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United States Government Accountability Office  
Washington, DC 20548

December 20, 2007

Congressional Requesters

Subject: *Postal Service and Mailing Industry Mail-Related Recycling:  
Accomplishments and Postal Opportunities—Interim Results*

In fiscal year 2006, the United States Postal Service (USPS) was responsible for discarding about 6.1 billion pieces of undeliverable-as-addressed Standard Mail (a class of bulk advertising mail that includes catalogs and circulars).<sup>1</sup> Some of this mail was recycled, but a large quantity of it was treated as waste and simply thrown away. Standard Mail is increasing in prominence due, in part, to its importance to businesses, nonprofits, and others as an effective way for (1) providing consumers with information on their products and services and (2) soliciting contributions from mail recipients.<sup>2</sup> Some mail recipients, however, view Standard Mail as an annoyance that also poses privacy and environmental concerns. According to the Environmental Protection Agency, Standard Mail accounted for about 5.8 million tons, or 2.4 percent, of municipal solid waste (otherwise known as trash or garbage) in 2005. Of this amount, 64 percent was placed in a landfill or incinerated, and 36 percent was recycled.

The 2006 Postal Accountability and Enhancement Act required GAO to report—by December 20, 2007—on, among other matters, USPS mail-related recycling accomplishments and additional recycling opportunities.<sup>3</sup> For mail-related recycling accomplishments (initiatives), we expanded our work to include the mailing industry and other stakeholders, as appropriate. For this report on our interim results, our objectives were as follows:

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<sup>1</sup>Approximately 6 percent of all Standard Mail was undeliverable-as-addressed.

<sup>2</sup>In fiscal year 2005, Standard Mail surpassed First-Class Mail to become the largest class of mail by volume.

<sup>3</sup>Pub. L. No. 109-435 (Dec. 20, 2006).

- describe the recent initiatives of USPS, the mailing industry, and other stakeholders with respect to four mail-related recycling topics,<sup>4</sup> and
- convey stakeholder-identified opportunities for USPS to engage in, or encourage others to engage in, activities related to these topics, as well as factors to consider—such as mission compatibility,<sup>5</sup> logistics, and cost—in deciding whether to adopt these opportunities.

To accomplish our objectives we, among other activities, (1) interviewed a wide range of USPS officials and stakeholders from about 40 other organizations, including representatives from the mailing, paper recycling, and environmental advocacy industries; (2) reviewed and analyzed relevant documentation; (3) toured various facilities, including USPS facilities in Baltimore and Philadelphia, a paper recycling facility, and a printing facility; and (4) attended meetings of the “Greening the Mail Task Force”—a committee convened in September 2007, comprised of USPS, mailing industry, and other stakeholders, and focused on addressing environmental issues regarding the mail. We primarily focused on Standard Mail because of its increasing prominence in the mailstream, its contribution to municipal solid waste, and the issues some mail recipients have related to Standard Mail—as reflected in numerous “Do Not Mail” state legislative initiatives. We conducted our work from April through December 2007 in accordance with generally accepted government auditing standards.

On December 6 and 7, 2007, we briefed your staff on the interim results of our analysis. This report formally conveys the information provided in those briefings (see Enclosure). In summary:

- USPS, the mailing industry, and other stakeholders have undertaken numerous mail-related recycling initiatives, but the extent to which these initiatives have been adopted is unknown. USPS initiatives include (1) developing a policy and guidelines for a nationwide mail-related recycling program, (2) centralizing and attempting to expand its waste removal and recycling contracts nationwide, (3) partnering with New York City to create a pilot mail recycling program, (4) introducing new tools to reduce undeliverable-as-addressed mail volumes and costs, and (5) forming a “Greening the Mail Task Force” to, among other activities, promote increased mail recycling. For their part, the mailing industry and other stakeholders have initiated, among other activities, a collaborative campaign to encourage mailers to print recycling logos on magazines, envelopes, and other mailpieces; a “Magazine PAPER Project” to provide technical assistance and expertise to magazine companies interested in using environmentally responsible paper; and a “Catalog Choice” Web site to enable mail recipients to stop receiving unwanted catalogs. Additionally, the Direct Marketing Association, whose members generate the

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<sup>4</sup>The four mail-related recycling topics are: (1) recycling undeliverable-as-addressed mail, mail discarded in USPS facilities, and other mail-related materials, such as plastic wrappings and cardboard; (2) reducing undeliverable and unwanted mail; (3) increasing the use of recycled content or reusable materials in mail; and (4) promoting increased recycling of mail-related materials.

<sup>5</sup>USPS’ mission is to provide affordable, high-quality universal postal services on a self-financing basis.

majority of Standard Mail volume, will require all its members to adopt certain environmentally friendly practices by June 2008. While numerous initiatives are under way, data are limited on the extent to which these initiatives have been adopted.

- Stakeholders identified opportunities for USPS to engage in, or encourage others to engage in, mail-related recycling. For example, according to stakeholders, USPS could (1) implement a “mail-back” program in locations with limited access to municipal paper recycling, (2) offer discounted postal rates for mailers that use recycled content and/or other “green” attributes in their mailpieces, and (3) take additional steps to educate mail recipients about the recyclability of mail. However, several factors—such as mission compatibility, logistics, and cost—would need to be considered in deciding whether USPS should adopt these or other opportunities.

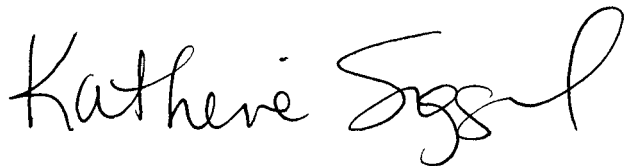
This report is intended to meet our reporting time frames as mandated by the 2006 Postal Accountability and Enhancement Act. We plan to issue a more comprehensive report on this subject, including a qualitative analysis of how each identified opportunity may influence USPS’ costs and revenues, in the spring of 2008.

We provided USPS with a draft of the enclosure, and we have incorporated its technical comments, as appropriate.

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We are sending copies of this report to the Postmaster General, appropriate congressional committees, and other interested parties. We also will make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff has any questions about this report, please contact me at (202) 512-2834 or [siggerudk@gao.gov](mailto:siggerudk@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributions to this report were made by Kathleen Turner, Assistant Director; Samer Abbas; Jeff Jensen; Daniel Paepke; and Stephanie Purcell.



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Enclosure

*Congressional Requesters*

The Honorable Joseph I. Lieberman  
Chairman

The Honorable Susan M. Collins  
Ranking Member  
Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable Thomas R. Carper  
Chairman

The Honorable Tom Coburn  
Ranking Member  
Subcommittee on Federal Financial Management, Government Information, Federal  
Services, and International Security  
Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable Henry A. Waxman  
Chairman

The Honorable Tom Davis  
Ranking Member  
Committee on Oversight and Government Reform  
House of Representatives

The Honorable Danny K. Davis  
Chairman

The Honorable Kenny Marchant  
Ranking Member  
Subcommittee on Federal Workforce, Postal Service, and the District of Columbia  
Committee on Oversight and Government Reform  
House of Representatives



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# Postal Service and Mailing Industry Mail-Related Recycling: Accomplishments and Postal Opportunities

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GAO Briefing

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## Introduction

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- The United States Postal Service (USPS) delivered approximately 213 billion pieces of mail in fiscal year (FY) 2006. About 102 billion of these pieces, or 48 percent, were sent as “Standard Mail” (a class of bulk mail).
  - While USPS currently receives about half of its revenue from First-Class Mail, Standard Mail became the largest class of mail (by volume) in FY 2005 and is expected to grow in prominence in the future.
  - Standard Mail includes circulars, printed matter, catalogs, newsletters, and direct mail and is the primary class used for mailing advertisements.
  - Businesses, nonprofits, and others view Standard Mail as an important medium for providing information on their products and services and for soliciting contributions from mail recipients.
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## Introduction

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- About 6 percent of Standard Mail (about 6.1 billion mailpieces) were undeliverable-as-addressed (UAA) in FY 2006 and were therefore subject to additional handling by USPS. The remainder of Standard Mail is received, often read, and eventually discarded (and possibly recycled) by mail recipients.
  - According to the Environmental Protection Agency (EPA), paper comprised about one-third of municipal solid waste (otherwise known as trash or garbage) in 2005. Standard Mail accounted for about 5.8 million tons, or 2.4 percent, of municipal solid waste generated. Of this amount:
    - 64 percent was discarded (i.e., placed in a landfill or incinerated), and
    - 36 percent was recycled.
  - Numerous states proposed “Do Not Mail” legislation in 2007, largely to limit the receipt of unwanted Standard Mail. Proponents of these legislative initiatives cite the following three principal issues with respect to Standard Mail:
    - annoyance,
    - environmental concerns, and
    - privacy and personal security.
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## Objectives

- The 2006 Postal Accountability and Enhancement Act (PAEA) required GAO to report—by December 20, 2007—on, among other matters, USPS mail-related recycling accomplishments and additional recycling opportunities. For mail-related recycling accomplishments (initiatives), we expanded our work to include the mailing industry and other stakeholders, as appropriate. Consequently, this briefing will
  - Describe recent USPS, mailing industry, and other initiatives associated with the following four mail-related recycling topics:
    - Topic 1: Recycling UAA mail, mail discarded at USPS facilities by mail recipients (discarded lobby mail), and other mail-related materials, such as plastic wrappings and cardboard.
    - Topic 2: Reducing undeliverable and unwanted mail.
    - Topic 3: Increasing the use of recycled content or reusable materials in mail.
    - Topic 4: Promoting increased recycling of mail-related materials.
  - Convey stakeholder-identified opportunities for USPS to engage in, or encourage others to engage in, activities in the above topics, as well as factors to consider—such as mission compatibility, logistics,<sup>1</sup> and cost—in deciding whether to adopt the opportunities.

<sup>1</sup>Logistical factors include USPS' management of the movement, storage, and handling of mail.



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## Scope and Methodology

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- To accomplish our objectives, we, among other activities, (1) interviewed a wide range of USPS officials and stakeholders from about 40 other organizations, including representatives from the mailing, paper recycling, and environmental advocacy industries; (2) reviewed and analyzed relevant documentation; (3) toured various facilities, including USPS facilities in Baltimore and Philadelphia, a paper recycling facility, and a printing facility; and (4) attended meetings of the "Greening the Mail Task Force"—a committee comprising USPS, mailing industry, and other stakeholders to address environmental issues regarding the mail.
- We primarily focused on Standard Mail because of its increasing prominence in the mailstream, its contribution to municipal solid waste, and the issues some mail recipients have related to Standard Mail—as reflected in numerous "Do Not Mail" state legislative initiatives.
- While efforts are under way to measure the overall environmental impact attributable to the mailing industry, these efforts are not yet completed. Consequently, our focus is on recycling as a means to eliminate mail and mail-related materials from municipal solid waste.
- We provided USPS with a draft of these slides and incorporated its technical comments, as appropriate.
- We conducted our work from April through December 2007 in accordance with generally accepted government auditing standards.

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## **Background: Scope of the Mailing Industry**

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- The mailing industry is large and includes the employees of
  - USPS;
  - businesses, organizations, and others (mailers) that mail items through USPS and that rely on the mail to maintain contact with their customers;
  - preparers of the mail, including printers and businesses that send and/or receive mail on behalf of another party; and
  - vendors and suppliers of the hardware, software, and labor related to mail, such as companies who help mailers improve the accuracy of their mailing lists.

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## Background: Managing UAA Mail Is Costly

- USPS is responsible for managing waste from mail that (1) cannot be delivered as addressed (i.e., UAA mail) and (2) mail recipients discard at its facilities.
- Since UAA mail cannot be delivered, it results in additional USPS handling. Depending on the type (class) of UAA mail, USPS may need to forward it to the addressee, return it to the sender, send it to a USPS mail recovery center (for First-Class Mail), or—as is generally the case for Standard Mail—treat it as waste.<sup>2</sup>
- A USPS study reported that UAA mail cost the agency more than \$1.8 billion in FY 2004;<sup>3</sup> 67 percent of these costs resulted from forwarding mail to the intended recipient or returning it to the sender.<sup>4</sup>
  - USPS estimates that creating and sending mail that cannot be delivered costs businesses more than double this amount annually.

<sup>2</sup>While undeliverable Standard Mail is generally not forwarded to the addressee, mailers can pay USPS an additional fee to have their undeliverable Standard Mail returned to them.

<sup>3</sup>This represented about 2.6 percent of USPS' total expenses (\$69.0 billion) in FY 2004.

<sup>4</sup>The remaining 33 percent of costs were associated with waste processing (\$270 million – 15 percent), address correction (\$187 million – 10 percent), change-of-address form processing (\$132 million – 7 percent), and administration and support (\$24 million – 1 percent).



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## **Background: USPS Offers Tools to Mailers to Decrease UAA Mail**

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- To qualify for Standard Mail rates, mailers must use, among other things, tools for improving the quality of their address list—often referred to as “list hygiene.” A sample of these tools includes the following:
  - **Move Update**—a series of tools mailers can use to update their mailing lists. One such tool, the National Change-of-Address file, helps mailers correct their customer address records following a customer’s move by providing the customer’s new address.
  - **Address Element Correction**—a tool that mailers can use to correct bad addresses within their mailing lists.
  - **Delivery Point Validation**—a tool that verifies the address on a mailpiece using USPS’ address database.

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## Objective 1: Initiatives



### Summary

**USPS, the mailing industry, and other stakeholders have undertaken numerous mail-related recycling initiatives, but the extent to which these initiatives have been adopted is unknown.**

- USPS has undertaken numerous initiatives (either independently or in consultation with other stakeholders) to
  - Topic 1: Recycle UAA mail, discarded lobby mail, and other mail-related materials.
  - Topic 2: Reduce undeliverable and unwanted mail.
  - Topic 3: Increase the use of recycled content or reusable materials in mail.
  - Topic 4: Promote increased recycling of mail-related materials.
- The mailing industry and other stakeholders have also undertaken initiatives in most of these areas.
- While numerous initiatives are under way, data are limited on the extent to which the initiatives have been adopted.

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## Objective 1: Initiatives



### Topic 1: USPS Initiatives to Recycle UAA Mail, Discarded Lobby Mail, and Other Mail-Related Materials

- Overall, while USPS has had a mail-related recycling program in place since the early 1990s, the desire to (1) increase revenues from recycling and (2) reduce waste removal costs caused USPS to develop a policy and guidance needed to adopt a nationwide mail-related recycling program. Specifically:
  - USPS recently published its policy (a Management Instruction), a business case evaluation, and a recycling implementation plan to provide policies, guidance, and justification for implementing a mail-related recycling program nationwide. USPS is also developing more detailed guidelines for establishing mail-related recycling programs in postal facilities.
    - The Management Instruction encourages, but does not require, facility managers to implement mail-related recycling programs, as feasible, in their facilities.
  - USPS also has identified and will report on its “Islands of Excellence”—a report highlighting successful USPS mail-related recycling programs around the country.
    - While the report’s release date is unknown, we expect USPS’ Northeast Area to be highlighted.<sup>5</sup> This Area has been inducted into the EPA’s “WasteWise Hall of Fame” for its various recycling initiatives.
  - Further, USPS recently developed an evaluation tool (environmental scorecard) to measure and rank environmental compliance throughout USPS. As part of its evaluation, USPS measures revenue generated by mail-related recycling activities in each of USPS’ nine geographic Areas.

<sup>5</sup>USPS divides the country into nine geographic Areas and 80 smaller organizational units called “Districts.” Each postal facility reports to its District, which in turn reports to its Area.

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## Objective 1: Initiatives



### Topic 1 (cont'd): USPS Initiatives to Recycle UAA Mail, Discarded Lobby Mail, and Other Mail-Related Materials

- Second, USPS is centralizing and attempting to increase its waste-related contracts as follows:
  - To increase recycling of UAA mail, discarded lobby mail, and other mail-related materials (recyclable mail-related materials), in January 2006, USPS selected the Memphis, Tennessee, Category Management Center (Memphis CMC) to negotiate and monitor all waste removal and recycling contracts nationwide.<sup>6</sup>
    - The contracts (1) are intended to increase recycling revenues and reduce costs associated with waste removal and (2) operate primarily through two methods:
      - *backhauling* which uses USPS' vehicles and labor to haul recyclable mail-related materials to a centralized postal facility, or
      - *milk runs* which generally use non-USPS equipment and labor to pick up recyclable mail-related materials and deliver them to a central USPS or recycling facility.
    - For example, the CMC contract with Rand-Whitney for Pennsylvania facilities established backhauling and milk runs to transport recyclable mail-related materials from 457 postal facilities.
      - According to Rand-Whitney, this increased USPS recycling revenue by \$177,000, reduced its waste disposal costs by \$98,000, and resulted in a total savings of \$275,000 from July 2006 through June 2007.<sup>7</sup>

<sup>6</sup>USPS received a White House "Closing the Circle" award in 2007 for the Memphis CMC's contracting activities in Pennsylvania and Mississippi.

<sup>7</sup>Once recyclables are no longer thrown out as waste, USPS generates less waste, thereby reducing its disposal costs. Rand Whitney received 25 percent of the total savings.



## Objective 1: Initiatives



### Topic 1 (cont'd): USPS Initiatives to Recycle UAA Mail, Discarded Lobby Mail, and Other Mail-Related Materials

- USPS is centralizing and attempting to expand its waste-related contracts (cont'd)
  - As of November 2007, Memphis CMC managed various waste removal and recycling contracts for 13 percent of all USPS facilities. USPS could not supply data on the extent to which the remaining 87 percent of USPS facilities are recycling mail-related materials under separate contractual arrangements.
  - According to USPS officials, contracts managed by Memphis CMC resulted in approximately \$6.6 million in recycling revenues and waste removal cost savings in FY 2007.
  - In FY 2010, USPS hopes to generate \$40 million in revenue from its expanded use of centralized waste removal/recycling contracts.<sup>8</sup>

<sup>8</sup>This figure does not include savings associated with reduced waste removal costs.

## Objective 1: Initiatives



### Topic 1 (cont'd): USPS Initiatives to Recycle UAA Mail, Discarded Lobby Mail, and Other Mail-Related Materials

- Third, in May 2007, USPS partnered with New York City to create a pilot program termed “New York City SOARs!” (Saving Of America’s Resources) to, among other things:
  - identify opportunities for establishing and expanding recycling programs in USPS facilities in New York City, such as placing recycling bins in postal facility lobbies, and
  - recognize practices that can be used in other USPS facilities.

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## Objective 1: Initiatives



### Topic 2: USPS Initiatives to Reduce Undeliverable and Unwanted Mail

- USPS established a goal for reducing UAA mail costs by 50 percent between FY 2004 and FY 2010.
  - USPS set this goal in 2006, but clarified it in the summer of 2007. As clarified, the goal applies to the cost—not the volume—of UAA mail.
  - Costs associated with First-Class Mail will contribute more to the cost reduction goal than those associated with Standard Mail. This is because the majority (of UAA mail costs) is associated with forwarding and returning UAA mail. First-Class UAA Mail is forwarded to the recipient or returned to the sender, while Standard Mail typically is not.
- USPS is developing performance measures to assess its progress in meeting this goal. However, in the interim, USPS is using increases in the number of Address Change Service requests made by mailers as a proxy for measuring its performance.<sup>9</sup>

<sup>9</sup>This service is available to mailers who, for a fee, can sign up to receive electronic notices when their mailpieces are UAA. Depending on the type of service the mailer chooses to use (e.g., "Address Service Requested"), the electronic notice (1) eliminates USPS' obligation to either forward a First-Class Mail mailpiece to the recipient or return it to the mailer and (2) informs Standard Mailers when a mailpiece is UAA.

## Objective 1: Initiatives



### Topic 2 (cont'd): USPS Initiatives to Reduce Undeliverable and Unwanted Mail

- USPS recently modified Move Update—a tool mailers use to update their mailing list addresses for individuals who have moved. For the first time—effective November 2008—Standard Mailers will be required to use Move Update to qualify for postage discounts. In addition, these mailers will be required to increase the frequency of their updates from 185 days to 95 days prior to each mailing.
- USPS also is introducing Intelligent Mail Barcodes (Intelligent Mail)—a tool that allows USPS and mailers to track a mailpiece and, in some cases, determine its delivery status. Because mailers could use delivery status information to identify UAA mailpieces and correct their mailing lists, USPS officials believe Intelligent Mail likely will reduce UAA mail volumes.
  - USPS and Bank of America have signed a performance-based negotiated service agreement—the first of its kind—to provide reduced postage rates based, in part, on the bank's UAA mail reduction.
    - USPS plans to use Intelligent Mail to assess whether the bank has reduced its UAA mail volumes.
    - USPS expects the negotiated service agreement to help it evaluate the effectiveness of Intelligent Mail before it is fully implemented in 2009.
- USPS is using the Postal Automated Redirection System (PARS) to reduce UAA mail costs. For mail recipients who have moved and filed a change of address order with USPS, PARS, among other things, identifies UAA mail when it is sorted and redirects it to the correct destination. By rerouting a mailpiece to the correct address before it is sent elsewhere, PARS reduces the number of mailpieces that are delivered to incorrect addresses. Eliminating the need to forward mailpieces to recipients and/or return them to the senders reduces the overall cost of processing UAA mail.

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## Objective 1: Initiatives



### Topic 3: USPS Initiatives to Increase the Use of Recycled Content or Reusable Materials in Mail

- According to USPS officials, USPS uses 100 percent recycled paperboard in its Priority Mail and Express Mail packages and envelopes.<sup>10</sup> Additionally, according to postal officials, USPS' marketing materials typically contain 10 percent postconsumer recycled content.<sup>11</sup>
- A collaborative effort of USPS and mailing industry representatives, including envelope manufacturers and other stakeholders, has improved the recyclability of mail-related adhesives through the use of specially engineered adhesives and advanced recycling equipment and techniques.
- USPS has approved the use of reusable mailpieces (e.g., two-way envelopes that could reduce paper consumption) in the mailstream.

<sup>10</sup> USPS' commitment to incorporate environmental concerns in these products resulted in a "Cradle to Cradle" certification from a consulting firm that helps clients create "ecologically intelligent products."

<sup>11</sup> EPA defines postconsumer recycled content as (1) paper fiber that has passed through its end-usage as a consumer item or (2) paper fiber that is recovered from municipal solid waste.

## Objective 1: Initiatives



### Topic 4: USPS Initiatives to Promote Increased Recycling of Mail-Related Materials

- In January 2008, USPS plans to launch internal and external “green” Web sites. The external site will promote mail recycling to the general public, while the internal site is aimed at postal employees and will contain USPS’ environmental policy (the Management Instruction) and other guidance.
- In addition to its focus on recycling at USPS facilities, the “New York SOARs!” pilot program also promotes recycling of mail-related materials in non-USPS facilities such as businesses, retailers, and government agencies.
- USPS convened the “Greening the Mail Task Force” in September 2007 to promote increased mail recycling, among other matters.
  - The task force—which intends to operate as a long-standing committee to address matters of mutual interest—includes USPS officials, mailing industry representatives, and other stakeholders and has met twice as of December 6, 2007.
  - Task force members formed the following five subcommittees to address initial environmental issues regarding the mail:
    - education/awareness on sustainability and value of the mail;
    - improve recyclability and source reduction;
    - recycling collection of the mail;
    - life cycle analysis of mail; and
    - standards/self-certification.

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## **Objective 1: Initiatives**



### **Topic 1: Mailing Industry and Other Stakeholder Initiatives to Recycle UAA Mail, Discarded Lobby Mail, and Other Mail-Related Materials**

Because USPS has responsibility for handling UAA mail and recycling mail-related materials, the mailing industry and other stakeholders do not have initiatives in Topic 1.

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## Objective 1: Initiatives



### Topics 2, 3, and 4: Mailing Industry and Other Stakeholder Initiatives

The Direct Marketing Association (DMA), whose members generate about 80 percent of Standard Mail volume, has two initiatives under way that address three of the four mail-related recycling topics (reducing undeliverable and unwanted mail, increasing the use of recycled content or reusable materials in mail, and promoting increased recycling of mail-related materials). The initiatives involve DMA's development of

- an "Environmental Resolution" to improve its members' business practices and, more particularly, the establishment of a set of 15 environmental commitments (the "Green 15") relating to (1) paper procurement and use, (2) list hygiene and data management, (3) mail design and production, (4) packaging, and (5) recycling and pollution.
  - The "Green 15" was established in May 2007 and requires DMA members to adopt "green" practices, such as the use of recycled content and responsibly sourced virgin fiber (certified paper), as appropriate, by June 2008.
  - DMA offers guidance to help members implement these practices.
  - DMA does not know to what extent these practices have been adopted; however, it intends to develop enforcement measures and use its ethics policy group to regulate compliance when the "Green 15" becomes mandatory in June 2008.
- a Web-based tool (the Environmental Tool and Optional Policy Generator) to help members develop their environmental policies and practices.
  - Members also can use the tool to meet the standards and practices set forth in DMA's "Environmental Resolution" and "Green 15."
  - DMA does not collect data on the extent to which its members use the Web-based tool.

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## Objective 1: Initiatives



### Topic 2: Mailing Industry and Other Stakeholder Initiatives to Reduce Undeliverable and Unwanted Mail

#### DMA initiatives:

- Mail Preference Service (Service)—Developed in 1972, the Service allows individuals to remove their names from all DMA member mailing lists for a \$1 fee.
  - In early 2008, DMA plans to improve the Service by enabling mail recipients to choose companies (DMA members) from which they no longer wish to receive mail. Presently, the Service is an “all or nothing” opt-out program.
  - As of November 2006, 4.5 million people had registered for the Service.
  - DMA currently requires members to update their mailing lists against the Service on a quarterly basis. As part of the “Green 15,” beginning in June 2008, DMA will require its members—on a monthly basis—to eliminate individuals who have opted out of member mailings.
- “Commitment to Consumer Choice”—Beginning in October 2008, DMA members must provide a notice on all their advertising mailpieces informing recipients that they can opt-out of future mailings.
- “Deceased Do Not Contact” list—DMA’s Web site provides mail recipients with the opportunity to register the names of deceased individuals for removal from DMA members’ mailing lists.

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## Objective 1: Initiatives



### Topic 2 (cont'd): Mailing Industry and Other Stakeholder Initiatives to Reduce Undeliverable and Unwanted Mail

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#### Other selected mailing industry and stakeholder initiatives:

- The 2007 National Postal Forum included a symposium on address quality that highlighted techniques mailers can use to improve address quality and reduce UAA mail.
- In 2006 and 2007, the Mailers' Technical Advisory Committee published reports that focused on (1) improving addressing techniques and (2) developing a means to certify the accuracy of mailing lists purchased by mailers.
  - The committee is a collaboration of USPS and mailing industry officials which, like the "Greening the Mail Task Force," uses work groups to study issues of mutual interest.
- Initiated in October 2007, the "Catalog Choice" Web site enables mail recipients to stop receiving unwanted catalogs. As of December 3, 2007, about 255,000 mail recipients had registered, opting out of over 3.1 million catalogs.
  - Catalog Choice is a project of the Ecology Center and is endorsed by the National Wildlife Federation and the Natural Resources Defense Council.

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## Objective 1: Initiatives



### Topic 3: Mailing Industry and Other Stakeholder Initiatives to Increase the Use of Recycled Content or Reusable Materials in Mail

#### DMA initiatives:

- As part of the "Green 15," mailers will be required to purchase paper with postconsumer recycled content, where appropriate.
- The Environmental Tool and Optional Policy Generator encourages mailers, among other things, to purchase paper containing postconsumer recycled content. DMA does not collect data on the extent to which its members (1) use this tool or (2) purchase paper containing postconsumer recycled content.

#### Other selected mailing industry and stakeholder initiatives:

- A major catalog retail company partnered with Environmental Defense to use paper with a minimum of 10 percent postconsumer recycled content.
- A major envelope manufacturing company offers 10 "green" attributes in envelopes (e.g., recycled content, soy-based inks, and chlorine-free bleaches).
  - According to a company official, 80 percent of its envelope sales include at least one "green" attribute.
- "The Magazine PAPER Project," an initiative of Co-op America, provides technical assistance and expertise to magazines interested in using paper containing postconsumer recycled content and certified paper.<sup>12</sup>
  - According to Co-op America's Web site, as of December 6, 2007, 114 magazines had committed to using "environmentally responsible paper" ("Magazine Paper Heroes").

<sup>12</sup> Certified paper is paper that originates from certified forests. Forest certification programs are designed to recognize and promote environmentally-responsible forestry.

## Objective 1: Initiatives



### Topic 4: Mailing Industry and Other Stakeholder Initiatives to Promote Increased Recycling of Mail-Related Materials

#### DMA initiatives:

- The “Recycle Please” campaign—launched in collaboration with the Envelope Manufacturers Association and the Magazine Publishers of America—encourages mailers to print recycling logos on mailpieces.
  - The extent to which mailers currently participate in this program is unknown. However, DMA members will be required to participate as part of the “Green 15” in June 2008.

#### Other selected mailing industry and stakeholder initiatives:

- The “Recycling Magazines is Excellent” program disseminates advertisements and other promotional materials, such as signage on city buses, to inform consumers that magazines are recyclable.
  - The program is a collaboration between the National Recycling Coalition, Verso Paper, and Time, Inc. among others, and has been implemented in four pilot areas (Boston, MA; Prince George’s County, MD; Portland, OR; and Milwaukee, WI).
  - In Boston and Prince George’s County—the two locations where the pilot has been completed—the program increased magazine recycling by 22.8 percent and 10.8 percent, respectively.
- The American Forest and Paper Association (AF&PA) is partnering with other organizations to promote the recycling of all paper, including mail.
  - AF&PA set a goal of recycling 55 percent of the paper consumed in the United States by 2012.

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## Objective 2: Opportunities



### Summary

**Stakeholders identified numerous opportunities for USPS to engage in, or encourage others to engage in, activities associated with the four mail-related recycling topics. However, several factors—such as mission compatibility, logistics, and cost—would need to be considered in deciding whether to adopt these opportunities. Specifically, stakeholders indicated that USPS could**

- Increase recycling of UAA mail, discarded lobby mail, and other mail-related materials by
  - including postal Districts in its evaluation of environmental compliance and offering appropriate incentives,
  - implementing a “mail-back” program, and
  - coordinating with the paper recycling industry to, among other things, identify recycling obstacles and transportation opportunities.
- Reduce UAA and unwanted mail by
  - considering additional performance-based negotiated service agreements.
- Increase use of recycled content or reusable materials in mailings by
  - considering initiating a discounted postal rate for mailers that use paper with “green” attributes.
- Promote increased recycling of mail by
  - taking additional steps to educate mail recipients about the recyclability of mail.

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## Objective 2: Opportunities



### Topic 1: USPS Opportunities to Recycle UAA Mail, Discarded Lobby Mail, and Other Mail-Related Materials

**Opportunity:** To expand existing mail-related recycling programs and to initiate new efforts, USPS could include postal Districts—in addition to postal Areas—in its evaluation of environmental compliance as it relates to mail-related recycling activities. USPS could also consider offering appropriate incentives to accomplish these objectives.

• **Factors to consider:**

- Mission compatibility:
  - USPS must balance recycling efforts with its mission of providing universal access to postal services.
  - USPS employees may not perceive mail recycling as compatible with their postal duties.
- Logistics:
  - Some postal facilities lack space for storing UAA mail, discarded lobby mail, and other mail-related materials intended for recycling.
  - Backhauling may be difficult in rural areas where central collection facilities may not be geographically convenient.
- Cost:
  - Revenue from recycling may not cover program costs throughout all USPS Districts.

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## Objective 2: Opportunities



### Topic 1 (cont'd): USPS Opportunities to Recycle UAA Mail, Discarded Lobby Mail, and Other Mail-Related Materials

**Opportunity:** To provide mail recycling opportunities to mail recipients who live in locations where access to municipal paper recycling is limited,<sup>13</sup> USPS could implement a program to enable mail recipients to send (“mail-back”) their discarded mail to a central facility using USPS’ delivery network.

- Mail recipients could be provided with preaddressed packages to send their discarded mail—similar to existing programs (e.g., inkjet cartridges, cellular phones, and unused prescription drugs) to predetermined location for recycling.
- If implemented in states with pending “Do Not Mail” legislative initiatives, a mail-back program of this type could reduce the perceived need for such legislation.
- **Factors to consider:**
  - **Mission compatibility:**
    - If logistic and/or cost issues present difficulties, a mail-back program could interfere with USPS’ mission of providing universal access to postal services.
  - **Logistics:**
    - USPS would face a number of challenges in developing mechanisms for collecting and transporting the returned mail through its delivery, retail, and/or processing networks.
  - **Cost:**
    - The costs of implementing such a program are uncertain. In existing mail-back programs for other products, the manufacturers subsidize program costs.

<sup>13</sup>According to a 2006 study referenced by AF&PA, 31 percent of U.S. communities lack access to paper recycling.

## Objective 2: Opportunities



### Topic 1 (cont'd): USPS Opportunities to Recycle UAA Mail, Discarded Lobby Mail, and Other Mail-Related Materials

**Opportunity:** To address the shortage of recycled content for use in producing recycled paper, USPS could coordinate with the paper recycling industry to (1) identify—and, possibly, resolve—any existing obstacles to the recycling of mail-related materials and (2) determine whether these parties could assist USPS in transporting mail-related materials to paper recycling facilities.

- Representatives of the paper recycling industry stated that mail-related adhesives can pose recycling problems depending on the technology used. According to officials at the paper recycling facility we visited, such adhesives continue to pose recycling problems.<sup>14</sup>
- AF&PA, for example, is interested in collaborating with USPS to increase mail-related recycling to help accomplish its goal of recovering (i.e., preventing landfill disposal or incineration) 55 percent of paper consumed in the United States by 2012.
- **Factors to consider:**
  - **Mission compatibility:**
    - USPS could be drawn into a contentious debate on the merits of various forest certification programs offered by the paper and paper recycling industries.<sup>15</sup>
  - **Logistics:**
    - USPS would need to develop an implementation framework, possibly including an approach to sharing costs and revenues with the private sector.
  - **Cost:**
    - The cost of resolving obstacles to the recycling of mail-related materials, including the staff resources involved in collaborating, is unknown.

<sup>14</sup>Although some mail-related adhesives pose problems for this plant, officials stated that they would continue to accept USPS UAA mail.

<sup>15</sup>These programs are designed to recognize and promote environmentally-responsible forestry.



## Objective 2: Opportunities



### Topic 2: USPS Opportunity to Reduce Undeliverable and Unwanted Mail

**Opportunity:** To reduce UAA mail, USPS could consider additional performance-based negotiated service agreements, similar to the agreement with Bank of America.

- **Factors to consider:**

- Mission compatibility:
  - No factors identified.
- Logistics:
  - Implementing additional agreements can be complex and requires approval by the Postal Regulatory Commission and USPS' Board of Governors.
- Cost:
  - No factors identified.
- Other:
  - Feasibility—In view of concerns expressed by the commission,<sup>16</sup> USPS (and, possibly, mailers) may be reluctant to pursue additional agreements.

<sup>16</sup> In its decision to approve the agreement, the commission reported that while it endorses the concept of the agreement, some of the data that USPS intends to use to determine cost savings are outdated and unreliable. Using more recent data, the commission estimated that the agreement could result in increased costs to USPS.

## Objective 2: Opportunities




### Topic 3: USPS Opportunity to Increase the Use of Recycled Content or Reusable Materials in Mail

**Opportunity:** To encourage the use of recycled content or reusable materials in mail, USPS could consider creating a discounted postal rate (“Green Rate”) for mailers that use recycled content, certified paper, and/or other “green” attributes in their mailpieces.

• **Factors to consider:**

- Mission compatibility:
  - How will USPS determine which “green” attributes to include in a “Green Rate”? Is doing so beyond its mission?
  - The inclusion of certified paper in a “Green Rate” could draw USPS into a contentious debate on the merits of various forest certification programs.
- Logistics:
  - USPS would need to develop mechanisms to monitor and enforce a “Green Rate.”
- Cost:
  - By itself, a “Green Rate” may decrease USPS net revenues. Therefore, USPS may need to seek other revenues, including a rate increase for other mail.
  - Establishing, monitoring, and enforcing a “Green Rate” likely would require additional staff and other resources.



## Objective 2: Opportunities

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### Topic 4: USPS Opportunity to Promote Increased Recycling of Mail-Related Materials

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**Opportunity:** Stakeholders routinely informed us that mail recipients are often unaware that mail can be recycled. To increase the public's awareness and promote recycling of discarded mail, USPS could take additional steps to educate mail recipients.

- Specifically, USPS could collaborate on the ongoing initiatives of the mailing, paper recycling, and environmental advocacy industries, and other stakeholders, as appropriate, including the following:
  - "Recycle Please,"
  - "Recycling Magazines is Excellent,"
  - "The Magazine PAPER Project," and
  - An ongoing initiative by the National Recycling Coalition to improve and update industry-wide recycling logos and develop a logo specifically for mail recycling.
- Furthermore, USPS could take unilateral actions to encourage mail recipients to recycle their mail, wherever possible. For example, USPS could
  - send postcards to mail recipients informing them that mail can be recycled or composted,
  - include a mail-related recycling message in its postmarks and/or stamps, and
  - develop signage promoting mail-related recycling for display in its facilities.
- **Factors to consider:**
  - Mission compatibility:
    - No factors identified.
  - Logistics:
    - As previously discussed, one-third of U.S. communities lack access to paper recycling.
  - Cost:
    - Collaboration may require additional staff and other resources.
    - The costs to conduct an advertising campaign or develop signage, stamps, and/or suitable postmarks are unknown.

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