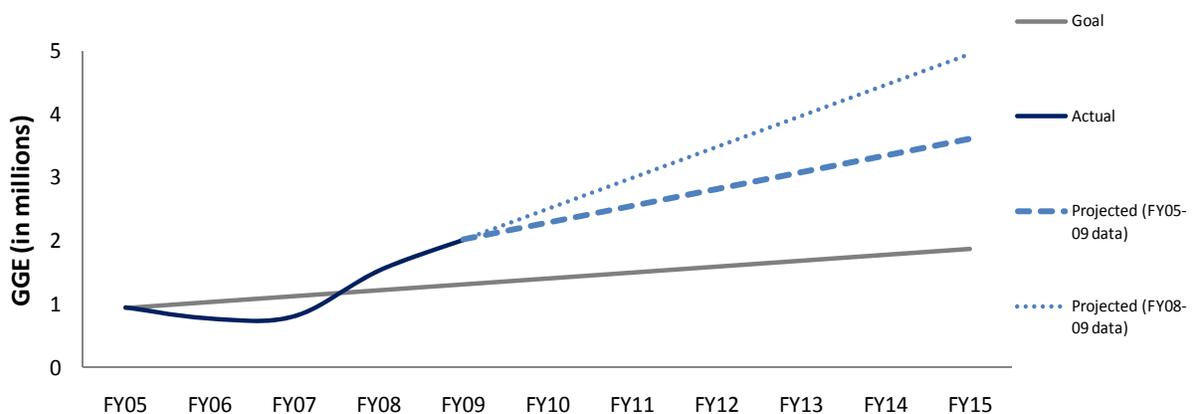
Goal	Increase owned-vehicle alternative fuel use 10% annually by FY 2015.
Baseline year	FY 2005.
Metrics	Gasoline gallon equivalent (GGE) of non-petroleum fuel used per year.
Interim targets	TBD.
Data sources	Corporate Energy Interface (CEI) system.
Responsible offices	Engineering, Delivery Operations
Baseline performance (FY 2005)	0.94 million GGE non-petroleum
Recent performance (FY 2009)	2.01 million GGE non-petroleum (+114% from base year). <i>Goal has been achieved.</i>
Difference in annual performance to goal (FY 2009 to FY 2015)	<i>Goal has been achieved.</i>
Potential annual cost savings (FY 2009 to FY 2015)	N/A.
Potential carbon reduction equivalent (FY 2009 to FY 2015)	N/A.

Past and projected performance

In FY 2005, our alternative fuel vehicle fleet consumed 0.94 million GGE non-petroleum fuels. In FY 2009, USPS achieved our alternative fuel goal by increasing alternative fuel use to 2.01 million GGE of non-petroleum, a 114% increase and equivalent to 1.36% of total owned-vehicle fuel use.

Our detailed alternative fuel performance is summarized from FY 2005 to FY 2009 in our FY 2009 Annual Sustainability Report and on our 2009 FAST report (revised July 2010) and shown in Figure 15.

Figure 15. Owned-vehicle alternative fuel use: past and projected performance



Some of the many actions we have taken over the last six months from January-July 2010 include:

- Utilized 13% (170,000) more gallons of alternative fuels compared to the same period last year.
- Collaborated with DOE national Idaho lab on electric vehicle prototype planning for five vehicles USPS will test in July/August.
- Worked with DOE national renewable energy laboratory to complete a tear-down study for four biodiesel tractors/cargo vans in Florida.
- Continued monthly fuel economy reporting to DOE for two GE fuel cell vehicles.
- Continued fuel economy monitoring of hybrid-electric step vans from Eaton and Azures, located in New York.
- Completed a maintenance cost study on the electric step vans located in New York.
- Continue to monitor the energy use and maintenance repair of T3 vehicles.
- Awarded contract to convert five long-life vehicles (LLV) to electric.

Existing policies, strategies and initiatives

The USPS *Energy Management Policy* outlines strategies and guides efforts to increase the use of alternative fuels in USPS-owned vehicles. Although USPS has achieved its alternative fuel goal, efforts will continue so we keep improving our performance. Some of the ongoing initiatives to explore viable future vehicle technologies and alternative fuels are summarized in Table 11.

Table 11. Summary of ongoing initiatives

Goal	Lead office	Initiative
Alternative fuel use 10% increase annually by FY 2015	Engineering	Test expanding use of E-85 flex-fuel vehicles.
		Expand the use of biodiesel.
		Convert five long-life vehicles to electric.
		Compressed natural gas.
		Continue to test Azure Dynamics hybrid electric step van.
		Continue to test hydrogen fuel cell vehicles.
		Continue to test Eaton Corp. hybrid electric step van.
		Acquire and evaluate electric/hybrid two-tons.

Planned actions

July-December 2010

- Conduct first-article inspection on the five electric vehicle conversion prototypes from suppliers, test them at DOE's national Idaho lab, and deploy them in Washington, DC area.
- Inform the field about the results of our biodiesel study and provide guidelines on use.
- Continue monthly reporting to DOE on fuel economy of two General Motors fuel-cell vehicles.
- Continue to monitor fuel economy of the hybrid-electric step vans from Eaton Corp. and Azure Dynamics located in New York

January-June 2011

- Extend the contract with DOE for two fuel-cell vehicles until February 2011.
- Negotiate the maintenance contract for 30 electric vehicles in New York.

Longer term

- Continue testing vehicle hybrid technologies, battery electric vehicles and other technologies.

4. Waste

Background

USPS generates more than 400,000 tons of solid waste every year. Reducing waste sent to landfills is good both for the environment, and for improving our short-term bottom line because much of the material that we send to landfills has a recycling value. Using low and no-cost behavior and process changes, we can decrease our solid waste handling fees, encourage our customers to recycle more, increase postal recycling revenues, help increase the expected life of community landfills and lower our Scope 3 greenhouse gas emissions related to USPS operations.

Goal description and rationale

USPS continues to work toward achieving a zero-waste footprint in this focus area. In addition to our ongoing pollution prevention policies and compliance with applicable regulations, we have established the following sustainability goal:

- Reduce waste to landfill 50% by FY 2015, against a FY 2009 baseline.

USPS waste management goal	
Goal	Reduce waste to landfill 50% by FY 2015.
Baseline year	FY 2009.
Metrics	Metric tons waste sent to landfills.
Interim targets	TBD.
Data sources	ERM calculation.
Responsible offices	Employee Resource Management (ERM)
Baseline performance (FY 2009)	209,000 metric tons.
Recent performance (FY 2008 to FY 2009)	-13,694 metric tons from FY 2008 (-6%).
Difference in annual performance to goal (FY 2010 to FY 2015)	105,000 metric tons.
Potential annual cost savings (FY 2010 to FY 2015)	\$3 million-\$4 million.
Potential carbon reduction equivalent (FY 2010 to FY 2015)	0.073 MMT CO ₂ -e.

Past and projected performance

We are on track to achieve our FY 2015 waste to landfill reduction goal. In FY 2008, USPS began corporate reporting for the estimated waste we send to landfills. In this same year, we generated a total of 455,000 metric tons of municipal solid waste, 51% of which was diverted from landfills by recycling and other programs, and the remaining 223,000 metric tons was sent to landfills.

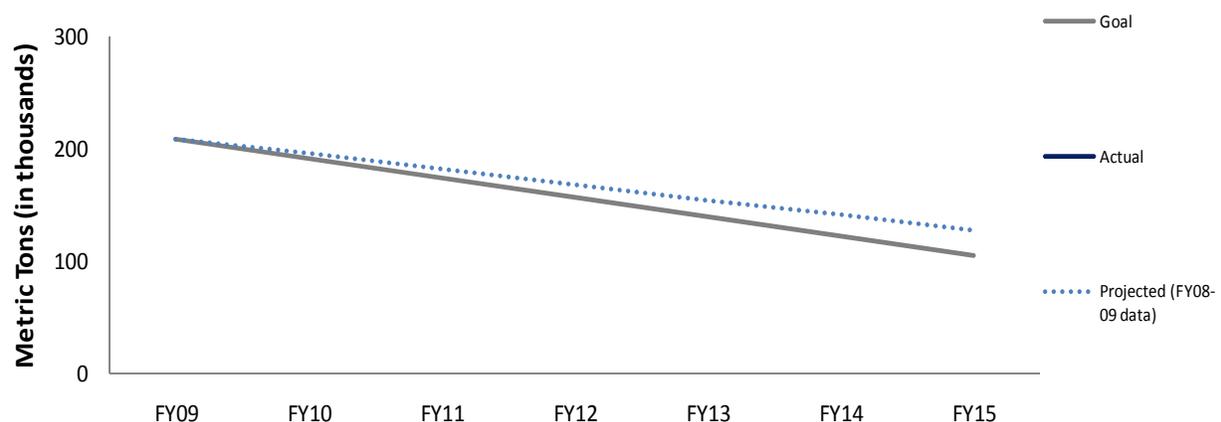
In FY 2009, USPS generated a total of 424,000 metric tons of municipal solid waste, diverted approximately 50.5%, and sent the remaining 209,000 metric tons of solid waste to landfills (equivalent to a 6% reduction from FY 2008, or 13,694 metric tons of waste). To achieve our FY 2015 goal, we will have to continue to decrease solid waste to landfills by 8% per year.

Some of the many actions we have taken over the last six months (January-July 2010) include:

- Completed zero waste pilots at 19 USPS facilities.
- Expanded zero waste from facility-focus to district-wide at 18 districts.
- Collected baseline assessment data at 15 additional districts.
- Expanded "Discarded Lobby Mail Recycling Program" at retail locations
- Continued outreach campaign that encourages customers to "Read, Respond, and Recycle" their mail.

Our detailed waste to landfill performance is summarized from FY 2008 to FY 2009 in our *FY 2009 Annual Sustainability Report*. Projected performance is shown in Figure 16.

Figure 16. Waste to landfill: past and projected performance



Existing policies, strategies and initiatives

USPS is committed to providing customers, employees and suppliers with a safe and healthy environment implementing sound environmental business practices and conserving natural resources. To implement this policy, USPS will:

1. Seek practical and cost-effective ways to foster recycling of undeliverable standard mail, discarded lobby mail, and wasted First-Class Mail, paper, cardboard, metals, plastics and other waste streams.
2. Implement and continuously improve recycling activities to foster a “zero waste” ethic within the Postal Service.
3. Manage recycling in a way that is consistent with Postal Service public trust obligations.
4. Comply with federal, state and local environmental laws and regulations related to materials recycling.

USPS has the following management instructions and policies related to waste management:

- *Management Instruction EL-890-2007-5: Integrated Waste Management* establishes USPS policies and requirements to facilitate the safe and environmentally sound management and disposal of waste, including hazardous and regulated waste.
- *Management Instruction MI EL-890-2009-9: Recycling Undeliverable Standard Mail, Discarded Lobby Mail and other Recyclable Materials* establishes policies and procedures for recycling undeliverable standard mail, discarded lobby mail and wasted First-Class Mail generated at postal automated redirection systems sites, as well as policies for paper, cardboard, glass, metals and plastic waste resulting from Postal Service operations.
- *Handbook AS-550-A — Paper and Paperboard Recycling Guide, and Handbook AS-550-B — Paper and Paperboard Recycling Plan.* Both of these handbooks provide additional guidance to improve USPS recycling efforts.
- *AS-552 Pollution Prevention Guide* is a guide for developing and implementing a pollution prevention plan at postal facilities.

In addition, there are numerous initiatives underway that directly or indirectly contribute to reducing waste to landfills. Table 12 summarizes many of these ongoing initiatives.

Table 12. Summary of ongoing waste reduction initiatives

Goal	Office	Initiative
Waste to landfill <i>Reduce 50% by FY 2015</i>	Employee Resource Management	Eliminate paper personnel files.
		Expand lobby mail recycling.
		Waste stream recycling.
		National pollution prevention program.
		EPA Waste wise program.
		Zero waste pilot.
	Sustainability	Secure destruction of undeliverable-as-addressed mail via recycling.
		Five-day delivery initiative.

Goal	Office	Initiative
		"Lean Green Team" deployment initiative.
	Supply Management	Continue USPS asset recovery program (to reuse, resell or recycle equipment).
		Obsolete material handling equipment.
		Promote closed-loop recycling.
		Recyclable mail bags and fiberboard managed mail trays.
		Slotted wood pallets pilot
	Delivery and PO Operations	Label printer deployment.
		<i>Post Office of the Future initiative</i>
	Engineering	Extend the use of vehicle batteries.
		Extend the use of retreading long-life vehicle tires.
		Recycling at maintenance facilities.
		Puradyn oil filters for tractors.
	Expedited Shipping	Pallet program.
	Network Operations	Cardboard managed mail trays.
		Recycle cordura nylon sacks.
	Facilities	Reduce energy, water, and waste (and associated costs) in facilities.

Planned actions

July-December 2010

- Develop interim waste reduction performance targets.
- Expand existing backhaul systems at one or more plants within assigned district.
- Expand the volume and type of commodities that are recycled through the existing district backhaul system.
- Develop complementary strategies for reducing solid waste disposal costs and volumes at all of the retail facilities within the district.
- Expand facility-based green team deployment from nine to 20 districts with a goal of encouraging increased internal recycling rates.
- Increase recycling of electronics, mail transport and other equipment.

January-June 2011

- Pursue proposed five-day delivery initiative.
- Expand the existing backhaul system at more plants within assigned districts.
- Expand the volume and type of commodities that are recycled through the backhaul system.
- Expand number of lobby recycling return containers for customers in post offices.
- Continue to increase recycling of electronics, mail transport and other equipment.
- Develop complementary strategies for reducing solid waste disposal costs and volumes at all of the retail facilities within the district.
- Expand facility-based green team deployment to more facilities.

Longer term

- Pursue proposed five-day delivery initiative.
- Expand customer offerings to enable customers to recycle more.
- Expand the existing backhaul system at more plants within assigned districts.
- Expand the volume and type of commodities that are recycled through the backhaul system.
- Develop complementary strategies for reducing solid waste disposal costs and volumes at all of the retail facilities within the district.
- Expand facility-based green team deployment from all districts with a goal of encouraging increased facility recycling rates.

5. Materials

Background

USPS uses a large variety of materials to support its vast operations, including office products, cleaning supplies, vehicle and equipment spare parts, maintenance supplies, and mail transportation equipment. As a sustainability leader, USPS has maintained a commitment for several years to purchase sustainable materials, and where possible, reduce the number of materials purchased to reduce our overall footprint.

Certain language contained in Executive Order 13423 requires federal agencies to establish a green purchasing program of environmentally preferable products. Other language contained in EO 13514 requires agencies to meet related sustainable acquisition requirements.

While Executive Orders 13423 and 13514 do not apply to the Postal Service because of our unique mission and status, as a sustainability leader, USPS is committed to promoting the use of sustainable products in our own organization. The Postal Service is also committed to increasing the number of products and services offered by our suppliers^{ix}, and providing a range of sustainable products and services to our customers.^x

The Postal Service developed a green purchasing policy^{xi} in 1996, and released a more comprehensive *Green Purchasing Plan: 2008-2010* in November 2008. This plan, a joint effort between our Supply Management and Environment Policy and Programs organizations, establishes a green purchasing program, and outlines a long-term, proactive approach to preventing pollution, minimizing waste and green management. The green purchasing plan provides USPS purchasing professionals and their internal business partners with the business practices and tools necessary to evaluate and implement green purchasing strategies at the national and local level.

To continue our commitment to reducing materials use (consumables) and increasing the purchase of environmentally preferable products, we have established two new goals in the materials focus area:

1. Reduce spending on consumables 30% by 2020 (FY 2008 baseline).
2. Increase the percentage of identified environmentally preferable products available for purchase on-catalog by 50% by FY 2015 (FY 2010 baseline).

Reduce spending on consumables goal description and rationale

USPS defines consumables as any office, custodial or maintenance supplies used in USPS offices or facilities. Annual spending on these consumables is the closest proxy in determining the volume of actual consumable products used each year by the Postal Service. This spending amount is calculated by running a query of corporate-wide spending for "office supplies" and "custodial supplies" pulled from line 31 code of the USPS general ledger accounting system.

^{ix} Discussion of USPS supplier sustainability goals is included in the "Suppliers" discussion area.

^x Discussion of USPS goals for increasing the number and type of sustainable products and services we offer our customers is included in the subsequent "Customers" discussion area.

^{xi} Described in *Postal Service Handbook AS-552 — Pollution Prevention Guide*.

Based on an analysis of past spending on consumables, we established the following goal:

- Reduce spending on consumables 30% by FY 2020 (FY 2008 baseline).

We chose this baseline year based on the accuracy of data from that year. Since this is a new goal, we are now organizing ongoing and planned initiatives and discussing implementation plans for achieving this goal in FY 2020.

Consumables goal and performance summary	
Goal	Reduce spend on consumables 30% by FY 2020.
Baseline year	FY 2008
Metric	Annual spending on consumables (\$).
Interim targets	TBD.
Data sources	Select sub-codes of line 31 code of the USPS general ledger accounting system.
Responsible offices	Operations, Finance and all support functions.
Baseline performance (FY 2008)	US \$785.2 million
Recent performance (FY 2009)	US \$659.7 million: 16% reduction from FY 2008.
Difference in performance (FY 2009 to FY 2020)	US \$110 million.
Potential cost savings (FY 2009 to FY 2020)	US \$110 million.
Potential carbon reduction equivalent (FT 2009 to FY 2020)	TBD.

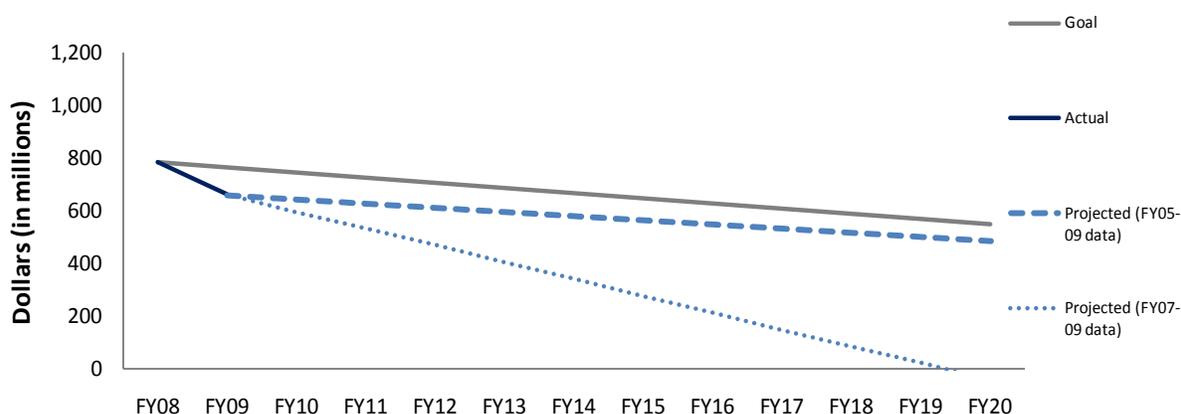
Past and projected performance

USPS annual consumables spending increased from FY 2005 to FY 2007, but has decreased each year since then. Based on our general ledger accounting data, USPS spent \$785 million on consumables in FY 2008, and \$660 million on consumables in FY 2009 (a 16% reduction).

Table 13. USPS annual spending on consumables

Year	Annual spending (\$M)
FY 2005	\$722.9 million
FY 2006	\$776.3 million
FY 2007	\$787.5 million
FY 2008	\$785.2 million
FY 2009	\$659.7 million

Figure 17. Consumables spending: past and projected performance



Existing policies, strategies and initiatives

- Optimize distribution network:** USPS is committed to consolidating and optimizing its network of facilities and staffing to match reduced customer demands for its services. Fewer facilities and staff will use fewer consumables.
- Optimize and consolidate printer operations:** USPS is reducing paper and color ink consumption by consolidating and minimizing printer operations and by using default settings for all printers to print on both sides and default to grayscale rather than color.
- Deploy Lean Green teams to streamline administrative processes:** USPS is establishing Lean Green teams in its facilities with a goal of reducing facility consumable purchases by 30%. These teams use a variety of strategies, including lean six sigma process improvement projects to reduce inventory and material use, green meetings, office supply inventory tracking and trading via the Postal Service’s eBuy2 purchasing system.

Table 14. Summary of ongoing initiatives

Goal	Lead Offices	Initiative
Consumables <i>30% reduction on spending by FY 2020</i>	Sustainability	Employee engagement through Lean Green Lean Green Initiative
	Delivery and Post Office Operations	Label printer deployment
		Post Office of the Future

Planned actions

July-December 2010

- Continue consolidating and optimizing printer operations.
- Employee engagement through Lean Green team deployment (see “Employees” section).

January-June 2011

- Employee engagement through Lean Green team deployment.

Longer term

- Future strategies to be developed by a Materials steering team.

Increase on-catalog EPP goal description and rationale

USPS is committed to providing our employees with an increasing number of environmentally preferable product options available for purchasing from our national catalogs (using the new USPS eBuy2 system). To support this objective, Supply Management has recently established the following new environmentally preferable products goal:

- Increase percentage of environmentally preferable products (EPP) available for purchase on-catalog by 50% by FY 2015, using a FY 2010 baseline.

The new eBuy2 system allows the classification and display of environmentally preferable product indicators for each on-catalog item. This allows the person making the requisition to utilize this information in addition to price and specifications to make an informed purchasing decision. The indicators, which are identified by the supplier and can be added for each item on their catalog, include:

- Green Seal Certified
- **Targeted/Priority Chemical Free**
- Energy Star
- BioPreferred
- Recycled Content
- Green-e (renewable energy)
- National Electrical Manufacturers Association Premium Efficient (NEMA)
- Electronic Product Environmental Assessment Tool (EPEAT) registered as bronze, silver, or gold
- USEPA designated WaterSense product

Supply Management has begun formal tracking of the number and percentage of environmentally preferable products available for purchase in eBuy2, and will establish a performance baseline in FY 2010. In the recently published *Supply Management Three-Year Strategic Plan: 2010-2012*, Supply Management has established an interim performance target of increasing the total percentage of EPP product options by about 10% by FY 2012.

On-catalog EPP goal and performance summary	
Goal	Increase % environmentally preferable products (EPP) available for purchase on-catalog by 50% by FY 2015.
Baseline year	FY 2010.
Metric	Percentage of EPP (%).
Interim targets	10% increase in available EPP by FY 2012.
Data sources	Total number of on-catalog items in eBuy2. Total number of on-catalog items in eBuy2 that have EPP indicators.
Responsible offices	Supply Management.
Baseline performance	Baseline will be calculated in FY 2010.
Recent performance	Estimated that about 3.5% of total on-catalog products are EPP as of April 2010.
Difference in performance (FY 2010 to FY 2015)	N/A.
Potential cost savings (2010 to 2015)	N/A.
Potential carbon reduction equivalent (FY 2010 to FY 2015)	N/A.

Past and projected performance

USPS has tracked via voluntary reporting by suppliers of USPS EPP purchases and reports them on an annual basis. Table 15 summarizes the past three years of EPP spending that we have tracked.

Table 15. USPS annual EPP purchases

Year	EPP Spending tracked (\$M)
FY 2007	\$251 million
FY 2008	\$269 million
FY 2009	\$250 million

Existing policies, strategies and initiatives

The USPS *Green Purchasing Policy* and *Green Purchasing Plan: 2008-2010* outline policies and guidance for the purchase of environmentally preferable products and services, including the identification of EPP products in several executive order-defined sustainable acquisition categories (chemical free, bio-based, recycled content, eco-label, renewable resource, energy and water efficient).

USPS continues to utilize a broad range of strategies to improve environmentally preferable product purchasing, including:

- **Sustainability checklist:** Used by purchasing personnel to help identify environmental and safety considerations specific to an item or service prior to a required purchase.
- **EPP performance data:** Collect EPP purchase data quarterly.
- **Lean Green Initiative:** Employee training to improve understanding of EPP.
- **Green Assessment Survey Tool:** Used by contracting officers to help Supply Management benchmark current contract management practices that support EPP purchasing.
- **Training sessions:** seven training sessions involving 50+ plus participants for CMCs to collect qualitative benchmarking data on EPP practices.
- **EPP fact sheets:** fact sheets are used as a tool to aid facilities in the identification of available EPP, and provide guidelines for use and purchase of these products. A series of 20 green product fact sheets are available on the USPS intranet.

To achieve our new environmentally preferable products goal of increasing the percentage of those available for purchase on-catalog by 50% by FY 2015, USPS will employ these strategies:

- Continue to implement the new eBuy2 system.
- Work with suppliers to include relevant environmentally preferable product attributes for their on-catalog products.
- Reduce the total number of on-catalog items (the denominator of the % calculation) through item rationalization.

Table 16. Summary of ongoing initiatives

Goal	Lead Office	Initiative
Environmentally preferable products (EPP) <i>Increase % on-catalog products with EPP indicators by 50% by FY 2015.</i>	Supply Management	Increase % of products with EPP identifiers on e-Buy2.

Planned actions

July-December 2010

- Calculate a FY 2010 environmentally preferable product performance baseline.
- Continue working with suppliers to understand and include EPP attributes for their on-catalog items.
- Increase efforts by contracting officers and suppliers to rationalize the number of items on-catalog.

January-June 2011

- Calculate the FY 2011 EPP performance results.
- Continue working with suppliers to understand and include EPP attributes for their on-catalog items.
- Increase efforts by contracting officers and suppliers to rationalize the number of items on-catalog.

Longer term

- Report annual EPP performance results and refine the strategy to realize FY 2015 goal.

6. Water

Background

As we strive to reduce energy, water, and waste in USPS facilities, our longstanding water conservation objective continues to be using the minimum amount of water necessary to support our service obligation and operations. Unlike peer federal agencies with larger water consumption needs, USPS requires relatively very small volumes of water to operate. Our water consumption is primarily limited to restrooms, cooling towers that reduce energy use at our larger processing facilities, and controlled water use at a small number of vehicle maintenance facilities. USPS has implemented policies and procedures for two decades to meet all federal storm water and other applicable water-related requirements, and to standardize sound water management practices.

Goal description and rationale

USPS has defined the following new water goal to reduce absolute water consumption:

- Reduce water use^{xii} 10% by FY 2015, based on a FY 2007 baseline.

USPS will assess water reduction progress using three metrics:

1. **Estimate of annual total water consumption across all facilities:** Currently, we estimate water use by converting annual spending to estimated use, because we track detailed actual water cost in all facilities where we pay water bills. In the next six months, we plan to capture both cost and use data going back to FY 2007 for approximately 1,500 facilities. In the future, we intend to track monthly water consumption and cost at these facilities to develop a representative sample and utilize the changes in total water use in the sample population as a proxy for the entire population.
2. **Gallons of water per gross square foot:** Our current estimates of water intensity are imprecise due to the method we use to estimate water use by facility. We have begun to create a representative sample for this metric and expect to have good corporate data in FY 2011. Based on analysis of FY 2007 to FY 2011, we will evaluate the need to establish reduction goals related to water intensity in FY 2011. Building square footage comes from our electronic Facilities Management System (eFMS).
3. **Gallons of water use per FTE employee per year:** (total employee complement coincident indicator): We are just beginning to track this metric and anticipate having good corporate data in FY 2011. Because the majority of water use at most of our facilities is for employee restrooms, any change in employee count should correlate to a change in water consumption.

^{xii} We have selected the term "water use" rather than "potable water use" (as outlined in EO13514) because an extremely small percentage of our total water use is non-potable (industrial, landscaping or agricultural) water. Tracking non-potable water separately is not viable for our organization. We will however, track and report gallons per gross square foot (as suggested by EO 13514) and gallons per capita to determine trends and anomalies.

Water use goal and performance summary	
Goal	Reduce water use 10% by FY 2015.
Baseline year	FY 2007.
Metric	Water consumption (gallons)
Interim targets	TBD.
Data sources	Enterprise Energy Management system (EEMS), Utility Management System (UMS); Enterprise Data Warehouse (EDW).
Responsible offices	Network Operations, Facilities, Sustainability, Delivery/Post Office Operations
Baseline performance (FY 2007)	Approximately 5.46 billion gallons.
Recent performance (FY 2009)	Approximately 5.65 billion gallons. This is equivalent to 7,900 gallons per employee.
Difference in performance (FY 2007 to FY 2015)	546 million gallons.
Potential cost savings (FY 2010 to FY 2015)	US \$3 million-\$4 million/year, recurring annually.
Potential carbon reduction equivalent (Fy 2007 to FY 2015)	0.007 MMT CO ₂ -e.

Past and projected performance

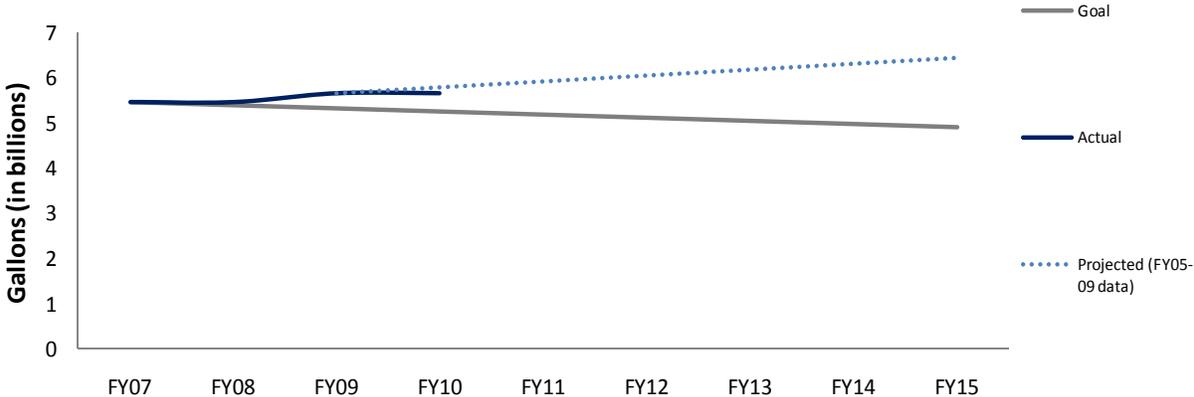
USPS continues to voluntarily pursue water consumption and intensity reduction. Our water use and intensity from FY 2007 to FY 2009 is relatively flat due to aggressive water reduction measures previously implemented in the 10 years preceding our FY 2007 baseline.

Our estimated water use and intensity performance is summarized from FY 2007 to FY 2009 in our FY 2009 Annual Report on Energy Management and Conservation Programs (dated January 2009) and shown in Table 17 and Figure 18 below.

Table 17. USPS facility water use and intensity since FY 2007 baseline

	Water cost (\$ thousands)	Water volume (million gal)	Water intensity (gal/SF)	Water intensity change from FY 2007
FY 2007	\$29,285	5,456	19.347	
FY 2008	\$30,308	5,454	19.550	1.05%
FY 2009	\$31,217	5,650	19.315	-0.165%

Figure 18. Facility water use: past and projected performance



Although the data we have reflects a 0.2% decrease in water intensity and a 4% increase in absolute water use from FY 2007 to FY 2009, we believe this is not highly accurate due to shortcomings of the unit-cost based estimating approach, which converts total spending on water to total water use using an average annual water gallon/dollar cost conversion factor.

In our analysis subsequent to submitting the DOE annual report, we found that our actual costs have grown much faster than the national average unit-cost conversion factor due to other fees captured on our bills such as sewage fees and other charges. We believe our water use more closely tracks the change in number of employees during the period, when our employee base decreased 10%, or with changes in gross square footage under management, which decreased 9% over the same period. We are now performing the calculations to validate this method and re-estimate our water use going back to FY 2007, using a sample of actual water use and costs at 1,500 representative facilities (out of a population of 34,000 facilities).

Our longstanding water objective is to use the minimum amount of water necessary for operations. From January-July 2010, USPS completed projects to convert toilet flush valves to low flush in numerous facilities. USPS meets all federal storm water and other applicable water-related requirements.

Existing policies, strategies and initiatives

- **USPS water efficiency and management policy:** Existing USPS water policy restricts outdoor irrigation at owned facility properties, unless a minimal amount of water is necessary to establish plantings or prevent fire hazards. The total volume of water used for outdoor irrigation and landscaping is extremely small. Facility heads are responsible for regular inspection of water leaks and reporting them to their local Facilities Service Office (FSO) for evaluation and repair. Irrigation systems are to be used sparingly and eliminated when possible. All water-related repairs and upgrades within existing buildings are to use WaterSense™ fixtures when practical. An evaluation of water saving opportunities is included in regularly scheduled, comprehensive facility energy audits, and all viable opportunities are considered for implementation, depending on the potential financial and environmental return on investment. All newly-constructed facilities are required to use WaterSense™ fixtures and are not permitted to irrigate outdoor property after initial establishment, unless a minimal amount of water is necessary to establish plantings or prevent fire hazards.

- **Related policies, guidance standards, procedures, and plans:** USPS continues to operate as it has for many years according to procedural documents stringently governing water use in both existing buildings and new construction, including:
 - U.S. Postal Service National Energy Management Strategy.
 - Handbook AS-503, Standard Design Criteria, and related design and construction standards incorporated into a comprehensive set of Building Design Standards (BDS).
 - Handbook AS-554, Water Reference Guide.
 - Handbook AS-554-A, Water Management Guide for Facility Managers.
 - Handbook AS-554-B, Water Conservation Guide.
 - Handbook AS-554-C, Vehicle Washing Technologies.
 - Handbook AS-554-D, Water Permitting Guide.
 - Management Instruction EL-890-2007-6, Water Quality Management.

- **Facility water reduction strategies:** USPS will continue to implement our approach to consolidate underused facilities and streamline processing operations, resulting in fewer facilities in active use and, therefore, less water consumed. We are also actively engaging employees to help us conserve water. Refer to the employee engagement section of this SSPP to see our approach to engaging employees to help us reduce water use at least 10% in the facilities where they work. Strategies include raising awareness, tracking monthly use, and implementing low- and no-cost water conservation practices at all facilities.

Summary of ongoing initiatives

Table 18. Summary of ongoing initiatives

Goal	Lead office	Initiative
Water Use <i>10% reduction by FY 2015</i>	Network Operations	Continue area mail processing, mail transport equipment service center, and remote encoding centers consolidations.
	Facilities	Issue sustainable building implementation plan operations guidance.
		Reassess water use and intensity performance metrics using revised estimating methodology.
		Implement viable water conservation upgrades and retrofit projects
	Sustainability	Enter 1,500 facility water bills into UMS and track monthly.
		Deploy Lean Green Teams.
		Deploy Lean Green Team water performance dashboard

Planned actions

July-December 2010

- Increase tracking actual water cost and consumption to approximately 2,000 facilities.
- Implement low- and no-cost water conservation practices by establishing Lean Green Teams. Baseline water use at each participating site to establish annual reduction targets and track baseline against implementing conservation projects.
- Establish sustainable building implementation plan operations guidance.

January-June 2011

- Begin tracking total gallons of water use and water use per full-time employee and per gross square footage using revised estimating approach.
- Provide Lean Green Team performance dashboard that tracks water use against goals and best in USPS performance.
- Establish best in class water use per full-time employee and gross square footage as appropriate for different types and sizes of USPS facilities.
- Explore establishing regional water goal ties to regional water availability.
- Continue implementing low- and no-cost water conservation practices through employee “Lean Green” teams.
- Expand sustainable building implementation plan guidance and facility adoption.

FY 2011 and longer term

- Perform comprehensive energy/water audits on approximately 25% of our EISA designated covered facilities to identify water-conservation opportunities.
- Implement water upgrades with favorable financial and environmental benefits.
- Continue to track gallons of water use per full-time employee per year.
- Continue to track gallons of water per gross square foot.
- Evaluate the need to establish reduction goals related to water intensity and total employee complement.

7. Employees

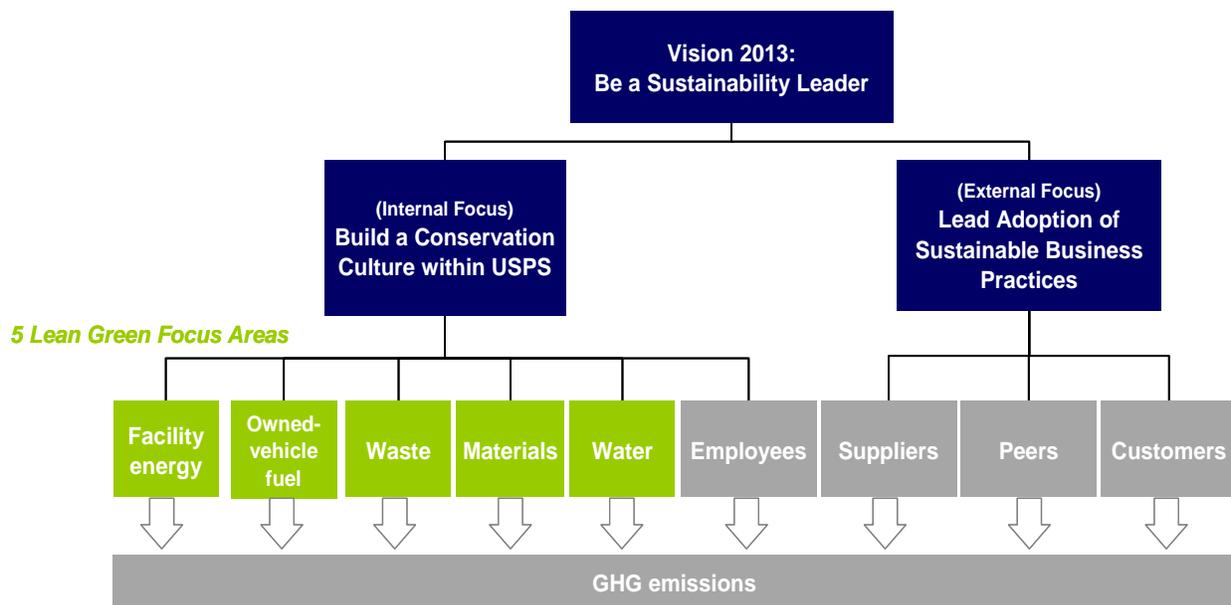
Background

This “Employees” focus area relates to both internal and external sustainability performance. Internally, by enabling employees to make sound sustainability decisions we help create a USPS conservation culture. Externally, employees can adopt sustainability practices at home and in their communities. The primary vehicle for engaging employees on sustainability is by rolling out lean green teams through the *Lean Green Initiative*.

Goal description and rationale

The Lean Green Initiative is a program that focuses on broad-based employee education and engagement, allowing employees to take steps individually and collectively to reduce energy, fuel, materials, waste and water throughout USPS operations. These five internal focus areas, highlighted in green in Figure 19 below, help USPS build a conservation culture and work toward our corporate and facility goals of improved sustainability performance.

Figure 19. Lean green focus areas



USPS has established the following sustainability goal within the employees focus area:

- Deploy Lean Green teams to 100% of USPS districts and network distribution centers by FY 2012, against a FY 2012 baseline.

Employee engagement goal and performance summary

Goal	Deploy lean green teams to 100% of USPS districts and network distribution centers (NDCs) by FY 2012.
Baseline year	FY 2009 (pilot).
Metric	Percentage of USPS districts with at least one active site.
Interim targets	67% of USPS districts and NDCs deployed with lean green teams by FY 2011.
Data sources	Green initiative tracking tool (online tool that facilities complete to capture participation).
Responsible offices	Office of Sustainability.
Baseline performance	N/A.
Recent performance (FY 2009)	13% (11 of 83) districts have at least one active site.
Difference in performance (FY 2010 to FY 2012)	87%.
Potential cost savings (FY 2010 to FT 2012)	\$200 million.
Potential MMT CO₂eq (FY 2010 to FY 2012)	Lean green teams will generate GHG savings in facility energy, owned-vehicle petroleum use, waste, water focus areas and consumables spending. Therefore, savings are omitted to avoid double-counting.

Past and projected performance

In April 2009, USPS piloted the Lean Green Initiative at two headquarters facilities and eight area headquarters facilities to validate the concept and savings potential, as well as to lead by example. These locations generated an average \$500,000 in annual savings across the five impact areas, compared to the corporate average performance for the same period last year.

In November 2009, we expanded the lean green initiative to 11 districts and network distribution centers. As of June 2010, the program design is complete and deployment to individual districts is underway.

In the past six months (Jan 2010-June 2010), we refined the Lean Green Initiative program design and developed key tools to support the national rollout. Specifically, USPS:

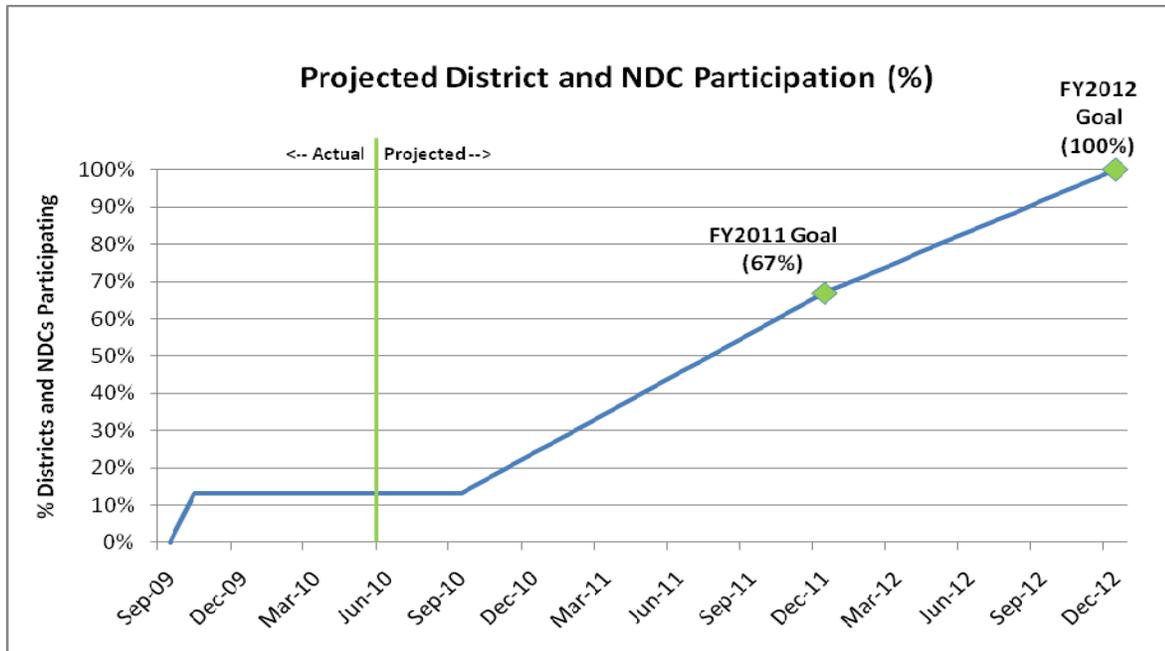
- received leadership approval and buy-in through the formation of the Sustainability Leadership Committee, a cross-functional group of officers and managers that help set

the sustainability strategic vision, and the Lean Green Steering Committee, a cross-functional group that supports lean green initiative day-to-day operations.

- captured lessons learned and quantified results from pilot locations.
- developed and documented overall deployment strategy.
- designed the lean green dashboard, which will report green team results by facility.
- developed the national communication strategy.

The following figure shows the projected district and network distribution center participation from FY 2009 to FY 2012 if we achieve deployment milestones. A district or NDC is participating if it has at least one active site in the initiative. Figure 20 projects straight line performance toward the FY 2011 67% interim performance target and the FY 2012 100% deployment goal.

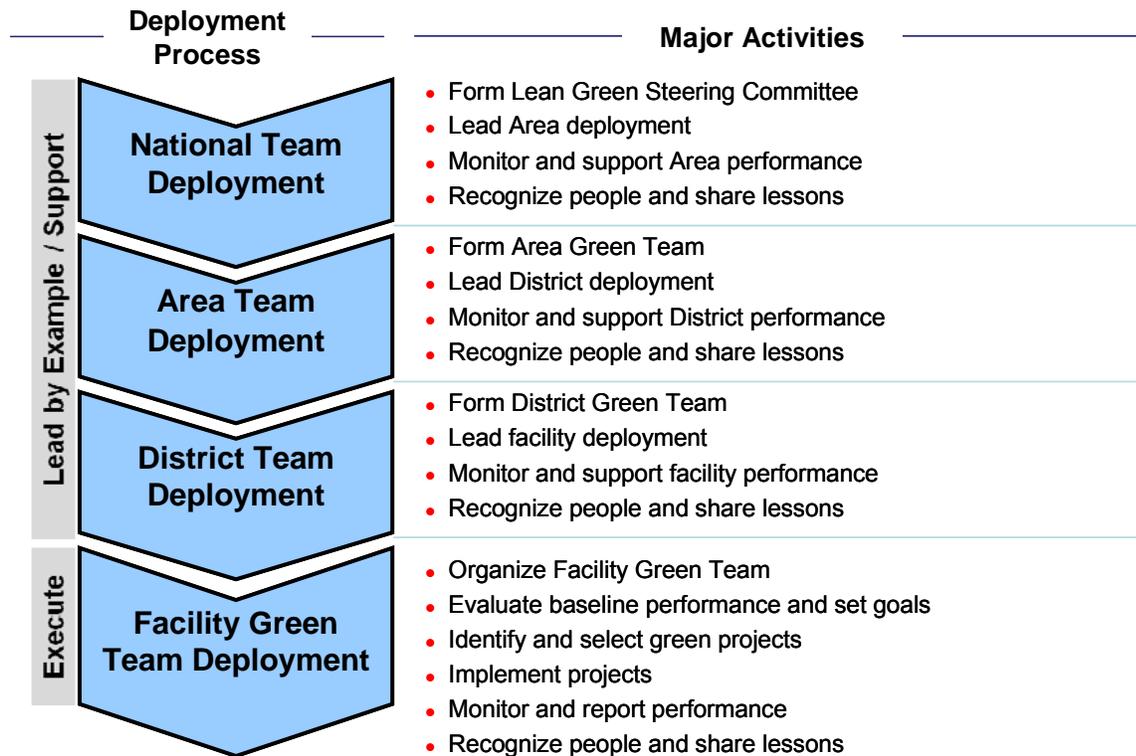
Figure 20. Projected lean green team performance



Existing policies, strategies and initiatives

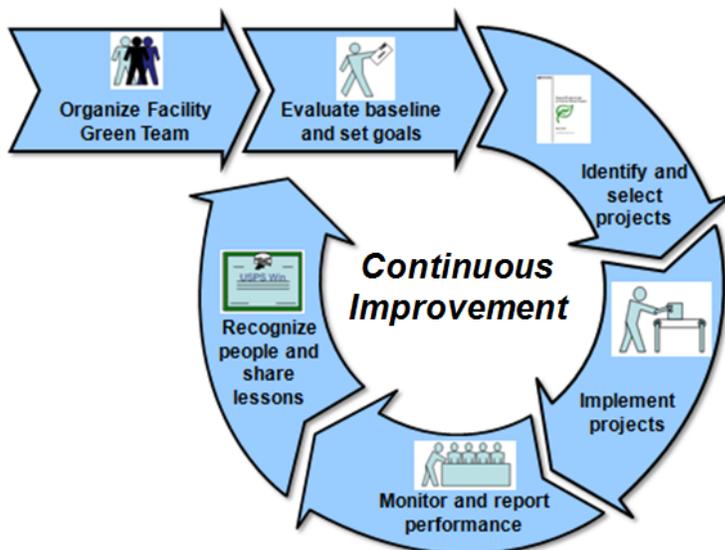
The intent of the Lean Green Initiative is to form green teams at all appropriate facilities to implement low/no cost green projects from a standardized list of approximately 45 projects. The deployment will start at the national level and flow to the area, district, and facility green teams. It is at the facility level where implementation and results occur. The role of the national, area and district green teams is to support the facilities and lead by example.

Figure 21. Lean green deployment process



At the facility level, facility green teams will cycle through a process of continuous improvement by selecting and implementing low/no cost green projects to meet their annual goals.

Figure 22. Lean green deployment process



Using the lessons learned from the pilot, we developed tools and documents to support the facility green teams. These tools standardize deployment and provided detailed steps and toolkits for implementation. From a program-wide standpoint, the tools scale deployment to allow us to meet our FY 2011 and FY 2012 goals.

Table 19. Lean green development and implementation tools

Tool	Description
Lean green guide	An overview of the lean green initiative and “how to” guide for planning, implementing and monitoring green facility projects.
Lean green project list	A list of over 45 projects that have been identified as high-impact and low-effort across a variety of facility types and sizes.
Blue, LiteBlue, Blueshare	Internal employee communication and collaboration tools for lean green initiatives.
Lean green dashboard	A snapshot of performance against core sustainability metrics at a program, area, district and facility (six digit finance number) level using CEI/Microstrategy
Green initiative tracking tool	An online tool used to capture current status from each green team which is then used for the dashboard.
Lean green presentations/briefings	Presentations that provide an introduction, kick off the initiative from the area to the district, and kick off the initiative from the district to the facility.
Memos	A formal letter template to introduce the initiative from area vice presidents to district managers, or district managers to facility managers
Online training	Two online training modules. The first provides a 30-minute green team orientation, and the second provides an introduction to sustainability.
Project identification and selection workshop	A one-day workshop to identify facility-specific sustainability improvement opportunities. Intended for larger facilities.
Zip forward events	3.5-day workshop to help teams start the lean green initiative. Intended for larger facilities.
Recognition awards	Awards to recognize exemplary performance.

Table 20 depicts a summary of ongoing initiatives for rolling out Lean Green Teams.

Table 20. Ongoing employee engagement initiatives

Goal	Office	Initiative
Employees <i>Deploy Lean Green Teams to every district by FY 2012</i>	Sustainability	Kickoff the lean green initiative to the Pacific area.
		Kickoff the lean green initiative to the remaining areas.
		Develop the lean green dashboard, which will display initiative results at the national, area, district and facility levels.
		Develop training materials to inform and educate green teams and employees about sustainability.
		Recognize performance through formal awards (PMG Sustainability Excellence, lean six sigma sustainability project award, etc.).
		Develop communications toolkit for facilities.
		Further refine tools and deployment approach following first full year.
		Continue expansion to more districts and facilities

Planned actions

July-December 2010

- Kickoff the Lean Green Initiative to the Pacific area.
- Kickoff the Lean Green Initiative to an additional 43 districts to meet the 67% interim performance target.
- Develop the lean green dashboard, which will display initiative results at the national, area, district and facility level.
- Develop training materials to inform and educate green teams and employees about sustainability.
- Recognize performance through formal awards (PMG Sustainability Excellence Award, lean six sigma sustainability project award).

January-June 2011

- Develop communications toolkit for facilities.
- Further refine tools and deployment approach following first full year.
- Continue expansion to more Districts and facilities.

Longer term

- Continue expansion to remaining Districts and facilities

8. Suppliers

Background

As a sustainability leader, USPS has both an internal and external focus. Our internal focus is on building a conservation culture, including reducing environmental impact and improving operational efficiencies while reducing costs. Our external focus is leading the adoption of sustainable business practices by helping our customers, industry and government peers, the communities in which we serve and our supply chain partners to adopt more sustainable practices.

USPS is working diligently with our supply chain partners to help them understand, identify and take action on sustainability opportunities, particularly those that can also provide financial and environmental benefits to USPS, while also helping us reduce our scope 3 GHG emissions.

USPS spends approximately \$13 billion annually for the purchase of transportation, supplies, services, equipment and facility-specific buys. These purchases are primarily made through contractual actions with approximately 20,000 suppliers, and are managed by the USPS Supply Management organization.

Supply Management's mission is to link with business partners to deliver timely, flexible and lean supply-chain solutions. A key objective that helps support this mission is to build socially responsible and sustainable supply chains.

USPS has identified three new supplier focused sustainability goals to drive the continued expansion of sustainability through out the extended supply chains that support USPS :

1. Reduce contract transportation petroleum fuel use 20% by FY 2020 (FY 2008 baseline).
2. Require suppliers with current contract commitments of over \$500,000 to provide sustainability data by FY 2015 (FY 2011 baseline).
3. Include standard USPS sustainability clauses in new contract actions by FY 2015 (FY 2011 baseline).

Contract transportation fuel use reduction: goal description and rationale

Nearly 79% of the Postal Service's petroleum fuel use and 60% of its total energy use is associated with contract transportation providers. In FY 2009, USPS suppliers consumed 568.63 million GGE of petroleum fuel at a cost of more than \$1 billion. Contract transportation is a significant portion of our organization's total GHG emissions (scope 1, 2, and select scope 3), accounting for 36% of our total GHG footprint of 14.7 MMT CO₂-e in FY 2008.

Because contract transportation petroleum fuel makes up such a large percentage of our annual energy use and financial spending, there is potential for significant fuel and cost savings, as well as potential for reductions in our scope 3 GHG emissions^{xiii}. The Postal Service believes that establishing an explicit goal in this area is important to support our goal of leading by example and also to help improve sustainability in our supply chain.

^{xiii} Please see the preceding "GHG" focus area discussion, chapter 1, for detailed information on USPS GHG emission reduction goals, including a 20% select scope 3 emissions reduction by FY 2020.

Therefore, USPS has established the following sustainability goal within the suppliers focus area:

- Reduce contract transportation petroleum fuel use 20% by FY 2020, against a FY 2008 baseline.

A baseline year of FY 2008 was chosen to maintain consistency with the base year used for our FY 2020 GHG select scope 3 emissions goal.

Contract transportation fuel goal and performance summary	
Goal	Reduce contract transportation petroleum fuel use 20% by FY 2020.
Baseline year	FY 2008.
Metric	Million GGE of petroleum.
Interim targets	TBD.
Data sources	USPS Corporate Energy Interface report.
Responsible offices	Network Operations.
Baseline performance (FY 2008)	580.13 million GGE.
Recent performance (FY 2009)	568.63 million GGE (FY 2009). 5.33 MMT CO ₂ -e (FY 2008).
Difference in performance (FY 2009 to FY 2020)	104.53 million GGE per year.
Potential cost savings (FY 2009 to FY 2020)	\$215 million-\$350 million per year.
Potential carbon reduction equivalent (FY 2009 to FY 2020)	0.7-1.2 MMT CO ₂ -e (scope 3).

Past and projected performance

In FY 2009, USPS suppliers consumed 568.63 million GGE of petroleum fuel. Between FY 2008 and FY 2009, contract transportation fuel use decreased by 1.98% from 580.13 million GGE to 568.63 million GGE. USPS must reduce our petroleum fuel use by a total of another 104.53 million GGE (18.02%) over the next 10 years to meet our FY 2020 reduction goal of 20%.

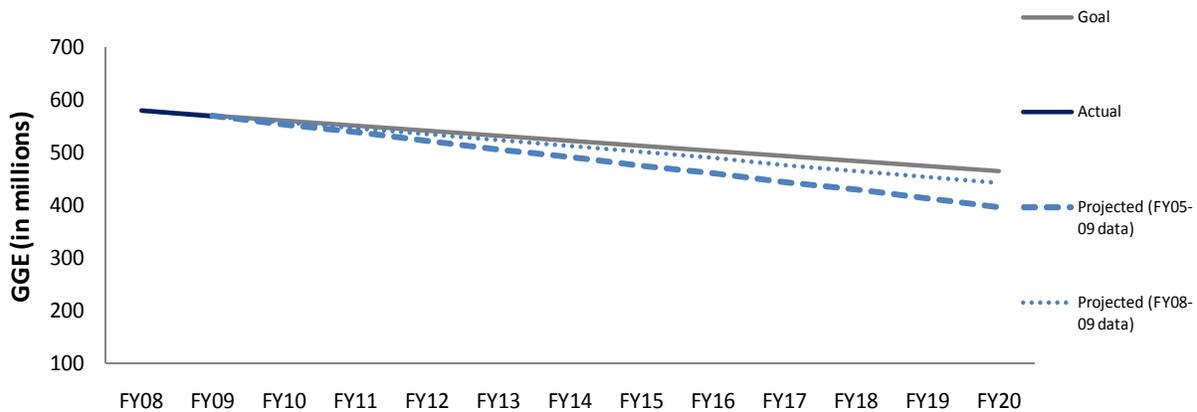
Table 21 summarizes past contract transportation petroleum fuel use. Figure 23 illustrates past performance and projected performance towards our FY 2020 reduction goal.

Table 21. Contract transport petroleum use: FY 2008-FY 2009

Fiscal Year	Contract transport petroleum use (million GGE)	Change from FY 2008 (%)
FY 2008	580.13	
FY 2009	568.63	-1.98%

USPS is currently implementing a number of initiatives to meet this goal, including building and network consolidations and replacement of private vehicles on rural routes. However, USPS may not meet its goal without identifying additional initiatives. See the discussion in “planned actions” section below.

Figure 23: Contract transport petroleum use: past and projected performance



Existing policies, strategies and initiatives

The *U.S. Postal Service National Energy Management Strategy* includes guidance on making all USPS contract vehicles as energy and fuel efficient as life-cycle cost effective, and reducing total operating costs to achieve mandated energy and fuel reduction goals. This policy focuses on reducing consumption and costs, while supporting continuity of operations, and identifies energy goals, objectives and strategies for all aspects of suppliers. Policies and guidance standards related to contract fuel use include the *USPS Fuel Management Strategy* and the *U.S. Postal Service Policy for Vehicle Idling*, section 245.27 of *Handbook PO-701, Fleet Management*.

Contract vehicle petroleum use reduction strategies and initiatives:

Contract fuel use is primarily the responsibility of the supplier that provides the transport service. USPS does track contractor fuel use at the transaction level via its Voyager fuel card. In general, the USPS fuel management strategies are described in its *National Energy Management Strategy* and include the following.

- Optimize the logistics network to reduce number of routes and total miles driven.** A key strategy for reducing USPS contract transportation petroleum use and costs is through optimized logistics. Optimizing the number and location of our mail processing centers also optimizes the number and length of mail transport routes. Consolidating processing operations will decrease the amount of transportation needed and increase the density of tractor containers to better utilize transportation capacity. The Postal Service is making these decisions while taking into account a variety of business imperatives and plans, including impact on energy use and fleet management. As such, another strategy is to maintain transaction level records of all contract fuel use to collect and track the impacts of USPS logistical decisions.
- Track and report contractor fuel use.** Contract fuel tracking via our corporate Voyager card and reporting it via our corporate energy interface ensures that USPS is aware of trends and events that impact fuel consumption and related spending. It provides the ability to assess, in near real time, the impact of rising fuel prices. In FY 2009, USPS began tracking and reporting monthly contract fuel use by type and by location to compare current fuel consumption and spending data to previous years' data. We use this information to identify most efficient practices and benchmark supplier performance.
- Move mail from air to ground transport where cost effective and service levels are maintained.** Rail and truck transport cost less, are more fuel efficient and have a lower carbon emissions per ton of material transported. As such, we will look to move mail whenever possible from our air transport network into our ground transport network.
- Partner with suppliers to engage drivers and adopt cost-effective practices to reduce fuel use.** USPS also is partnering with its key suppliers to identify best practices to reduce fuel use.

Table 22 summarizes some of the ongoing initiatives and responsible lead offices:

Table 22. Summary of ongoing initiatives

Goal	Lead office	Initiative
Reduce contract transportation petroleum fuel use 30% by FY 2020	Engineering	LLVs to rural routes.
	Sustainability	Five-day initiative.
	Network Operations	MTEESC network realignment.
	Expedited Shipping	Cubic pricing for commercial shipments.
	Ground Shipping	Assess ground vs. air.
	Supply Management	HCR fuel technology improvements.
		Fuel price strategic management.

Planned actions

July-December 2010

- Refine Corporate Energy Interface monthly reports to better track monthly petroleum-based fuel use.
- Partner with STAR route^{xiv} suppliers to identify opportunities to reduce fuel use.
- Continue network route and facility optimization efforts as part of the USPS 2020 operations strategy being refined in August 2010.
- Additional items to be developed by Supply Management and Network Transportation Operations steering teams.

January-June 2011

- Continue network route and facility optimization efforts as part of the *USPS 2020 Operations Strategy* being refined in August 2010.
- Additional items to be developed by Supply Management and Network Transportation Operations steering teams.

Longer term

- Continue network route and facility optimization efforts as part of the *USPS 2020 Operations Strategy* being refined in August 2010.
- Additional items to be developed by Supply Management and Network Transportation Operations steering teams.

Supplier sustainability data: goal description and rationale

Given both the size of the USPS supplier network and the relative purchasing power of the Postal Service, there is potential to influence our suppliers in reporting and improving their sustainability performance – a key element of our *Vision 2013* commitment to help external stakeholders adopt and improve their sustainable business practices.

Several corporate sustainability leaders have been successful in influencing their supply chain partners in this way. IBM recently announced a set of supplier sustainability targets focused on energy use, GHG emissions, and waste management among its 30,000 suppliers, which represents an initial step in driving sustainability performance in IBM's supply base. Wal-Mart continues to work with its suppliers to take inventory of ingredients, understand behaviors and processes throughout the entire life cycle of products that its Wal-Mart stores sell to customers.

USPS wants to conduct business with other companies that have shared values and a commitment to operate responsibly and with regard to improving their long term environmental, social and financial sustainability performance. USPS feels that it can influence its suppliers' understanding of and ability to improve their sustainability performance in a way that can benefit both the USPS and its supply chain partners.

^{xiv} "Star Routes" were renamed Highway Contract Routes in 1970 but are still commonly referred to as "Star," the original name.

To these ends, USPS has recently established a new supplier goal in this area:

- Require suppliers with current contract commitments of over \$500,000^{xv} to provide sustainability data by FY 2015, against a FY 2011 baseline.

USPS believes that this goal and the information that will be captured creates transparency and visibility into what sustainable products the USPS is purchasing from our suppliers along with visibility of the sustainable practices our suppliers are implementing in their supply chains. In areas where we see opportunities to share leading practices between suppliers we will do so and thus promote the overall improvement in sustainable supply chains.

Supplier sustainability data goal and performance summary	
Goal	Require suppliers with current contract commitments of over \$500,000 to provide sustainability data by FY 2015.
Baseline year	Program will be launched in FY 2010 and a baseline will be established in FY 2011.
Metric	Percent of suppliers in compliance with reporting requirements (%).
Interim targets	TBD.
Data sources	New supplier sustainability reporting system that will be implemented in FY 2011.
Responsible offices	Supply Management.
Baseline performance	FY 2011.
Recent performance	N/A.
Difference in performance (FY 2011 to FY 2015)	N/A.
Potential cost savings (FY 2011 to FY 2015)	N/A.
Potential carbon reduction equivalent (FY 2011 to FY 2015)	N/A.

^{xv} The requirement to report sustainability data will mirror the requirement to report small, minority and women-owned (SMWOB) subcontract reporting requirements that have already been implemented with the USPS supplier community. This SMWOB reporting requirement excludes small businesses from having to report. The alignment of this goal with the SMWOB reporting requirements will enable similar reporting practices, timelines, system use and training with the supplier community.

Past and projected performance

USPS has been piloting the gathering of supplier sustainability data through a manual survey process for the past few years. The results are:

- FY 2007: Sustainable spending of \$251 million based on contractual spending of \$503 million.
- FY 2008: Sustainable spending of \$269 million based on reported spending of \$552 million.
- FY 2009: Sustainable spending of \$250 million based on reported spending of \$525 million.

USPS projects that with this goal and the new data capture system, our sustainability spending will significantly increase.

Existing policies, strategies and initiatives

USPS developed a green purchasing policy^{xvi} in 1996, and released a more comprehensive *Green Purchasing Plan: 2008-2010* in November 2008. This plan, a joint effort between our Supply Management and Environment Policy and Programs organizations, establishes a green purchasing program, and outlines a long-term, proactive approach to pollution prevention, waste minimization and management through the purchase of environmentally preferred products and services. The plan provides USPS purchasing professionals and their internal business partners with the business practices and tools necessary to evaluate and implement green purchasing strategies at the national and local level.

This new sustainability goal builds upon the foundation outlined in the *Green Purchasing Plan*.

Planned actions

July-December 2010

- Secure funding for sustainable supplier data capture system.
- Finalize requirements.

January-June 2011

- Review with supplier community to obtain input.
- Design, build and test solution.
- Deploy solution to pilot suppliers.

Longer term

- Finalize policies and contractual terms and conditions.
- Incorporate contractual terms and conditions into new contract actions.
- Full implementation to required suppliers by FY 2015.

^{xvi} Described in *Postal Service Handbook AS-552 – Pollution Prevention Guide*.

Supplier contracts with sustainability clauses: goal description and rationale

In addition to requesting sustainability data from its suppliers, USPS is beginning to develop standard sustainability clauses that will be included in each new contract action. USPS has recently established a new sustainability goal in this area:

- Include standard USPS sustainability clauses in new contract actions by FY 2015 (FY 2011 baseline).

This goal is intended to engage suppliers and ultimately encourage improved supplier sustainability performance. Although this information will not explicitly mandate suppliers to become more sustainable, it will communicate the Postal Service’s expectations for sustainability performance to all suppliers.

Supplier contract clause goal and performance summary	
Goal	Include standard USPS sustainability clauses in new contract actions by FY 2015 (FY 2011 baseline).
Baseline year	Program will be launched in FY 2010 and a baseline will be established in FY 2011.
Metric	Percent of new contract actions in compliance (%).
Interim targets	TBD.
Data sources	Contracting systems (CAMS, TCSS and eFMS).
Responsible offices	Supply Management.
Baseline performance (FY 2011)	TBD.
Recent performance	N/A.
Difference in performance (2011 to 2015)	N/A.
Potential cost savings (FY 2011 to FY 2015)	N/A.
Potential carbon reduction equivalent (FY 2011 to FY 2015)	N/A.

Past and projected performance

This new program will be launched in FY 2010 and a baseline will be established in FY 2011.

Existing policies, strategies and initiatives

USPS developed a green purchasing policy in 1996, and released a more comprehensive *Green Purchasing Plan: 2008-2010* in November 2008. This plan establishes a green purchasing program, and outlines a long-term, proactive approach to pollution prevention, waste minimization and management through the purchase of environmentally preferable products and services. The plan provides USPS purchasing professionals and their internal business partners with the business practices and tools necessary to evaluate and implement green purchasing strategies at the enterprise and local level.

This new sustainability goal builds on the foundation outlined in the green purchasing plan.

Planned actions

July-December 2010

- Draft policies and contractual terms and conditions.

January-June 2011

- Review with supplier community to obtain input.

Longer term

- Finalize policies and contractual terms and conditions and incorporate into contracting systems.
- Full implementation and reporting for all new contract actions to ensure clauses are incorporated into new contract actions.

9. Customers

Background

In *Vision 2013*, USPS committed to be a sustainability leader. This role extends beyond our own operations, including helping our suppliers, government and corporate peer organizations and customers to adopt sustainable practices and improve their sustainability performance.

It is important to note that the Postal Service does not receive direct appropriations for its operations and must fund all initiatives with revenues generated from the sale of its products and services. Therefore, sustainability at the Postal Service is very focused on creating long-term value for our customers. Mail volume continues to decline as more people use the Internet and e-mail for business formerly done through the mail. For our revenues to stabilize, we must increase the loyalty of current customers, while creating new solutions that meet the needs of tomorrow's customers.

By offering sustainable products and services, and encouraging more sustainable customer behavior, we can engage customers in our environmental activities to help us maintain market share, as well as attract new and younger customers. In recent market research, 31% of potential USPS shipping customers said that they would be more likely to use the Postal Service if we offered specific green services.

Customer preference for our green products and services has been maintained through the recent economic crisis. A June 2010 poll by Harris Interactive finds that despite tough economic conditions and an unpredictable future, the vast majority of consumers who purchase sustainable products said that economic conditions either did not change their purchasing behavior, or actually drove them to purchase more sustainable products.

Goal description and rationale

Postal Service customers want their products to be environmentally and socially responsible, and have an expectation that USPS will offer sustainable or "green" product and service options. In addition, USPS competitors have recently started offering "green" shipping products and services (DHL's GoGreen line, UPS's CarbonFree).

USPS continues to work to offer more green products and services, and engage customers on adopting more sustainable practices. Examples of existing USPS services that are more sustainable include many online services such as ClickandShip[®], Change of Address Online, and ordering stamps and boxes online. These services enable our customers to skip the trip to the Post Office by having a letter carrier pick up or drop off materials at their homes or businesses, eliminating the need to use their own vehicle and gas.

To continue our demonstrated sustainability leadership and to help our customers adopt more sustainable practices, USPS has established a new sustainability goal:

- Offer customers a range of sustainable products and services by FY 2012, including at least two new customer offerings.

Customer goal and performance summary

Goal	Offer customers a range of sustainable products and services by FY 2012, including at least two new customer offerings.
Baseline year	FY 2009.
Metrics	Metrics TBD, but may include a mix of related product data, such as: 1) % revenue growth in green-branded product or service offerings. 2) % growth in online transactions (Click-N-Ship, online change-of-address). 3) % of USPS-branded Cradle to Cradle® certified product lines.
Interim targets	TBD.
Data Sources	1) USPS accounting system. 2) USPS accounting system. 3) Office of Sustainability CtoC tracking system.
Responsible offices	Mailing and Shipping Services, Office of Sustainability.
Baseline performance (FY 2009)	1) No data. 2) % online transactions in FY 2005 (49.8%). 3) ND (FY 2009 count of CtoC certified products = 799.5 million products – percentage of total not calculated).
Recent performance (FY 2009)	1) No data . 2) % online transactions FY05 (30%) to FY09 (49.8%). 3) No data (FY 2009 CtoC certified products = 799.5 million products).
Difference in annual performance to goal (FY 2009 to FY 2012)	TBD.
Potential annual cost savings (FY 2009 to FY 2012)	TBD.
Potential carbon reduction equivalent (FY 2009 to FY 2012)	TBD.

Past and projected performance

This is a newly-established goal and USPS will be developing base-year performance data in the fourth quarter of FY 2010. Our detailed online transaction and CtoC certification performance is shown in the figures below.

Figure 24. USPS online transactions

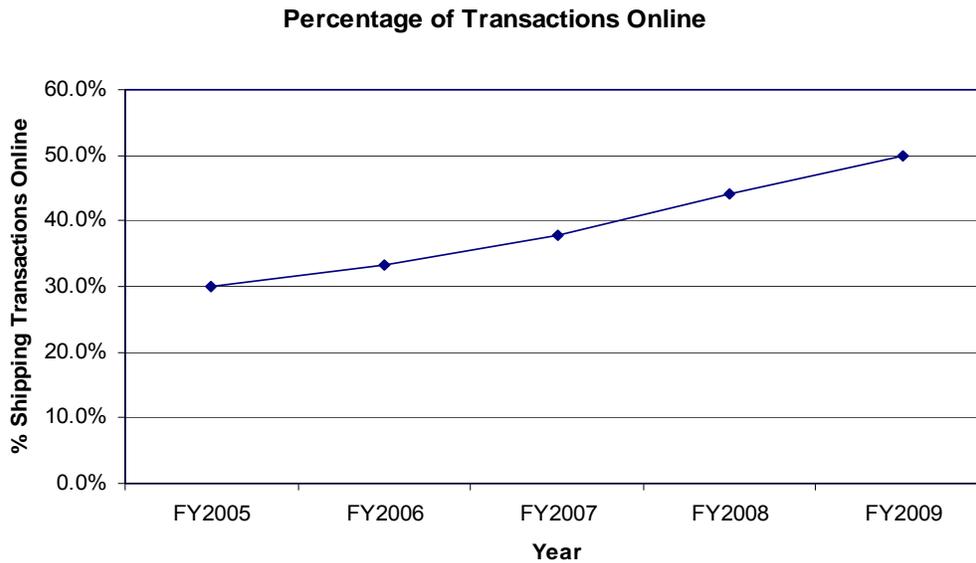
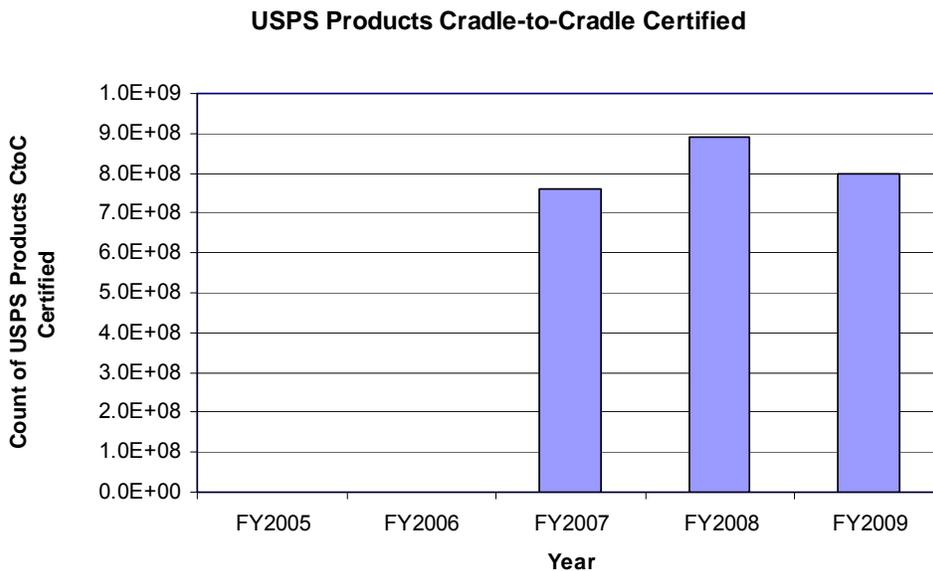


Figure 25. USPS Cradle-to-Cradle certified products



Existing policies, strategies and initiatives

Our strategies are articulated in *Vision 2013* located on usps.com. Many parts of *Vision 2013* are based on initiatives that are familiar, and in many cases have already begun. However, for USPS to succeed in the future in sustainable products and services, we must explore new ideas. USPS is rapidly increasing its use of the Internet to build our business. We are collaborating more effectively internally and externally to become more innovative, and we have taken a leadership role in helping the postal industry become more environmentally sustainable.

We are creating a more customer-friendly **usps.com** and new mobile applications that offer immediate access to postal information and services. We are designing mailing and shipping services that are both environmentally responsible and that enable our customers to green their shipping and mailing operations. The following sections summarize our ongoing and planned actions.

Table 23. Summary of ongoing initiatives

Goal	Office	Initiative
Customers <i>Offer range of sustainable products/services by FY 2012 (at least two new offerings)</i>	Ground Shipping	Green shipping.
		Parcel Select growth.
		Parcel Return Service.
		New recovery and recycle service.
		USPS-branded returns/recycling.
	Sustainability	Maintain CtoC certification of Priority Mail and Express Mail.
		Assess feasibility of USPS carbon accounting and carbon neutral product lines.
		Conduct annual surveys of customer green preferences for mailing.
		Maintain CtoC certification for all products.
		Maintain <i>usps.com/green</i> customer outreach.

Planned actions

July-December 2010

- Complete nationwide market research on customer shipping preferences for carbon accounting and carbon offsets.
- Complete peer-review of proposed USPS product carbon accounting services and carbon offset methodology.
- Conduct launch of Cradle to Cradle certification for stamps and stamp products.
- Conduct Cradle to Cradle recertification visit to tier 1 manufacturing sites for Priority Mail, Express Mail and Ready Post product lines.
- Assess percentage of postal-branded products that are CtoC certified.

January-June 2011

- Present proposed USPS product carbon accounting services and carbon offset methodology.
- Launch recycle return service with at least one client.

Longer term

- Present proposed USPS product carbon accounting services and carbon offset methodology.
- Optimize product ingredients to achieve higher CtoC level as appropriate.
- Launch a recycle return service offering with at least one additional client.
- If approved, offer carbon accounting for all USPS products and services.
- If approved, offer carbon offsets for competitive USPS products.

10. Peers

Background

The Postal Service has committed to be a sustainability leader. This leadership role extends beyond our own operations, to helping our customers and suppliers adopt more sustainable practices and improve their sustainability performance, as well as to benchmarking our sustainability performance against peer organizations.

Given our size and unique position as the only organization that provides mail service to every address in America, it is challenging to identify appropriate peers for benchmarking our sustainability performance.

Based on employee headcount, Walmart is among the Postal Service's closest corporate peers, while customers typically view UPS and FedEx as our primary mailing industry peers. Although USPS is also often compared to other federal government agencies, our organization is vastly different because we charge customers for our products and services and do not receive tax dollars to fund our operations. Therefore, gauging sustainability performance against any one group of industry or governmental peers is difficult.

However, in 2008, USPS joined the International Post Corporation (IPC) and 16 other member postal organizations to create and launch the postal sector Environmental Measurement and Monitoring System (EMMS), a transparent, scientific, sector-specific carbon measurement and monitoring system developed for the postal industry in collaboration with sustainability experts at IPC member postal operators. The IPC is a cooperative association of 24 member postal operators in Europe, North America and the Asia-Pacific region, which is dedicated to improving service quality, promoting cooperation among posts, and providing informed information about the postal and related markets.

The EMMS serves as a common framework for members to measure and benchmark their carbon management proficiency (CMP) across 10 areas — principles and standards, policies and procedures, management, strategies, targets, activities and programs, employee engagement, measurement and verification, disclosure and reporting, and value chain management.^{xvii}

The EMMS enables member postal operators to share knowledge on carbon management practices and provide their customers and supply chain partners with consistent carbon data regarding the role that postal services play in their supply chains. Through sharing knowledge, the entire postal industry will be able to lower its carbon footprint and address stakeholder concerns regarding their contribution to global GHG emissions.

Goal description and rationale

USPS has a longstanding history of demonstrating sustainability leadership among governmental, corporate and industry-specific peer organizations. We will continue to identify and participate in benchmarking and knowledge-sharing opportunities with these peer

^{xvii} To learn more about the IPC EMMS program, visit http://www.ipc.be/en/Services/Sustainability/~/_media/Documents/PUBLIC/Sustainability/Sustainability%20Report%202009_old.ashx.

organizations and agencies, and establish peer-related goals that advance our sustainability performance, and encourage improved performance among our peers.

One such opportunity is to benchmark and set goals related to our annual performance against our postal industry peers on the IPC EMMS carbon management proficiency (CMP) scale. We have recently established the following goal in this area:

- Each calendar year (CY), USPS will outperform the annual IPC EMMS carbon management proficiency sector-wide average score from the preceding calendar year.^{xviii}

In addition to this primary goal, USPS has a subordinate goal of outperforming our CMP performance score from the previous calendar year.

USPS peer engagement goal	
Goal	To outperform the annual IPC EMMS Carbon Management Proficiency sector-wide average score from the preceding calendar year.
Baseline year	CY 2008
Metrics	USPS CMP score (%) on the IPC EMMS CMP scale compared to industry annual average CMP score.
Interim targets	Annual target.
Data sources	IPC EMMS annual benchmark analysis.
Responsible offices	Office of Sustainability.
Baseline performance (CY 2008)	USPS: 52.85% (CY 2008) — peer average 56.50% (CY 2008).
Recent performance (CY 2009)	USPS: 72.78% (CY 2009) — peer average 61.24% (CY 2009)
Difference in annual performance to goal	For CY 2010, primary goal is to achieve a CMP score greater than 60.64%. Subordinate goal is to score greater than 72.78%.

Past and projected performance

This is a newly established goal. CY 2008 was the first full program year that carbon management proficiency (CMP) scores were collected and reported by IPC. In CY 2008, we scored a 52.85%; however, our performance was less than the CY 2008 industry peer average of 56.50%.

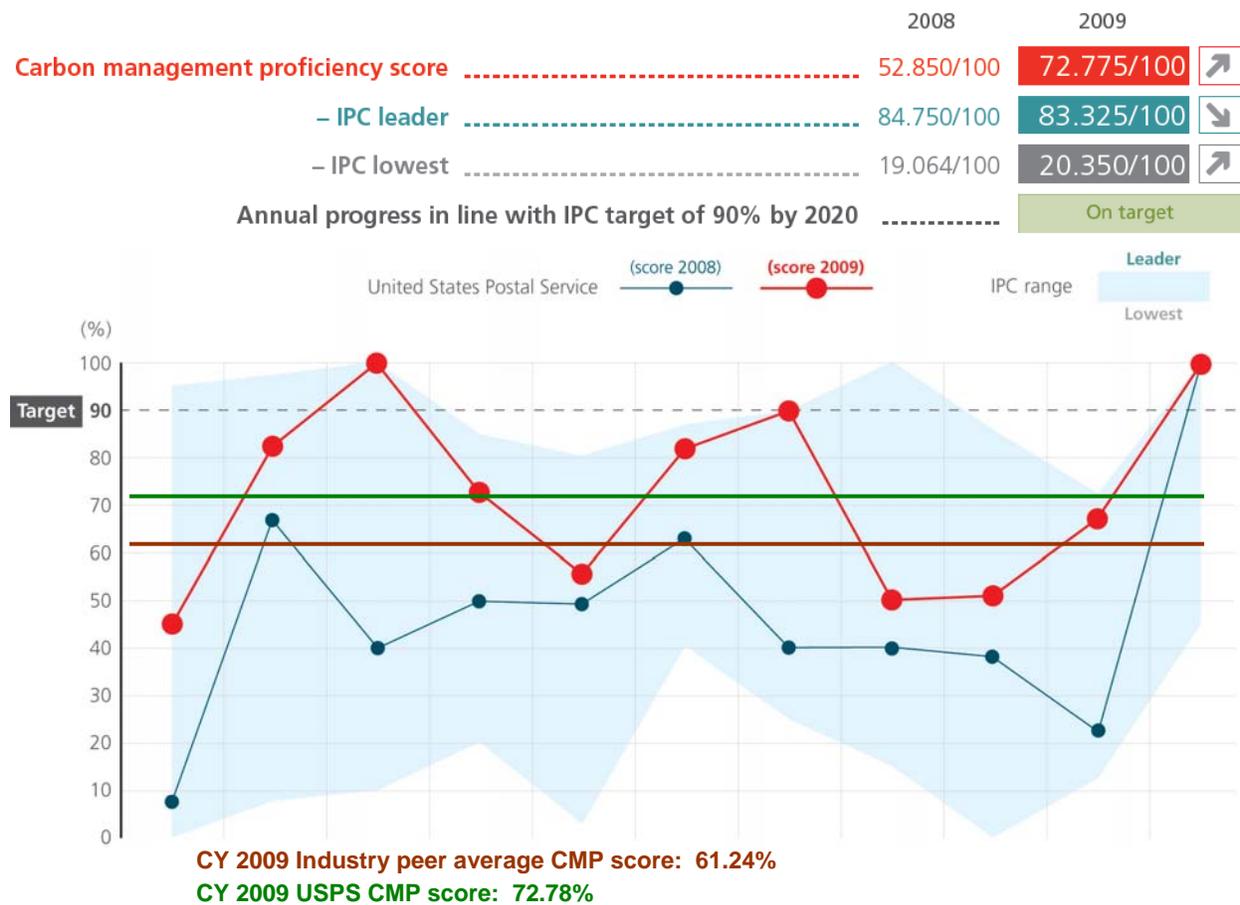
In CY 2009, we significantly improved our score from 52.85% to 72.78%, outperforming the CY 2008 industry peer average CMP score of 56.50%, and the CY 2009 industry peer average CMP score of 61.24%.

^{xviii} IPC EMMS CMP performance scores are released annually for the preceding calendar year (CY)

To meet our established goal each calendar year, USPS will need to outperform the sector-wide average CMP score from the preceding calendar year. This means that for CY 2010, USPS will need to score greater than the CY 2009 CMP peer average score of 61.24%, and to achieve our subordinate goal of improving our CMP performance score each calendar year, will need to outperform our CY 2009 score of 72.78%.

The figure below illustrates the USPS CY 2009 CMP performance score subcomponents against the industry peer average.

Figure 26. USPS CY 2009 carbon management proficiency score against industry average



Existing policies, strategies and initiatives

Our carbon management strategies are articulated within the preceding “Greenhouse Gas” focus area discussion. USPS will create a standard carbon accounting framework, institute all appropriate policies and procedures, and publically report our carbon management performance against these commitments.

Planned actions

July-December 2010

- Complete CY 2009 IPC EMMS questionnaire and assessments and submit to IPC.
- Present CY 2009 IPC EMMS assessments and related carbon metrics to USPS Sustainability Leadership Committee.
- Develop USPS work plan to achieve additional CMP scoring sub-elements to improve our overall annual CMP performance score in subsequent calendar years.

January-June 2011

- Measure CY 2010 carbon management metrics, complete CY 2010 IPC EMMS questionnaire and assessments.

Longer term

- Measure calendar year carbon management metrics, complete IPC EMMS questionnaire and assessments and submit to IPC annually.
- Develop additional IPC carbon performance peer benchmarking goals.

Section 3: USPS self evaluation

OMB SSPP self evaluation questions.	USPS FY 2010 response
Does your plan provide/consider overarching strategies and approaches for achieving long-term sustainability goals?	Yes
Does your plan identify milestones and resources needed for implementation?	Yes
Does your plan align with your agency's FY 2011 budget submission?	Not applicable to USPS since we don't submit a budget request for appropriated funds for operations.
Is your plan consistent with your agency's FY 2011 budget and appropriately aligned to reflect your agency's planned FY 2012 budget submission?	Not Applicable to USPS since we don't submit a budget request for appropriated funds for operations.
Does your plan integrate existing EO and statutory requirements into a single framework and align with other existing mission and management related goals to make the best use of available resources?	Yes
Does your plan provide methods for obtaining data needed to measure progress, evaluate results and improve performance?	Yes

USPS Planned Actions to Achieve the Strategic Sustainability Performance Plan

All USPS planned actions for working toward our 15 corporate sustainability goals over the next six months, the following six months and longer term, are described in each of the 10 preceding sustainability focus sections of this Strategic Sustainability Performance Plan.