Postal Regulatory Commission
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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 15, 2013

United States Postal Service

(Exact name of registrant as specified in its charter)

n/a	**n/a**	41-076000
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

475 L'Enfant Plaza, SW **Washington, D.C.**	20260
(Address of principal executive offices)	(Zip Code)

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 15, 2013, the United States Postal Service announced financial results for the fiscal year ended on September 30, 2013. 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 15, 2013 regarding financial results for the fiscal year ended on September 30, 2013.

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)
Timothy O'Reilly
Vice President, Controller

Date: November 15, 2013

Exhibit 99.1

(See attached)

UNITED STATES POSTAL SERVICE®

POSTAL NEWS

FOR IMMEDIATE RELEASE
Nov. 15, 2013

Contact: Patricia Licata
patricia.licata@usps.gov
202.268.2783
usps.com/news
Release No. 13-087

Despite Revenue Growth and Record Productivity, Postal Service Loses $5 Billion in 2013 Fiscal Year

- *Revenue Increase Driven by 8 Percent Growth in Shipping and Packages, 3 Percent Growth in Standard Mail; First-Class Mail Continues to Decline*
- *Nearly $1 Billion in Savings Driven by Work Hours Reduction of 12 Million Hours and Optimizing Workforce Flexibility*
- *Substantial Deficit Liabilities of $61 Billion Exceed Assets by Approximately $40 Billion*

WASHINGTON — The U.S. Postal Service ended the 2013 fiscal year (Oct. 1, 2012 – Sept. 30, 2013) with a net loss of $5 billion. This marks the 7th consecutive year in which the Postal Service incurred a net loss, highlighting the need to continue to capitalize on growth opportunities, reduce costs, and enact comprehensive legislation to provide a long-term solution to the agency's financial challenges.

Even though the Postal Service has implemented a number of strategies that resulted in $15 billion in annual expense reductions since the Postal Accountability and Enhancement Act was passed in 2006, the combination of onerous mandates in existing law and continued First-Class Mail volume declines threatens the Postal Service's financial viability.

"We've achieved some excellent results for the year in terms of innovations, revenue gains and cost reductions, but without major legislative changes we cannot overcome the limitations of our inflexible business model," said Patrick Donahoe, Postmaster General and Chief Executive Officer. "Congress is moving forward with legislation that has the potential to give us greater flexibility and put us back on a firm financial footing, and we strongly encourage that they continue moving forward."

The legislative requirements put forward by the Postal Service, as outlined in the *Five-Year Business Plan*, include:

- Restructure the Postal Service health care plan.
- Refund Federal Employees Retirement System (FERS) overpayment and lower future FERS payment amounts to those required.
- Adjust delivery frequency to six-day packages/five-day mail.
- Streamline the governance model (eliminate duplicative oversight).
- Provide authority to expand products and services.
- Require defined contribution retirement system for future Postal Service employees.
- Require arbitrators to consider the financial condition of the Postal Service.
- Reform Workers' Compensation.

Results of Operations
Highlights of yearly results compared to the same period last year include:

- Total mail volume was 158.4 billion pieces compared to 159.8 billion pieces a year ago. Package and Standard Mail volumes grew by 210 million pieces and 1.4 billion pieces, respectively, while the most profitable product, First-Class Mail, fell by 2.8 billion pieces, led by single-piece volume decline.

- Operating revenue, excluding a $1.3 billion non-cash change in an accounting estimate, was $66 billion compared to $65.2 billion in 2012. While this is the first growth in revenue since 2008, declining First-Class Mail revenue continues to negatively impact financial results.

- Operating expenses were $72.1 billion in 2013 compared to $81 billion in 2012. Approximately $8.2 billion of this decrease resulted from higher, legally mandated retiree health care benefit expenses and higher non-cash Workers' Compensation expense in 2012. Expenses in 2013 include a required $5.6 billion contribution to retiree health care benefits that the Postal Service was unable to make. Continued lack of legislation will likely force the Postal Service to continue to default on these payments. Savings from plant consolidations, restructuring hours at Post Offices, reductions in delivery units, and workforce optimization resulted in approximately $1 billion of savings in 2013.

- The net loss for the year, which was decreased by a $1.3 billion non-cash change in estimate, was $5 billion. However, this change in accounting estimate has no impact on the Postal Service's receipt of cash, or cash on hand, nor does it lessen the severity of its current liquidity situation. For more information regarding the non-cash adjustment, refer to the Form 10-K, available online.

The Postal Service continues to grow its Package Services business. From fiscal year 2012 to fiscal year 2013, revenue from Package Services increased by $923 million, or 8 percent, on a volume increase of 210 million pieces (6 percent). By developing innovative services to appeal to the growing parcel delivery market, Shipping and Package Services grew to $12.5 billion, representing approximately 19 percent of revenues. Standard Mail revenue grew by $487 million, or 3 percent, on a volume increase of 1.8 percent.

The growth in revenue from these products is not enough to offset the long-term loss in revenue and volume of our most profitable service, First-Class Mail. First-Class Mail revenue, which peaked in 2007, dropped $704 million or 2.4 percent in 2013. First-Class Mail volume declined 2.8 billion pieces or 4.1 percent.

"Our productivity reached an all-time high in 2013, increasing 1.9 percent, compared to 2012," said Chief Financial Officer and Executive Vice President Joseph Corbett. "This marks our fourth consecutive year of positive total factor productivity growth since the depths of the recession in 2009."

Work hours in 2013 decreased by 12 million or 1.1 percent, despite an increase of approximately 774,000 delivery points during 2013.

"The reduction in work hours and the optimization of work force flexibility that we have available to us contributed to a savings of nearly $1 billion in compensation and benefits costs," said Corbett, "a reflection of our efforts to improve productivity and to respond to the decline in mail volume." Since 2000, the Postal Service has reduced work hours by a cumulative total of 516 million work hours, equivalent to 293,000 employees, or $22 billion in annual expense savings."

At the end of the 2012 fiscal year, the Postal Service reached its statutory debt ceiling of $15 billion

for the first time, and it remains at the limit at the end of the 2013 fiscal year. "Our liquidity continues to be dangerously low and our liabilities exceed our assets by approximately $40 billion," said Corbett. "This underscores the need for Congress to pass legislation that improves our financial position and that gives the Postal Service a more flexible business model to improve its cash flow. Despite reaching the debt limit, Postal Service mail operations and delivery continue as usual and employees and suppliers continue to be paid on time."

Complete financial results are available in the Form 10-K, available after 11 a.m. ET today at *http://about.usps.com/who-we-are/financials/welcome.htm*

Financial Briefing Today

Postmaster General & CEO Patrick R. Donahoe and Chief Financial Officer Joseph Corbett will host a telephone/web conference call at 1 p.m. ET today (Nov. 15) to discuss the financial results. The call is open to the news media and all other interested parties.

How to Participate:
Important Notice: *The procedure to join the briefing has changed. To ensure your computer is set up to join the event, click on the link www.webex.com/lp/jointest/*

Attendee Direct URL: https://usps.webex.com/usps/onstage/g.php?t=a&d=993503302

If you cannot join using the direct link above, please use the alternate login below:
Alternate URL: https://usps.webex.com
Event Number: 993 503 302

To join by phone only, dial (855) 293-5496 and enter conference ID: 93813849.

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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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 fifth Most Trusted Business in the nation by the Ponemon Institute.

Follow us on *twitter.com/USPS* and like us at *facebook.com/USPS*.

Exhibit 99.2

(See attached)

UNITED STATES POSTAL SERVICE ®

Financial Results
Fiscal Year 2013

Board of Governors
Open Session

November 15, 2013

UNITED STATES POSTAL SERVICE ®

Financial Results

September YTD - 12 months (Billions)	FY 2013	FY 2012
Revenue (excl. accounting est. change)	$66.0	$65.2
Expenses*	66.7	67.5
Separation Incentive Costs	0.3	0.1
Operating Income (Loss)**	(1.0)	(2.4)
Changes in Accounting Estimate***	1.3	-
Retiree Health Benefits Pre-Funding	(5.6)	(11.1)
Workers' Comp. Fair Value Adj.	1.7	(0.4)
Workers' Comp. Other Non-Cash Adj.	(1.4)	(2.0)
Net Income (Loss)	($5.0)	($15.9)
Liquidity Days (of oper. cash)	9	8
Volume (Pieces)	158	160

* Before RHB pre-funding and non-cash adjustments to workers' compensation liabilities

** Before accounting estimate change, RHB pre-funding, and non-cash adjustments to workers' compensation liabilities.

*** Newly available data on forever stamp usage resulted in a $1.3B reduction in Deferred Revenue – Prepaid Postage.

Note: Delivery days were equal to FY2012. Retail had one additional weekday in FY2013 vs. FY2012.

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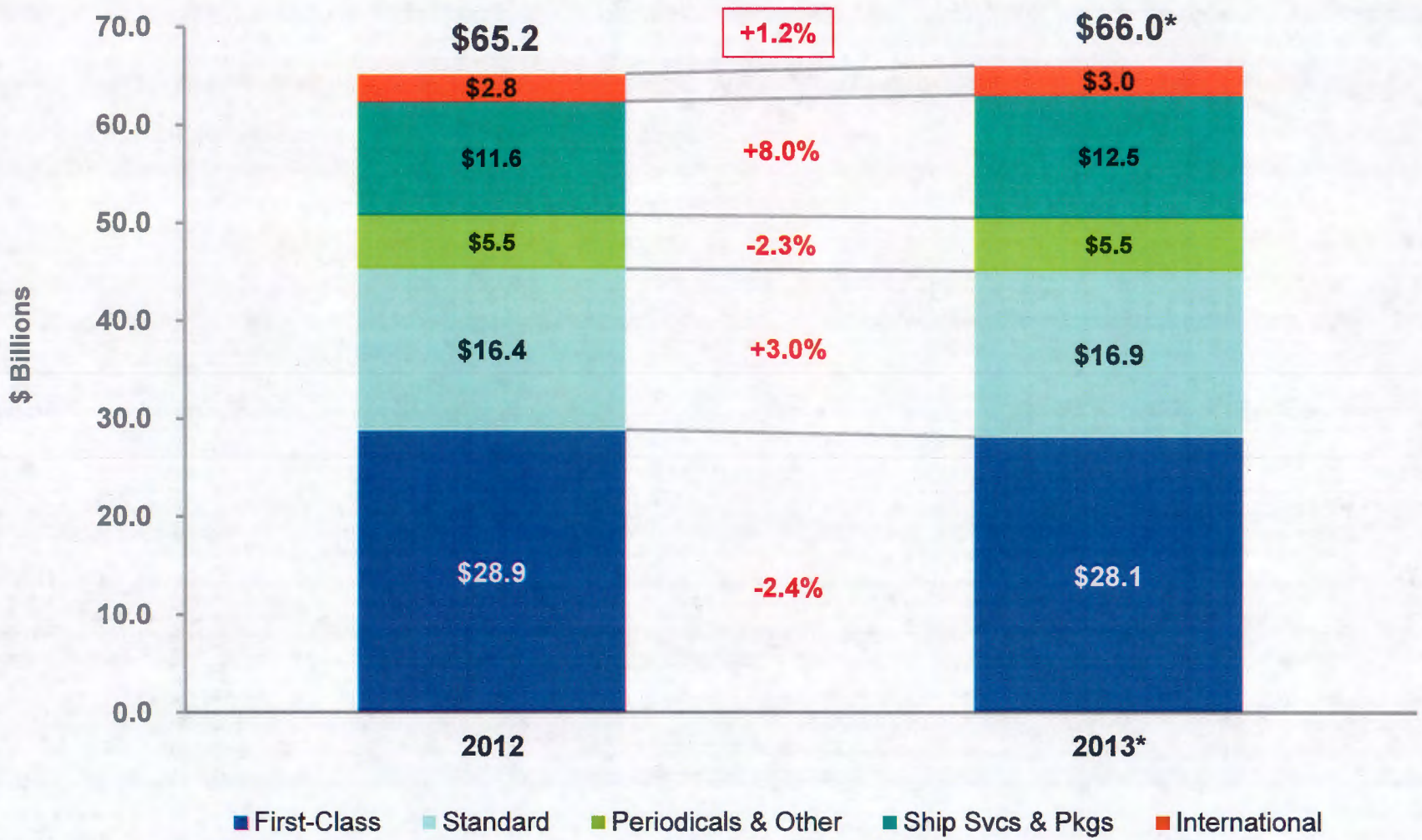
Operating Revenue 2012-2013



* Excludes $1.3B impact of change in accounting estimate for Deferred Revenue-Prepaid Postage.

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Operating Expenses

September YTD - 12 months (Billions)	FY 2013	FY 2012
Compensation	$ 35.3	$ 36.1
Benefits	15.3	15.4
Transportation	6.7	6.6
Depreciation	1.9	2.1
Supplies & Services	2.4	2.3
Rent & Utilities	1.6	1.6
Vehicle/Maint., Interest & Other	3.5	3.4
Operating Expenses*	$ 66.7	$ 67.5
Workhours (millions)	1,110	1,122

* Excludes RHB pre-funding, non-cash adjustments to workers' compensation liabilities, and separation incentive costs.

Note: Delivery days were equal to FY2012.

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A Deep Financial Hole September 2013

- **Liabilities exceed assets by approx. $40 billion**
- **The USPS has only 35 cents of assets to cover each dollar of its liabilities**

ASSETS		LIABILITIES	
Unrestricted Cash	$ 2.3B	Retiree Health Benefits	$16.8B
Buildings & Equipment, net of depreciation	$ 17.5B	Workers' Compensation	$17.2B
		Debt	$15.0B
Other assets	$ 1.8B		
		Accrued Compensation, benefits and leave	$ 3.5B
		Deferred Revenue*	$ 3.6B
		Other	$ 5.4B
Total Assets	**$21.6B**	**Total Liabilities**	**$61.5B**

* Newly available data on forever stamp usage resulted in a $1.3B reduction in Deferred Revenue – Prepaid Postage

➢ Significant profits over years and legislation are needed to recover.