



FOR IMMEDIATE RELEASE
Apr. 23, 2013

POSTAL NEWS

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U.S. Postal Service Statement: Air Cargo Network Contract Award to FedEx

WASHINGTON – On April 23, 2013, the United States Postal Service awarded Federal Express Corporation (FedEx) a seven-year Air Cargo Network contract to provide domestic air transportation service for Priority and Express Mail. The current contract with FedEx ends in September 2013, and the new contract will begin in October 2013.

The Postal Service conducted a competitive procurement for the transportation of domestic mail products by air, incorporating new service performance requirements and improved contract terms and conditions.

Following a rigorous evaluation of technical aspects, pricing, and other factors in the proposals, the Postal Service determined that the FedEx proposal represented the best value. The new contract benefits postal customers by providing service improvements, capacity flexibility, and other planned operational improvements. Based on estimated volumes the new agreement is valued at approximately \$10.5 billion over the seven-year term.

The new contract allows the Postal Service to continue a successful business relationship with FedEx.

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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 self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation: 152 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 more than 31,000 retail locations and the most frequently visited website in the federal government, usps.com, the Postal Service has annual revenue of more than \$65 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 42nd in the 2012 Fortune 500. The Postal Service has been named the Most Trusted Government Agency for seven years and the fourth Most Trusted Business in the nation by the Ponemon Institute.

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