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April 2013

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USPS Suppliers,

You are receiving this newsletter from the Postal Service as you have registered your interest to do business with the Postal Service 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.

As part of our communications plan to keep our suppliers fully informed of all major initiatives affecting them, please see the recently released information from the U.S. Postal Service.

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

Thank you!

USPS Delays Transition to 5-Day Mail Delivery Schedule

Postal Service Board of Governors Statement

The U.S. Postal Service Board of Governors met April 9 and discussed the Continuing Resolution recently passed by Congress to fund government operations. The Board then issued the following statement.

"By including restrictive language in the Continuing Resolution, Congress has prohibited implementation of a new national delivery schedule for mail and packages, which would consist of package delivery Monday through Saturday and mail delivery Monday through Friday, and which would have taken effect the week of August 5, 2013.

Although disappointed with this Congressional action, the Board will follow the law and has directed the Postal Service to delay implementation of its new delivery schedule until legislation is passed that provides the Postal Service with the authority to implement a financially appropriate and responsible delivery schedule. The Board believes that Congress has left it with no choice but to delay this implementation at this time. The Board also wants to ensure that customers of the Postal Service are not unduly burdened by ongoing uncertainties and are able to adjust their business plans accordingly.

The Board continues to support the transition to a new national delivery schedule. Such a transition will generate approximately \$2 billion in annual cost savings and is a necessary part of a larger five-year business plan to restore the Postal Service to long-term financial stability. According to numerous polls, this new delivery schedule is widely supported by the American public. Our new delivery schedule is also supported by the Administration and some members of Congress.

To restore the Postal Service to long-term financial stability, the Postal Service requires the flexibility to reduce costs and generate new revenues to close an ever widening budgetary gap. It is not possible for the Postal Service to meet significant cost reduction goals without changing its delivery schedule – any rational analysis of our current financial condition and business options leads to this conclusion. Delaying responsible changes to the Postal Service business model only increases the potential that the Postal Service may become a burden to the American taxpayer, which is avoidable.

Given these extreme circumstances and the worsening financial condition of the Postal Service, the Board has directed management to seek a reopening of negotiations with the postal unions and consultations with management associations to lower total workforce costs, and to take administrative actions necessary to reduce costs. The Board also has asked management to evaluate further options to increase revenue, including an exigent rate increase to raise revenues across current Postal Service product categories and products not currently covering their costs.

The Board continues to support the Postal Service's five-year business plan and the legislative goals identified in that plan which will return the Postal Service to financial solvency. The Board additionally urges Congress to quickly pass comprehensive postal legislation, including provisions that would affirmatively provide the Postal Service with the ability to establish an appropriate national delivery schedule."

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Richard Petty Dedicates Muscle Cars Forever Stamps

Limited-Edition Stamps Celebrate High-Performance Cars from the '60s and '70s Era



Raw power now has a stamp of its own as seven-time NASCAR National Champion Richard Petty recently helped dedicate the America on the Move: Muscle Cars Forever stamps.

Petty, his son Kyle and Postmaster General Patrick Donahoe together dedicated the limitededition stamps at the Daytona International Speedway where "The King" won a record seven Daytona 500 Championships.

Typically equipped with big, powerful engines, these high-performance vehicles began roaring across America in the 1960s. The limited edition stamps feature five iconic muscle cars: the '66 Pontiac GTO, the '67 Shelby GT-500, the '69 Dodge Charger Daytona, the '70 Plymouth Hemi 'Cuda and the '70 Chevelle SS.

"The Muscle Cars stamps celebrate an exciting era in American automotive history," said Richard Petty. "These examples of raw power bring back fond memories for me and my family, a testament to how aerodynamics transformed racing. I've been around racing and muscle cars all my life. These stamps bring back the memories of our racing heritage in the '60s and '70s. This is a great way to share our stories, old and new, about the Petty history in racing."

"The muscle cars gave everyday Americans the opportunity to experience the rush of driving a fast, powerful car," said Postmaster General Patrick Donahoe. "Just looking at the stamps evokes a feeling of speed. As Forever stamps, they'll always be good for mailing a First-Class letter anytime in the future. And when you think about it, that's fitting. Because these stamps—just like the great cars they represent—are timeless."

The Muscle Cars Forever stamps are the third issuance in the America on the Move stamp series. The artwork was created by Tom Fritz of Newbury Park, CA, under the art direction of Carl T. Herrman of North Las Vegas, NV.

The Muscle Cars stamps are being issued as Forever stamps in self-adhesive sheets of 20 (four of each design). Forever stamps are always equal in value to the current First-Class Mail 1-ounce price.

Visit https://store.usps.com/store to purchase Muscle Cars stamps or view other USPS stamp-related products.

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Green Teams Help USPS Save Millions

Savings and Revenue Surpass \$76 Million



The U.S. Postal Service saved more than \$52 million in 2012 by reducing energy, water, consumables, petroleum fuel use and solid waste to landfills, and generated nearly \$24 million in revenue by recycling. Together, these actions to save costs and generate revenue surpassed \$76 million.

Employee green teams played a key role in helping the Postal Service achieve the savings and revenue, part of which included nearly \$12 million in vehicle fuel cost avoidance, more than \$10

million in facility energy savings, water savings of nearly \$1 million and a decrease in supplies spending of nearly \$4 million. Green teams helped the Postal Service recycle more than 253,000 tons of material, which saved more than \$25 million in landfill fees.

"Across the country, postal employees are participating in more than 850 green teams," said Chief Sustainability Officer Thomas G. Day. "Motivated by a desire to be good stewards of the environment, and our sustainability call to action, 'leaner, greener, faster, smarter,' employee green teams are helping the Postal Service achieve positive results in energy reduction and resource conservation."

Green teams are another way the Postal Service fosters a culture of conservation, building on the agency's long history of environmental and socially responsible leadership. The teams help identify and implement low- and no-cost sustainable practices to help the Postal Service meet the following goals by 2015:

- Reduce facility energy use by 30 percent compared to 2003,
- Reduce water use by 10 percent compared to 2007,
- Reduce petroleum fuel use by 20 percent compared to 2005 and
- Recycle 50 percent of all solid waste compared to 2009.

The Postal Service has activated green teams nationwide to help achieve these goals.

"The Postal Service has more than 32,000 facilities, a presence in every community and one of the largest civilian fleets in the nation, so we understand how pivotal our efforts are to make a positive impact on the environment," Day added. "Our green teams are an important part of our conservation culture, and the effort to reduce our carbon footprint."

The Postal Service buys sustainable materials and works to reduce the amount of supplies it purchases. The agency first developed a "buy green" policy nearly 15 years ago, and has a goal to reduce spending on supplies 30 percent by 2020. Additionally, the Postal Service is working to increase the amount of environmentally preferable products it buys by 50 percent by 2015. Environmentally preferable products are bio-based, energy and water efficient, ecolabeled or contain recycled material.

In its shipping supplies, the Postal Service uses post-consumer recycled content materials diverted from the waste stream, which benefits the environment and helps customers go green when they mail their packages with the Postal Service.

The Postal Service is the first federal agency to publicly report its greenhouse gas emissions and receive third-party verification of the results. For more information about the Postal Service's sustainability initiatives, visit http://about.usps.com/what-we-are-doing/green/welcome.htm.

The Postal Service has won numerous environmental honors, including the U.S. Environmental Protection Agency's (EPA) WasteWise Partner of the Year award in 2010 and 2011, the EPA's National Partnership for Environmental Priorities award in 2011, The Climate Registry Gold award in 2011 and the 2012 GreenGov Presidential Award.

USPS participates in the International Post Corporation's (see http://www.ipc.be/)
Environmental Measurement and Monitoring System (see http://www.ipc.be/en/Services/Sustainability.aspx), the global postal industry's program to reduce its carbon footprint 20 percent by 2020 compared to 2008.

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Consumer Trust in USPS at its Highest Level

USPS Climbs Two Places in 'Most Trusted Company' Survey – Remains 'Most Trusted Government Agency'



The U.S. Postal Service has been named the fourth most trusted company in the U.S. — moving up two places from its 2011 ranking and its highest ranking ever. The Postal Service also was named the "most trusted government agency" for the sixth year in a row.

These are the findings of surveys conducted by the Ponemon Institute, which tracks consumers' opinions of organizations that collect and manage their personal information.

"Consumer confidence in the mail is a top priority for the Postal Service," said Consumer Advocate Krista Finazzo. "Customers expect us to protect the privacy of their personal information. We do not take this responsibility lightly."

Finazzo attributed, in part, the high ranking to the trusted relationship Americans have with letter carriers. Many customers know their letter carriers by name and regard them as trusted members of their local communities.

"We believe this survey validates the Postal Service's commitment to privacy and excellent customer service, which are both key to building trusted consumer relationships," said Ponemon Institute Chairman Dr. Larry Ponemon.

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A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation — 151 million residences, businesses and Post OfficeTM Boxes. The Postal ServiceTM receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations. With 31,000 retail locations and the most frequently visited website in the federal government, www.usps.com, the Postal Service has annual revenue of more than \$65 billion and delivers nearly 40 percent of the world's mail. If it were a private sector company, the U.S. Postal Service would rank 42nd in the 2012 Fortune 500. In 2011, Oxford Strategic Consulting ranked the U.S. Postal Service number one in overall service performance of the posts in the top 20 wealthiest nations in the world. Black Enterprise and Hispanic Business magazines ranked the Postal Service as a leader in workforce diversity. The Postal Service has been named the Most Trusted Government Agency for seven years and the fourth Most Trusted Business in the nation by the Ponemon Institute.

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

More than 10,000 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:

U.S. Postal Service **Supply Management Communications** 475 L'Enfant Plaza, SW, Room 1100 Washington, DC 20260-6201

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