

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

RATE ADJUSTMENT DUE TO EXTRAORDINARY
OR EXCEPTIONAL CIRCUMSTANCES

Docket No. R2010-4

NOTICE OF THE UNITED STATES POSTAL SERVICE
REGARDING FY2010 QUARTER THREE FINANCIAL RESULTS
(August 6, 2010)

As the Commission is aware, the Postal Service's Request in this proceeding under the Commission's rule for rate adjustments in exigent circumstances was filed on July 6, 2010. The statements of various officials provided with the Request reflected the most recently available financial information at that time. Hearings on the Request are scheduled to begin early next week, on August 10, 2010.

Yesterday, on August 5, 2010, more recent financial information, through the end of Quarter Three of FY 2010, became available and was released at the meeting of the Postal Service's Board of Governors on that date. Attached to this notice is a copy of the public information presented at the Board meeting. Because of expressions of interest that the Postal Service has received, at the hearings next week, the two postal officials speaking to financial matters, Joseph Corbett and Stephen Masse, will be prepared to address this Quarter Three information and how it relates to the

Statements of theirs that were filed with the Request on July 6, 2010.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Eric P. Koetting

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August 6, 2010

Financial Update

Board of Governors' Open Session

August 5, 2010

Joe Corbett

Chief Financial Officer & Executive Vice President



Financial Results

Three Months Ended June 30, 2010

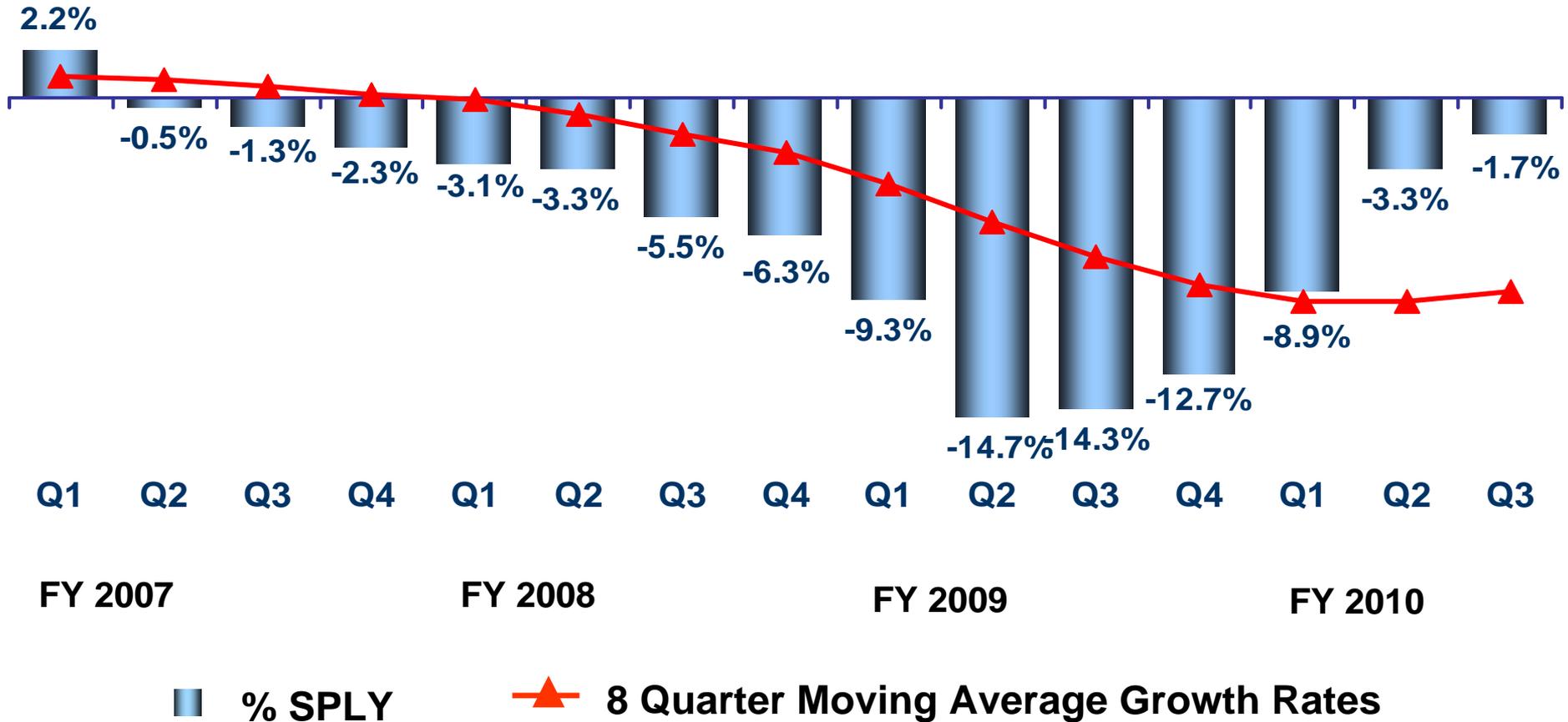
(in Billions)	<u>2010</u>	<u>2009</u>	<u>(\$ Chg)</u>	<u>(% Chg)</u>
Revenue	\$16.1	16.4	(0.3)	(1.8)
Expenses ⁽¹⁾	<u>17.9</u>	<u>18.0</u>	<u>(0.1)</u>	(0.3)
Loss ⁽¹⁾	(<u>\$1.8</u>)	(<u>1.6</u>)	(<u>0.2</u>)	
Workers' Comp. Adj.	<u>1.7</u>	<u>0.8</u>	<u>0.9</u>	
Net Loss	(<u><u>\$3.5</u></u>)	(<u><u>2.4</u></u>)	(<u>1.1</u>)	
Volume (Pieces)	40.9	41.6	-0.7	-1.7%

(1) Excluding the effects of Non-Cash, Fair Value Adjustments to Workers' Compensation Liabilities



Quarterly Volume Changes

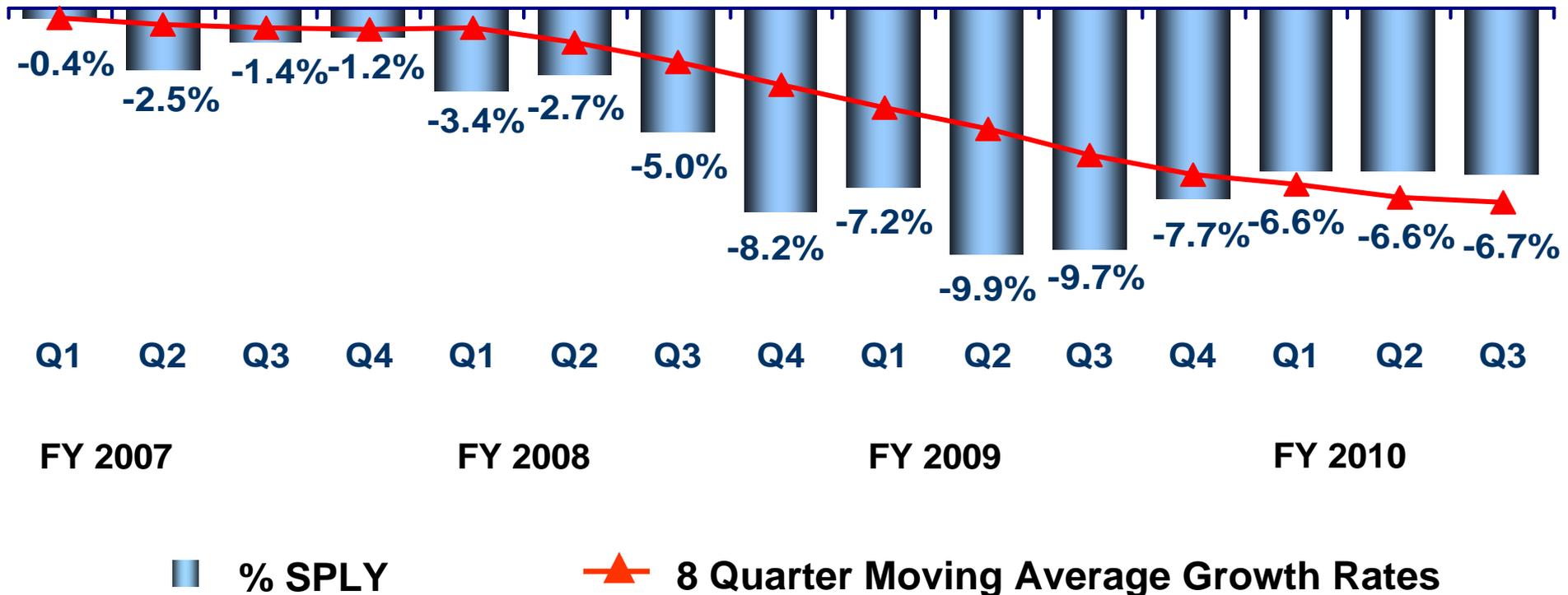
Total Mail Volume





Quarterly Volume Changes

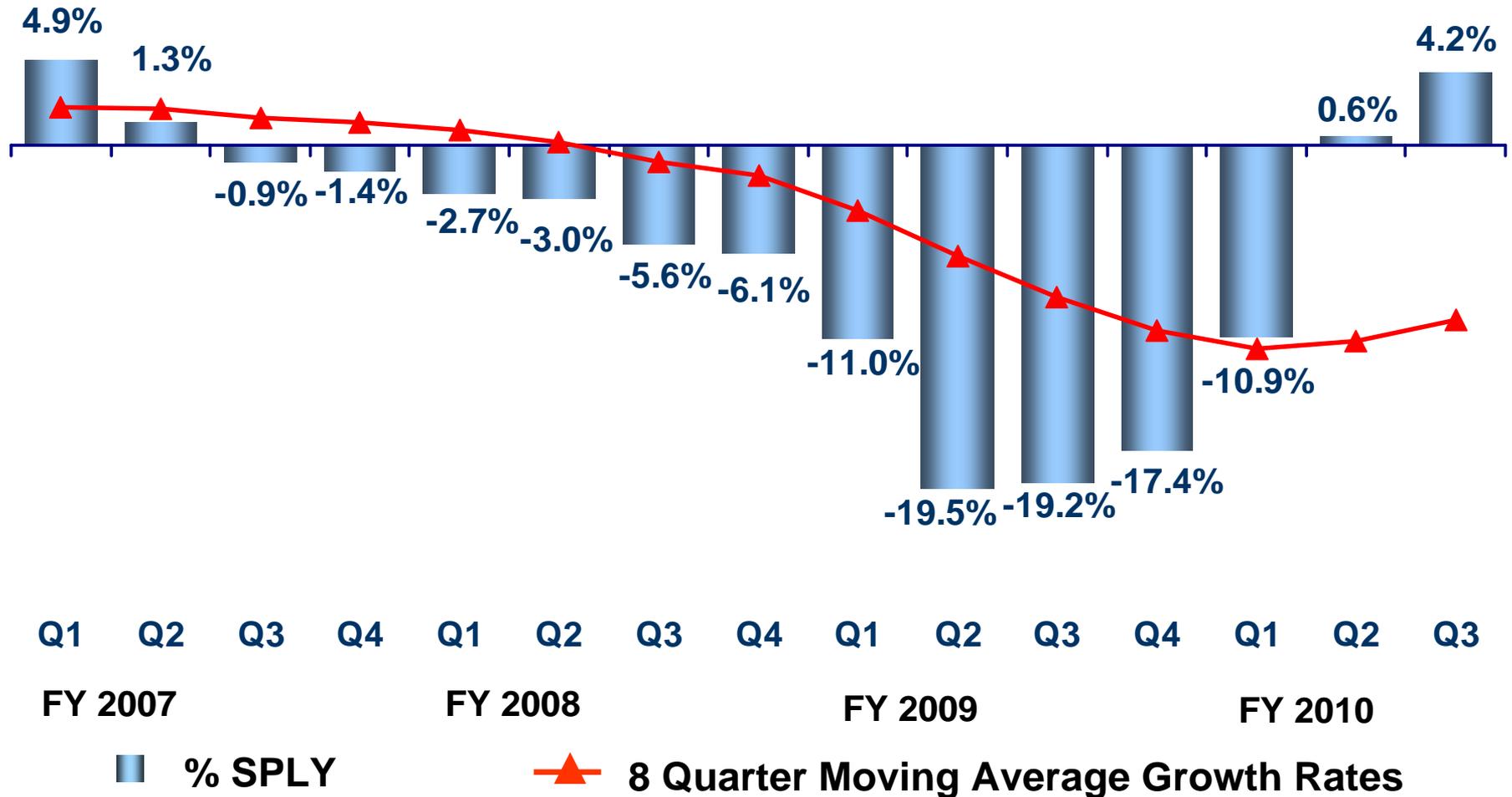
First-Class Mail Volume





Quarterly Volume Changes

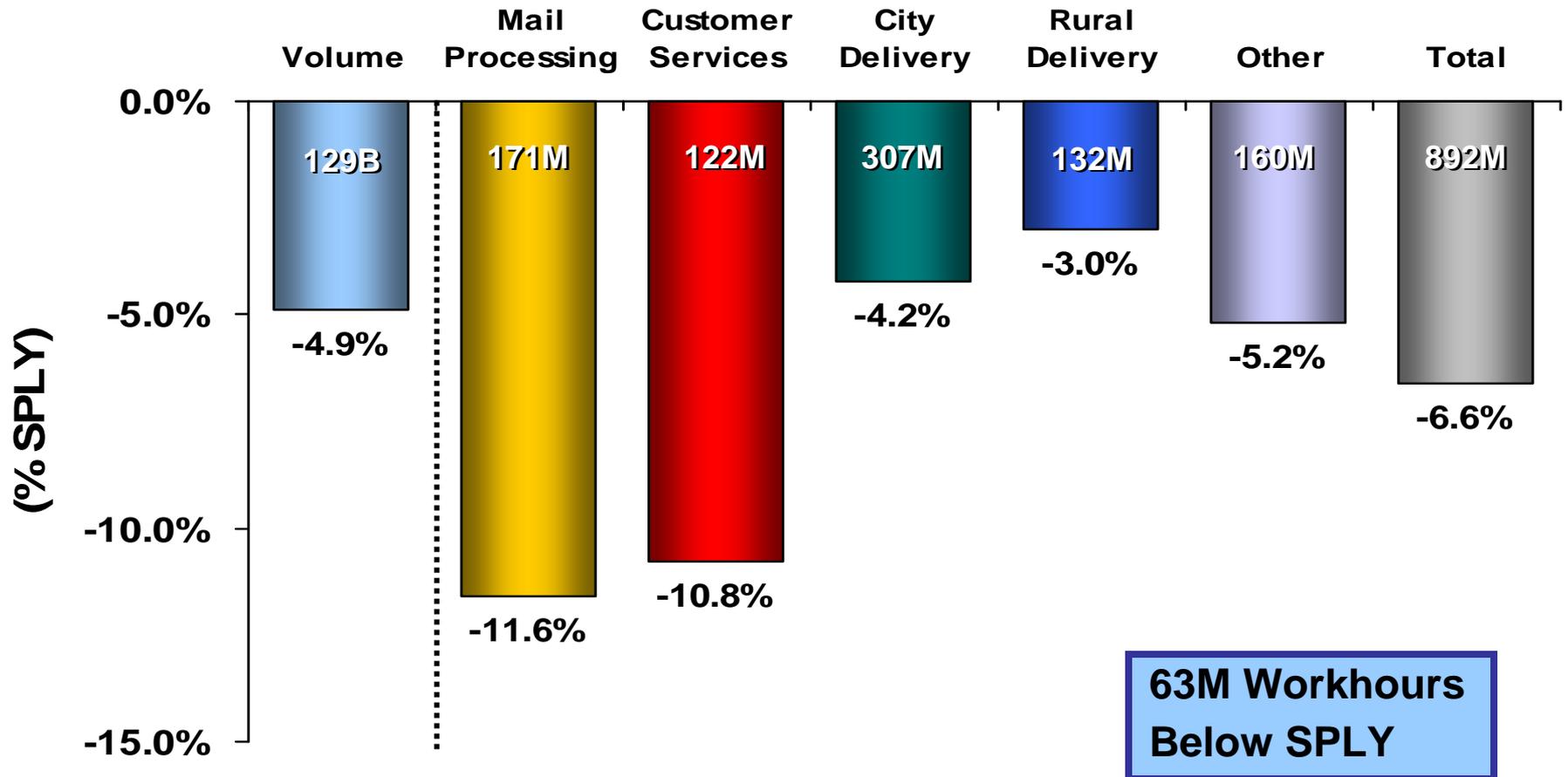
Standard Mail Volume





Workhours

Nine Months Ended June 30, 2010





Financial Results

Nine Months Ended June 30, 2010

(in Billions)	<u>2010</u>	<u>2009</u>	<u>(\$ Chg)</u>	<u>(% Chg)</u>
Revenue	\$51.1	52.4	(1.3)	(2.4)
Expenses ⁽¹⁾	<u>55.0</u>	<u>56.3</u>	<u>(1.3)</u>	(2.2)
Loss ⁽¹⁾	(\$3.9)	(3.9)	--	
Workers' Comp. Adj.	<u>1.5</u>	<u>0.8</u>	<u>0.7</u>	
Net Loss	<u>(\$5.4)</u>	<u>(4.7)</u>	(0.7)	
Volume (Pieces)	129.0	135.6	-6.6	-4.9%

(1) Excluding the effects of Non-Cash, Fair Value Adjustments to Workers' Compensation Liabilities

Financial Update

Board of Governors' Open Session

August 5, 2010

Joe Corbett

Chief Financial Officer & Executive Vice President

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

Eric P. Koetting

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August 6, 2010