

UNITED STATES POSTAL SERVICE

**Fiscal Year 2015 Budget
Congressional Submission**

Finance (HQ)

**U.S. POSTAL SERVICE
FY 2015 BUDGET**

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U.S. POSTAL SERVICE APPROPRIATIONS

The following schedules reflect the Postal Service's budget request for Fiscal Year 2015.

Revenue Forgone

The Postal Service requests funding in Fiscal Year 2015 for revenue forgone on free mail for the blind and overseas voting, plus reconciliation amounts for past years, consistent with 39 U.S.C. §2401(c).

Revenue Forgone Reform Reimbursement

The Postal Service requests funding authorized under 39 U.S.C. §2401 (d) as reimbursement for losses incurred as a result of insufficient appropriations in Fiscal Years 1991 through 1993, and to compensate for revenues not received as a result of the rate phasing provisions of 39 U.S.C. §3626 (a) (3) (B), as last in effect before enactment of the Postal Accountability and Enhancement Act.

Public Service Costs

For public service costs, 39 U.S.C. §2401(b)(1)(G) authorizes, for years after Fiscal Year 1984, an amount equal to 5 percent of the Post Office Department's Fiscal Year 1971 appropriation. This amounts to \$460,000,000, however section 2401(b)(2) authorizes the Postal Service to reduce such percentage, including a reduction to zero.

The Postal Service has operated without this appropriation since Fiscal Year 1982, therefore, no appropriation for public service costs is requested during Fiscal Year 2015.

The following schedule provides a summary of the appropriations requested and recommended level of funding.

U.S. POSTAL SERVICE Appropriations Summary

(in thousands of dollars)

	Public Service Costs	Revenue Forgone	Total
FY 2013:			
USPS Request	153,620	153,620
OMB Proposal.....	...	89,092	89,092
P.L. 113-6, Consolidated and Further Continuing Appropriations Act, 2013		78,153	78,153
Available, October 1, 2012.....		0	0
Available, October 1, 2013 (FY2014).....		78,153	78,153
FY 2014:			
USPS Request	167,459	167,459
OMB Proposal.....	...	70,751	70,751
P.L. 113-76, Consolidated Appropriations Act, 2014		70,751	70,751
Available, October 1, 2013.....		0	0
Available, October 1, 2014 (FY2015).....		70,751	70,751
FY 2015:			
USPS Request	162,566	162,566
OMB Proposal.....	...	70,371	70,371

U.S. POSTAL SERVICE Appropriations Summary

(In thousands of dollars)

	FY 2013			FY 2014			FY 2015	
	Request	OMB Proposal	P.L. 113-6	Request	OMB Proposal	P.L. 113-76	Request	OMB Proposal
A. Total Budget Authority (Appropriations).....	153,620	89,092	78,153	167,459	70,751	70,751	162,566	70,371
B. Program by Activity:								
1. Public Service Costs .....	...	...	...	...	...	...	...	...
2. Free for the Blind and Overseas Voting	88,861	70,736	69,475	64,284	71,800	71,800	49,519	70,371
3. Free and Reduced-rate Mail: Reconciliation Adjustment	18,535	18,356	8,678	(1,049)	(1,049)	(1,049)	(20,177)	...
4. Revenue Forgone Reform Reimbursement	46,224	...	...	104,224	...	...	133,224	...
5. Emergency Preparedness Costs .....	...	...	...	...	...	...	...	...
Total Appropriations	153,620	89,092	78,153	167,459	70,751	70,751	162,566	70,371

a/ Received October 2013 (FY2014) per P.L. 113-6, Consolidated and Further Continuing Appropriations Act, 2013

b/ Not available until 10/1/14 (FY2015) per P.L. 113-76, Consolidated Appropriations Act, 2014

c/ Not available until 10/1/15 (FY2016)

**U.S. POSTAL SERVICE
Federal Funds**

General and special funds:

Payment to the Postal Service Fund

For payment to the Postal Service Fund for: (1) current revenue forgone on free and reduced-rate mail for the blind and for overseas voting, plus reconciliation amounts for past years pursuant to subsection 39 U.S.C. §2401(c) , \$29,342,000; and (2) reimbursement of losses incurred as a result of insufficient appropriations for revenue forgone on free and reduced-rate mail pursuant to 39 U.S.C. §2401(d), \$133,224,000.

Program and Financing (in thousands of dollars)				
	FY 2013	FY 2014	FY 2015	
	P.L. 113-6	P.L. 113-76	Request	OMB Proposal
Program by activities:				
Payment to the Postal Service fund for:				
Revenue forgone on free and reduced-rate mail:				
Current year.....	69,475	71,800	49,519	70,371
Reconciliation adjustment	8,678	-1,049	-20,177	0
Subtotal.....	78,153	70,751	29,342	70,371
Revenue forgone reform	0	0	133,224	0
Total free and reduced-rate mail.....	78,153	70,751	162,566	70,371
Emergency Preparedness Costs .....	...	...	...	...
Total payment to the Postal Service Fund (total obligations).....	78,153	70,751	162,566	70,371
Financing:				
Budget authority (appropriations)	a/ 78,153	b/ 70,751	162,566	c/ 70,371

a/ Received October 2013 (FY2014) per P.L. 113-6, Consolidated and Further Continuing Appropriations Act, 2013
b/ Not available until 10/1/14 (FY2015) per P.L. 113-76, Consolidated Appropriations Act, 2014
c/ Not available until 10/1/15 (FY2016)

**U.S. POSTAL SERVICE
Federal Funds**

Payment to the Postal Service Fund

Program and Financing (in thousands of dollars)				
	FY 2013	FY 2014	FY 2015	
	P.L. 113-6	P.L. 113-76	Estimate	
			Request	OMB Proposal
Relation of obligations to outlays:				
	<i>a/</i>	<i>b/</i>		<i>c/</i>
Obligations incurred, net	78,153	70,751	162,566	70,371
Outlays	78,153	70,751	162,566	70,371

a/ Received October 2013 (FY2014) per P.L. 113-6, Consolidated and Further Continuing Appropriations Act, 2013

b/ Not available until 10/1/14 (FY2015) per P.L. 113-76, Consolidated Appropriations Act, 2014

c/ Not available until 10/1/15 (FY2016)

An appropriation request of \$49,519,000 is for reimbursing the Postal Service for providing free mail for the blind and overseas voting; \$-20,177,000 is a reconciliation adjustment for revenue forgone on free and reduced-rate mail; and \$133,224,000 is for partial reimbursement for losses incurred during FY1991 – FY1998 as a result of insufficient appropriations for revenue forgone.

The following table represents the estimated revenue forgone by the Postal Service in Fiscal Year 2015 for carrying certain categories of mail for free.

U. S. POSTAL SERVICE APPROPRIATIONS

Justifications

a. FY 2015 Appropriation request for Free for the Blind and Overseas Voting mail, \$49,519,000

Program and Financing (in thousands of dollars)					
Item	FY 2013	FY 2014		FY 2015	
	Appropriated Amount	Appropriated Amount	Change from Prior Year	Request Current Year	Change from Prior Year
A. Free for the Blind	68,172	70,600	2,428	48,773	-21,827
B. Overseas Voting	1,303	1,200	-103	746	-454
Total, Free for the Blind and Overseas Voting	<i>a/</i> 69,475	<i>b/</i> 71,800	2,325	<i>c/</i> 49,519	-22,281

a/ Received October 2013 (FY2014) per P.L. 113-6, Consolidated and Further Continuing Appropriations Act, 2013

b/ Not available until 10/1/14 (FY2015) per P.L. 113-76, Consolidated Appropriations Act, 2014

c/ Not available until 10/1/15 (FY2016)

An appropriation of \$49,519,000 is requested for free mail for the blind and overseas voting which provides funding for:

Certain matter for use by the blind or other persons who cannot use or read conventionally printed materials because of physical impairment can be mailed free of postage. In order to qualify, there must be no charge, rental, subscription, or other fee required for such matter.

Items mailable free by a qualifying person include unsealed letters, sound reproductions, Braille writers or typewriters, and educational or other materials or devices specifically designed or adapted for use of a visually handicapped person.

Absentee balloting materials can be mailed free by members of the Armed Forces and other U.S. citizens residing outside the territorial limits of the United States, and in bulk between state and local election officials. Effective November 2010 (P.L. 111-84) a certain category of absentee balloting materials are eligible to be processed via the expedited mail delivery rate.

**U. S. POSTAL SERVICE
APPROPRIATIONS**

Justifications (continued)

b. FY 2015 Reconciliation Adjustment Request, Revenue Forgone, \$-20,177,000:

Program and Financing (in thousands of dollars)					
ITEM	FY 2013	FY 2014		FY 2015	
	Request Amount	Request Amount	Change from Prior Year	Request Amount	Change from Prior Year
Reconciliation adjustment	a/ 18,535	b/ -1,049	-19,584	c/ -20,177	-19,128

a/ Received October 2013 (FY2014) per P.L. 113-6, Consolidated and Further Continuing Appropriations Act, 2013

b/ Not available until 10/1/14 (FY2015) per P.L. 113-76, Consolidated Appropriations Act, 2014

c/ Not available until 10/1/15 (FY2016)

Under 39 U.S.C. §2401(c) the Postal Service continues to be instructed to include in its annual revenue forgone funding requests "an amount to reconcile sums authorized to be appropriated for prior fiscal years on the basis of estimated mail volume with sums which would have been authorized if based on the final audited mail volume." This instruction to seek reconciliation adjustments was not changed by section 703(a) of the Revenue Forgone Reform Act (RFRA) of 1993, which eliminated the appropriation for the revenue forgone on the various types of reduced-rate mail provided under section 3626 of title 39 (while keeping the funding mechanism for free mail for the blind and overseas voting intact).

U. S. POSTAL SERVICE APPROPRIATIONS

Justifications (continued)

The Postal Service, in accordance with the objectives established in the Postal Reorganization Act by the Congress, is therefore submitting a reconciliation adjustment of \$-20,177,000 to adjust the reimbursement for services performed on Free Mail for the Blind and Overseas Voting mail during Fiscal Year 2012. Amounts appropriated to the Postal Service for Fiscal Year 2013 were based on estimates that appropriations amounting to \$74,065,000 would be required for FY 2012. However, audited mail volumes indicate that \$53,888,000 was actually required to fully reimburse the Postal Service for services provided during FY 2012. Therefore, a balance of \$-20,177,000 relating to FY 2012 is available to offset the Fiscal Year 2015 appropriation request.

Program and Financing (in thousands of dollars)				
	Free for the Blind	Overseas Voting	Totals	Reconciliation Adjustment
FY 2010:				
Based Upon Final Audited Mail Volume	86,359	773	87,132	
Appropriation Received in FY 2009	67,238	1,359	68,597	
Reconciliation Adjustment Requested in FY 2013	19,121	-586	18,535	
Reconciliation Adjustment - Funded in FY 2013 Appropriation				18,535 a/
FY 2011:				
Based Upon Final Audited Mail Volume	66,172	657	66,829	
Appropriation Received in FY 2010	66,552	1,326	67,878	
Reconciliation Adjustment Requested in FY 2014	-380	-669	-1,049	
Reconciliation Adjustment - Funded in FY 2014 Appropriation				-1,049 b/
FY 2012:				
Based Upon Final Audited Mail Volume	53,500	388	53,888	
Appropriation Received in FY 2011	72,649	1,416	74,065	
Reconciliation Adjustment - FY 2015 Request	-19,149	-1,028	-20,177	-20,177 c/

a/ Received October 2013 (FY2014) per P.L. 113-6, Consolidated and Further Continuing Appropriations Act, 2013

b/ Not available until 10/1/14 (FY2015) per P.L. 113-76, Consolidated Appropriations Act, 2014

c/ Not available until 10/1/15 (FY2016)

**U. S. POSTAL SERVICE
APPROPRIATIONS**

Justifications (continued)

c. FY 2015 Appropriation Request for Revenue Forgone Reform Reimbursement, \$133,224,000:

Program and Financing (in thousands of dollars)					
ITEM	FY 2013	FY 2014		FY 2015	
	Approved Amount	Request Amount	Change from Prior Year	Request Amount	Change from Prior Year
Revenue Forgone Reform Reimbursement					
Reclaim Installment reduction in FY 2011	...	17,200	17,200	17,200	...
Reclaim -0.2% rescission on \$11.8M in FY 2011	...	24	24	24	...
Reclaim Installment reduction in FY 2012	...	29,000	29,000	29,000	...
Reclaim Installment reduction in FY 2013	...	29,000	29,000	29,000	...
Reclaim Installment reduction in FY 2014		29,000	29,000	29,000	...
Current Year Installment				29,000	29,000
Total	...	104,224	104,224	133,224	29,000

a/

b/

a/ FY2013 amount requested WAS NOT provided for in P.L. 113-6, Consolidated and Further Continuing Appropriations Act, 2013

b/ FY2014 amount requested WAS NOT provided for in P.L. 113-76, Consolidated Appropriations Act, 2014

The Revenue Forgone Reform Act of 1993 authorizes \$29,000,000 to be appropriated to the Postal Service for each of Fiscal Years 1994 through 2035 to provide reimbursement to the Postal Service for losses incurred as a result of insufficient amounts appropriated under section §2401(c) for Fiscal Years 1991 through 1993, and to compensate for the additional revenues it is estimated the Postal Service would have received under the provisions of section §3626(a) for the period beginning October 1, 1993, and ending on September 30, 1998, if the fraction specified in sub-clause (VI) of section §3626(a)(3)(B)(ii) were applied with respect to such period instead of the respective fractions specified in sub-clauses (I) through (V) thereof, as last in effect before enactment of the Postal Accountability and Enhancement Act. The FY 2015 request includes \$133,200,000 and \$24,000 respectively as reimbursement for revenue forgone reduction since FY 2011 and for a rescission enacted in FY2011 (P.L. 112-10).

**U. S. POSTAL SERVICE
ADVANCE APPROPRIATIONS – REVENUE FORGONE**

The purpose of this schedule is to assist in tracking authorized amounts to the year of payment and reflect the advance funding of Revenue Forgone appropriations, and recissions, if any.

(in thousands of dollars)

Authorized for	Amount	Received During			
		FY 2012	FY 2013	FY 2014	FY 2015
Advance Funding from FY 2011		74,905			
Less 1.503% reduction		-1,126			
FY 2012:					
Free Mail for the Blind and Overseas Voters	69,475 a/		69,475		
Less across the board reduction (.02%)	(139)		(139)		
Less 5% sequestration reduction (based on FY2012 amount plus 0.612% increase)	(3,495)		(3,495)		
Reconciliation Adjustment (re: FY 2009)	8,678 a/		8,678		
Less across the board reduction (.02%)	(17)		(17)		
Less 5% sequestration reduction (based on FY2012 amount plus 0.612% increase)	(437)		(437)		
Revenue Forgone Reform Reimbursement					
Total Appropriated	74,065				
<i>P.L. 112-74, Consolidated Appropriations Act, 2012</i> Available October 1, 2012 (FY 2013)					
Amount Received in FY 2012 (from FY 2011 appropriation)		73,779			
FY 2013:					
Free Mail for the Blind and Overseas Voters	69,475 a/			69,475	
Reconciliation Adjustment (re: FY 2010)	8,678 a/			8,678	
Revenue Forgone Reform Reimbursement					
Total Appropriated	78,153				
<i>P.L. 113-6, Consolidated and Further Continuing Appropriations Act, 2013</i> Available October 1, 2013 (FY 2014)					
Amount Received in FY 2013 (from FY 2012 appropriation)			74,065		
FY 2014:					
Free Mail for the Blind and Overseas Voters	71,800 a/				71,800
Reconciliation Adjustment (re: FY 2011)	-1,049 a/				-1,049
Total Appropriated	70,751				
<i>P.L. 113-76, Consolidated Appropriations Act, 2014</i> Available October 1, 2014 (FY 2015)					
Amount Received in FY 2014 (from FY 2013 appropriation)				78,153	

a/ Advance Funding