

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): May 10, 2011

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 **20260**
Washington, D.C. (Zip Code)
(Address of principal executive offices)

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 May 10, 2011, the United States Postal Service announced financial results for the quarter ended on March 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 May 10, 2011 regarding financial results for the quarter ended on March 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: Tim O'Reilly
(Signature)
Tim O'Reilly
Acting Vice President, Controller

Date: May 10, 2011

Exhibit 99.1

(See attached)

FOR IMMEDIATE RELEASE
May 10, 2011

Contact: Greg Frey
202-268-2168
greg.a.frey@usps.gov
usps.com/news
Release No. 11-048

U.S. Postal Service Loss Widens in Second Quarter *Default on federal payments looming*

WASHINGTON — The U.S. Postal Service ended the second quarter of this fiscal year (Jan. 1 - March 31, 2011) with a net loss of \$2.2 billion, compared to a net loss of \$1.6 billion for the same period in FY 2010.

Despite significant cost reductions and revenue growth initiatives, current financial projections indicate that the Postal Service will have a cash shortfall and will have reached its statutory borrowing limit by the end of the fiscal year. Absent substantial legislative change, the Postal Service will be forced to default on payments to the federal government.

“The Postal Service continues to seek changes in the law to enable a more flexible and sustainable business model,” said Postmaster General and CEO Patrick R. Donahoe. “We are committed to working with Congress and the administration to resolve these issues prior to the end of the fiscal year. The Postal Service may return to financial stability only through significant changes to the laws that limit flexibility and impose undue financial burdens.”

Mailing Services revenue of \$14.0 billion decreased \$568 million, or 3.9 percent, in the second quarter of 2011, compared to the same period a year ago. Mailing Services volume of 40.7 billion pieces represents a 3.1 percent decline from the same period a year earlier. The modest increase in revenue from Standard Mail was not sufficient to offset the loss of revenue from the reduced volume of First-Class Mail.

“Sluggish economic growth and diversion of First-Class Mail to electronic alternatives continue to cause record losses, despite a reduction of over 130,000 full-time equivalents (FTEs) in the last three years,” says Joseph Corbett, CFO and executive vice president. The Postal Service reduced work hours in the second quarter by 9.6 million hours or 3.2 percent. The number of career employees on March 31, 2011, was 571,566, a reduction of 6,726 employees during the second quarter.

Mailing Services results in the second quarter include:

- First-Class Mail revenue of \$8.0 billion, on volume of 18.5 billion pieces;
- Standard Mail revenue of \$4.2 billion, on volume of 20.2 billion pieces;
- Periodicals revenue of \$443 million, on volume of 1.7 billion pieces; and
- Package Services revenue of \$394 million, on volume of 167 million pieces.

Shipping Services revenue of \$2.2 billion increased 5.0 percent or \$105 million compared to the same period a year ago. Shipping Services volume of 352 million pieces represented a 3.5 percent increase compared to the same period a year earlier.

Details of the second quarter results include:

- Total mail volume of 41.0 billion pieces, compared to 42.3 billion pieces in the same period a year earlier, a decrease of 3.0 percent, lead by a drop in First-Class Mail; and
- Operating revenue of \$16.2 billion, compared to \$16.7 billion in the same period a year earlier, a decrease of 2.8 percent.

Service performance remained excellent during the second quarter, with the national score for overnight Single-Piece First-Class Mail arriving on time 96 percent of the time, a slight improvement over the same period a year earlier.

A number of new marketing initiatives have been introduced that may help to improve revenue growth in 2011, including expansion of simplified addressing for business mailers, Every Door Direct Mail, Priority Mail Regional Rate Boxes, and Reply Rides Free. In January 2011, new Shipping Services prices increased an average of 3.6 percent. New Mailing Services prices that are limited to the Consumer Price Index cap of 1.7 percent took effect April 17, after the close of the second quarter. While new marketing initiatives and price increases may improve revenue growth, electronic diversion will continue to cause reductions in First-Class Mail.

The Postal Service is aggressively reducing expenses, including organizational redesign initiatives. The Postal Service projects \$1.2 billion to \$1.6 billion in cost savings in fiscal year 2011, including a reduction of workhours across the organization. Benefits of these initiatives, however, may be offset by rising fuel prices.

Copies of the second quarter financial results will be available later today on the Postal Service website: [http://www.usps.com/financials/doc/Quarter II FY11 10Q Final.doc](http://www.usps.com/financials/doc/Quarter%20II%20FY11%2010Q%20Final.doc).

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)



March 2011 Preliminary Financial Results

May 10th, 2011

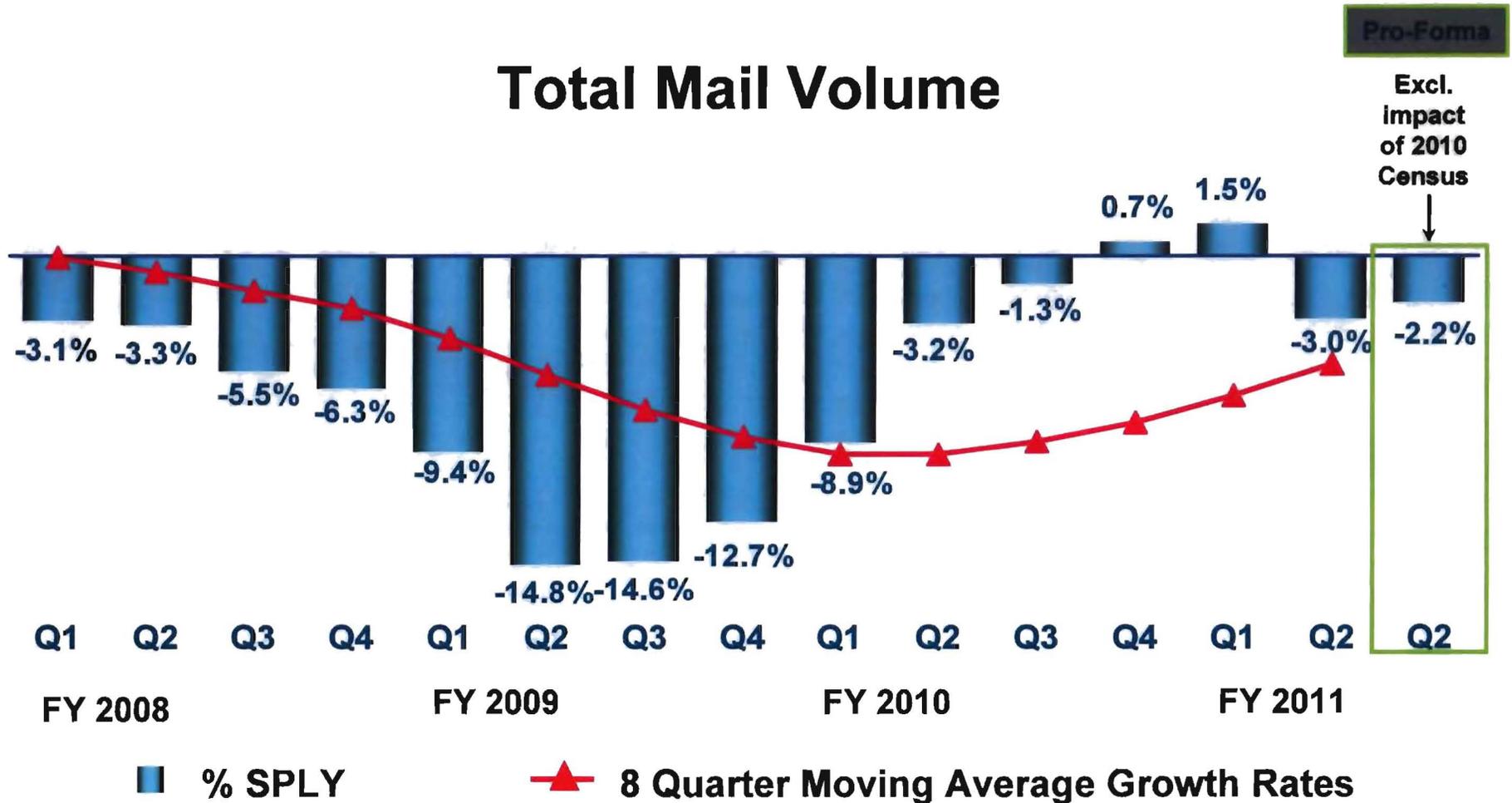
May Board Meeting—Open Session

Confidential



Preliminary Mail Volume Changes by Quarter

Total Mail Volume

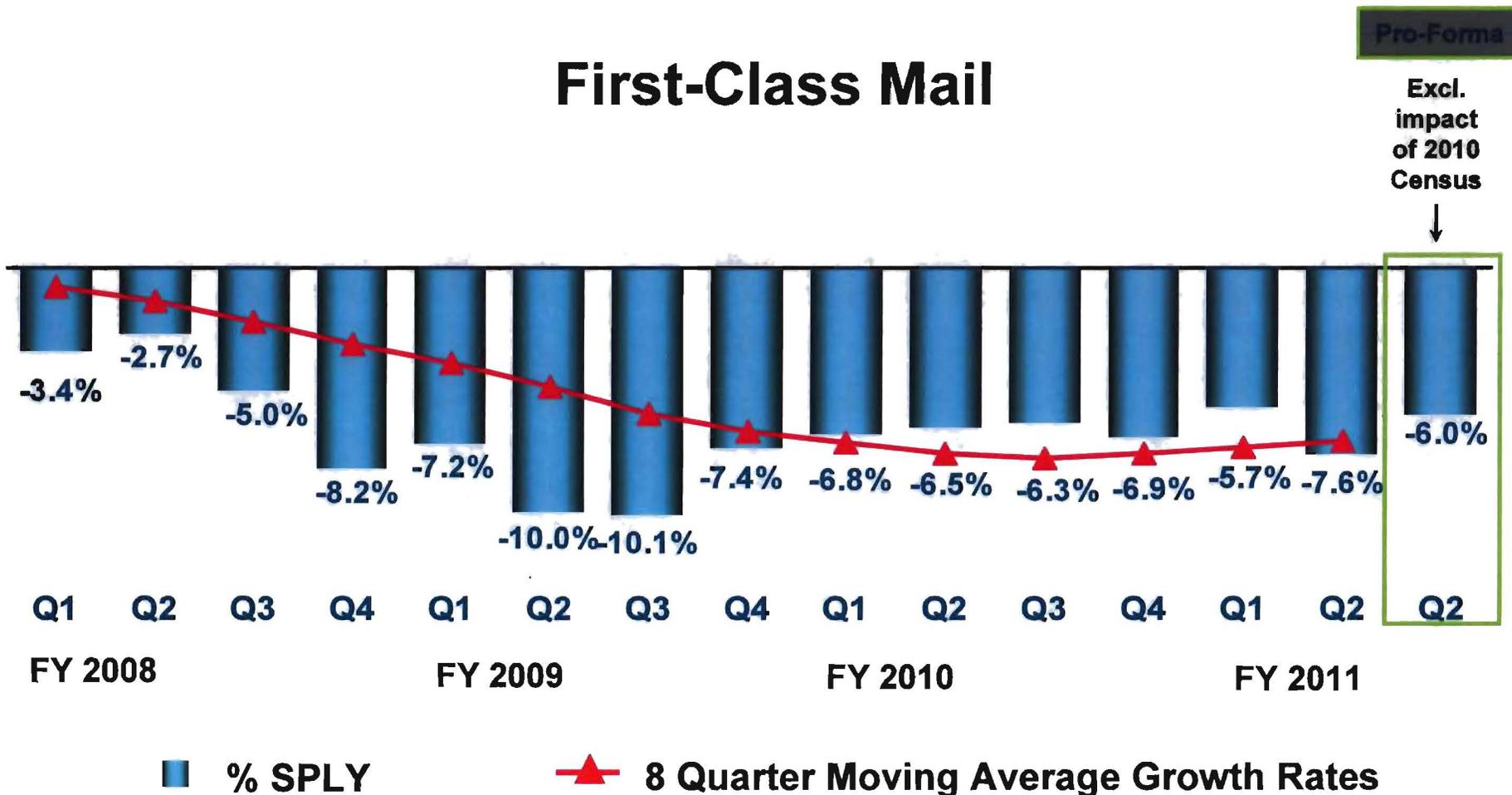


Note: FY 2010 and FY 2011 include impact of 2010 census volume



Preliminary Mail Volume Changes by Quarter

First-Class Mail

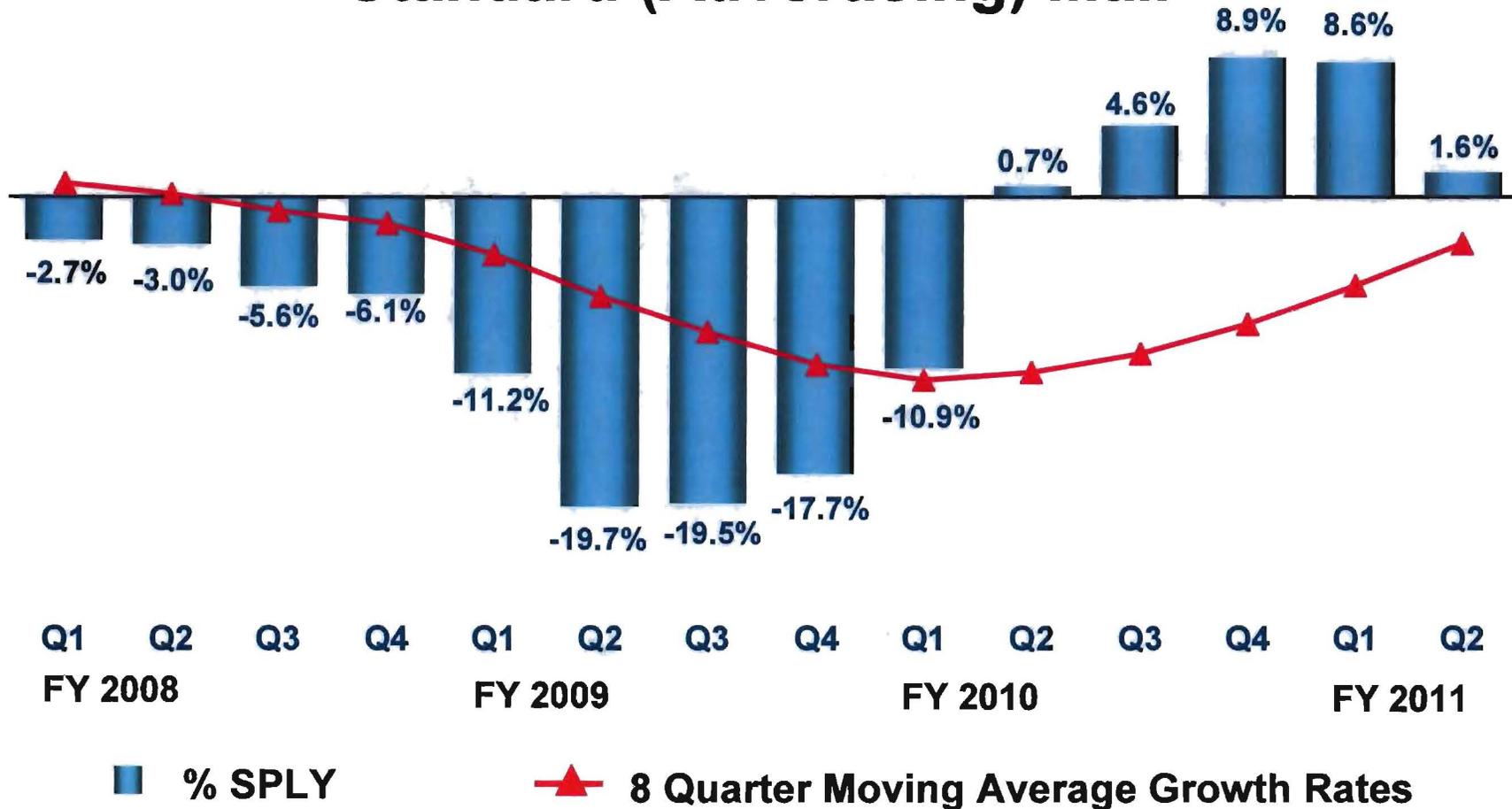


Note: FY 2010 and FY 2011 include impact of 2010 census volume



Preliminary Mail Volume Changes by Quarter

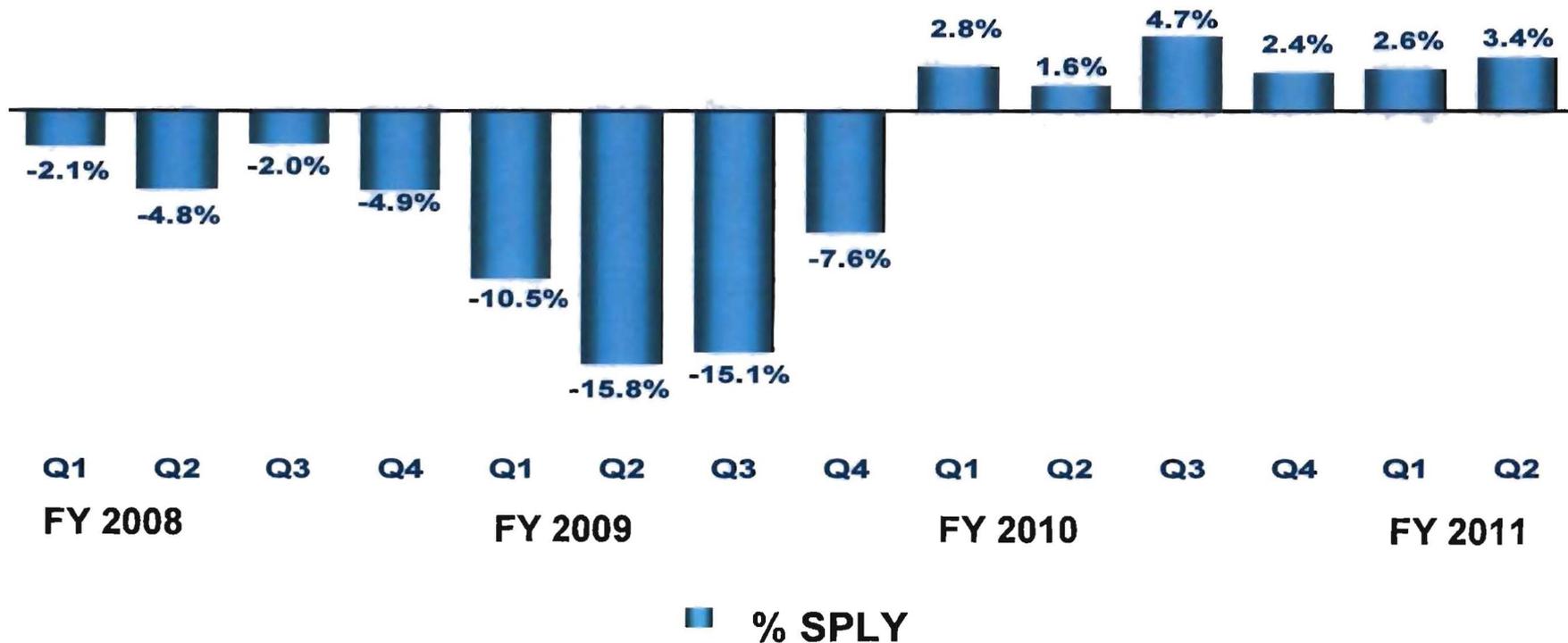
Standard (Advertising) Mail





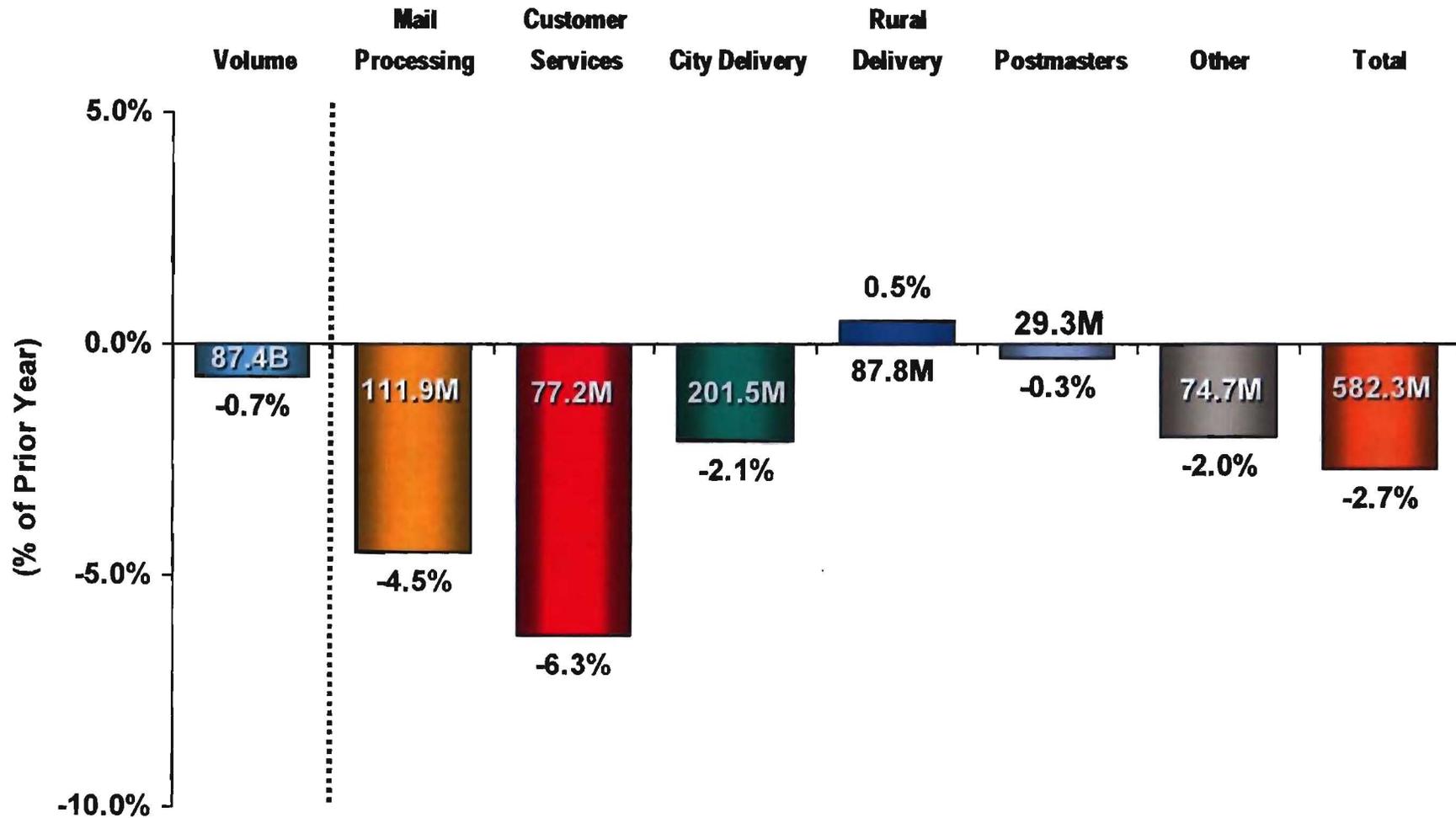
Preliminary Mail Volume Changes by Quarter

Shipping Services Mail





Workhour and Volume Changes March YTD – FY 2011





Preliminary Financial Results

Six Months thru March 2011 (Billions)	Prelim 2011	FY 2010
Revenue	\$34.1	\$35.1
Expenses	<u>(34.2)</u>	<u>(34.1)</u>
Operating Income (Loss)*	(0.1)	1.0
Retiree Hlth. Benefits Pre-Funding	(2.8)	(2.8)
Workers Comp: Actuarial & Claims	(0.7)	(0.3)
Workers Comp: Discount Rate Adj	<u>1.0</u>	<u>0.3</u>
Net Income (Loss)	<u>(\$2.6)</u>	<u>(\$1.9)</u>
Volume (Pieces)	87.4	87.9

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