

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): November 12, 2010

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.)
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475 L'Enfant Plaza, SW Washington, D.C. (Address of principal executive offices)	20260 (Zip Code)
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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 November 12, 2010, the United States Postal Service announced financial results for the fiscal year ended on September 30, 2010. 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 November 12, 2010 regarding financial results for the fiscal year ended on September 30, 2010.

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)

Vincent H. DeVito

Vice President, Controller

Date: November 15, 2010

Exhibit 99.1

(See attached)



FOR IMMEDIATE RELEASE
Nov. 12, 2010

Contact: Joanne Veto
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Release No. 10-107

Postal Service Ends 2010 with \$8.5 Billion Loss *Record Efficiency Levels and Work Hour Reductions Cannot Offset Falling Volumes — Fundamental Changes Needed*

WASHINGTON — The U.S. Postal Service today reported its 2010 financial results, showing a net loss of \$8.5 billion for the fiscal year ended Sept. 30.

Excluding charges to income primarily resulting from changes to interest rates that impact the organization's workers' compensation liability, the net loss was \$6 billion.

The recent recession, continuing economic pressures and migration of mail to electronic media had a significant adverse impact on mail volumes and operating revenues. Despite rigorous initiatives that eliminated 75 million work hours and drove productivity to record highs in 2010, the losses mounted.

"Over the last two years, the Postal Service realized more than \$9 billion in cost savings, primarily by eliminating about 105,000 full-time equivalent positions — more than any other organization, anywhere," said Chief Financial Officer Joe Corbett. "We will continue our relentless efforts to innovate and improve efficiency. However, the need for changes to legislation, regulations and labor contracts has never been more obvious."

Details of Fiscal Year 2010 results include:

- Operating revenue of \$67.1 billion in 2010 declined \$1 billion from 2009, primarily due to lower volume;
- Operating expenses for 2010 of approximately \$70 billion (excluding a \$5.5 billion expense for pre-funding Retiree Health Benefits), down from approximately \$70.4 billion in 2009 (excluding a \$1.4 billion expense for RHB);
- Net loss of \$8.5 billion in 2010, \$4.7 billion above the 2009 level, mostly as a result of the revenue decline, additional expenses in 2010 associated with RHB pre-funding and workers' compensation — but offset by cost savings associated with the work hour reduction; and
- Total mail volume of 170.6 billion pieces, compared to 176.7 billion pieces in 2009, a decline of 3.5 percent.

First-Class Mail volume continues to decline, with year-over-year declines of 6.6 percent in 2010, 8.6 percent in 2009, and 4.8 percent in 2008. This trend is particularly disturbing as First-Class Mail, the most profitable product, generates more than half of total revenue. Volume for Standard Mail showed improvement during the year, reflecting some signs of economic recovery in late 2010, but, in total, was flat in 2010, compared to 2009.

In its report on the financial statements contained in the Postal Service's 2010 report, independent auditor Ernst & Young is expected to issue an unqualified audit opinion that will emphasize that questions remain about the ability of the Postal Service to generate sufficient

liquidity to make all of its future payments, including the \$5.5 billion RHB pre-funding payment due on the last day of fiscal year 2011.

In 2010, the Postal Service complied with Section 404 of the Sarbanes-Oxley Act (SOX) as mandated by the Postal Accountability and Enhancement Act of 2006. This was one of the largest successful SOX implementations on record and the first within the federal government.

Copies of the 2010 financial results will be available Nov. 15 on the Annual Reports page of the Postal Service website, *usps.com*, at: <http://www.usps.com/financials/ar/welcome.htm#10k>.

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 www.usps.com/news.

A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 150 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 \$67 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 29th in the 2010 Fortune 500. 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 six consecutive years and the sixth Most Trusted Business in the nation by the Ponemon Institute.

Exhibit 99.2

(See attached)



UNITED STATES
POSTAL SERVICE®

Financial Matters: 2010 Financial Results

**Board of Governors'
Open Session
November 12, 2010**

**Joe Corbett
Chief Financial Officer & Executive Vice President**



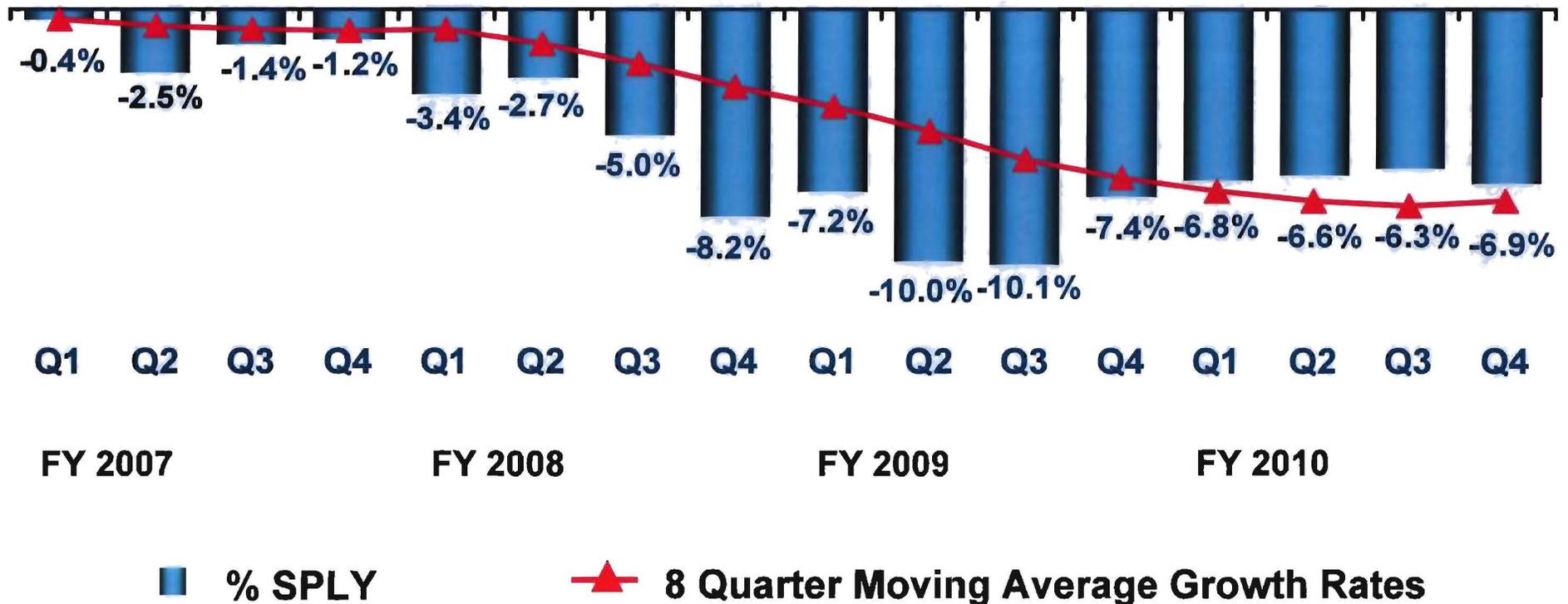
2010 Year In Review

- ❑ Mail Volume Declines and Financial Pressures Continue, Resulting in Substantial Net Loss**
- ❑ Operating Results Favorable to Plan and 2009**
- ❑ Reduction of Approximately 40,000 Employees**
- ❑ Two Year Reduction of Over 100,000 FTEs**
- ❑ Approximately \$9B Savings Over Two Years**
- ❑ Cut Operating Losses by Over 50 percent**
- ❑ Productivity and Service at All-Time High Levels**



Quarterly Volume Changes

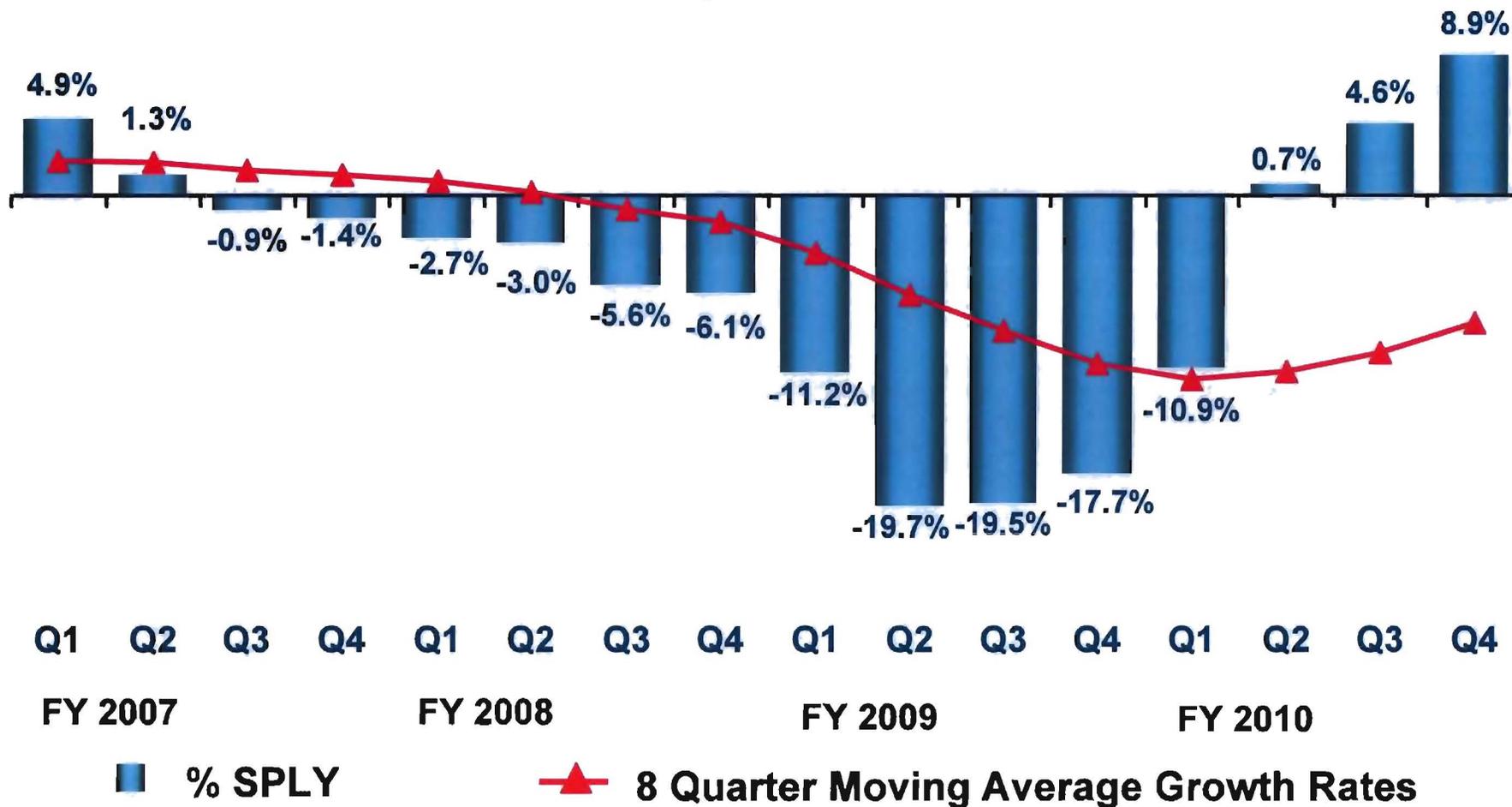
First-Class Mail Volume





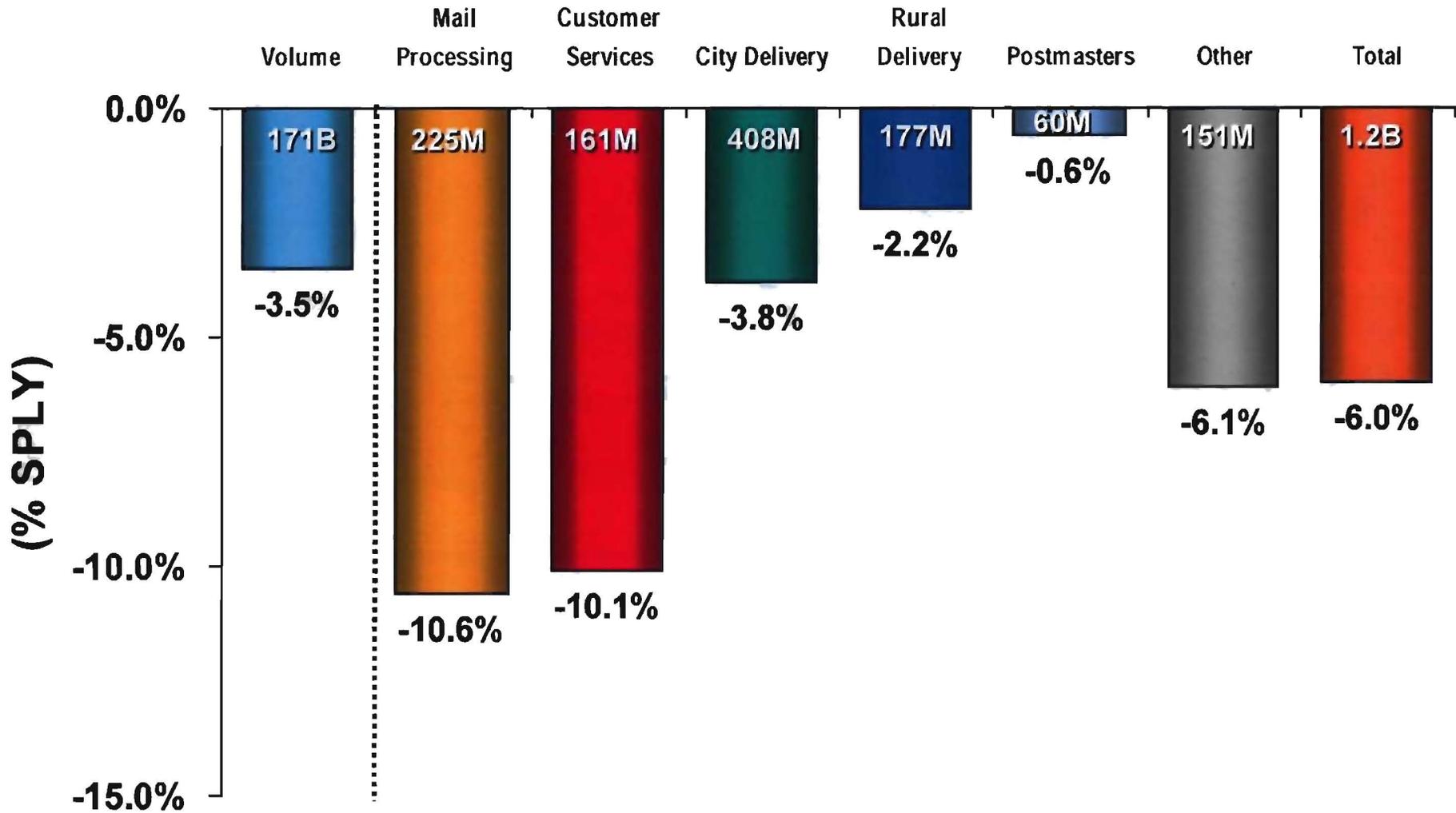
Quarterly Volume Changes

Standard Mail Volume



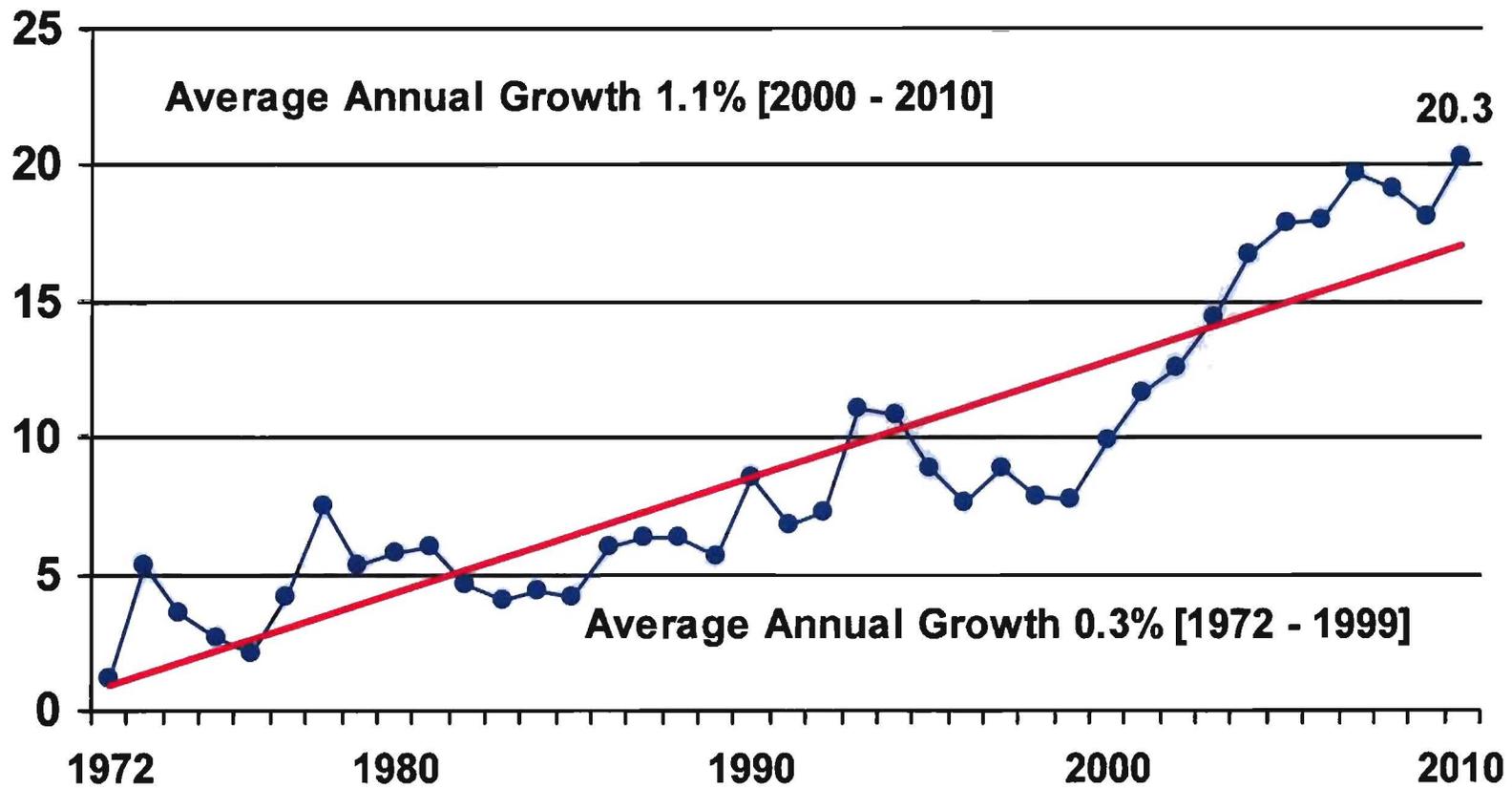


Workhour and Volume Changes FY 2010





Total Factor Productivity





2010 Financial Results

(Billions)	2010 Actual	2009 Actual
Revenue	\$67.1	68.1
Expenses	<u>67.6</u>	<u>69.2</u>
Subtotal: Income/(Loss)	(0.5)	(1.1)
RHB Pre-Funding	5.5	1.4
Workers' Comp. Adj. *	<u>2.5</u>	<u>1.3</u>
Net Loss	<u>(\$8.5)</u>	<u>(3.8)</u>
Volume (Pieces)	171	177

* Actuarial revaluation and discount/inflation rate adjustment to workers' compensation liability



Sarbanes-Oxley Compliance Update

- Required by Law (PAEA)**
- One of the Largest SOX Projects Ever**

- Clean Opinion**
- On Time**
- Congratulations to Team**
- Thanks for A&F Committee Support**