UNITED STATES
POSTAL REGULATORY COMMISSION
Washington, D.C. 20268-0001

FORM 8-K

CURRENT REPORT
PURSUANT TO 39 U.S.C. § 3654 AND SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 14, 2018

UNITED STATES POSTAL SERVICE

(Exact name of registrant as specified in its charter)

Washington, D.C.	41-0760000
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
475 L'Enfant Plaza, S.W. Washington, D.C.	20260
(Address of principal executive offices)	(ZIP Code)

(202) 268-2000
(Registrant's telephone number, including area code)

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 14, 2018, the United States Postal Service ("Postal Service") announced audited financial results for the fiscal year ended September 30, 2018. Attached as exhibits to this report 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 14, 2018 regarding audited financial results for the fiscal year ended September 30, 2018.
Exhibit 99.2	Supplemental Information.

Signature

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

By: /s/

Thomas J. Marshall,
General Counsel and
Executive Vice President

Date: November 14, 2018

UNITED STATES POSTAL SERVICE ®

POSTAL NEWS

FOR IMMEDIATE RELEASE

November 14, 2018

Contact: David Partenheimer
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usps.com/news

U.S. Postal Service Reports Fiscal Year 2018 Results

- *Overall volume decline of 3.2 billion pieces*
- *Net loss of $3.9 billion*
- *Urgent need to advance legislative and regulatory reforms, along with continued aggressive postal management actions to generate new revenue and control costs*

WASHINGTON - The U.S. Postal Service reported operating revenue of $70.6 billion for fiscal year 2018 (October 1, 2017 - September 30, 2018), an increase of $1.0 billion compared to the prior year. The higher revenues were driven largely by continued growth in the Shipping and Packages business, where revenue increased $2.0 billion, or 10.1 percent, which more than offset revenue declines in First-Class and Marketing Mail as a result of declining volumes in that segment of its business.

In 2018, First-Class Mail volumes declined by approximately 2.1 billion pieces, or 3.6 percent, while package volumes grew by 394 million pieces, or 6.8 percent, continuing a multi-year trend of declining mail volumes and increasing package volumes. Although mail volume declines were partially offset by growth in package volume, overall volume for the year declined by 3.2 billion pieces.

”The secular mail volume trends continue largely due to electronic diversion and transaction alternatives. We compete for business in every product line, every day from the first mile to last mile,” said Postmaster General and CEO Megan J. Brennan. “We are aggressively managing our business and continuing to focus on serving our customers and communities. However, the flawed business model imposed by law continues to be the root cause of our financial instability. We are seeking reforms that would allow the organization to reduce costs, grow revenue, compete more effectively, and function with greater flexibility to adapt to the marketplace and to invest in our future."

Brennan added that addressing these urgently needed reforms would then provide an opportunity to consider broader public policy issues and develop long-term solutions to continue to enable the Postal Service to best meet the needs of the American public.

During the fourth quarter of 2018, the Governors of the Postal Service made a decision to reduce the organization's debt level to reduce interest rate costs and to better reflect actual borrowing needs. The Postal Service subsequently reduced its debt by $1.8 billion, finishing the year with $13.2 billion in debt outstanding. The organization plans to reduce its debt level by an additional $2.2 billion as existing debt matures in February and May 2019.

Operating expenses for the year were $74.4 billion, an increase of $2.2 billion, or 3.1 percent, compared to the prior year. This was driven by an increase in compensation and benefits of $896 million due to contractual wage increases and increased transportation expenses of $623 million primarily due to higher package volume, increases in fuel prices and higher highway contract rates.

Expenses for workers compensation and retiree health benefits increased by $801 million and $221 million, respectively, largely attributable to changes in actuarially determined expenses outside of management's control. These increases were partially offset by a $260 million reduction in expenses for the amortization of unfunded retirement benefits.

The Postal Service reported a net loss for the year of $3.9 billion, an increase in net loss of $1.2 billion compared to 2017. The controllable loss for the year was $2.0 billion, an increase of $1.1 billion.

Similar to the last several years, the Postal Service was unable to make the $6.9 billion in payments that were due to the federal government at the end of fiscal year 2018 to pre-fund pension and health benefits for postal retirees, without putting its ability to fulfill its primary mission at undue risk.

“We made the difficult decision to prioritize the maintenance of adequate liquidity to ensure the continued achievement of the Postal Service’s primary mission of providing universal postal services to the American people," said Chief Financial Officer and Executive Vice President Joseph Corbett. "Making the pre-funding payments in full or in part would have left the Postal Service with insufficient liquidity to ensure the continued achievement of our mission."

Corbett added that the inability to make these payments does not affect the continued receipt or accrual of these benefits by retirees and employees.

FY 2018 Operating Revenue and Volume by Service Category Compared to Prior Year
The following presents revenue and volume by service category for the year ended September 30, 2018, and 2017:

(revenue in $ millions; volume in millions of pieces)	Revenue 2018	Revenue 2017	Volume 2018	Volume 2017
Service Category				
First-Class Mail	$ 24,976	$ 25,689	56,714	58,834
Marketing Mail	16,512	16,626	77,269	78,329
Shipping and Packages	21,507	19,529	6,152	5,758
International	2,630	2,614	941	1,001
Periodicals	1,277	1,375	4,993	5,301
Other	3,720	3,760	333	367
Total operating revenue and volume	**$ 70,622**	**$ 69,593**	**146,402**	**149,590**

Selected FY 2018 and 2017 Results of Operations and Controllable Loss
This news release references *controllable loss*, which is not calculated and presented in accordance with accounting principles generally accepted in the United States (GAAP). Controllable loss is defined as net loss adjusted for items outside of management's control and non-recurring items. These adjustments include workers' compensation expenses caused by actuarial revaluation and discount rate changes, and the amortization of PSRHBF, CSRS and FERS unfunded liabilities. The following table presents selected results of operations and reconciles GAAP net loss to controllable loss and illustrates the loss from ongoing business activities without the impact of non-controllable items for the twelve months ended September 30, 2018, and 2017:

(results in $ millions)	2018	2017
Operating revenue	**$ 70,622**	**$ 69,593**
Other revenue	38	43
Total revenue	**$ 70,660**	**$ 69,636**
Total operating expenses	**$ 74,445**	**$ 72,210**
Interest and investment income (expense), net	(128)	(168)
Total expenses	**$ 74,573**	**$ 72,378**
Net loss	**$ (3,913)**	**$ (2,742)**
PSRHBF unfunded liability amortization expense[1]	815	955
Change in workers' compensation liability resulting from fluctuations in discount rates	(1,066)	(1,362)
Other change in workers' compensation liability[2]	(323)	(850)
CSRS unfunded liability amortization expense[3]	1,440	1,741
FERS unfunded liability amortization expense[4]	958	917
Change in normal cost of retiree health benefits due to revised actuarial assumptions[5]	138	527
Controllable loss	**$ (1,951)**	**$ (814)**

[1] Expense for the annual payment due by September 30, 2018, and 2017, on the unfunded liability as calculated by OPM.
[2] Net amounts include changes in assumptions, valuation of new claims and revaluation of existing claims, less current year claim payments.
[3] Expense for the annual payments due September 30, 2018, and 2017, calculated by OPM, to amortize the unfunded CSRS retirement obligation. Payments are to be made in equal installments through 2043.
[4] Expense for the annual payment due September 30, 2018, and 2017, calculated by OPM, to amortize the unfunded FERS retirement obligation. Payments are to be made in equal installments through 2047.
[5] Represents the annual portion of the normal cost payment due September 30, 2018, and 2017, attributable to revised actuarial assumptions and discount rate changes. The total normal cost payment amount, calculated by OPM, is $3.7 billion and $3.3 billion, respectively.

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 and 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 am ET on November 14, 2018, and is open to news media and all other interested parties.

How to Participate:

US/Canada Attendee Dial-in: 844-340-4622 Conference ID: 3592257

Attendee Direct URL: *https://usps.webex.com/usps/onstage/g.php?MTID=e3161da429260c672d3fe035cac2519ab*

If you cannot join using the direct link above, please use the alternate logins below:
Alternate URL: https://usps.webex.com
Event Number: 997 025 409

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.

# # #

Financial Results
September 2018

November 14, 2018

September YTD (12 Months) (Billions)	FY 2018	FY 2017
Total Revenue [1]	$ 70.8	$ 69.7
Controllable Expenses [1, 2]	72.8	70.5
Controllable Income (Loss) [1, 2]	**(2.0)**	**(0.8)**
RHB Normal Cost Actuarial Revaluation & Amortization [3, 4]	(0.9)	(1.5)
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.	1.4	2.2
FERS Unfunded Liability Amortization [3]	(1.0)	(0.9)
CSRS Unfunded Liability Amortization [3]	(1.4)	(1.7)
Net Income (Loss) [1]	**$ (3.9)**	**$ (2.7)**

1 - September YTD has the one less delivery day and 0.5 more retail day as compared to SPLY.

2 - Before Retiree Health Benefits (RHB) amortization and actuarial changes to RHB normal cost, Federal Employee Retirement System (FERS) and Civil Service Retirement System (CSRS) unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.

3 - This represents the OPM amortization expense related to the FERS, CSRS, and Postal Service RHB Fund liabilities. These are based on the invoices from OPM.

4 - Includes effect of estimated $0.2B annual increase in RHB normal cost due to estimated changes to discount rate.

September YTD (12 Months) (Billions)	FY 2018	FY 2017
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UNITED STATES POSTAL SERVICE

Financial Results

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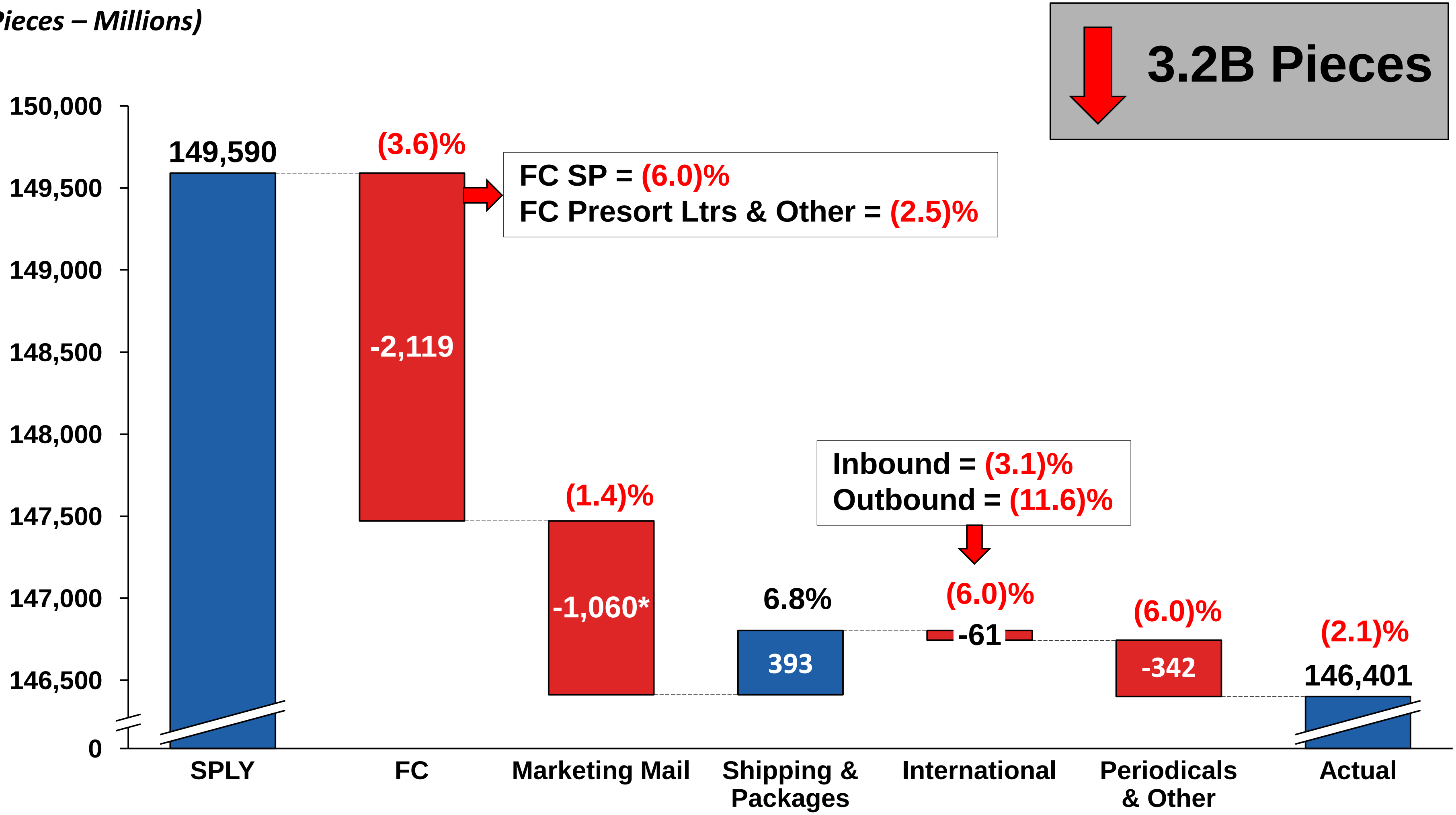
Actual versus SPLY
FY2018 September YTD Volume

(Pieces – Millions)

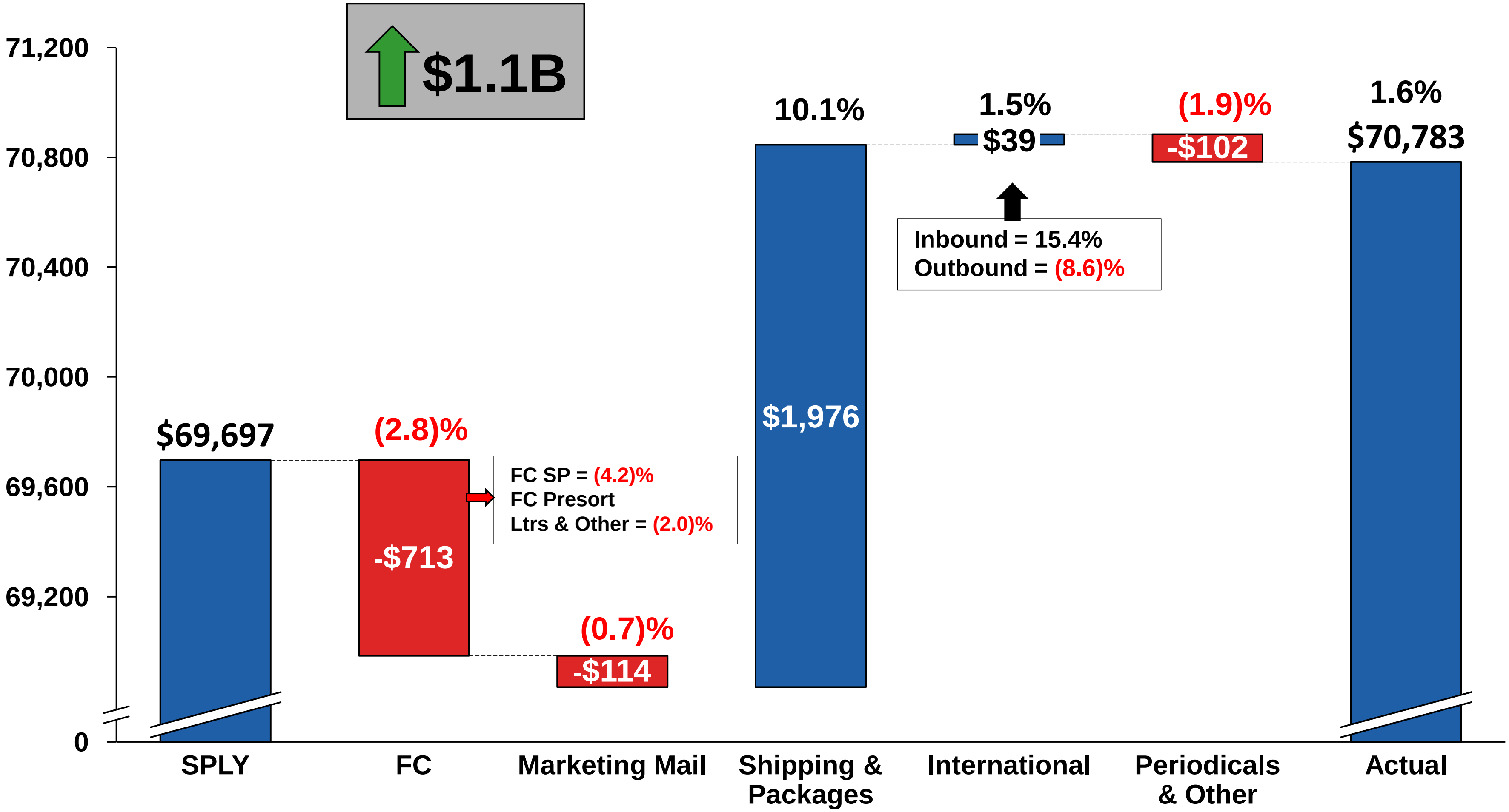


*NOTE: Total Reduction in Political and Election Mail through Q1 compared to SPLY is 1.06 Billion pieces.

September YTD has one less delivery day and 0.5 more retail day as compared to SPLY.

Actual versus SPLY
FY2018 September YTD Revenue

($ – Millions)



September YTD has one less delivery day and 0.5 more retail day as compared to SPLY.

Controllable Expenses

September YTD (12 Months) (Billions)	FY 2018	FY 2017
Compensation & Benefits [1, 2]	$51.4	$50.5
RHB Normal Cost	3.5	2.8
Transportation	7.9	7.2
Depreciation	1.7	1.7
Supplies & Services	3.0	3.0
Rent, Utilities & Other	5.3	5.3
Controllable Expenses	$72.8	$70.5

1 - September YTD has one less delivery day and 0.5 more retail day as compared to SPLY.

2 - Before RHB amortization and actuarial changes to RHB normal cost, FERS and CSRS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.

Request Approval to:

We recommend that the TEC vote to approve the FY2018 Financial Results, our FY2018 Form 10-K, and our Annual Report and Comprehensive Statement.

FY2019 Integrated Financial Plan

Joe Corbett, Chief Financial Officer & Executive Vice President

November 14, 2018

Agenda

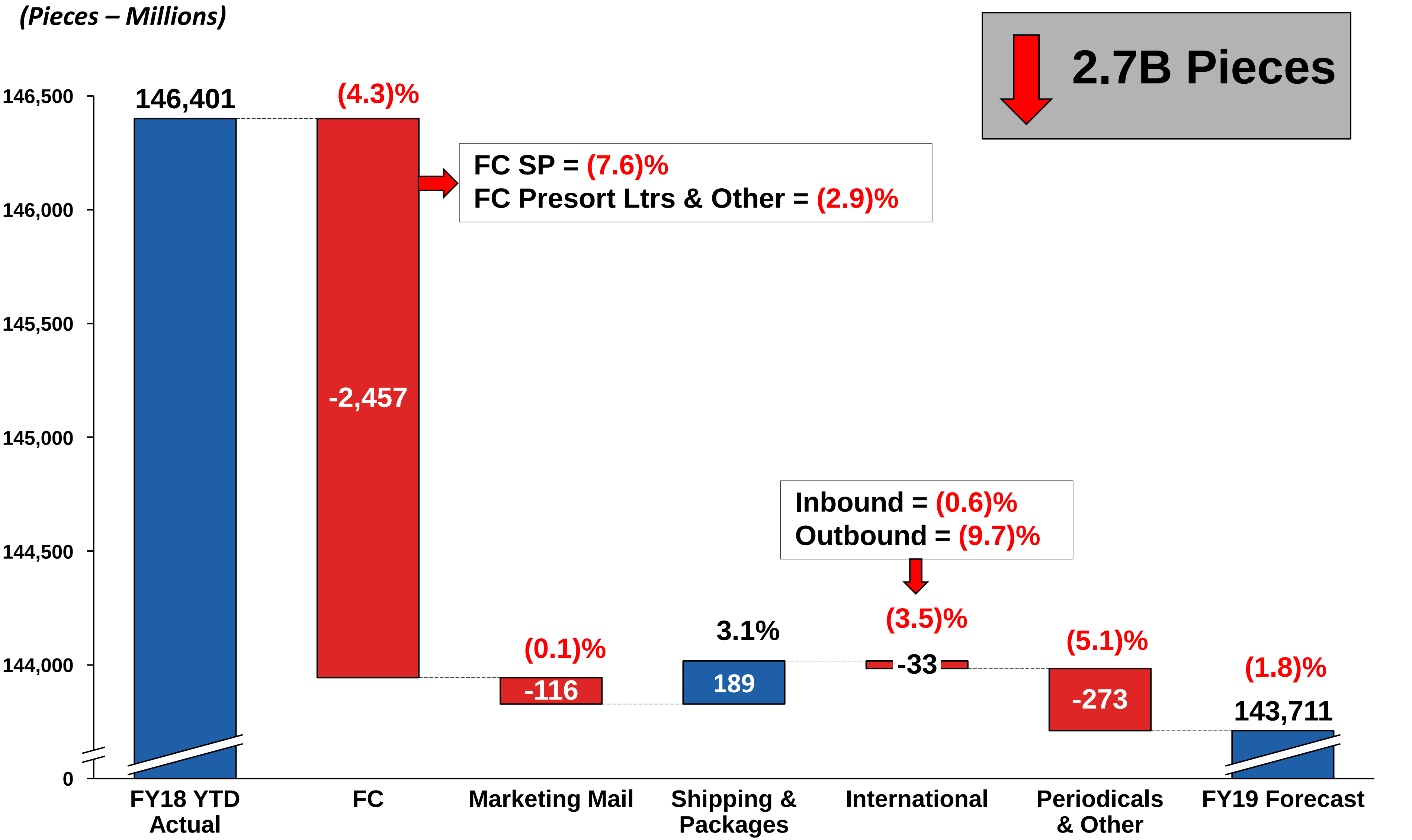
- FY2019 IFP Preliminary Financials
- Borrowing and Financing Resolution
- FY2020 Congressional Reimbursement

Profit & Loss Comparison

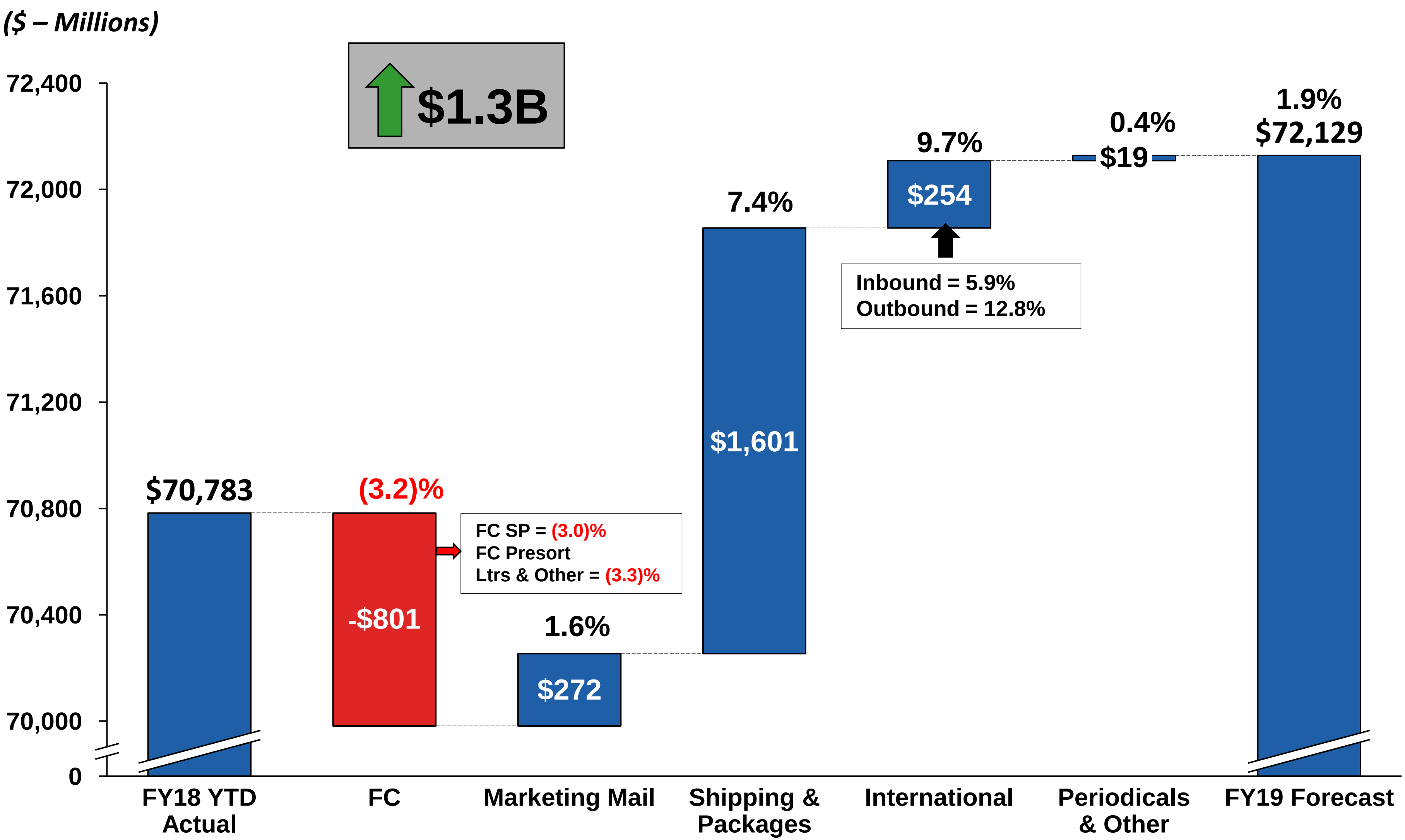
FY 2017	(Billions)	FY2018	IFP FY2019
$ 69.7	**Revenue**	$ 70.8	$ 72.1
50.5	Salaries & Benefits	51.4	52.5
2.8	RHB Normal Cost	3.5	4.0
7.2	Transportation	7.9	8.3
1.7	Depreciation	1.7	1.7
3.0	Supplies & Services	3.0	3.0
5.3	Rent & Utilities & Other	5.3	5.7
70.5	**Controllable Expenses** [1]	72.8	75.2
(0.8)	**Controllable Income (Loss)** [1]	(2.0)	(3.1)
1.9	**Non-Controllable Expenses**	1.9	3.5
$ (2.7)	**Net Income (Loss)**	$ (3.9)	$ (6.6)
149.6	**Volume (Pieces)**	146.4	143.7
1,164	**Workhours After Initiatives (Millions)**	1,170	1,161

[1] Before FERS / CSRS / RHB unfunded liability amortization, RHB normal cost actuarial revaluation and non-cash adjustments to workers' compensation liabilities.

FY2018 Actual to FY2019 Plan Volume



FY2018 Actual to FY2019 Plan Revenue



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Profit & Loss Comparison

FY 2017	(Billions)	FY2018	IFP FY2019
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70.5	**Controllable Expenses** [1]	72.8	75.2
(0.8)	**Controllable Income (Loss)** [1]	**(2.0)**	**(3.1)**
1.9	**Non-Controllable Expenses**	1.9	3.5
$ (2.7)	**Net Income (Loss)**	**$ (3.9)**	**$ (6.6)**
149.6	**Volume (Pieces)**	**146.4**	**143.7**
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[1] **Before FERS / CSRS / RHB unfunded liability amortization, RHB normal cost actuarial revaluation and non-cash adjustments to workers' compensation liabilities.**

UNITED STATES POSTAL SERVICE®

Non-Controllable Expenses

FY 2017	($ in Billions)	FY2018	IFP FY2019
$0.5	RHB Normal Cost Revaluation	$0.1	$0.0
0.9	FERS Unfunded Liability Amortization	1.0	1.0
1.7	CSRS Unfunded Liability Amortization	1.4	1.4
1.0	RHB Unfunded Liability Amortization	0.8	1.1
(2.2)	Workers' Comp. Other Non-Cash Adj.	(1.4)	0.0
$1.9	**Non-Controllable Expenses**	**$1.9**	**$3.5**

UNITED STATES POSTAL SERVICE®

Profit & Loss Comparison

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[1] **Before FERS / CSRS / RHB unfunded liability amortization, RHB normal cost actuarial revaluation and non-cash adjustments to workers' compensation liabilities.**

FY2019 IFP Capital Plan

Capital Commitments

($ Billions)	5-Yr Avg. ('13-'17)	FY2017 Actual	FY2018 Plan	FY2018 Actual	FY2019 Base IFP [1]
Facilities	$ 0.4	$ 0.5	$ 0.7	$ 0.7	$ 0.8
Mail Processing Equipment	0.4	0.4	0.3	0.3	0.4
Vehicles	0.2	0.3	0.5	0.4	0.1
IT & Postal Support Equipment	0.2	0.2	0.6	0.2	0.5
Total	**$ 1.2**	**$ 1.4**	**$ 2.1**	**$ 1.6**	**$ 1.8**

Capital Cash Outlays

($ Billions)	5-Yr Avg. ('13-'17)	FY2017 Actual	FY2018 Plan	FY2018 Actual	FY2019 Base IFP [1]
Facilities	$ 0.4	$ 0.5	$ 0.5	$ 0.6	$ 0.6
Mail Processing Equipment	0.3	0.3	0.4	0.3	0.4
Vehicles	0.2	0.3	0.5	0.3	0.3
IT & Postal Support Equipment	0.2	0.2	0.4	0.2	0.4
Total	**$ 1.1**	**$ 1.3**	**$ 1.8**	**$ 1.4**	**$ 1.7**

[1] *The FY 2019 Commitment Plan may have up to $4.5 billion in additional capital added based on additional individual project BOG approvals.*

Request Approval to:

We recommend that the Temporary Emergency Committee vote to approve the FY2019 Integrated Financial Plan.

Agenda

- FY2019 IFP Preliminary Financials
- Borrowing and Financing Resolution
- FY2020 Congressional Reimbursement

Borrowing & Financing Resolution:

- New Obligations may be issued at any time by the Postal Service as set forth herein. Notwithstanding the foregoing, (i) the total Obligations that are outstanding may not exceed the maximum debt balance of $13.2 Billion, through the period ending February 15, 2019, (ii) the total Obligations that are outstanding may not exceed the maximum debt amount of $12.5 Billion for the period February 16, 2019 through May 15, 2019, and (iii) the total Obligations that are outstanding may not exceed the maximum debt amount of $11.0 Billion for the period May 16, 2019 through September 30, 2019.

Request Approval to:

We recommend that the Temporary Emergency Committee vote to approve the FY2019 Borrowing and Financing Resolution.

Agenda

- FY2019 IFP Preliminary Financials
- Borrowing and Financing Resolution
- FY2020 Congressional Reimbursement

UNITED STATES POSTAL SERVICE®

FY2020 Congressional Reimbursement

($Millions) Reimbursements to cover:	FY2019 USPS Request	FY2019 OMB Proposal	FY2020 Preliminary Request
Free Mail for the Blind [1, 2]	$49.0	$54.9	$52.1
Overseas Voting [1, 2]	0.3	0.3	0.6
Reconciliation Adjustments (prior years) [3]	2.5	0.0	8.6
Total Reimbursements: Free Mail for Blind & Overseas Voting	**51.8**	**55.2**	**61.3**
Revenue Forgone 1993 Act Installments (owed through FY2019)[4]	**191.2**	**0.0**	**191.2**
FY2020 Payment Requested (TBD)			29.0
Subtotal Revenue Forgone Act Payments owed	**191.2**		**220.2**
Total Appropriation Requested	**$243.0**		**$281.5**
Total Appropriation Proposed by OMB		**55.2**	
Total Appropriation Recommended in House Report [5]		**$55.2**	

(1) Congress has discontinued the practice of forward funding these amounts. Funds should become available soon after the FY2019 Federal Budget is enacted.

(2) The Postal Service request based on forecasted volume and cost. OMB proposal based on their internal methodology.

(3) Reconciliation adjustment due to actual volume and costs exceeding OMB/Congressional appropriation.

(4) Requesting Congress to reimburse USPS for annual appropriations authorized by 1993 Revenue Forgone Reform Act not received in prior years.

(5) Congressional committee recommendation of $55.2M. Pending approval of final FY2019 budget.

Request Approval to:

We recommend that the Temporary Emergency Committee vote to approve the FY2020 Congressional Reimbursement request.