

STATEMENT OF  
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AND GOVERNMENTAL AFFAIRS  
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Good afternoon, Mr. Chairman and members of the Subcommittee. I appreciate the opportunity to share information regarding the sustainability programs and initiatives being pursued by the United States Postal Service. I am pleased to report that we have implemented such programs in nearly every one of our operations, including building design, facility management, fleet operations, waste management, materials sourcing, and product stewardship. As we continue to conduct testing to improve the efficiency of our vehicles, we are also working to make our buildings more efficient and reliable, and above all, provide a safe and healthy environment for our employees and our customers.

My testimony today will center on three main points:

- Highlighting the fact that the Postal Service has been, and will continue to be, a sustainability leader — not only as an independent establishment of the executive branch of the Federal government, but also as a global business with revenues of \$68 billion in fiscal year (FY) 2009.
- Sharing the details of the broad array of environmental initiatives that are underway at the Postal Service.
- Extending an offer for the Federal government to partner with the Postal Service. Given our vast size and reach, we believe such a partnership would provide a unique opportunity to invest in and further develop green advancements for the benefit of all Americans.

Among government agencies and the private sector, the Postal Service is a proud and successful sustainability leader. Since 1995, we have been honored with more than 75 major environmental awards, including 40 White House Closing the Circle Awards for environmental stewardship and 10 consecutive WasteWise Partner of the Year awards from the Environmental Protection Agency (EPA) for overall waste reduction achievements. The Postal Service also is very pleased to have won the 2009 Climate Action Champion award, the Direct Marketing Association Echo Green Award, and the 2009 Postal Technology International Environmental Achievement of the Year award.

Involvement with environmental programs dates back many years for the Postal Service. We can claim Benjamin Franklin — an early environmentalist — as part of our 235 year history. In addition to being a Colonial Postmaster General, Franklin was an early advocate for the environment. In 1739, he petitioned the Pennsylvania Assembly to stop dumping waste and to remove tanneries from the commercial district in Philadelphia. In his will, Franklin left money to go toward the construction of a fresh water pipeline that eventually led to the formation of the Philadelphia Water Commission.



We also like to cite that the Postal Service was at the forefront of the "green" movement before it even had a name. Our letter carriers have used bicycles to deliver mail in some cities since the early 1890s. In 1899, the first known test of an electric vehicle for mail collection was conducted in Buffalo, New York. By 1909, electric mail trucks were in daily service in New York City and Boston. In 1959, we began testing a variety of electric vehicles for city delivery — tests that continue to this day. We also were an early advocate of recycling. In the early 1900s, the Postmaster General repeatedly urged postal clerks to recycle lengths of twine, which were used to bundle letters and packages. From 1907 to 1916, we experimented with numerous devices to fasten twine without knotting it, to make it easier for clerks to recycle.

The Postal Service has always been a leader in using planet-friendly technologies such as alternative fuel-capable vehicles to deliver the mail and solar panels to reduce our facilities' energy use. In 2008, the Postal Service established a dedicated Office of Sustainability to coordinate all of our energy, fuel, recycling and sustainability programs across our more than 33,000 facilities, with our nearly 217,000 vehicles, and among our roughly 600,000 employees. Although the Postal Service has more than 36,000 total locations, this testimony will only discuss our approximately 33,000 owned and leased facilities.

In every city and town across the country, our trusted letter carriers and recognizable vehicles maintain a routine and community-based presence. Because of our size and reach, we know the activities of the Postal Service have a significant impact on society, the economy, and the environment. And we are using that impact to make a positive difference wherever we can through our serious commitment to sustainability. Simply put, we believe it is the right thing to do.

For the Postal Service, sustainability is a business initiative that is fundamental to our business plan. Adopting sustainable practices is not only good for the environment; it also helps to reduce our operational costs. This is particularly advantageous for the Postal Service as we strive to hold down our costs during the ongoing recessionary period that is affecting the nation.

As you know, last October President Barack Obama signed Executive Order (EO) 13514, "Federal Leadership in Environmental, Energy, and Economic Performance." This EO expanded upon EO 13423 signed by President George W. Bush in 2007, titled "Strengthening Federal Environmental, Energy, and Transportation Management." A portion of the new order requires Federal executive agencies to increase their energy efficiency, reduce fleet petroleum consumption, conserve water, reduce waste, support sustainable communities, and leverage their Federal purchasing power to promote environmentally responsible products and technologies.

Although the EO does not apply to the Postal Service because of our unique mission and status, we were extremely honored when the official White House press release accompanying EO 13514 recognized the Postal Service for our Green Purchasing Program. We were further honored by Michelle Moore, the Obama Administration's Federal Environmental Executive, when she commented on October 15, 2009 that, "The U.S. Postal Service's commitment to reduce greenhouse gas emissions, energy use, and petroleum fuel consumption demonstrates that Federal agencies can lead by example."

As an environmental leader, the Postal Service released the first Federal government greenhouse gas (GHG) emissions inventory. A major Postal Service management priority is measuring and managing our GHG emissions that contribute to climate change and have potential negative effects on natural systems, human health, and economic prosperity. To meet our target for GHG emissions reduction, we included direct emissions from our facilities and vehicles, and indirect emissions from electricity use at our facilities — typically referred to as Scope 1 and Scope 2 GHG emissions.



In our first full GHG emissions inventory, we included, among other emission sources, approximately 33,000 facilities, nearly 217,000 vehicles, and contracted surface and air transportation. We used calendar year 2007 as the inventory baseline for GHG emissions and the methodology prescribed by the Climate Registry and the California Climate Action Registry (CCAR). As a founding and reporting member of the Climate Registry, we have committed to measure, verify and report GHG emissions annually based on the registry's general reporting protocol. This report, which was verified by a third party, is available online at [climateregistry.org](http://climateregistry.org).

In April 2009, we earned a Climate Action Champion award from CCAR for our efforts to reduce GHG emissions. At present, our reporting does not include estimates of our GHG emissions associated with employee business travel and commuting, but we plan to report this type of information in the future.

Another milestone for the Postal Service occurred in November of 2009, when we released our first-ever Sustainability Report, which highlights our progress during 2008 and looks at the challenges ahead. The report also features a brief history of our sustainable practices, and in-depth information and metrics on the many ways the Postal Service is working to reduce its carbon footprint. It also highlights the efforts of Postal Service employees who are committed to helping us build a conservation culture.

In issuing our 2008 Sustainability Report, we took the opportunity to lead by example and reduce environmental impact. We limited our press run to a minimal number of copies and we printed them using Forest Stewardship Council (FSC)-certified paper made from 100 percent post-consumer waste. To read the report, we continue to encourage the public and our employees to view the document online at [usps.com/about](http://usps.com/about) and [usps.com/green](http://usps.com/green).

Early this year, we expect to release a FY 2009 update to our 2008 Sustainability Report. In that report, we will update our baseline for GHG emissions to 2008, to voluntarily comply with EO 13514. In subsequent years, we plan to coordinate the release of our Sustainability Report in conjunction with the Postal Service's Comprehensive Statement and other annual reporting requirements.

During 2009, the Postal Service continued its commitment to sustainability. Some of our many environmental achievements included:

- Reducing facility energy use since 2003 by 8.2 trillion British Thermal Unit (BTU) — the energy equivalent of over 250,000 average American households.
- Reducing energy intensity by 21 percent since 2003 through capital improvements and low-cost, no-cost activities which now represent a cost avoidance of \$150 million each year.
- Conducting energy audits at hundreds of facilities covering 64 million square feet, bringing our total to 106 million square feet audited.
- Saving \$3 million and nearly 100 million kilowatts in an agency-wide energy challenge.
- Avoiding \$1.05 million in costs via green information technology (IT) initiatives.
- Recycling over 200,000 tons of waste materials in FY 2009 alone.
- Expanding recycling to 6,000 Post Office lobbies.
- Increasing alternative fuel use by 26 percent from 2008 to 2009.
- Using electric, propane, and natural gas delivery vehicles and retiring approximately 3,800 non-energy efficient vehicles.



To align with the established energy management goals and requirements in the Energy Independence and Security Act of 2007 (EISA 2007), the Postal Service has set targeted goals for our sustainability performance. We also are encouraging our customers, suppliers and business partners to join us by engaging in sustainable business practices and environmentally friendly choices. Below are the goals we are aiming to reach. The first three goals are EISA targets and the fourth goal is our own.

- Reduce energy use and intensity in our facilities by 30 percent by 2015.
- Reduce vehicle petroleum fuel use by 20 percent by 2015.
- Increase use of vehicle alternative fuel by 10 percent by 2015.
- Reduce greenhouse gas emissions by 20 percent by 2020.

I would now like to provide greater detail on what we are doing to achieve these goals.

The Postal Service's roughly 33,000 facilities vary greatly in size and function, providing unique challenges and large scale opportunities for our energy management efforts. Our facilities range in size from small Post Offices to large processing and distribution centers. In addition, our different facilities must accommodate different functions such as customer service activities, administrative offices, mail processing, delivery units, and training centers.

As part of our broad strategic energy plan, the Postal Service conducts facility audits, modernizes facilities infrastructure and control systems, and improves processes and systems to allow for more effective and efficient management of energy consumption.

The Postal Service conducts comprehensive facility energy audits to identify potential energy and water conservation opportunities. All opportunities are considered based upon technical and financial viability, meeting Postal Service goals, and impact on operations. In FY 2009 alone, energy audits were completed at hundreds of facilities covering 64 million square feet, bringing our audited to-date total to 106 million square feet. Practically every facility and system across our building portfolio offers energy reduction potential. Energy audits have detected opportunities for more energy efficient lighting and lighting controls systems, mechanical system controls upgrades, new energy efficient chillers, new air compressors with compressed air management controls systems, and much more. The energy audits identified an additional 1.8 trillion BTU a year in annual energy reduction potential. Most of the identified opportunities are in process or have already been completed, realizing both energy reduction savings and a favorable return on investment. The facility energy audits are one of our key strategies for reducing our energy use.

During 2009 the Postal Service also launched the Enterprise Energy Management System (EEMS) for managing all aspects of our facility energy performance. EEMS consolidates all internal and external energy data related to our facilities so we can measure, monitor and manage facility energy performance. We currently have financial costs, consumption, building and weather data for more than 6,800 facilities — representing nearly two-thirds of our facility space and 75 percent of energy consumed. EEMS has easy-to-use dashboards and reports to assess energy performance for multiple enterprise levels, time periods and metrics.

EMMS also will enable us to achieve some of the benefits of advanced metering. This advanced metering functionality will provide detailed information for an estimated 75 percent of our building energy consumption by the end of FY 2010. Where it provides additional value, we will be able to enhance the meter systems in selected buildings to be able to provide 15 minute increment data.



Because we are continuously performing repairs and upgrades on our building inventory of roughly 33,000 facilities, at any given time we have thousands of projects underway and most of them have the potential to impact the environment in some way.

In completing these thousands of energy-impacting projects each year, the Postal Service is able to achieve significant energy consumption and cost savings, and a roughly 15 percent return on our investment. Our energy intensity is down 21 percent from the FY 2003 baseline, which now correlates to an avoided annual total utility expense of over \$150 million. Last year, we experienced an actual decrease in energy spending year over year for the first time since we began this tracking.

Given our limited dollars, it is vital that we make sound business decisions that have both financial and environmental benefits. We need to not only reduce our energy use and improve efficiency, but since we rely solely on our own revenues, we also need to get a good value from our energy investments. Our building projects are expected to produce strong technical and financial results, so every energy-impacting project is subjected to a rigorous evaluation process. We perform thorough engineering analysis to determine the energy improvement and we conduct life-cycle cost analysis to ensure we are getting a favorable return on investment and the best value over a period of time. The dual evaluation is one of the key strategies making our energy conservation efforts successful.

With one of the largest construction programs in the nation, the Postal Service recognizes the opportunity to minimize the environmental impact and we are committed to building and operating high performance, sustainable buildings. We continually integrate energy management, environmental stewardship, and sustainable principles into our building design standards. Although our current financial situation — largely caused by the severe economic recession — has forced us to suspend building construction projects, we are focusing our efforts on operating our facilities in the most energy efficient means possible, both now and into the future.

As the Postal Service needs new buildings, we will be well positioned because we already have developed and integrated a variety of high-performance sustainable building design concepts into our national building design standards, such as energy-efficient lighting, heating, ventilation and air conditioning (HVAC), recycled-content materials, low-water use fixtures, and low volatile organic compound (VOC) paints.

These building standards are used for all projects including new construction as well as for repair and alteration projects. For each significant energy-impacting project, our design teams are required to perform energy modeling on multiple alternative design concepts, and we select designs based on energy and financial considerations. We also require roofing materials to be Energy Star compliant to address the "heat island" effect. And to minimize the use of resources, we use native plant species in our landscaping.

By following our building design standards, any new building construction we undertake meets the intent of both the U.S. Department of Energy's (DOE) criteria for High-Performance Sustainable Buildings (HPSB) and the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certification requirements — nationally accepted rating systems that measure the environmental attributes and sustainability features of buildings. In 2008, our Denver Post Office facility was honored with LEED certification, becoming the first LEED certified Post Office in the country.

At present, we have three more current building projects designed to meet these certification standards: the Greenville Processing and Distribution Center (P&DC) in South Carolina, the Royal Oak P&DC in Troy, Michigan, and the Southampton Main Post Office in Long Island, New York. The following design components highlight what certification included at the Southampton site. We planted native drought-resistant plants to reduce water use; used timers on the parking lot lights to minimize hours of use; designated preferred parking spots for low



emission vehicles; and used recycled composite materials on the exterior instead of new wood — and that's just on the outside. On the inside of the building we used low ceilings so that air handlers don't have to work as hard; have an 'instant-on' water heater that uses energy only when a hot water tap is on; used lighting sensors that power down to 50 percent when not needed; and installed energy-efficient windows that are double-paned and insulated with filler air to reduce heat loss. These and many other environmentally friendly features at our Southampton site allow us to pursue the LEED and HPSB certifications — the highest honors a green building can receive. Qualifying for these certifications validates that the Postal Service's standard building practices meet the industry benchmarks of sustainability.

Another notable building project the Postal Service completed in July of 2009 was the conversion of the roof at the Morgan P&DC in Manhattan into a nearly 2.5 acre green, environmental oasis that reduces energy use and provides a safe, sustainable outdoor environment for our employees. This is the largest green roof in New York City. The green roof is estimated to last 50 years, twice as long as the roof it replaced. In addition, the green roof will reduce the amount of storm water runoff by as much as 75 percent in summer and 40 percent in winter. Savings from the green roof are projected to be \$30,000 yearly in heating and cooling costs for the Postal Service.

The Postal Service also continues to realize benefits from the use of solar power. From California to Rhode Island, we have a number of solar photovoltaic systems that convert sunlight directly into electricity. Last year we issued a Request for Proposals from industry leaders for conversion of a significant portion of our purchased power to come from renewable sources. We are currently evaluating the proposals to install solar power generation systems at a number of sites, seeking an arrangement that is financially as well as technically viable.

The Postal Service is demonstrating leadership in energy management by adopting policies and procedures to achieve our energy reduction goals. In 2008, the Postal Service developed a National Energy Management Strategy (NEMS) to document the efforts of our business units to reduce energy consumption and costs. The NEMS plan includes high-level objectives for facility energy management, fleet management, fuel strategy, utilities management, and energy conservation and awareness within the Postal Service. The strategy also discusses our plan to broaden awareness and engagement in this ongoing effort.

Now we are taking another step to emphasize our commitment to energy reduction. For fiscal year 2010, we have added an Energy Reduction Indicator to our National Performance Assessment (NPA) to track building consumption of electricity and petroleum-based fuel for Postal Service owned vehicles. NPA is a Postal Service system that collects performance-related metrics — such as retail revenue, on-time Express Mail delivery, etc. — from source systems and then translates those metrics into scorecards that can be used to monitor performance across the nation. The new Energy Reduction Indicator in NPA is now part of a suite of performance metrics used during annual reviews, making the Postal Service the first federal agency to add energy reduction metrics to their managers' Pay for Performance system. For building electricity, each District is required to reduce consumption by 3.5 percent and petroleum use by 4.5 percent during 2010. We are working aggressively with management and employees to hit these targets. So far, we have saved \$42 million in fuel costs during the first quarter of FY 2010.

We are also moving ahead by improving our data on energy management. Our energy initiatives have focused on developing a common energy strategy for the organization and improving data quality.

Along this line, the Postal Service has developed the Corporate Energy Interface (CEI) system which provides consolidated energy consumption and spending information to allow us to accurately track our energy usage. We also created an Energy Expense report that accurately reflects the spending for all energy categories and consumption for fuel for Postal Service owned vehicles and Highway Contract Routes (HCR). In 2009, we found that our energy expenses



amounted to \$2.2 billion. Of this amount, transportation consumed 75 percent and the balance was spent on utilities. Transparency in overall consumption and cost will lead to significant improvements in energy management. These wise investments in energy efficiency today will repay their cost over time.

With nearly 217,000 vehicles that are an average of 18 years old and travel more than 1.2 billion miles a year, the Postal Service consistently is looking for ways to reduce the environmental impact of our fleet. We know that vehicles are critical to our mission, so we are thinking hard about what steps will best take us into the future, focusing on service to our customers and energy efficiency as guiding goals.

Along these lines, much has been done already. The Postal Service has always led the way in testing alternative fueled vehicles (AFVs) which can use clean fuels such as, ethanol, compressed natural gas, liquefied propane gas, electricity and bio-diesel. With currently 44,156 AFVs, we have the largest civilian fleet of AFVs which includes:

- 39,805 – Ethanol E-85 flex fuel
- 3,370 – Compressed Natural Gas (CNG)
- 34 – Propane
- 30 – Electric
- 915 – Hybrid
- 2 – Hydrogen Fuel Cell

In June 2009, the Postal Service benefited from a portion of a \$210 million purchase of new vehicles made by the General Services Administration (GSA) from Chrysler, Ford, and General Motors using funds from Public Law 111-5, the *American Recovery and Reinvestment Act of 2009*. Part of this GSA purchase allowed the Postal Service to replace over 6,500 vehicles with more fuel efficient models — 996 E-85 flex fuel capable, 903 hybrid and 4,658 conventional cars with four-cylinder gasoline-powered engines. Each of the new vehicles will have a higher miles-per-gallon rating than the one it replaces. The Postal Service greatly appreciates the purchase made by GSA and hopes there will be additional opportunities in the future to obtain more fuel efficient vehicles.

Other efforts to reduce the environmental impact of the Postal Service's vehicle fleet include:

- Testing two fourth generation fuel-cell vehicles in partnership with a major manufacturer and with funding from DOE.
- Testing medium-duty hybrid electric vans.
- Promoting the use of biodiesel in heavy-duty vehicles such as cargo vans and tractors.
- Continuing the use of CNG vehicles, electric vehicles, and propane vehicles.
- Eliminating older, less fuel efficient vehicles and optimizing the use of our existing fleet.
- Working with industry to increase the lifecycle of vehicle components, and as a result reducing waste from repair parts.

Since our organizational purpose is to deliver mail to households and businesses across the country, our vehicle fleet is mission critical to the Postal Service. We are now taking the next step to gather data on how best to improve our existing fleet of Long Life Vehicles (LLVs). LLVs are our most familiar delivery vehicles and are regularly seen in neighborhoods across the nation.



Over the years, the Postal Service has gained a good deal of experience through our testing of electric vehicles dating back to the first known test in 1899. More recently, in 1993 and 1999 we worked with major manufacturers to test electric minivans. In 1996, we partnered with a major manufacturer to convert six LLVs to electric, using lead acid battery technology. However in 1998, the manufacturer canceled their electric vehicle program.

In a subsequent effort in 2000, the Postal Service awarded a contract to another manufacturer to build 500 electric vehicles with a body similar to the LLV. Two years later, that manufacturer also decided to cancel their electric vehicle program for a variety of reasons including a lack of replacement batteries, diminished battery range in cold weather, and a lack of interest from consumers in electric vehicles. Due to the collapse in the supply chain, the Postal Service had to discontinue this effort.

At the present time, the Postal Service is investing \$250,000 to assist five electric vehicle technology companies in the research and development of an electric vehicle conversion solution for our LLVs. These projects will provide invaluable information on what concepts might work best to transition our aging LLV fleet. Testing of these vehicles will start in the summer of 2010. The information collected and other crucial data will help form critical decisions about how best to green our vehicle fleet so that the Postal Service may continue to provide quality service to our customers. By working together with industry leaders, our goal is to find a solution that is environmentally friendly, compatible with our needs, and of course, cost effective.

Through our work with the development and testing of electric vehicles, the Postal Service has gained much experience and learned valuable lessons. We believe this experience provides an opportunity to further explore electric vehicle technology. One possible avenue might be a cooperative effort with DOE through which the Postal Service would be able to provide a national test bed for the different types of technologies currently being developed for the electric vehicle environment.

Several other options the Postal Service has been actively using for a number of years are low-energy mail delivery methods. Mail is delivered by bicycle in Arizona and Florida. And 30 two-ton electric vehicles have been delivering mail in New York City since 2004. Three-wheel electric vehicles are being tested as possible replacements for some traditional gasoline delivery vehicles in Florida, California, and Arizona.

The Postal Service also delivers mail using the most energy efficient method possible — walking. Our letter carriers' "fleet of feet" delivers mail door-to-door by walking over 9,000 foot routes each delivery day. We also have nearly 80,000 "park and loop" routes which involve a large amount of walking. With park and loop routes, a vehicle is used as a movable relay box from which the carrier withdraws a substantial amount of mail. The carrier completes delivery by walking up one side of the street and down the other side (looping) back to the vehicle to retrieve mail for additional relay loops or to move the vehicle to other strategic park points.

Congress has been very active on various types of environmental legislation. While the Postal Service appreciates these efforts, we have concerns about legislation that would impact our delivery vehicle fleet and infrastructure. If such legislation is to move forward, the Postal Service supports the inclusion of provisions that allow us to determine that:

- The vehicles will fulfill the Postal Service's mission, safety, longevity, reliability, maintenance cost, and other requirements.
- The state of infrastructure, existing technology, and other existing conditions or events will be taken into account.
- The vehicles must be commercially available and long-term support will be available for the life of the vehicles.



We look forward to working with the Congress on any legislation that will help the Postal Service continue to fulfill our mission for the American public, ensure financial responsibility and growth, and promote sustainable business practices.

At the Postal Service, our employees are helping to lead the way in our energy efficiency efforts. Postal Service headquarters employees were challenged to adopt low-cost, no-cost ways to reduce energy use, lower vehicle petroleum fuel use, improve water efficiency, reduce the purchase of supplies, and achieve zero waste. In 2009, we expanded our efforts by forming Green Teams at our Area Offices. The teams identified a number of opportunities to lower the Postal Service's carbon footprint by using Lean Six Sigma methods — a management tool that identifies targeted improvements to make business processes leaner and more efficient.

As a result, our headquarters office reduced energy use by 21 percent, when compared to 2008. The efforts underway at our headquarters and Area Offices have saved over \$4 million in FY 2009 when compared to FY 2008. The savings are due to reductions in spending on supplies by an average of 39 percent, reductions in energy use by an average of 32 percent from the same period last year (SPLY), reductions in vehicle fuel use by an average of 16 percent from SPLY, reductions in water use by an average of 26 percent from SPLY, and the diversion of solid waste by 32 percent. At present, we are ready to roll out Green Teams at all of our 75 District offices. We believe these efforts will spark additional positive results nationwide.

To help get the word out to our employees, we have started several communication campaigns to inform them about what they can do to help us reach our goal. These campaigns provide information on how they can easily implement low-cost or no-cost opportunities in their own facilities. As a result, our employees are more involved than ever in striving to reach our energy efficiency goals and reduce our carbon footprint.

To help consumers make environmentally responsible decisions about their mail, the Postal Service created a special "green" section on its website that was first launched in 2008 and redesigned in December of 2009. At [usps.com/green](http://usps.com/green), consumers can find hundreds of helpful facts and suggestions, along with smart tools and information to improve their own environmental awareness, measure their carbon emissions, and create individual conservation plans. And just for children, there is a place for them to learn how to create green family trees.

A key feature of the site is the "Skip the Trip" calculator that shows consumers how to save money, fuel and energy by using our easy and convenient online services to conduct their postal business from home or office. It's another way the Postal Service helps customers make greener choices about their mail and their environment.

Through ongoing pilot programs, the Postal Service also is partnering with companies, agencies, and organizations to provide consumers with mail-back options for safely recycling and properly disposing of their small electronics, compact fluorescent lamps, and discarded or expired pharmaceuticals.

In 2008, the Postal Service began a Post Office Lobby Mail Recycling program at almost 4,000 facilities that to date has expanded to include more than 6,000 Post Offices. The program places secure recycle bins in Post Office lobbies to make it easier for customers to make environmentally friendly choices when they are finished reading their mail. The simple, but effective message of the program is "Read, Respond, Recycle." During 2010, we have plans to expand this convenient lobby recycling program to an additional 2,000 Post Offices. And we anticipate continued expansion of this program over time.



We also would like to note the fact that the Postal Service is the only shipping or mailing company to earn Cradle to Cradle Certification™ based on the quality of the raw materials used to produce our Priority Mail and Express Mail packaging, cardboard signs in Post Office lobbies, and Ready Post packaging and shipping supplies, including tape and labels. The one half billion pieces of green packaging supplies the Postal Service provided to customers last year prevented more than 15,000 tons of carbon emissions. That is equal to the amount from 2,747 average vehicles driving on the road for a year.

Some of the other innovative environmental initiatives the Postal Service has put into practice over the past few years include:

- A green purchasing program that "closes the loop" on recycling by purchasing products with recycled content that can themselves be recycled.
- Producing postage stamps using water-based inks that are made from soybeans and contain no lead.

The Postal Service also created and chairs the Greening the Mail Task Force, which is a public/private partnership charged with improving the environmental performance of mail. One primary goal is to work with marketers to help ensure mail is addressed and targeted correctly, so that consumers receive the mail they want.

The Postal Service is also one of 20 world-wide posts that are participating in the sustainability efforts of the International Post Corporation (IPC). The IPC sets standards for upgrading quality and service performance, and also provides informed intelligence about postal and related markets.

The IPC released its inaugural Sustainability Report, which was timed in conjunction with the December 2009 Climate Change Conference in Copenhagen, Denmark. In addition, the organization recently unveiled its first industry-wide collaborative effort to reduce carbon dioxide (CO<sub>2</sub>) emissions in which some of the largest posts, including the Postal Service, are actively involved. The efforts mark the first time the industry, as a whole, has come together and agreed to common targets, common time frames, and a common set of criteria.

As the largest post in the world, the Postal Service's involvement is helping lead the way to establish sustainability as a routine business practice and guide change on a global level within the world-wide delivery industry. The participating posts realize that if they collaborate as an industry, they have greater purchasing power and broader influence on suppliers in terms of the technological changes needed to help drive further advancement and research in areas, such as electric vehicles.

At this time, we believe the Postal Service is ready to take the next steps in our green leadership role. To do so, we will need some help because of the unique status of the Postal Service. Unlike most other Federal agencies, the Postal Service is an independent establishment of the executive branch. Since 1983, we have not requested or received appropriation monies for our operations, except for very small amounts to reimburse the Postal Service for statutorily mandated services, such as free matter for the blind and overseas voters. Overwhelmingly, the Postal Service relies on the sale of its products and services — *not* taxpayer dollars — to generate revenue and cover the costs of providing universal service to an ever increasing number of addresses in the United States. And it is our intent to continue to provide universal service to the American public.

While we are proud of our efforts to pay our own way through the sales of our products and services, we simply do not have the capital funds to invest in greening all of our nearly 217,000 vehicles and approximately 33,000 facilities.



Nevertheless, we believe that because of the size of our vehicle fleet and the number of our facilities, the Postal Service represents a unique opportunity for the Federal government and the nation to invest in and develop green advancements. Such an investment would be significant and the Postal Service would need some assistance from the Federal government, but we firmly believe that the results would certainly benefit everyone.

In our opinion, government funding provided through DOE or another Federal agency could assist the Postal Service with the financial support needed to develop sustainable energy-saving solutions for our large number of vehicles and facilities. Because of our size, working with the Postal Service could serve as a catalyst for leading the rest of the nation toward a greener future.

The Postal Service enjoys an ongoing and close working relationship with our colleagues at the Council on Environmental Quality (CEQ), DOE, EPA, GSA, Department of Transportation (DOT), and other Federal agencies. Recently, we have had some very productive discussions and plan to continue talking with our Federal agency counterparts, as well as other environmental stakeholders and industry leaders. The Postal Service believes that replacing all of our vehicles at once would not allow us to truly test emerging technologies. We would support an approach that includes targeted pilot or demonstration projects in geographically diverse areas that would yield the crucial information needed for testing the next generation of Postal Service vehicles, including electric models.

At the Postal Service, we have set aggressive goals for our near and long term sustainability performance. We will continue to focus on using less energy, water and other resources by encouraging sustainable best practices. Given the size and scope of our operations, it is apparent that our green initiatives and activities can and do have significant, positive impacts in every American community.

Despite our financial difficulties during this troubled economic time, we know that energy conservation is a sound financial investment and we plan to continue to expand our role as a sustainability leader within the Federal government, the mailing industry, and beyond. We look forward to working with the members of this Committee, Congress, Federal agencies, and the nation, to take the next steps toward achieving the necessary reductions in energy use and greenhouse gas emissions.

I appreciate your consideration and thank you for inviting me to discuss these important matters. I would be please to respond to any questions you may have.

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