

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 13, 2015

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 13, 2015, the United States Postal Service (“Postal Service”) announced audited financial results for the fiscal year ended on September 30, 2015. Attached as exhibits to this report are a press release and certain supplemental information setting forth those financial results.

Item 5.02 Departure of Certain Officers; Appointment of Certain Officers.

Effective October 27, 2015, Maura McNerney departed her position as Vice President, Controller, in order to serve as Acting Vice President, Finance and Planning. Since that date, Ms. McNerney has continued to serve as Principal Accounting Officer, and will continue do so until the Postal Service’s filing with the Postal Regulatory Commission on November 13, 2015 of its annual report on Form 10-K for the fiscal year ended on September 30, 2015.

Effective October 27, 2015, Richard Rosoff, age 49, departed his position as Manager, Corporate Accounting, in order to serve as Acting Vice President, Controller. Mr. Rosoff will also begin serving as Acting Principal Accounting Officer effective immediately following the Postal Service’s filing with the Postal Regulatory Commission on November 13, 2015 of its annual report on Form 10-K for the fiscal year ended on September 30, 2015. For the five years prior to joining the Postal Service as Manager, Corporate Accounting, on July 11, 2015, the positions Mr. Rosoff held were Director of Financial Reporting, Host Hotels & Resorts, Inc. (a lodging real estate investment trust), from April 2012 - December 2014; and Director of Financial Reporting, Stanley Black & Decker, Inc. (a provider of tools and storage, commercial electronic security, and engineered fastening systems), from November 2005 - March 2011.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 99.1 Press release issued on November 13, 2015 regarding audited financial results for the fiscal year ended on September 30, 2015.

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)

/s/ Thomas J. Marshall

By: _____

(Signature)

Thomas J. Marshall
General Counsel and
Executive Vice President

Date: November 13, 2015

Exhibit 99.1

(See attached)

FOR IMMEDIATE RELEASE
November 13, 2015

Contact: Sarah Ninivaggi
202-268-1997
sarah.a.ninivaggi@usps.gov
usps.com/news



U.S. Postal Service Reports End of Fiscal Year Results

- *Net Loss of \$5.1 Billion; Controllable Income of \$1.2 Billion*
- *Revenue of \$68.9 Billion for Fiscal Year 2015, Up 1.6 percent*
- *Shipping and Packages Services Revenues Up 11.4 percent*

WASHINGTON -- The U.S. Postal Service reported a net loss of \$5.1 billion for fiscal year 2015 (October 1, 2014 - September 30, 2015). The net loss is largely due to certain statutorily mandated payments over which the Postal Service has no control. Notwithstanding the loss, total revenue was \$68.9 billion for the year, an increase of approximately \$1.1 billion from 2014.

“We achieved controllable income in excess of \$1 billion for the second consecutive fiscal year giving us some limited flexibility to make critical investments in the future of the organization,” said Postmaster General and CEO Megan J. Brennan. “To maintain this success we will need to continue our efforts to grow the business and drive operational efficiencies. However, we will also need the enactment of legislation that makes our retiree health benefit system affordable and that provides increased pricing and product flexibility.”

Controllable income for 2015 was \$1.2 billion compared to \$1.4 billion last year. Controllable income is defined as net loss excluding expenses related to the mandated prefunding of retirement health benefits, actuarial revaluation of retirement liabilities and non-cash workers’ compensation adjustments, which are factors largely outside of management’s control.

However, despite the year-over-year improvement in revenue and a second year of controllable income in excess of \$1 billion, the Postal Service continues to operate under substantial financial pressure which demonstrates the need for legislative reform. Large net losses continue, and controllable operating expenses increased \$1.3 billion from last year. This was the result of a combination of factors, including higher compensation costs attributable to increased benefits expenses and additional work hours partly associated with growth in the more labor-intensive shipping and package business.

“Adding to the financial pressures that the Postal Service will face in the short term is the fact that the exigent surcharge authorized by the Postal Regulatory Commission in 2014 will need to be rolled back in approximately April of 2016,” said Chief Financial Officer and Executive Vice President Joseph Corbett. “This surcharge has provided an additional estimated \$3.5 billion in revenue since its inception, and will provide a total of \$4.6 billion in additional revenue at the time when the commission will require us to eliminate the surcharge.”

Selected 2015 Results of Operations Compared to 2014

- Total mail volume of 154.2 billion pieces from 155.5 billion pieces in 2014.
 - Shipping and Packages volume increased 14.1 percent.
 - First-Class Mail and Standard Mail volume decreased by 2.2 percent and 0.3 percent,

respectively.

- Revenue of \$68.9 billion increased 1.6 percent from \$67.8 billion. Excluding the exigent surcharge, revenue was an estimated \$66.8 billion, an increase of 0.6 percent from \$66.4 billion.
- Operating expenses of \$73.8 billion increased by \$648 million or 0.9 percent.
 - Controllable operating expenses of \$67.6 billion increased by \$1.3 billion or 1.9 percent.
 - Non-Controllable operating expenses of \$6.3 billion decreased by \$617 million or 9 percent.
- The resulting net loss for the fiscal year was \$5.1 billion, a reduction of \$448 million compared to the net loss of \$5.5 billion for 2014.

Complete financial results are available in the Form 10-K, available at <http://about.usps.com/who-we-are/financials/welcome.htm>.

Financial Briefing

Postmaster General & CEO Megan J. Brennan and Chief Financial Officer and Executive Vice President Joseph Corbett will host a telephone/Web conference call to discuss the financial results in more detail. The call will begin at 11:00 a.m. on November 13, 2015 ET and is open to the news media and all other interested parties.

How to Participate:

Important Notice: *To ensure your computer is set up to join the event, click on the link www.webex.com/jointest/*

US/Canada Attendee Dial-in: (855) 293-5496
Conference ID: 63003141

Attendee Direct URL:

<https://usps.webex.com/usps/onstage/g.php?MTID=ed5a1d8da0fa75a16738989ec0979ae0c>

If you cannot join using the direct link above, please use the alternate logins below:

Alternate URL: <https://usps.webex.com>

Event Number: 999 417 786

The briefing will also be available on live audio webcast (listen only) at:

<http://about.usps.com/news/electronic-press-kits/cfo/welcome.htm>.

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 about.usps.com/news/welcome.htm. A complete list of the holiday shipping deadlines can be found at usps.com/holidaynews.

For reporters interested in speaking with a regional Postal Service public relations professional, please go to about.usps.com/news/media-contacts/usps-local-media-contacts.pdf. Follow us on Twitter (twitter.com/usps), Instagram (instagram.com/uspostalservice), Pinterest (pinterest.com/uspsstamps), LinkedIn (linkedin.com/company/usps), subscribe to our channel on YouTube (youtube.com/usps), like us on Facebook (facebook.com/usps) and view our Postal Posts blog (uspsblog.com).

For more information about the Postal Service, visit usps.com and usps.com/postalfacts.

Exhibit 99.2

(See attached)

Financial Results Fiscal Year 2015

Open Session

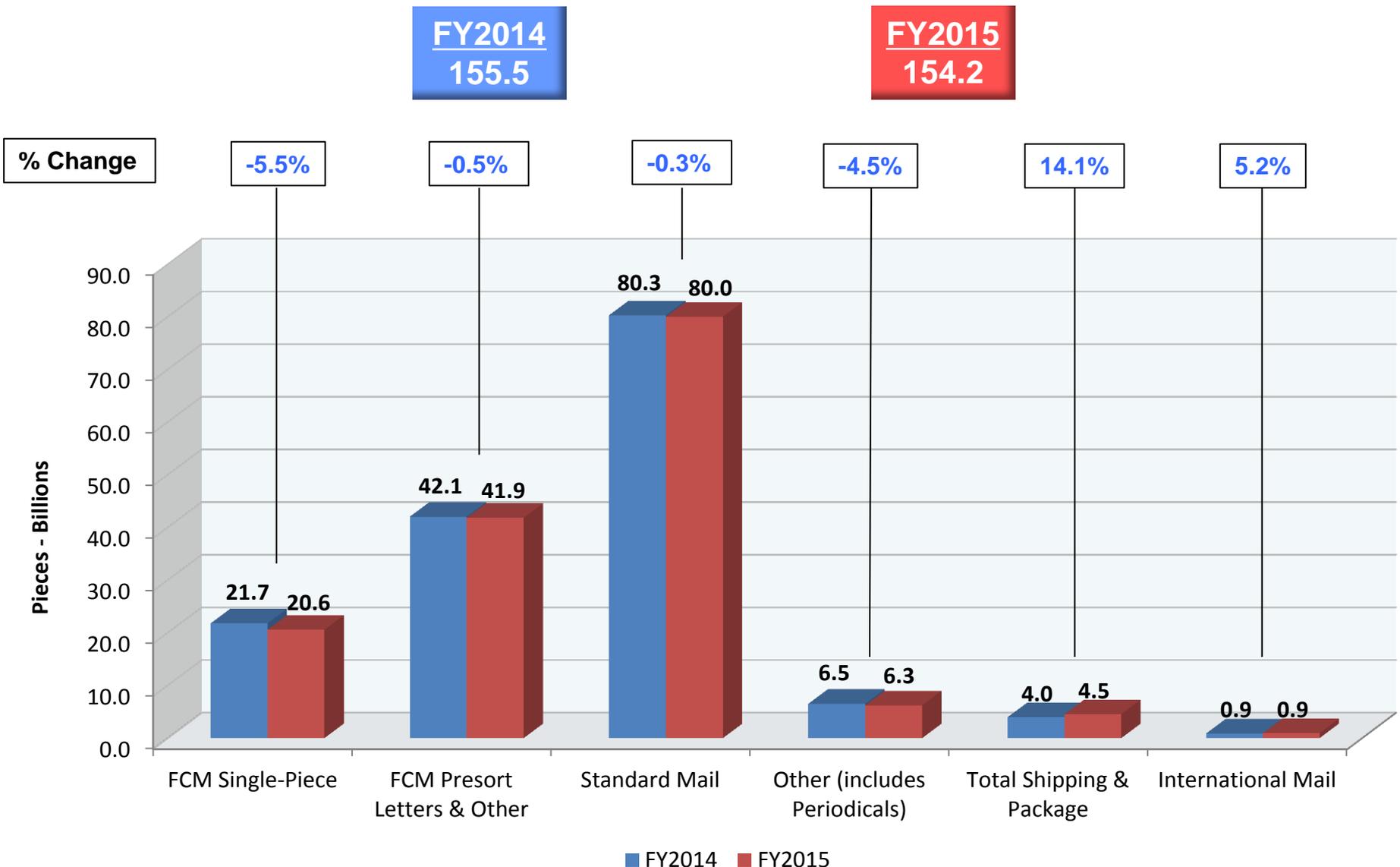
Temporary Emergency Committee

November 13, 2015

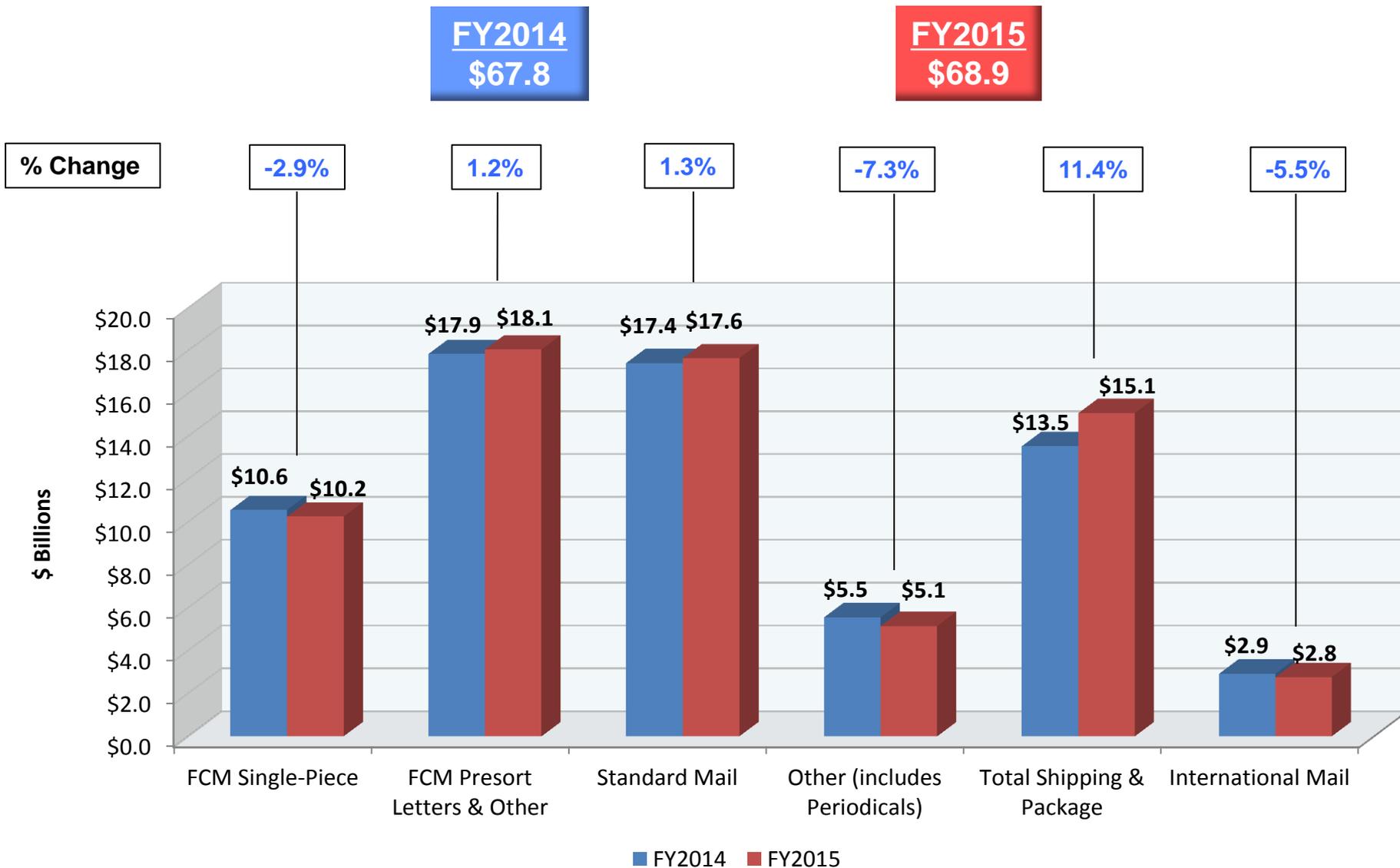
September YTD (12 Months) (Billions)	FY 2015	FY 2014
Revenue (Excluding Temporary Exigent Surcharge)	\$ 66.8	\$ 66.4
Temporary Exigent Surcharge ¹	<u>2.1</u>	<u>1.4</u>
Total Revenue	68.9	67.8
Expenses ²	<u>67.7</u>	<u>66.4</u>
Controllable Income (Loss) ²	1.2	1.4
Retiree Health Benefits Pre-Funding	(5.7)	(5.7)
FERS Unfunded Liability Amortization	(0.2)	-
Workers' Comp. Fair Value Adj.	(0.8)	(0.5)
Workers' Comp. Other Non-Cash Adj.	<u>0.4</u>	<u>(0.7)</u>
Net Income (Loss)	\$ (5.1)	\$ (5.5)

1 - Estimated.

2 - Before RHB pre-funding, FERS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.



➤ YTD FY2015 has the same number of weekdays, Saturdays, & Sundays as compared to YTD FY2014.



- YTD FY2015 has the same number of weekdays, Saturdays, & Sundays as compared to YTD FY2014.
- Includes Exigent Surcharge

September YTD (12 Months) (Billions)	FY 2015	FY 2014
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1 - Estimated.

2 - Before RHB pre-funding, FERS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.

September YTD (12 Months) (Billions)	FY 2015	FY 2014
Compensation & Benefits^{1,2}	\$51.8	\$50.4
Transportation	6.6	6.6
Depreciation	1.8	1.8
Supplies & Services	2.7	2.6
Rent, Utilities & Other	<u>4.8</u>	<u>5.0</u>
Controllable Expenses^{1,2}	\$67.7	\$66.4
Workhours (Millions)	1,128	1,107

1 - Delivery days were even compared to SPLY.

2 - Excludes RHB pre-funding, FERS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.

September YTD (12 Months) (Billions)	FY 2015	FY 2014
Revenue (Excluding Temporary Exigent Surcharge)	\$ 66.8	\$ 66.4
Temporary Exigent Surcharge ¹	<u>2.1</u>	<u>1.4</u>
Total Revenue	68.9	67.8
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Workers' Comp. Other Non-Cash Adj.	<u>0.4</u>	<u>(0.7)</u>
Net Income (Loss)	<u>\$ (5.1)</u>	<u>\$ (5.5)</u>

1 - Estimated.

2 - Before RHB pre-funding, FERS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.

As of September 30, 2015

- **Total liabilities, including retirement obligations exceed assets by \$101 billion.**
- **It would take RHB legislative change and decades of annual profits to remedy this level of excess liabilities and unfunded retirement obligations.**

CSRS Fund Balance	\$179.2B	CSRS Actuarial Liability	\$199.6B
FERS Fund Balance	\$107.6B	FERS Actuarial Liability	\$111.3B
RHB Fund Balance	<u>\$50.3B</u>	Retiree Health Benefits Obligation	<u>\$105.2B</u>
Total Retirement-Fund Assets	\$337.1B	Total Retirement-Related Liabilities	\$416.1B
		Workers' Compensation	\$18.8B
		Debt	\$15.0B
Unrestricted Cash	\$6.6B	Accrued Compensation, benefits, and leave	\$3.9B
Land, Buildings & Equipment, net	\$15.7B	Deferred Revenue	\$3.3B
Other Assets	<u>\$1.7B</u>	Other	<u>\$5.3B</u>
Total Assets	\$361.1B	Total Liabilities	\$462.4B

- This slide includes all assets and liabilities of pension and post-retirement health benefits obligations.
- Items highlighted in yellow are not shown on our balance sheet under GAAP multi-employer rules and are the OPM's projected valuation as of September 30, 2015.