

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REPORT, 2011

DOCKET No. ACR2011

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-3 OF CHAIRMAN'S INFORMATION REQUEST NO. 5
(March 9, 2012)

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 5, issued on March 7, 2012. Each question is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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Question 1

In the 2011 Comprehensive Statement on Postal Operations at 30, the Postal Service states that it introduced 23 new products, services, and features. Please list the 23 new products, services, and features created.

RESPONSE:

The 23 new products, services, and features identified in the 2011 Comprehensive Statement are:

Shipping

- Critical Mail
- ePacket
- ePostage
- Flat Rate Legal Size Express Mail Envelope
- Hold for Pickup
- Parcel Select Regional Ground
- Prepaid Forever Flat Rate Priority Mail
- Priority Mail Regional Rate Boxes
- Sample Showcase
- Returns Portfolio

Retail

- Gift Cards
- PO Box Real Mail Notification
- PO Box Street Addressing
- USPS.com: Spanish and Chinese Translations
- USPS.com: New/Updated Applications and Services
- USPS.com: New Mobile Devices Releases

Marketing Mail

- DM Hub
- EDDM
- Improved Saturation/High Density Program
- Mobile Barcode Promotion

Transactions & Correspondence

- Alternate Postage

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Remittance Mail Redirect
Reply Rides Free/Second Ounce Free

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Question 2

In the 2010 Comprehensive Statement on Postal Operations at 52, the Postal Service identifies Reduce Energy Use as a strategic initiative. See USPS-FY10-17, filed December 29, 2010. The FY 2011 target was continued progress toward meeting FY 2015 energy reduction goals set forth in the Strategic Sustainability Performance Plan.

- a. Please identify the energy reduction goals for the Reduce Energy Use strategic initiative. Specify whether they include reducing Scope 1, 2, and 3 greenhouse gas emissions, total facility energy use, postal-owned petroleum fuel use, or other goals set forth in the Strategic Sustainability performance Plan. Cite to applicable pages from the FY 2010 or FY 2011 Strategic Sustainability Performance Plan and FY 2010 Annual Sustainability Report.
- b. Please state whether the Postal Service met the FY 2011 target for the Reduce Energy Use strategic initiative.

RESPONSE:

- a. USPS 2011 Energy and GHG reduction goals are as follows:
 - Reduce scope 1 and 2 greenhouse gas emissions 20% in 2020 from a 2008 baseline;
 - Reduce scope 3 greenhouse gas emissions 20% in 2020 from a 2008 baseline;
 - Reduce total facility energy use (billion Btu) 30% by 2015 from a baseline of 2003;
 - Reduce facility energy intensity (Btu/GSF) 30% by 2015 from a baseline of 2003;
 - Reduce Postal-vehicle petroleum fuel use 20% by FY 2015 from a baseline of 2005; and
 - Increase Postal-vehicle alternative fuel use 10% annually by 2015 from baseline of 2005 (total of 100% of 2005 usage).

As evidenced above, these goals include reducing Scope 1, 2, and 3 greenhouse gas emissions, total facility energy use and postal-owned petroleum fuel use.

The Strategic Sustainability Performance Plan (SSPP) and FY 2011 Annual

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Sustainability Report have not been published to reflect FY 2011 results. The Annual Sustainability Report will be published in May and the SSPP will be submitted on June 29, 2012. Therefore, these are draft numbers and may be revised as appropriate. The goals can be found in the 2010 Annual Sustainability Report on the inside cover. The goals are also located on page 3 of the Strategic Sustainability Performance Plan which was submitted in June 2011, however the data represented is from 2010.

- b. The Postal Service has met the FY 2011 target to reduce Facility Energy use. According to the Department of Energy Federal Energy Management Program (FEMP), the annual established target for USPS for FY 2011 is 18%. According to our preliminary calculations, USPS has reduced Total Facility Energy by 25.6% and Facility Intensity by 22.4%. We are also on target to achieve our Scope 1&2 GHG emissions by 20% by FY 2020. USPS is not on target with reducing Petroleum fuel use 20% by FY 2015 nor reducing select Scope 3 GHG emissions by 20% by FY 2020.

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Question 3

In the 2011 Comprehensive Statement on Postal Operations at 30, the Postal Service identifies Reduce Delivery Costs as a strategic initiative. It reports that implementing the Flats Sequencing System (FSS) reduced approximately 4,250 routes, and non-FSS route evaluations eliminated approximately 2,100 more routes, for a total of 6,350 routes eliminated. The 2011 Annual Report to Congress at 14 states that the Postal Service reduced the total number of city and rural delivery routes nationally by 6,878. Please explain the difference between the number of routes eliminated (6,350 vs. 6,878).

RESPONSE:

The numbers identified on page 30 of the 2011 Comprehensive Statement on Postal Operations (approx. 6,350) include the number of city routes reduced based on a non-FSS evaluation (approx. 2,100), and the number of city routes reduced by FSS (approx. 4,250). The number does not include rural routes reduced by FSS, as the rural reductions due to FSS were measured only in reduced work hours, not by reduced routes in the Comprehensive Statement. Alternatively, the number identified on page 14 of the 2011 Annual Report to Congress (6,878) includes both city and rural routes reduced in FY2011, and does not distinguish between FSS and non-FSS reductions.

In addition to the fact that the Comprehensive Statement does not include the reduced rural routes, any further discrepancy between the numbers is primarily attributable to the fact that, as identified in the Comprehensive Statement, the numbers on page 30 are approximate. Finally, small-scale initiatives, other than FSS and the non-FSS route evaluation included in the Comprehensive Statement, would account for any remaining discrepancies.