

**UNITED STATES
POSTAL REGULATORY COMMISSION
Washington, D.C. 20268-0001**

FORM 8-K

**CURRENT REPORT
PURSUANT TO 39 U.S.C. § 3654 AND SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): September 28, 2018



UNITED STATES POSTAL SERVICE

(Exact name of registrant as specified in its charter).

Washington, D.C.	41-0760000
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
475 L'Enfant Plaza, S.W.	
Washington, D.C.	20260
(Address of principal executive offices)	(ZIP Code)
(202) 268-2000	
(Registrant's telephone number, including area code)	

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 1.01 Entry into a Material Definitive Agreement.

On April 1, 1999, the United States Postal Service (“USPS”), an independent establishment of the executive branch of the United States of America, entered into a Note Purchase Agreement (as amended, the “Original Agreement”) with the Federal Financing Bank (“FFB”), a corporate body and instrumentality of the United States of America under the general supervision of the Secretary of the United States Department of the Treasury, for the purpose of obtaining debt financing. USPS has a statutorily mandated debt ceiling of \$15 billion and USPS can increase its net debt outstanding in any fiscal year by a maximum amount of \$3 billion. Under the Original Agreement, FFB is required to purchase notes meeting specified conditions from USPS, up to the established maximum amounts, within five (5) business days of delivery. The amount that USPS borrows under the Original Agreement varies from year to year depending upon the needs of the organization. All of the outstanding debt of the USPS was obtained through the Original Agreement.

Since April 1, 1999, the Original Agreement has been amended on September 30th of each year, extending USPS’s ability to issue debt under the Original Agreement until September 30th of the following year (one full fiscal year). During this time, the material terms of each such amendment have remained largely unchanged. The Twentieth Amendment to the Original Agreement, dated September 30, 2017, expires September 30, 2018.

During negotiations for the Twenty-First Amendment to the Original Agreement, dated September 30, 2018, FFB significantly deviated from the terms established in the previous 20 amendments. Under the Twenty-First Amendment, FFB was only willing to extend USPS’s ability to issue debt under the Original Agreement until December 31, 2018 (90 days) as opposed to the previous precedent of extending the Original Agreement for a full fiscal year. The Original Agreement provides a convenient and flexible mechanism for USPS to fund its operations according to agreed-upon parameters. Reducing the duration of the Agreement from one year to 90 days introduces significant uncertainty as to how USPS might fund operations in an expeditious and established manner in the face of unpredictable revenue short-falls. USPS is attempting to negotiate a longer extension before December 31, 2018. If unsuccessful, USPS may have to pursue similar short-term extensions. If USPS cannot reach acceptable terms with FFB on an extension of the Agreement, USPS would need to seek debt financing through other means, either through individual agreements with FFB (on terms that may differ from those set forth in the Agreement) or from other sources.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information disclosed in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Signature

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

By: /s/ Thomas J. Marshall
Thomas J. Marshall,
General Counsel and
Executive Vice President

Date: September 28, 2018