

POSTAL REGULATORY COMMISSION
901 New York Avenue, NW
Suite 200
Washington, D.C. 20268-0001

FORM 8-K

CURRENT REPORT
Pursuant To Section 13 or 15(d) of
The Securities Exchange Act of 1934
and Section 3654 of
The Postal Accountability and Enhancement Act of 2006

Date of Report (Date of earliest event reported): February 9, 2012

United States Postal Service

(Exact name of registrant as specified in its charter)

n/a
(State or other jurisdiction of incorporation
or organization)

n/a
(Commission File Number)

41-076000
(I.R.S. Employer Identification No.)

475 L'Enfant Plaza, SW
Washington, D.C.
(Address of principal executive offices)

20260
(Zip Code)

202-268-2000
(Registrant's telephone number, including area code)

n/a
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On February 9, 2012, the United States Postal Service announced financial results for the quarter year ended on December 31, 2011. Attached hereto are a press release and certain supplemental information setting forth those financial results.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

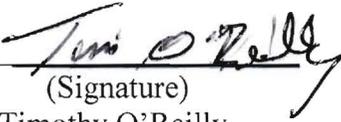
Exhibit 99.1 Press release issued on February 9, 2012 regarding financial results for the quarter ended on December 31, 2011.

Exhibit 99.2 Supplemental Information.

Signatures

Pursuant to the requirements of the Postal Accountability and Enhancement Act of 2006, the Postal Service has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

United States Postal Service
(Registrant)

By: 
(Signature)
Timothy O'Reilly
Vice President, Controller

Date: February 7, 2012

Exhibit 99.1

(See attached)



FOR IMMEDIATE RELEASE
Feb. 9, 2012

Contact: David Partenheimer
david.a.partenheimer@usps.gov
202.268.2599
usps.com/news
Release No. 12-025



Postal Service Losses Continue in First Quarter; Profitability Dependent on Comprehensive Legislation and Network Size Reductions

Shipping Services Business Continues to Grow

WASHINGTON — The U.S. Postal Service ended the first three months of its 2012 fiscal year (Oct. 1 – Dec. 31, 2011) with a net loss of \$3.3 billion. Management expects large losses to continue until the Postal Service has implemented its network re-design and down-sizing and has restructured its healthcare program. Additionally, the return to financial stability requires legislation which gives the Postal Service typical commercial freedoms, including delivery flexibility, returns over \$10 billion of amounts overpaid to the Federal Government and resolves the need to prefund retiree healthcare at rates not assessed any other entity in the United States.

Stronger than expected holiday shipping activity, driven by strong growth in online merchandise sales and successful USPS marketing efforts, helped the Postal Service grow its competitive Shipping Services business in the first quarter, with revenue totaling \$2.8 billion, an increase of \$179 million or 7 percent over the same period last year. However, declines in First-Class and Standard Mail of \$650 million were 3.7 percent of total revenue and greatly exceed the gains made in the package business. First-Class Mail declines due to electronic migration of transactions are expected to continue for the foreseeable future.

Mailing Services revenue, excluding First-Class Mail parcels, totaled \$14.5 billion, a decrease of 2.9 percent. First-Class Mail continued to decline, with revenue decreasing 4.1 percent compared to the same period last year. First-Class Mail revenue has declined nearly 15 percent and volume has declined 25 percent since volume peaked in 2006. While some of the decline is attributable to economic weakness since 2007, the more significant factor is the continuing transition to electronic alternatives.

"Technology continues to have a major impact on how our customers use the mail," said Postmaster General and CEO Patrick Donahoe. "While it has helped us grow our Shipping Services businesses, it has had a significant negative impact on some of our much larger sources of revenue, particularly First-Class Mail. Revenue from Shipping Services represents about 17 percent of total revenue and, even with continued growth, cannot fully offset the decline in First-Class Mail revenue."

To return to profitability, Donahoe has advanced a plan to reduce annual costs by \$20 billion by 2015. The plan includes continued aggressive actions to generate additional revenue and reduce operating expenses. To reach the goal, the Postal Service also needs changes in the law. "Passage of legislation is urgently needed that provides the Postal Service with the speed and flexibility needed to cut costs that are not under our control, including employee health care costs," Donahoe said. "The changes will give the Postal Service a bright future and provide the nation with affordable and reliable delivery for generations to come."

Other details of the first quarter results compared to the same period last year include:

- Total mail volume of 43.7 billion pieces, a 6 percent decrease.
- Operating revenue of \$17.7 billion, a 1.1 percent decrease.
- Operating expenses (before prefunding of retiree health benefits and the impact of discount rate changes for worker's compensation liability) of \$17.8 billion, a 1 percent increase.
- Transportation expenses increased by \$105 million, or 6.3 percent, due to rising fuel costs. The Postal Service continues to decrease controllable costs, including an 8 million decrease in work hours, or 2.8 percent. Total compensation and benefits expenses decreased by \$180 million, or 1.4 percent.

The Postal Service continues to suffer from a severe lack of liquidity. "Absent significant changes in the law to allow normal commercial freedoms, the Postal Service will default on both retiree health benefits pre-payments to the federal government due this year," said Chief Financial Officer Joe Corbett. "Even if legislation changes or eliminates the prefunding payments, we may reach our \$15 billion debt ceiling in the fall of this year."

Complete financial results are available in the Form 10-Q, available after 10 a.m. ET today, at <http://about.usps.com/who-we-are/financials/welcome.htm>.

The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

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Please Note: For broadcast quality video and audio, photo stills and other media resources, visit the USPS Newsroom at <http://about.usps.com/news/welcome.htm>.

For reporters interested in speaking with a regional Postal Service public relations professional, please go to <http://about.usps.com/news/media-contacts/usps-local-media-contacts.pdf>.

A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 151 million residences, businesses and Post Office Boxes. The Postal Service receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations. With 32,000 retail locations and the most frequently visited website in the federal government, *usps.com*, the Postal Service has annual revenue of more than \$65 billion and delivers nearly 40 percent of the world's mail. If it were a private sector company, the U.S. Postal Service would rank 35th in the 2011 Fortune 500. In 2011, the U.S. Postal Service was ranked number one in overall service performance, out of the top 20 wealthiest nations in the world, Oxford Strategic Consulting. *Black Enterprise* and *Hispanic Business* magazines ranked the Postal Service as a leader in workforce diversity. The Postal Service has been named the Most Trusted Government Agency for six years and the sixth Most Trusted Business in the nation by the Ponemon Institute. Follow the Postal Service on Twitter @USPS_PR and at Facebook.com/usps

Exhibit 99.2

(See attached)



Financial Results
December 31, 2011
Quarter 1 of Fiscal Year 2012
Open Board Session



Financial Results: Quarter

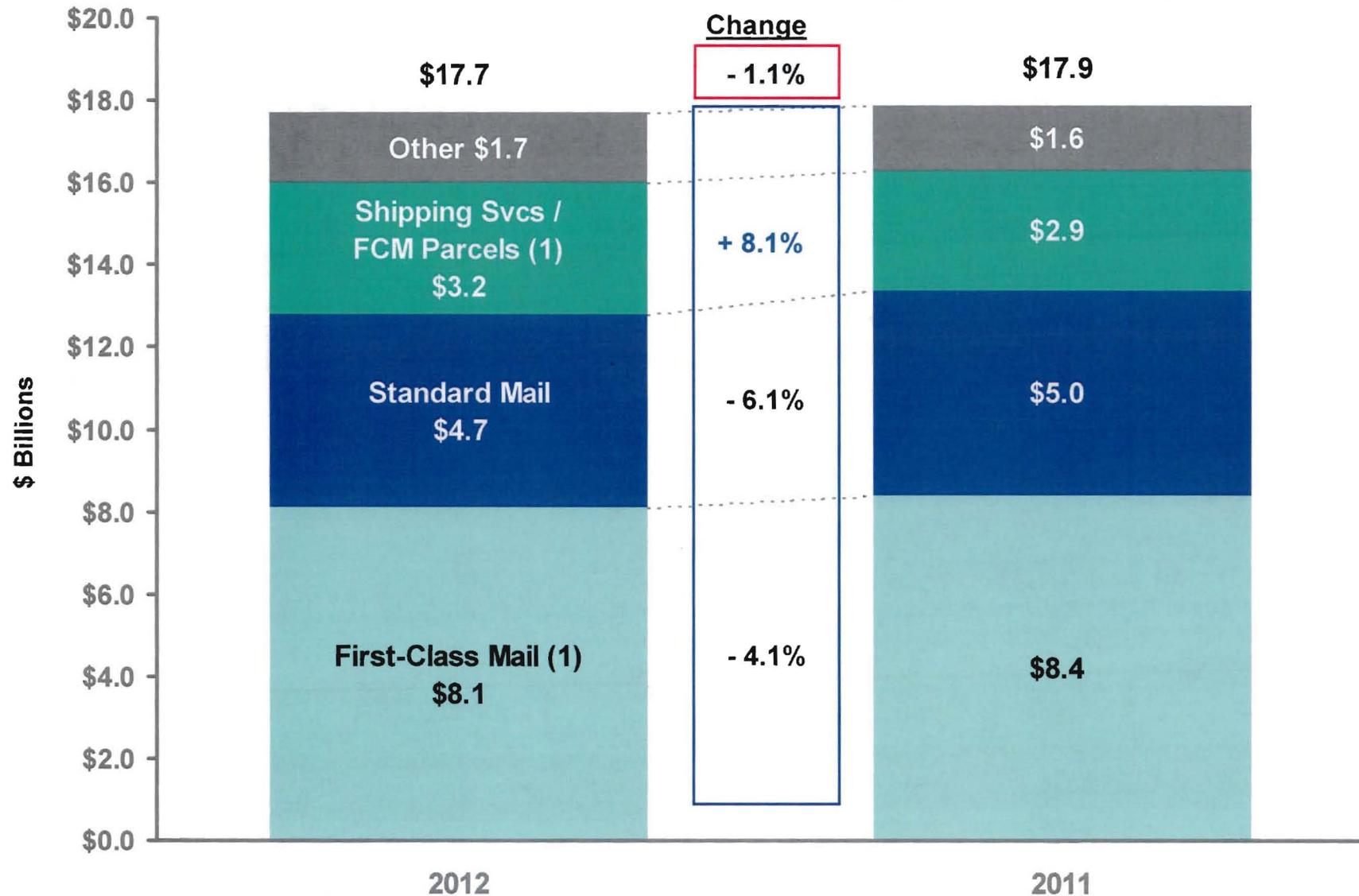
Quarter 1	FY	FY
(Billions)	2012	2011
Revenue	\$17.7	\$17.9
Expenses	<u>17.5</u>	<u>17.6</u>
Operating Income (Loss)*	0.2	0.3
Retiree Hlth. Bfts. Pre-Funding**	(3.1)	(1.4)
Workers' Comp. Fair Value Adj.	(0.1)	0.9
Workers' Comp. Claims & Adj.	<u>(0.3)</u>	<u>(0.1)</u>
Net Income (Loss)	<u>(\$3.3)</u>	<u>(\$0.3)</u>
Volume (pieces)	43.7	46.5

* Before RHB Pre-Funding & Non-Cash Adjustments to Workers' Compensation Liabilities.

** RHB Pre-Funding: IFP expensing \$11.1B in 2012 evenly over 12 mos (\$925M / month). Actual results based on \$5.5B (old 2011 payment) being expensed over 10 mos to revised due date of Aug 1 and \$5.6B (2012 payment) being expensed over 12 mos to due date of Sep 30.



Total Revenue: Q1 2012 and 2011

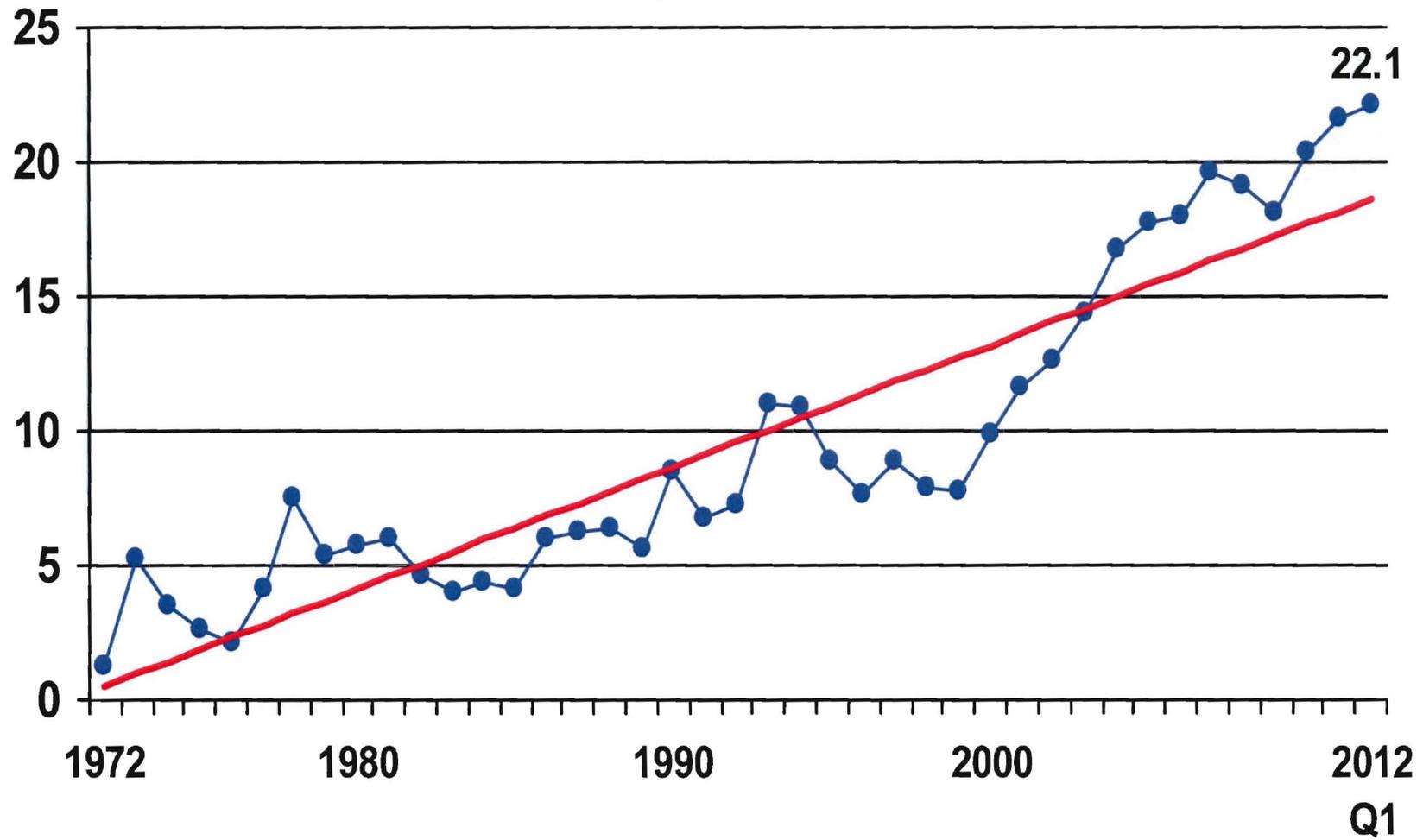


(1) First-Class Mail Parcels included with Shipping Services



Postal Service is More Efficient Than Ever

Total Factor Productivity





Financial Results: Quarter

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Operating Expenses

Quarter 1	FY	FY
(Billions)	2012	2011
Compensation	\$ 9.6	\$ 9.7
Benefits	3.8	3.8
Transportation	1.8	1.7
Depreciation	0.6	0.6
Supplies & Services	0.5	0.6
Rent, Utilities & Other	1.2	1.2
Operating Expenses *	\$17.5	\$ 17.6

* Before RHB Pre-Funding, Non-Cash Adjustments to Workers' Compensation Liabilities.



Financial Results: Quarter

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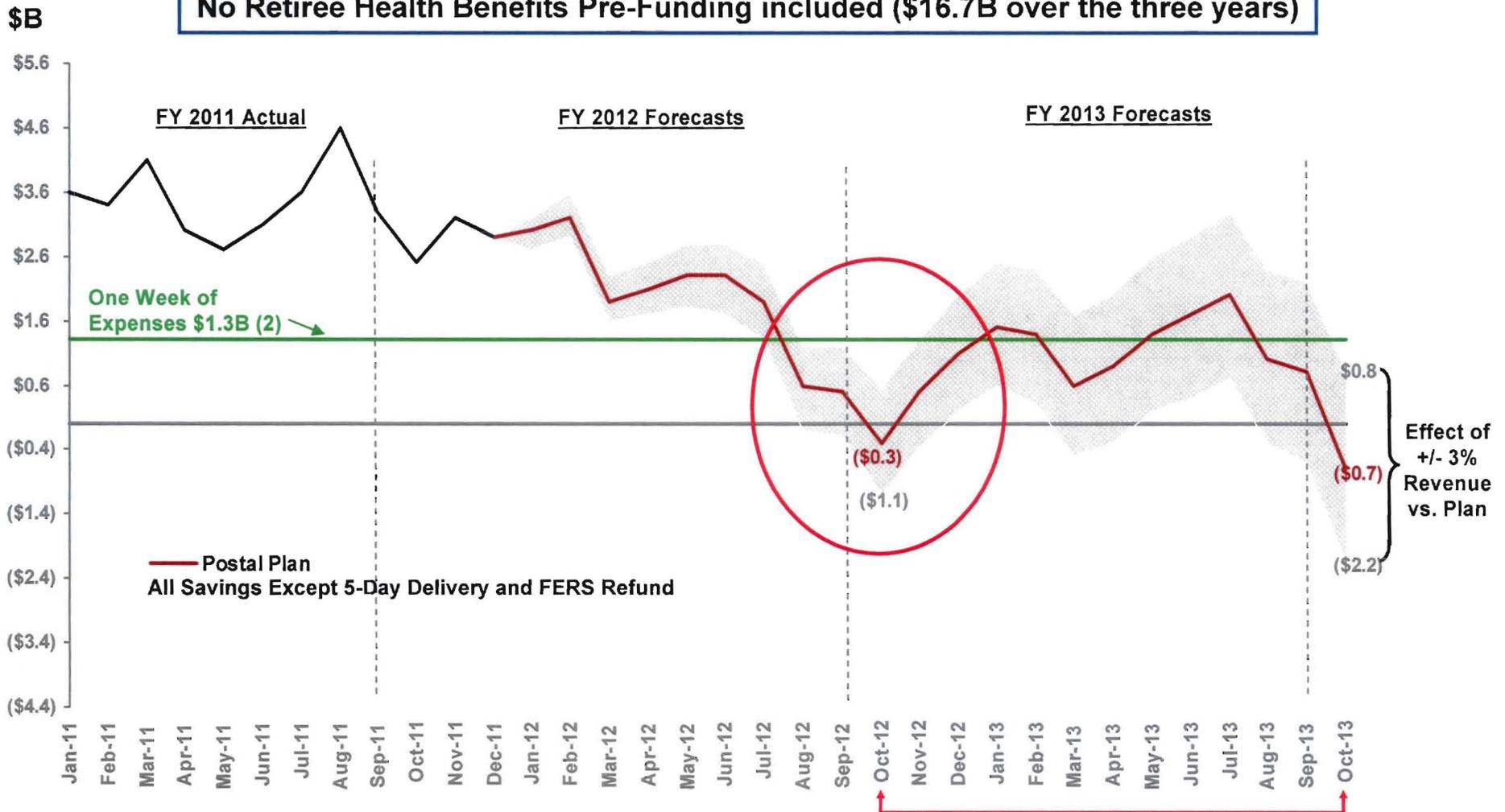
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2012 and 2013 Liquidity Forecasts

No Retiree Health Benefits Pre-Funding included (\$16.7B over the three years)



Notes: Liquidity includes unrestricted cash plus available borrowing, up to \$15B limit

(1) Liquidity at December 31, 2011: \$2.9B

(2) Represents \$220M of daily operating costs, times six day work week

Mid-October Balances shown - Low points after annual Workers' Compensation payments to DOL