

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): January 23, 2009

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.)

474 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 5.02 Departure of Directors or Certain Officers; Appointment of Certain Officers;
Compensatory Arrangements of Certain Officers

On January 23, 2009, the United States Postal Service (the "Postal Service") appointed Joseph Corbett, age 49, as its Chief Financial Officer and Executive Vice President, effective as of February 2, 2009. Mr. Corbett succeeds Harold Walker as CFO/EVP, who will step down from these positions at that time. Mr. Walker has agreed to remain at the Postal Service for at least one month to assist in transition matters.

Mr. Corbett brings more than 25 years of finance experience to the Postal Service, serving since 2005 as the founder and Managing Director of FinSol, LLC, a finance and accounting CFO services firm that provides services related to complex accounting and financial matters. Prior to that, he served as a Consultant, Chief Financial Officer and Executive Vice President of BearingPoint, Inc., a U.S. government contracting, consulting and systems integration company, from 2004 to 2005. He served as the Chief Financial Officer of Intelsat, Ltd. from 1995 to 2004.

Mr. Corbett has entered into an employment agreement with the Postal Service (the "Agreement"), a copy of which is attached hereto as an Exhibit to this filing. Pursuant to the Agreement, Mr. Corbett will be entitled to an annual base salary of \$230,000, subject to annual review and adjustment. His base salary may not be decreased, except as required by law. Mr. Corbett will be eligible to participate in the Pay for Performance or any successor program generally applicable to officers of the Postal Service and in all benefits provided to officers of the Postal Service pursuant to standard Postal Service policies and practices. In addition, the Postal Service will make a one-time payment of \$75,000 to Mr. Corbett during the first sixty days after he begins employment. A pro rata portion of this payment will be refundable if Mr. Corbett is terminated for Cause (as defined in the Agreement) or departs other than due to Constructive Termination (as defined in the Agreement) within the first twelve months of his employment. Mr. Corbett's total compensation will be subject to the statutory limits on total compensation contained in Title 39 of the United States Code. As a result of those limits, the Postal Service may be required to defer the payment of a portion of the compensation that would otherwise be payable to Mr. Corbett while he is employed by the Postal Service until Mr. Corbett's retirement or termination of employment. Additionally, each year Mr. Corbett may elect to defer certain portions of his total compensation to be paid upon retirement or termination of employment. Compensation deferred pursuant to the Agreement will accrue interest compounded at a rate of 5% semi-annually. Mr. Corbett also will be eligible to receive annual performance incentive awards in the form of deferred payments of \$30,000 in each of the years 2010 through 2012 and \$35,000 in each of the years thereafter through the date of his retirement. The Postal Service will pay the deferred amounts, plus accrued interest, in three approximately equal annual installments beginning the later of: 1) the date of his retirement from the Postal Service or 2) October 22, 2019, unless such payments must otherwise be delayed as required by law. If the Postal Service exercises its right to terminate Mr. Corbett's employment after he has served as the CFO/EVP for a period of 180 days, other than for Cause, Mr. Corbett will be entitled to a severance payment of \$230,000. The Postal Service will reimburse Mr. Corbett for the costs of an attorney to assist with the review of the Agreement and related United States Code sections and other documents referred to in the Agreement in the amount of the lower of actual fees or

\$5,000. This description of the terms of the Agreement is qualified in its entirety by reference to the attached Agreement.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 10.1 Employment Agreement between the Postal Service and Joseph Corbett

Exhibit 99.1 Press release issued on January 27, 2009, regarding the appointment of Mr. Corbett and the resignation of Mr. Walker.

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: Lynn Malcolm
(Signature)
Lynn Malcolm
Vice President, Controller

Date: January 29, 2009

Exhibit 10.1
(See attached)

Exhibit 99.1
(See attached)

EMPLOYMENT AGREEMENT ("Agreement")

The following shall constitute the contract of employment between the United States Postal Service ("Postal Service") and Joseph Corbett ("Mr. Corbett").

1. This contract is entered into under the authority of section 204 of Title 39 of the United States Code.
2. The Postal Service agrees to employ Mr. Corbett in the position of Chief Financial Officer and Executive Vice President at the Postal Service's Headquarters located at 475 L'Enfant Plaza, S.W., Washington, DC. Mr. Corbett shall be placed on the rolls of the Postal Service effective January 31, 2009, with a reporting date of February 2, 2009.
3. The Postal Service will compensate Mr. Corbett with a basic salary paid at the annual rate of \$230,000. In accordance with standard Postal Service policy and practice, this basic salary rate may be reviewed and adjusted so that a new basic rate will be effective in January 2010, and during January of each succeeding year in which this Agreement remains effective. Unless required by law, the basic salary rate will not be lower than set forth here. In addition to a basic salary, Mr. Corbett will be eligible to participate in the Pay for Performance Program, or any successor program, that is generally applicable to officers of the Postal Service. Mr. Corbett's participation in this program shall be according to the standard policies and practices governing the Pay for Performance Program, or any successor program.
4. During the term of this agreement, Mr. Corbett will be eligible for all benefits provided to officers of the Postal Service pursuant to standard Postal Service policy and practice. These benefits include annual leave, participation in the officers' salary continuation plan in lieu of sick leave, life and health insurance and participation in the Thrift Savings Plan and the Federal Employees Retirement System. Notwithstanding any other provision of this agreement, Mr. Corbett's basic pay for the purposes of Chapters 84 and 87 of Title 5 of the United States Code shall be that portion of his basic salary that is not deferred pursuant to paragraph 6.a.i of this agreement.
5. In order to induce Mr. Corbett to enter into this Agreement, the Postal Service shall provide a one-time payment of \$75,000 less required withholding and deductions. To the extent allowed by law, this payment will be made to Mr. Corbett during the first sixty days after he begins employment with the Postal Service and shall be deemed fully earned and payable upon signing this contract. Any portion of such one-time payment required to be deferred by the limitation found at section 3686 of Title 39 of the United States Code will be paid as deferred compensation pursuant

to paragraph 6 of this agreement. In the event Mr. Corbett's employment is terminated for "cause", or if Mr. Corbett terminates his employment as described in paragraph 9 below (as opposed to a Constructive Termination of his employment, in which case there shall be no obligation to return any portion of the one-time payment) he shall, within fourteen calendar days after he ceases to be employed by the Postal Service, refund to the Postal Service a pro-rated portion of the net amount received (after required withholding and deductions) from the payment that he received for the purpose of inducing him to accept the position of Chief Financial Officer and Executive Vice President. In the event Mr. Corbett is required to refund any monies to the Postal Service pursuant to this paragraph of this agreement, the fractional amount of the incentive payment that he shall be entitled to retain shall be equal to the fraction created by dividing by twelve the number of full calendar months that Mr. Corbett was employed by the Postal Service. In the event any amounts to be refunded to the Postal Service pursuant to this paragraph of this agreement have been deferred pursuant to paragraph 6 of this agreement, Mr. Corbett hereby relinquishes any right to such deferred amounts to the extent that such payments are excludable from his taxable wages.

6. In executing this Agreement, both parties acknowledge that Mr. Corbett's total compensation is subject to the statutory limits on total compensation contained in Title 39 of the United States Code. As a result of those limits, it may be necessary to defer compensation that would otherwise be payable to Mr. Corbett while he is employed by the Postal Service, including but not limited to, basic salary, performance awards, individual awards and bonuses. Such deferred compensation shall be subject to the following:
 - a. In addition to any compensation that otherwise may be subject to mandatory deferral in accordance with the provisions of paragraph 6 of this Agreement, Mr. Corbett shall have the right to elect to defer compensation as follows:
 - i. As to his basic salary and any incentive payments or bonuses due to be paid to him, Mr. Corbett shall have the right to elect prior to each calendar year to defer any dollar amount or whole percentage, neither of which may exceed 80 percent of his basic salary, or 100% of any incentives and/or bonuses, and such deferred amounts shall be withheld from his salary (ratably across each paycheck for that year), incentives and/or bonuses and deferred for future payment to him by the Postal Service consistent with the terms of this paragraph.

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- ii. The election to defer compensation shall be made by Mr. Corbett in a written election notice signed by Mr. Corbett and furnished to the Manager of Compensation on or before December 1st of the year which immediately precedes the year to which the election applies. For the first year, the election notice submission deadline date shall be January 19, 2009, and shall apply to salary, incentive payments and bonuses due and otherwise payable at any time during calendar year 2009. Once made, the election shall be irrevocable for that calendar year's election.
- iii. The election made for a year shall automatically remain in effect for the next succeeding year and so on, unless a new election is timely made before the next succeeding year.
- iv. All deferred compensation under this paragraph 6(a) shall be held by the Postal Service as part of its general operating funds, and held for future payment to Mr. Corbett.
- v. Compensation deferred pursuant to this paragraph 6 shall accrue interest compounded at a rate of 5% semi-annually.
- vi. Section 409A Compliance. The provisions of paragraphs 6 (b) and 6 (c) of this Agreement shall apply to compensation deferred pursuant to this paragraph 6 (a). This Agreement, including this paragraph is intended to fully comply with all the requirements of Section 409A of the Internal Revenue Code, as amended, and Treasury regulations there under ("Section 409A") so as to not result in any income inclusion to Mr. Corbett under Section 409A(a)(1)(A).
- vii. In the event Mr. Corbett dies before all payments due Mr. Corbett under this Agreement have been made, any amounts owed Mr. Corbett pursuant to this Agreement shall be paid to Mr. Corbett's estate in a lump sum within 90 days after the date of his death, provided however, that survivor benefits payable pursuant to sections 681 and 682 of the Handbook EL-380 shall be paid in the manner prescribed in that Handbook; Mr. Corbett's estate is an intended third-party beneficiary with respect to the payments set forth in this Agreement in the event of Mr. Corbett's death; and this Agreement may be enforced by Mr. Corbett's estate in accordance with the terms of this Agreement.

- b. Unforeseen Emergency: Notwithstanding subparagraph (a) above, Mr. Corbett may receive a distribution of his deferred compensation in the event of an "unforeseeable emergency" with respect to Mr. Corbett, as such term is defined pursuant to Section 409A. Any such distribution of deferred compensation in the event of an unforeseeable emergency must comply with Section 409A and the limitation on compensation found at section 3686 of Title 39 of the United States Code. The Postmaster General shall make all determinations required under Section 409A with respect to an unforeseeable emergency. For informational purposes, an unforeseeable emergency generally means a severe financial hardship arising from illness, loss or destruction of property, or certain other events, but the definition of unforeseeable emergency for purposes of the Agreement shall be as provided in Section 409A.
- c. Section 409A Compliance: All references in this agreement to Mr. Corbett's "termination of employment" with the Postal Service, or words of similar meaning, as a condition for the payment of any form of deferred compensation, shall be deemed to be references to Mr. Corbett's "separation from service" with the Postal Service within the meaning of Section 409A of the Internal Revenue Code and applying the default rules thereof.
7. Mr. Corbett understands and agrees that as an officer of the Postal Service, he is bound by the rules and regulations of the Postal Service, including, but not limited to, those applicable to employee conduct and conflicts of interest.
8. All professional publications, documents and other intellectual property rights relating to Mr. Corbett's work for the Postal Service shall be the sole property of the Postal Service. Mr. Corbett agrees to execute and deliver to the Postal Service any documents or other instruments as may be necessary for preserving an intellectual property right in any matter relating to his work for the Postal Service. Mr. Corbett hereby assigns and transfers to the Postal Service the entire right, title and interest in any such intellectual property.
9. Mr. Corbett shall have the right to terminate his employment thirty days after providing the Postal Service with written notice of his intent to do so. By mutual agreement, the parties may change the 30-day notice period. Mr. Corbett shall send this notice by certified mail to the Manager, Corporate Personnel Management, 475 L'Enfant Plaza, S.W., Washington, D.C. 20260-4261. Except for deferred compensation which

may be payable pursuant to paragraphs 6 and 10 of this agreement, in the event Mr. Corbett's employment is terminated for "cause" or if Mr. Corbett terminates his employment other than in connection with a "Constructive Termination", he shall not be entitled to any Compensation under this agreement for any period beyond the date on which he terminates his employment. For the purposes of this Agreement, "cause" shall mean (i) the material breach by Mr. Corbett of his duties and responsibilities as Chief Financial Officer and Executive Vice President; (ii) the commission of an act of dishonesty by Mr. Corbett relating to Mr. Corbett's duties and responsibilities which may or does cause harm to the Postal Service; (iii) the commission by Mr. Corbett of an act of moral turpitude which may or does cause harm to the Postal Service; (iv) a material violation by Mr. Corbett of the Standards of Ethical Conduct as set forth in 5 CFR Part 2635, 39 CFR Part 447, and Subchapter 660 of the Employee and Labor Relations Manual, or successors thereto; or (v) a personal and material violation by Mr. Corbett of the employment anti-discrimination laws. Nothing in this agreement shall be construed to limit or waive the Postmaster General's authority to remove the Chief Financial Officer and Executive Vice President for any reason, including but not limited to removal for cause. For purposes of this Agreement, the term "Constructive Termination" shall mean that Mr. Corbett's conditions of employment would be such that a reasonable person would believe that, in consideration of all relevant circumstances, he or she had to resign.

10. In addition to all other compensation specified in this agreement, Mr. Corbett shall be eligible to receive a performance incentive, as set forth in this paragraph. In the event that Mr. Corbett's performance of his duties and responsibilities is such that he remains employed with the Postal Service as its Chief Financial Officer as of October 1 of the years 2010, 2011 and 2012, he shall be entitled to accrue annual deferred compensation in the amount of \$30,000 for each such year. Further, for the years 2013 through the date of his retirement, Mr. Corbett shall be entitled to accrue annual deferred compensation in the amount of \$35,000 for each year during which his performance of his duties and responsibilities is such that he remains employed as the Postal Service's Chief Financial Officer as of October 1. Subject to the conditions described in this paragraph, Mr. Corbett's irrevocable rights to the deferred compensation shall vest annually as of October 1 for each year. Interest shall be earned on the total cumulative vested balance commencing on January 1, 2011 and shall be computed in the manner specified by paragraph 6.v of this agreement. The Postal Service agrees to pay this accrued amount, plus interest, in three approximately equal annual installments beginning at the later of: 1) the date of his retirement from the Postal Service, or 2) October 22, 2019. In the event such payments must be delayed because they would otherwise cause an event of non-compliance with compensation rules imposed on the Postal

Service, the payments will be made in three approximately equal annual installments, commencing as soon as permitted by law. The parties intend to structure this arrangement in a manner such that taxes are not payable on the accrued amounts until received by Mr. Corbett. In the event that taxes become payable on the amounts before Mr. Corbett's scheduled receipt, and Mr. Corbett so requests, the Postal Service agrees to withhold and make such payments on Mr. Corbett's behalf. The accrued benefit payable to Mr. Corbett pursuant to this paragraph will be reduced by the amount of such tax payments.

11. As provided in section 204 of Title 39 of the United States Code, Mr. Corbett shall serve in the position of Chief Financial Officer and Executive Vice President at the pleasure of the Postmaster General. Subject to the next paragraph of this agreement, in the event the Postal Service exercises the right to terminate Mr. Corbett's employment after Mr. Corbett has served as the Chief Financial Officer and Executive Vice President for a period of 180 days, Mr. Corbett will be entitled to a severance payment of \$230,000. To the extent permitted by section 3686 of Title 39 of the United States Code, this severance payment will be issued to Mr. Corbett no later than sixty days after he ceases to be employed by the Postal Service. In the event section 3686 of Title 39 of the United States Code prevents Mr. Corbett from receiving any portion of this severance payment, that portion will be paid as deferred compensation pursuant to paragraph 6 of this agreement. The severance payment stipulated in this paragraph of this agreement will be Mr. Corbett's sole remedy, and the total amount of damages he may recover, in the event he is terminated pursuant to this paragraph.
12. Notwithstanding the previous paragraph of this agreement, in the event Mr. Corbett's employment is terminated for cause or for breach of contract, or before he has been employed for 180 days as the Chief Financial Officer and Executive Vice President, he shall not be entitled to any compensation for any period beyond the date on which his employment is terminated (but shall receive deferred compensation pursuant to paragraph 6). In the event a court should determine that Mr. Corbett served as the Chief Financial Officer and Executive Vice President for at least 180 days and that there was neither cause nor breach of contract to warrant termination, Mr. Corbett shall be entitled to, and his damages shall be limited to, the severance pay set forth in the preceding paragraph of this agreement.
13. Any waiver or any breach of this agreement shall not be construed to be a continuous waiver or consent to any subsequent breach on the part of either party.

14. This agreement may be amended or modified upon the written agreement of the parties, provided that any such amendment or modification is permitted by Section 409A. No amendment or modification of this agreement shall be valid or effective unless in writing and executed by the parties to this agreement.
15. The Postal Service agrees to reimburse Mr. Corbett for the costs of an attorney to assist with the review of this Agreement and related Code sections and other documents referred to herein. Such reimbursement will be the lower of actual fees incurred or \$5,000.
16. This agreement embodies the entire agreement of the parties hereto with respect to its subject matter and merges with and supersedes all prior discussion, agreement, commitments or understanding of every kind and nature relating thereto, whether oral or written, between Mr. Corbett and any representative of the Postal Service. Neither party shall be bound by any term or condition other than as is expressly set forth herein.
17. Mr. Corbett and the Postal Service represent and agree that they have carefully read and fully understand all of the provisions of this agreement, that they are competent to execute this agreement, that the decision to execute this agreement has not been obtained by any duress, that they freely and voluntarily enter into this agreement, and that they have read this document in its entirety and fully understand the meaning, intent and consequences of this agreement.


Postal Service


Joseph Corbett

Date: 1/23/09

Date: 1/22/2009

Exhibit 99.1
(See attached)



POSTAL NEWS

FOR IMMEDIATE RELEASE
January 26, 2009

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Release No. 09-009

Postal Service Names New Chief Financial Officer And Executive Vice President

Postmaster General Welcomes Corbett, Salutes Efforts of Walker

WASHINGTON, DC — Joseph Corbett will be the new U.S. Postal Service Chief Financial Officer and Executive Vice President, Postmaster General/CEO John E. Potter announced today. Corbett, who has more than 25 years of accounting, finance and consulting experience, replaces H. Glen Walker who will be moving on to a new role in the Postal Service.

"I am extremely pleased that Joe is bringing his knowledge and skills to our organization," said Potter. "The severity of the current economic downturn has profoundly challenged the Postal Service. Joe's depth of experience and particular expertise in guiding the financial activities of large and complex organizations through times of change, make him ideally suited for this position."

"We are very grateful for Glen's accomplishments," said Potter. "Serving as CFO during a significant time in our history, his leadership was instrumental in aligning our financial systems with the complex requirements of the Postal Accountability and Enhancement Act of 2006. Glen's efforts have significantly enhanced our financial transparency with a transition to SEC-like financial reporting and implementation of provisions of the Sarbanes-Oxley Act. I know that Glen's pioneering groundwork will assist Joe as he helps navigate the Postal Service through the difficult challenges of today's economy."

As chief financial officer, Corbett, who reports directly to the postmaster general, is responsible for the Postal Service's finance, treasury and supply management activities. He will serve as a member of the Executive Committee as well as chairman of the corporate Capital Investment Committee. Corbett begins his new duties on February 2.

Most recently, Corbett was president and managing director of FinSol, a finance and accounting consulting business he founded in 2005. He also served as senior manager at KPMG, where he began his professional career; director of internal audit at NVR; controller, chief accounting officer, and chief financial officer at Intelsat, Ltd; and chief accounting officer and chief financial officer at BearingPoint.

Walker will work closely with Corbett and the Postal Service's executive leadership team to ensure an orderly transition of responsibilities.

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An independent federal agency, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 146 million homes and businesses, six days a week. It has 37,000 retail locations and relies on the sale of postage, products and services, not tax dollars, to pay for operating expenses. The Postal Service has annual revenue of \$75 billion and delivers nearly half the world's mail.