

United States Postal Service

June 29, 2012

FY 2012 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. View additional sustainability metrics and historical progress at www.usps.com/green

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AGENCY POINT OF CONTACT

Mr. Thomas G. Day

Chief Sustainability Officer

Thomas.g.day@usps.gov



USPS Sustainability Policy Statement

The U.S. Postal Service (USPS) has a statutory mandate to provide secure, efficient and reliable mail service to every person in the United States. Central to this universal service obligation is our commitment to Be a Sustainability Leader. We are dedicated to operating sustainable facilities and efficient fleets that support mail delivery with the lowest possible costs and impact on the environment, while complying with all applicable Federal, State, Tribal, regional, and local environmental/energy laws and regulations.

Today, the Postal Service faces the largest financial challenge in our history. Mail volume and revenue are rapidly declining, while the number of delivery points we serve continues to increase by an average of up to one million per year. The costs of petroleum fuel, energy, and employee health care are rising faster than the Consumer Price Index — the point past which we can't raise prices. In addition, there are restrictions on consolidation of facilities and operations, and we are nearing our statutory debt limit, which in turn limits our capital investments and increases our long-term debt.

Despite our significant financial crisis and legislative barriers, we are committed to improve our sustainability performance as our finances permit, and to provide affordable, universal mail service for current and future generations in a socially and environmentally responsible manner. We can't achieve this 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, faster, and smarter service organization.

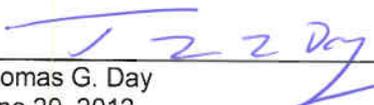
Neither Executive Orders 13423 nor 13514 apply to the Postal Service due to our unique mission and status as a self-supporting agency that funds its operations from revenue generated by sales of products and services — not taxpayer subsidies received through Congressional appropriations. However, where possible, USPS voluntarily sets specific goals in alignment with the Executive Orders. These goals are relevant to our statutory mandate, our operations, our customers and the communities we serve. They align with the intent of both Executive Orders by driving our improvement efforts to better serve our customers, engage our employees, collaborate with our supply chain, conserve natural resources, reduce waste, and improve energy and water efficiency, while reducing our associated greenhouse gas emissions.

This FY 2012 Strategic Sustainability Performance Plan (SSPP) describes the USPS sustainability goals and implementation initiatives, and reviews our progress and challenges.

In order to become a more sustainable organization that can provide even more efficient service to Postal customers for years to come, USPS will continue to focus our efforts over the next few years on becoming leaner and greener. We will continue to consolidate facilities, redesign internal processes, and better match the number of employees and their work hours, the number of mail processing plants, equipment, and delivery routes to decreased mail volumes.

Our longstanding commitment and continued aspiration to be a sustainability leader must be balanced with our financial responsibilities and realities. We appreciate you reading about our journey.

USPS Chief Sustainability Officer (CSO)


Thomas G. Day
June 29, 2012

EXECUTIVE SUMMARY

The United States Postal Service (USPS) delivers mail to every home and business in the United States – 150 million addresses. It is our mission to provide reliable universal mail service, now and for future generations. However, there are several ongoing challenges including; shifting customer demands, increasing delivery points, legislative restrictions on operations, requirements to pre-fund retiree health benefits, and declining first class mail volume.

With plans for significant network re-alignment, the Postal Service is ushering in one of the most transformational periods in its history. Our Strategic Sustainability Performance Plan (SSPP) outlines the strategy and goals of USPS to become leaner, greener, faster and smarter, while ensuring compliance with environmental regulatory requirements. It outlines responsibilities, organizational attributes, greenhouse gas targets, goal performance review and planning for greenhouse gas reduction, energy efficiency, fuel and fleet management, water use, pollution prevention, waste management, sustainable acquisition, and electronic stewardship. This SSPP also introduces the USPS Climate Change Adaptation Planning document.

Sustainability Strategy

USPS is working to strengthen our core operations and services in ways that make the best use of our resources and reduce our financial costs to ensure a viable Postal Service for future generations. Our management process, *DRIVE: Delivering Results, Innovation, Value and Efficiency*, demonstrates senior postal management support by establishing Sustainability as a core concept. Our strategic DRIVE goals are to reduce energy and resource consumption, promote a sustainability culture, and reduce risk and ensure environmental compliance with federal, state and local regulations.

Integrating sustainable business practices into all aspects of our business is at the center of our strategy. The USPS Chief Sustainability Officer (CSO) coordinates across USPS functions to further the organization's sustainability initiatives. The three pillars in the Office of Sustainability are Corporate Sustainability Initiatives, Energy Initiatives, and Environmental Compliance and Risk Management. This team manages sustainability data collection and management, supports small and large initiatives related to USPS sustainability goals, and communicates to the public, customers, and the federal government on progress. Sustainability initiatives are coordinated by the Office of Sustainability and implemented by USPS personnel at the Area, District, and local facility level.

The Office of Sustainability is led by an internal focus to build a conservation culture and an external focus to adopt sustainable business practices. This office coordinates closely with other offices within USPS. For example, Supply Management has primary responsibility for establishing policies and initiatives related to supply management/sustainable acquisition. The Facilities Department is responsible for energy audits, energy impacting project capital funding and implementation, portfolio energy management, building design standards, and other policies. Vehicle Operations/Engineering manages the fleet, conducts tests on vehicles and has primary ownership over the USPS vehicle databases.

An important part of USPS sustainability efforts is employee engagement. USPS enables employees across its network to implement low-cost and no-cost projects that enhance energy conservation and efficiency. Cross-functional employee Lean Green Teams at facilities across the country help USPS build a conservation culture, and reduce our operational costs, carbon footprint, and impact on the environment through more efficient resource use and conservation in five sustainability performance goal areas: facility energy, petroleum fuel, consumable materials, waste and water reduction.

Another role of the Office of Sustainability is to improve data management and communication methods to track sustainability performance and support Lean Green Teams. USPS tracks sustainability data across multiple systems through a consolidated management system, the Corporate Energy Interface (CEI). CEI includes facility energy and vehicle fuel expenditures as well as consumption data pulled from various data systems. Supporting CEI is the Utility Management System (UMS), which includes consumption and expenditure information on facility energy from utilities. For energy management, USPS also has the Enterprise Energy Management System (EEMS), which monitors energy consumption and equipment performance both locally and remotely. EEMS helps USPS to measure and verify energy performance, monitor and report savings, and identify opportunities for improvement. CEI and EEMS have improved sustainability data management and reporting.

CEI also supports employee engagement through the USPS Green Initiative Tracking Tool (GITT) and accompanying Green Dashboard. GITT provides a snapshot of performance against the core sustainability metrics at a program, area, district, and local facility/facilities level. Lean Green Teams can view current and same-period-last-year data to track progress against their targets. Today, we have over 900 employees using the tool. We also rolled out an online Green Team tutorial video and training to help employees implement green efforts at their facilities.

Performance

Neither Executive Orders 13423 nor 13514 apply to the Postal Service due to our unique mission and status as a self-supporting agency that funds its operations from revenue generated by sales of products and services – not taxpayer subsidies received through Congressional appropriations. However, where possible, USPS voluntarily sets specific goals in alignment with the Executive Orders.

Our Key Performance Indicators and Sustainability Snapshot show both the scope of our operations, as well as how USPS is performing on our GHG, energy, fuel, waste, water, sustainable purchasing, and consumables use goals. We are on track with facility energy, alternative fuel use, water, and reduction of consumable usage. However, USPS is off target on petroleum fuel use and has increased its solid waste generation and is recycling a lower percentage of the total solid waste.

2011 United States Postal Service - Key Performance Indicators

	Units	2007	2008	2009	2010	2011
Revenue	\$Billions	\$74.78	\$74.93	\$68.09	\$67.05	\$65.71
Net profit (loss)	\$Billions	(\$5.14)	(\$2.81)	(\$3.79)	(\$8.50)	(\$5.07)
Mail volume	Billion pieces	212.23	202.73	176.74	170.57	167.96
Delivery points	Million points	147.992	149.192	150.115	150.855	151.491
Career employees	# of employees	684,762	663,238	623,128	581,775	557,251
Post Offices, plants & administration	# of facilities	34,318	34,175	33,264	33,620	33,260
Greenhouse gas emissions ¹	Million MTCO ₂ e	n/d	13.37	13.03	12.31	12.39
Facility energy use ²	Trillion BTU	30.1	30.7	25.7	23.8	25.1
Transportation fuel use ³	Million GGE	796.2	729.8	720.7	700.9	718.0
Solid waste recycled	Short tons	n/d	288,211	219,649	221,655	215,879

2011 USPS Sustainability Target Snapshot

▲ Achieving goal ● On-target ✘ Off-target

Focus	Objective and Target	Baseline	FY 2011	Progress [% change from Baseline]	Status
Greenhouse gas emissions (GHG)	Reduce GHG emissions 20% by FY 2020 (million MTCO ₂)	13.37 <i>FY 2008</i>	12.39	(7.4%)	●
Facility energy use	Reduce total facility energy use 30% by FY 2015 (trillion BTU).	33.72 <i>FY 2003</i>	25.08	(25.6%)	●
Transportation fuel	Reduce Postal-vehicle petroleum fuel use 20% by FY 2015 (million GGE).	140.67 <i>FY 2005</i>	152.34	8.3	✘
	Reduce contract transportation petroleum fuel use 20% by FY 2020 (million GGE).	580.13 <i>FY 2008</i>	563.14	(2.9%)	✘
	Increase Postal-vehicle alternative fuel use 100% (i.e. 10% annually) by FY 2015 (million GGE).	0.94 <i>FY 2005</i>	2.14	128%	●
Solid waste diversion - recycling ⁴	Divert 50% of solid waste from landfill to recycling by FY 2015.	53% <i>FY 2008</i>	46%	(6.8%)	✘
Water reduction	Reduce water use 10% by FY 2015 (million gallons).	5,456 <i>FY 2007</i>	4,064	(25.5%)	▲ ⁵
Environmentally preferable products	Increase the number of environmentally preferable products (EPP) available in the supplier catalog 50% by FY 2015.	8,006 ⁶ <i>FY 2010</i>	8,679	8.4 %	✘
Reduce consumables	Reduce spending on consumables 30% by FY 2020 (\$ million).	508.4 <i>FY 2008</i>	314.9	(38.1%)	▲

Notes: n/d: no historical data available

¹ Total GHG reported in Million Metric Tons of Carbon Dioxide (CO₂) Equivalents (MTCO₂e)

² Total Facility Energy reported in BTUs or British Thermal Units

³ Total Transportation Fuel Use includes postal owned, leased, and contract fuel use, and is reported in GGE or Gasoline Gallon Equivalents

⁴ Restated target as "divert solid from landfill 50%" from "reduce solid waste 50%" in previous reports to better reflect recycling progress as a % of total solid waste generation

⁵ Water use baseline in 2007 was estimated using expenditures & unit cost. FY 2010 & 2011 water use was based on an extrapolation from actual facility water use data. FY 2011 extrapolation added more than 1600 sites to improve our water use estimates.

⁶ Re-stated the Environmental Preferable Product (EPP) count baseline to 8,006 from 11,131 in the 2011 SSPP due changes in EPP counting practices.

USPS has several goals not presented in the preceding tables. First, USPS has a goal to establish active employee Lean Green Teams in all USPS districts by FY 2012. We are on track to achieve this goal. USPS also has goals for sustainable acquisition including, to require suppliers with current contract commitments of over \$500,000 to provide sustainability data by FY 2015 and to include a standard USPS sustainability clause in new contract actions by FY 2015. We are on track to have these sustainability requirements in place.

In addition to these internal and supplier goals, USPS also has a goal for its customers. We set a goal in 2009 to offer at least two new sustainable products or services for customers by FY 2012. In 2012, USPS launched its proprietary carbon accounting service, USPS BlueEarth™. Available to business customers, this service provides customer-specific greenhouse gas emissions associated with their use of postal products and delivery. Since 2009, USPS has also been piloting and expanding its mail back services. Through a mail-back service, USPS provides a mechanism for customers to recycle used electronics and printer cartridges to a set recycler. USPS is expanding the availability of small electronic recycling mail-back to a greater number of Post Offices.

USPS reports its performance to its customers with this summary as well as in the Annual Sustainability Report (see www.usps.com/green). We report our performance to our federal agency peers through the annual Strategic Sustainability Performance Plan, Federal Automotive Statistical Tool reporting, and Annual GHG and Sustainability Data reporting.

USPS also works with our peers through the International Postal Corporation (IPC) and The Climate Registry (TCR). IPC is a cooperative association of 24 posts. We actively collaborate with our postal peers by participating in IPC's annual carbon management performance assessment, the Environmental Measurement and Monitoring System (EMMS), as well through sharing best practices. We have a goal to outperform the average IPC sector score every year, which USPS continues to achieve. USPS is the first federal agency to report its GHG emissions to TCR, a nonprofit collaboration among states, territories, and private companies, which sets standards to calculate, verify, and report GHG emissions in a single registry. In 2011, TCR awarded USPS the Gold status for reducing emissions by more than 5 percent from Calendar Year 2009 to 2010.

Looking Forward

While we have made progress on facility energy use and continue to innovate on reducing waste use, we have a major challenge in petroleum use. Mail delivery points continue to increase and we are required to provide mail service to more addresses than before. Further, our financial constraints do not allow for either the upgrade or replacement of the current fleet. Becoming a sustainable organization will require addressing how to reduce this major cost and impact to the environment.

USPS is also in the beginning stages of climate change adaptation planning. We are launching an effort to coordinate with relevant stakeholders to understand the risk from such impacts as increased flooding, increased storm severity, fires, increased heat waves, and others.

Our Green Team program is beginning to flourish – rising from 400 teams in FY 2010 to more than 650 teams year to date in 2012. The Office of Sustainability is ramping up activities to support these teams.

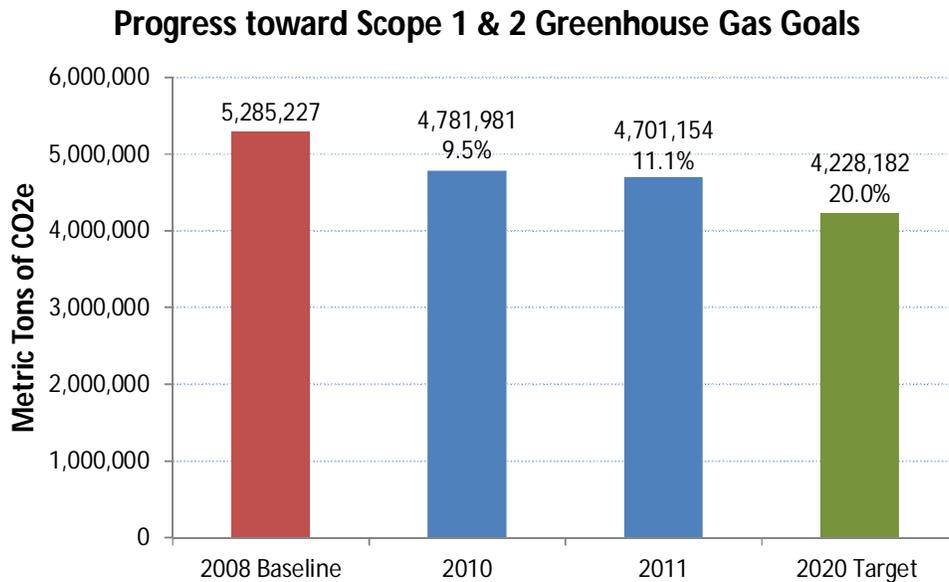
We are proud of our efforts to reduce our impact to the planet. Our aim is to continue as we have for more than 200 years – successfully adjusting to the times while continuing our mission to bind the nation together through the mail.

TABLE 1: SIZE AND SCOPE OF AGENCY OPERATIONS

Agency Size and Scope	FY 2011
Total Number of Employees as Reported in the President's Budget	557,251
Total Acres of Land Managed	N/A
Total Number of Facilities Owned	8,644
Total Number of Facilities Leased (GSA and Non-GSA lease)	24,616
Total Facility Gross Square Feet (GSF)	284,139,240
Operates in Number of Locations Throughout U.S.	32,146
Operates in Number of Locations Outside of U.S.	N/A
Total Number of Fleet Vehicles Owned	165,343
Total Number of Fleet Vehicles Leased	433

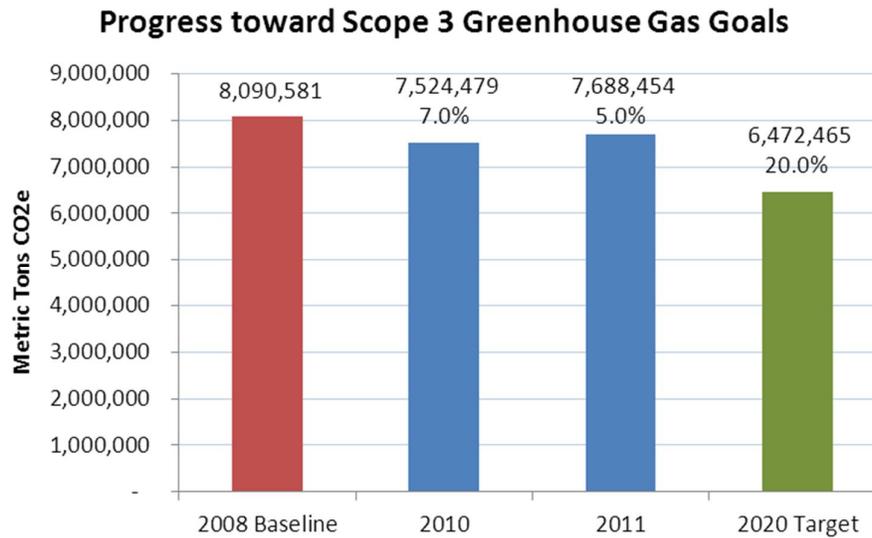
GOAL 1: GREENHOUSE GAS REDUCTION AND MAINTENANCE OF AGENCY COMPREHENSIVE GREENHOUSE GAS INVENTORY

Agency-Specific Performance Metrics for Scope 1 & 2 GHG Emissions Reduction:



Note: E.O. 13514 requires each agency to establish a scope 1 & 2 GHG reduction target for FY2020. The target for this agency is 20% compared to FY2008. The red bar represents the agency's FY2008 baseline. The green bar represents the FY2020 target reduction. The blue bars show actual status in relationship to the target. The percentage on each bar shows the reduction or increase from the FY2008 baseline.

Agency-Specific Performance Metrics for Scope 3 GHG Emissions Reduction:

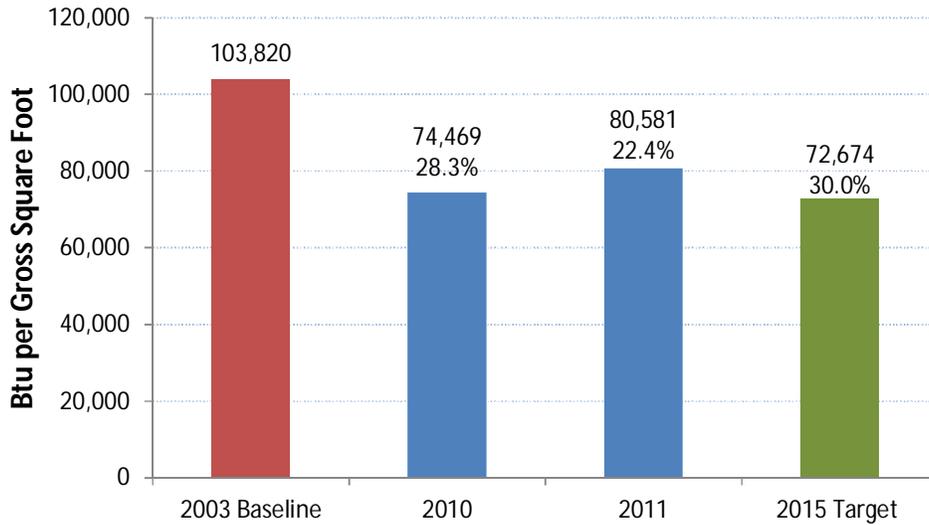


Note: E.O. 13514 requires each agency to establish a scope 3 GHG reduction target for FY2020. The FY2020 target for this agency is 20% compared to the FY2008 baseline. The red bar represents the agency's FY2008 baseline. The green bar represents the FY2020 target reduction. The blue bars show actual status in relationship to the target. The percentage on each bar shows the reduction or increase from the FY2008 baseline.

GOAL 2: BUILDINGS

Agency-Specific Performance Metrics for Facility Energy Intensity Reduction:

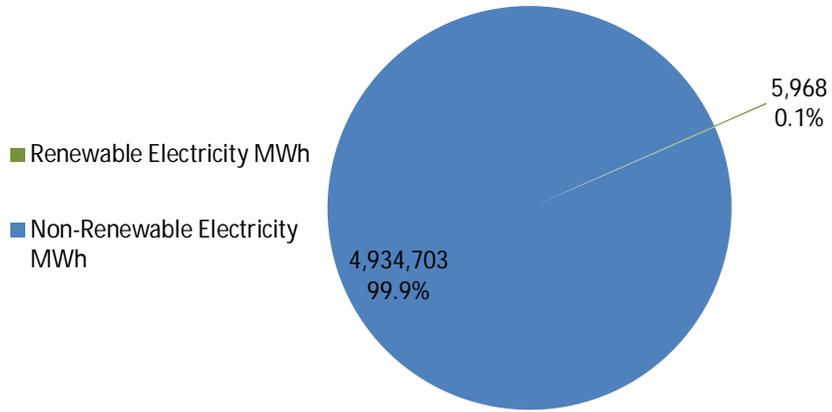
Progress toward Facility Energy Intensity Reduction Goals



Note: EISA requires agencies to reduce energy intensity by 18% for FY2011, compared to an FY2003 baseline; a 30% reduction is required by FY2015. The red bar represents the agency's FY2003 baseline. The green bar represents the FY2015 target reduction. The blue bars show actual status in relationship to the target. The percentage on each bar shows the reduction or increase from the FY2003 baseline.

Agency-Specific Performance Metrics for Renewable Energy:

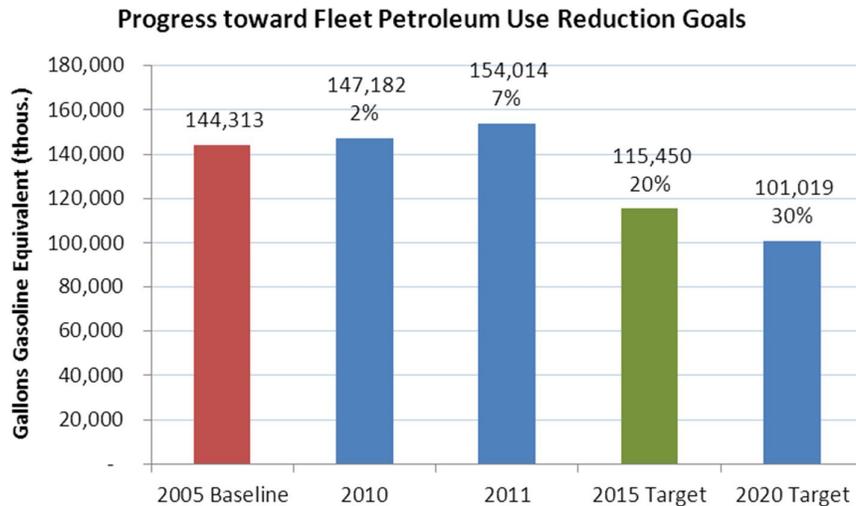
Use of Renewable Energy as a Percentage of Electricity Use



Note: EPO Act requires agencies to increase the use of renewable energy as a percentage of electricity use to 5% by FY2010-2012 and 7.5% by FY2013 and beyond.

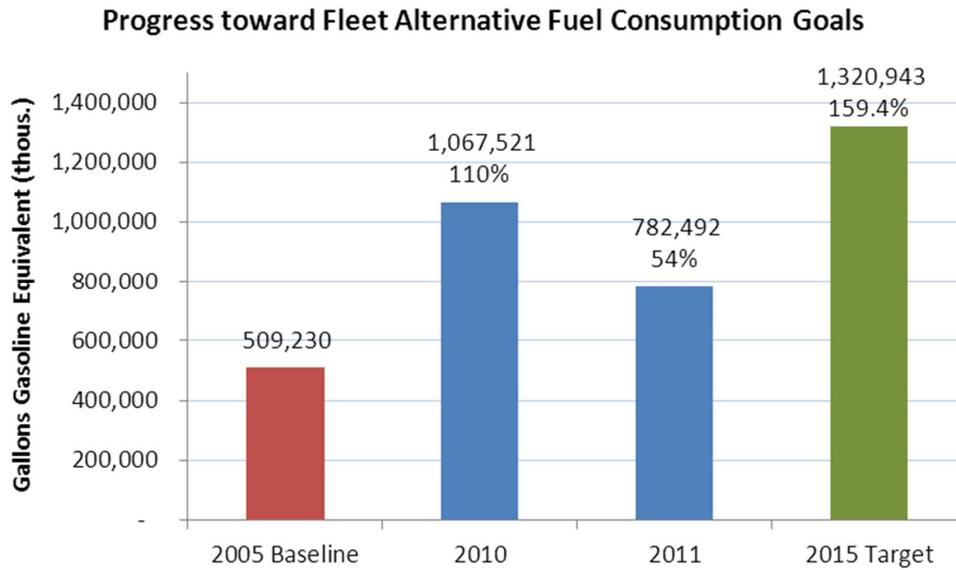
GOAL 3: FLEET MANAGEMENT

Agency-Specific Performance Metrics for Fleet Petroleum Reduction:



Note: E.O. 13514 and EISA require that by FY2011 agencies reduce fleet petroleum use by 12%, compared to an FY2005 baseline. A 20% reduction is required by FY2015 and a 30% reduction is required by FY2020. The red bar represents the agency's FY2005 baseline. The green bars represent the FY2015 and FY2020 target reductions. The blue bars show actual status in relationship to the target. The percentage on each bar shows the reduction or increase from the FY2005 baseline. A negative percentage reflects an increase in fleet petroleum use.

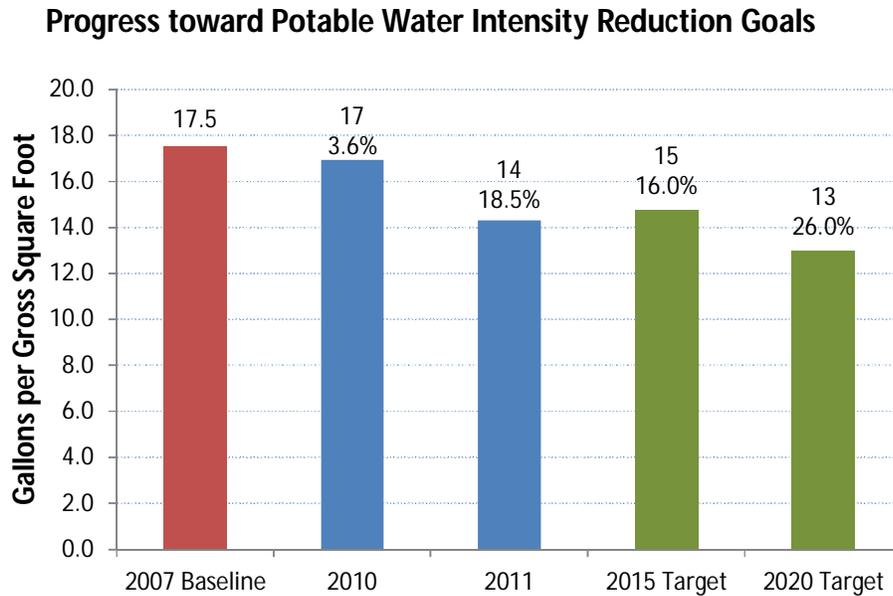
Agency-Specific Performance Metrics for Fleet Alternative Fuel Use:



Note: E.O. 13423 requires that agencies increase total non-petroleum-based fuel consumption by 10% annually compared to an FY2005 baseline. Consequently, by FY2011 agencies must increase alternative fuel use by 77%, compared to an FY2005 baseline. By FY2015, agencies must increase alternative fuel use by 159.4%. The red bar represents the agency's FY2005 baseline. The green bar represents the FY2015 target. The blue bars show actual status in relationship to the target. The percentage on each bar shows the reduction or increase from the FY2005 baseline. A negative percentage reflects a decrease in fleet alternative fuel use.

GOAL 4: WATER USE EFFICIENCY AND MANAGEMENT

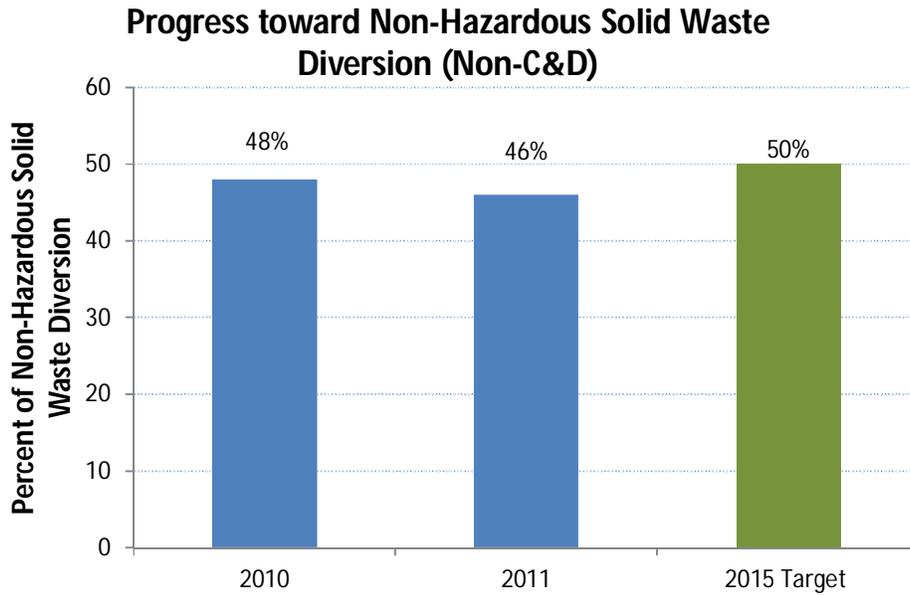
Agency-Specific Performance Metrics for Potable Water Intensity Reduction:



Note: E.O. 13514 requires agencies to reduce potable water intensity by 2% annually through FY2020, compared to an FY2007 baseline. Consequently, by FY2011 agencies are required to reduce potable water intensity by 8%, compared to an FY2007 baseline. A 16% reduction is required by FY 2015 and a 26% reduction is required by FY2020. The red bar represents the agency's FY2007 baseline. The green bars represent the FY2015 and FY2020 target reductions. The blue bars show actual status in relationship to the target. The percentage on each bar shows the reduction or increase from the FY2007 baseline.

GOAL 5: POLLUTION PREVENTION AND WASTE REDUCTION

Agency-Specific Performance Metrics for Non-Hazardous Solid Waste Diversion (Non-C&D):



Note: E.O. 13514 requires that by FY2015 agencies annually divert at least 50% of non-hazardous solid waste from disposal. The green bar represents the FY2015 target. The blue bars show actual progress toward the target.

GOAL 7: ELECTRONIC STEWARDSHIP AND DATA CENTERS

EPEAT	POWER MANAGEMENT	END-OF-LIFE	COMMENTS
N/A		N/A	66% Power Management compliant.

EPEAT:

	95% or more Monitors and PCs/Laptops purchased in FY2011 was EPEAT Compliant Agency-wide
	85-94% or more Monitors and PCs/Laptops purchased in FY2011 was EPEAT Compliant Agency-wide
	84% or less Monitors and PCs/Laptops purchased in FY2011 was EPEAT Compliant Agency-wide

Power Management:

	100% Power Management Enabled Computers, Laptops and Monitors Agency-wide
	90-99% Power Management Enabled Computers, Laptops and Monitors Agency-wide
	89% or less Power Management Enabled Computers, Laptops and Monitors Agency-wide

End-of-Life:

	100% of Electronics at end-of-life disposed through GSA Xcess, CFL, Unicorn or Certified Recycler (R2, E-Stewards)
	100% of Electronics at end-of-life disposed through GSA Xcess, CFL, Unicorn or non-Certified Recycler
	Less than 100% of Electronics at end-of-life disposed through GSA Xcess, CFL, Unicorn or non-Certified Recycler