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U.S. Postal Service Suppliers,

You are receiving this newsletter as you have registered your interest to do business with the U.S Postal Service (USPS) or your e-mail is on file as a point of contact for a current or past contract. Please share this newsletter with your colleagues within your company as it contains important supplier related information about the Postal Service.

We hope you find the recently-released information in the following articles helpful as part of our objective to keep our suppliers fully informed of all the major initiatives affecting them.

This issue is simultaneously being sent to USPS Supply Management employees for their information.

Thank you!

Postal Service Financial Results

Packages Up, Mail Down in Second Quarter



In fiscal 2015's second quarter (Jan. 1-March 31), the Postal Service's operating revenue increased \$223 million, or 1.3 percent, when compared to the same period last year.

The net loss was \$1.5 billion compared to \$1.9 billion a year ago.

The operating revenue increase was driven by a 14.4 percent increase in shipping and package volume. First-Class Mail volume declined 2.1 percent, while Standard Mail volume dropped 1.1 percent.

Controllable income was \$313 million, an increase of \$52 million over the same period last year. This increase is primarily attributed to cost-cutting initiatives and rising revenue from strong shipping and package volume.

Controllable income is defined as net income excluding retiree health benefits prefunding expenses and expenses for interest rate and other non-cash workers' compensation expenses, which are factors outside of management's control.

"We're pleased with the increase in our controllable net income compared to the same period last year, which demonstrates that our cost containment and revenue strategies are delivering results," said Postmaster General Megan Brennan.

"We also took significant steps during the quarter to improve our long-term operating model, which will help drive greater long-term efficiencies throughout our network."

Second Quarter Results of Operations Compared to Same Period Last Year

- Total mail volume of 37.7 billion pieces declined by 420 million pieces from 38.2 billion pieces for the same period last year.
 - Shipping and Package volume increased 14.4 percent.
 - First-Class Mail and Standard Mail volume declined by 2.1 percent and 1.1 percent, respectively.
- Operating revenue of \$16.9 billion increased by \$223 million or 1.3 percent.
- Operating expenses of \$18.4 billion decreased by \$160 million or 0.9 percent.

Complete financial results are available in the [Form 10-Q](#).

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USPS Receives DiversityBusiness.com Award

Named Top Government Agency for Offering Opportunities to Diverse Businesses

A multicultural business website has once again named the Postal Service the top government agency for providing opportunities to

companies owned by minorities and women. More than 1 million business owners voted in DiversityBusiness.com's online poll to determine the Div50, an annual list of the top corporations and agencies that buy products and services from multicultural businesses.

USPS has topped the government agencies category for several years.

The 15th annual list was produced by DiversityBusiness.com, the nation's leading multicultural B2B online website. More than 1.3 million businesses were asked to answer 10 questions about diversity business practices in the marketplace. Their answers were based on factors such as volume, consistency, and quality business opportunities granted to women-owned and minority-owned companies.

The Postal Service outranked NASA, the Small Business Administration, the Department of Defense, the Department of Homeland Security and others in this year's federal agency list.

The top companies and agencies were honored April 30.

The list and additional information may be accessed on the DiversityBusiness.com website.

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USPS Achieving Sustainability Goals

Report Shows Agency is Making Continued Progress

The Postal Service is reducing greenhouse gas emissions and achieving most other federal sustainability goals, according to new data.



USPS has several goals under the Sustainability and Energy Scorecard, an Office of Management and Budget initiative that directs agencies to publicly report their progress in becoming more environmentally responsible. The complete sustainability and energy goals are summarized [online](#).

Targets include reducing facility energy, water, and vehicle petroleum usage between 20 percent and 30 percent within the next five years and cutting several types of greenhouse gas emissions 20 percent by 2020.

The Postal Service is on track or ahead of schedule in each area, except for the petroleum usage goal.

"We're proud that we're making progress," said Chief Sustainability Officer Tom Day. "However, reducing overall petroleum consumption continues to be a challenge because the total number of delivery points we must travel to serve our customers continues to grow each year."

USPS delivered to 153.9 million points in 2014, up about 1 million points from a year earlier.

The aging postal delivery fleet, which is slated for replacement, also contributes to fuel inefficiency.

The Postal Service, a self-supporting organization, isn't required to meet the federal targets. However, USPS voluntarily sets goals and adopts policies to meet the requirements.

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Supplier Performance Award Winners

Businesses Honored for Contributions to USPS



The Postal Service recently honored 16 businesses for supplying the organization with outstanding service.

The Supplier Performance Award recipients are chosen from among 20,000 companies that do business with the Postal Service each year.

The honorees received awards in multiple categories, including innovation, diversity and sustainability.

Click [here](#) to see an enlarged photo and information about each of the suppliers that were honored.

"To receive one of these awards is a real accomplishment," Chief Financial Officer Joe Corbett told the recipients at a ceremony in Washington, DC.

"Speaking for the Postal Service, I can say we're one of your most satisfied customers — not only because we depend on your products and services to help us move forward, but because of your creativity and achievement."

Supply Management VP Susan Brownell, who hosted the ceremony, praised the honorees for helping USPS better serve its customers.

"Our suppliers play a vital role in helping the Postal Service grow its business by delivering quality products and services, innovation, and exceptional value," she said.

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Network Consolidation Update

Deferred Activities to Resume in 2016



The Postal Service will defer most of the plant consolidations that were scheduled to take place this summer as the final stage of its Network Rationalization Initiative.

Network rationalization is the multi-phase, multi-year effort announced in 2011 to balance mail processing infrastructure costs against current and anticipated mail volumes to right-size

the postal processing network.

The decision to extend implementation of the next phase of the initiative was based on operational considerations to ensure that the Postal Service will continue to provide prompt, reliable, and predictable service consistent with its published service standards.

Deferred consolidation activities will resume in 2016.

The Postal Service will continue to implement network efficiencies and pursue service performance improvements as it has always done.

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National Postal Forum Highlights

Annual Event Holds the Largest Gathering of People in the Mailing Industry



The National Postal Forum (NPF) is a not-for-profit educational corporation formed by a group of major postal customers nearly 50 years ago which established an ongoing relationship with the Postal Service.

Once a year, the National Postal Forum holds the largest gathering of stakeholders in the mailing industry.

This year, the focus was on how USPS uses data and analytics to drive growth in the mailing industry. Also discussed were innovative ways to enhance the value of mail.

The latest Postal Forum information and updates are available through the following links:

- [NPF 2015 Highlights](#)
- [Postmaster General Megan Brennan at NPF](#)
- The USPS presented its Partnership for Growth Award to the Mailers Technical Advisory Committee, which shares information with businesses and receives their advice and recommendations on mail-related products and services.
[MTAC Anniversary and Recognition at NPF](#)
- The USPS also presented several commercial mailers with awards for innovation and technological achievements.
[NPF 2015 National Award Winners](#)

The next National Postal Forum will be held in Nashville, TN on March 20-23, 2016.

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Cyber Security: Are You Helping to Protect the Postal Service?

Suppliers Share in Responsibility to Protect USPS Information and Networks



Cybercriminals are hard at work 24/7, 365 days a year trying to steal government, corporate, and personal information and it takes everyone's support to defend against them. "We've increased our security posture and will continue to make improvements and we're relying upon our employees and suppliers to assist us." says Greg Crabb, acting Chief Information Security Officer and Digital Solutions VP.

Here are a few tips to keep in mind:

- If you have a log-in credential (username/password) for any USPS system(s):
 - Never share it with anyone.
 - Never use the same credential in other systems.
- If you are issued a USPS e-mail address:
 - Never auto-forward e-mails from another account to your USPS e-mail account.
 - Watch out for phishing e-mails trying to get you to click on links or enter information into suspicious sites. Report phishing e-mails to cybersafe@usps.gov.

Information security incidents (suspected or actual) must be immediately reported to the USPS Computer Incident Response Team (CIRT) via telephone at 1-866-USPS-CIR(T) or 1-866-877-7247 or via an e-mail to cybersafe@usps.gov or uspscirt@usps.gov. Do not dismiss a suspected incident or discount its seriousness.

For more information on USPS Information Security policies, please click on the [USPS Information Security Handbook](#).

Additional cybersecurity resources focused on increasing the understanding of cyber threats and empowering the American public to be safer and more secure online are available through the Department of Homeland Security (DHS) [Stop.Think.Connect.](#) national public awareness campaign.

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The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products, and services to fund its operations.

ARE YOU REGISTERED TO DO BUSINESS WITH THE U.S. POSTAL SERVICE?

More than 13,000 suppliers have registered since our launch of the Supplier Registration site in July 2009.

All suppliers interested in doing business with the U.S. Postal Service should register their company in the Postal Service Supplier Registration system.

For more information, please go to
<http://about.usps.com/suppliers/becoming/registration.htm>.

CONTACT US!

We value your questions and feedback to this newsletter. Please feel free to reply to this message with your feedback or mail to:

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