

# 2012 Integrated Financial Plan

## **Board of Governors' Open Session**

November 15, 2011

**Joe Corbett**  
**Chief Financial Officer & Executive Vice President**



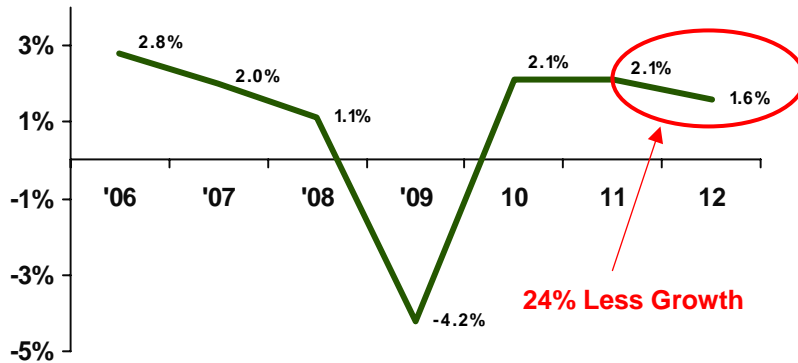
# FY 2012 Integrated Financial Plan

- **Requesting approval of the following:**
  1. FY 2012 Integrated Financial Plan
  2. FY 2013 Congressional Reimbursement (Appropriations Request)



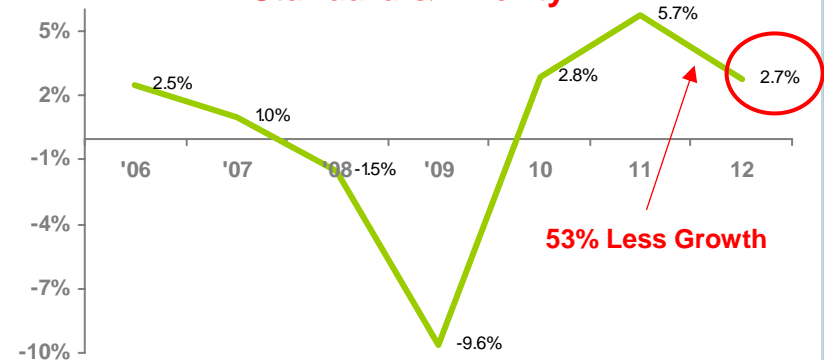
# Economic Indicators Primary Volume Drivers for Each Class of Mail

### Gross Domestic Product



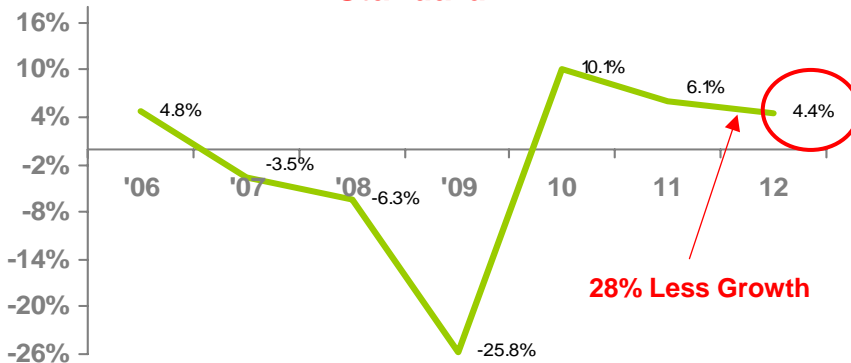
### Retail Sales

#### Standard & Priority



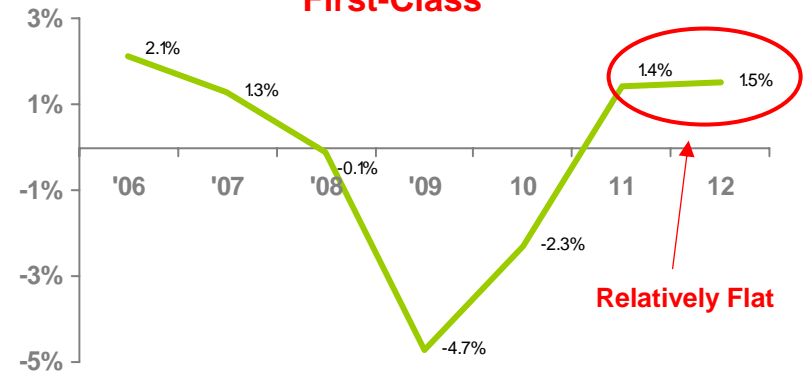
### Investment

#### Standard



### Employment Growth

#### First-Class





# Statements of Operations

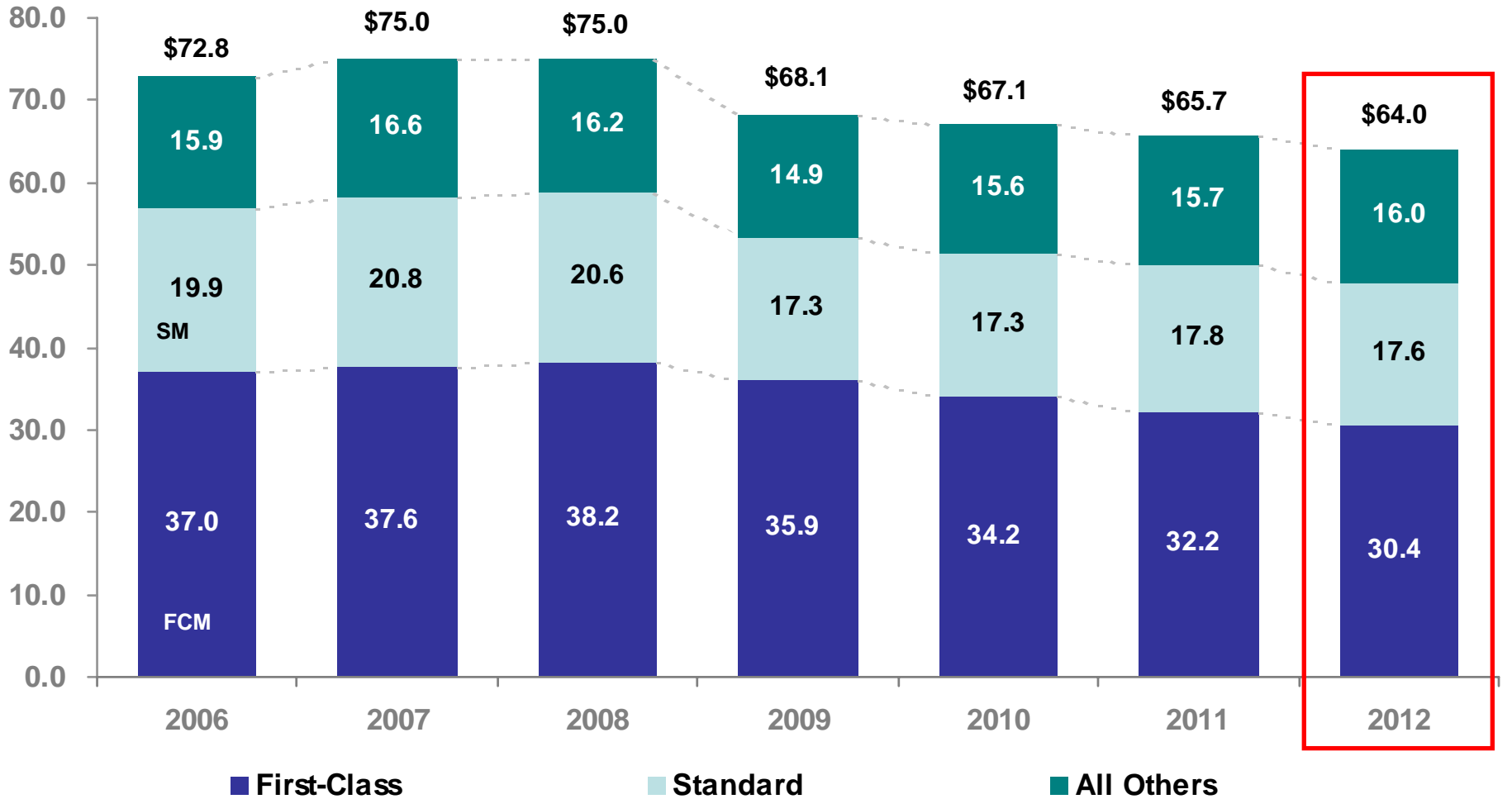
In Billions	FY 2011	FY 2012 IFP
<b>Revenue</b>	\$ 65.7	\$ 64.0
<b>Expenses</b>	67.9	67.0
<b>Operating Income (Loss)</b>	\$ (2.2)	\$ (3.0)
<b>RHB Pre-funding (Current Law)</b>	0	(11.1)
<b>Restructuring Charge*</b>	—	(TBD)
<b>Non-cash Workers' Comp Adj.</b>	(2.9)	(TBD)
<b>Net Income (Loss)</b>	\$ (5.1)	\$ (14.1)
<b>Volume</b>	167.9	158.0

\* Equipment and Facilities Impairments, Workers' Comp, Unemployment, and VERA's



# Revenue FY2006 – FY2012

Revenue  
\$ Billions





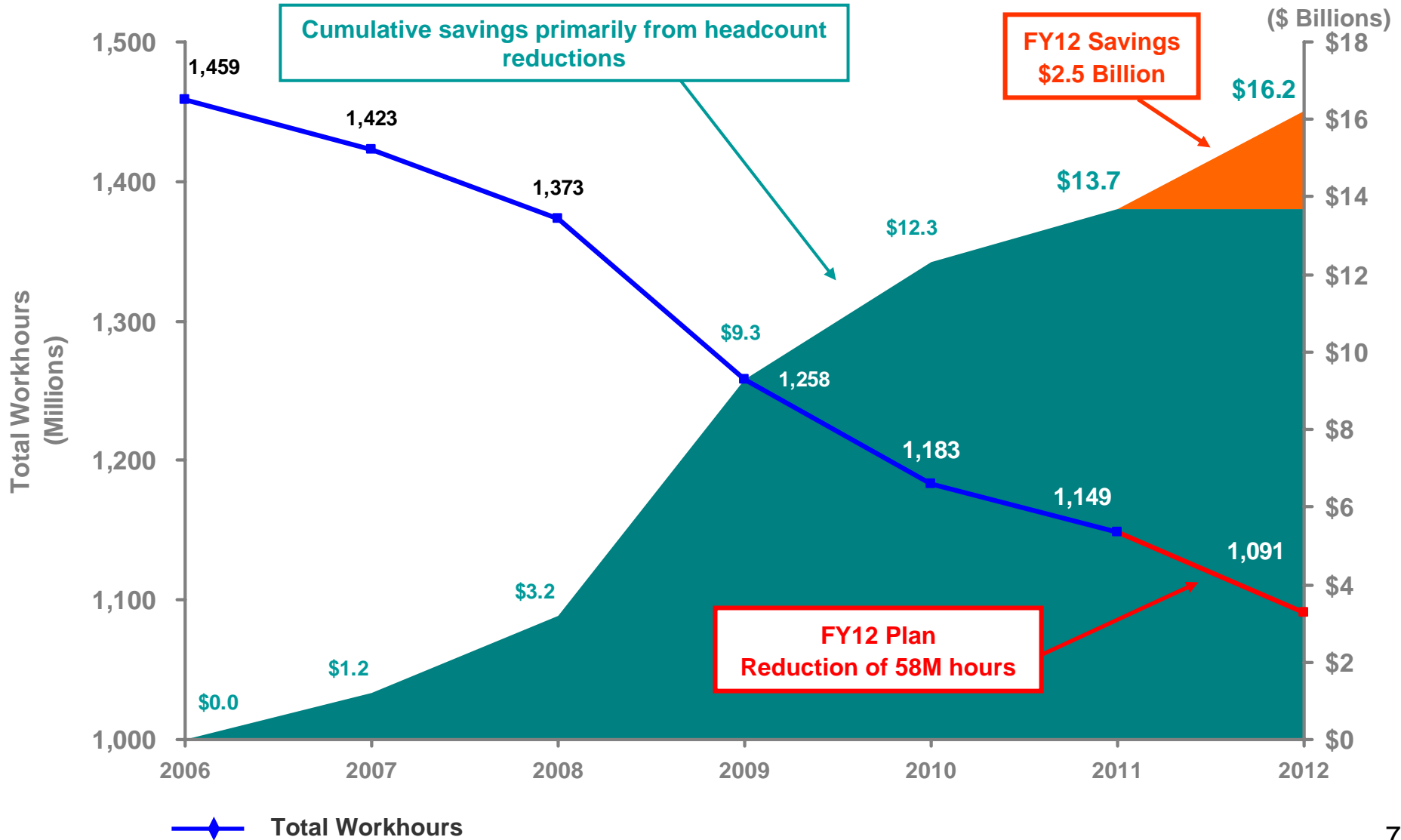
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# Cumulative Savings vs. Workhours





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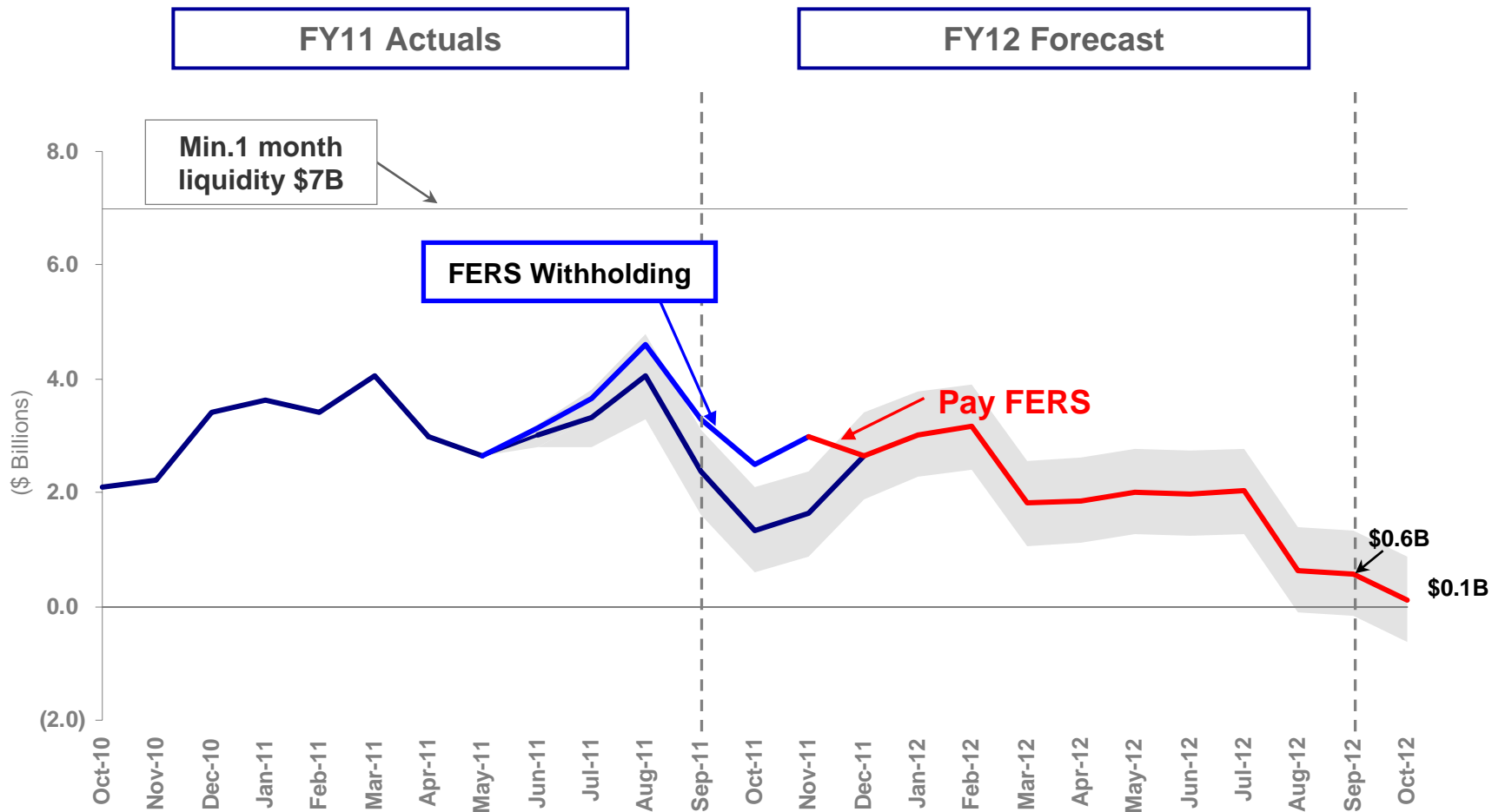


# Capital Commitments of \$900M For 2012

(\$ Billions)	5 yr Avg. thru 9/30/09	FY2010 Actual	FY2011 Actual	FY2012 IFP
Facilities	\$0.8	\$0.5	\$0.5	\$0.4
Equipment	0.8	0.3	0.2	0.1
Infrastructure & Support	0.5	0.1	0.1	0.4
<b>Total</b>	<b>\$2.1</b>	<b>\$0.9</b>	<b>\$0.8</b>	<b>\$0.9</b>



# Available Liquidity at Month-End FERS Impacts



Assumes: No RHB pre-funding in 2011 or 2012

Pay FERS amounts withheld and resume contributions in December



# Request for FY 2013 Congressional Reimbursement

(\$Millions)	FY 2011	FY 2012	FY 2012 Current Congr. Bills	FY 2013
Reimbursements to cover:	Congr. Approved	USPS Request		USPS Request
Free Mail for the Blind (cost per piece increasing)	\$68.3	\$80.2	\$68.2	\$87.1
Overseas Voting (at traditional First Class rate)	0.6	0.9	1.3	1.0
New Cost - Overseas Military Voting via Express Mail (New Law)	0.0	13.4	0.0	0.7
Reconciliation Adjustments (from prior years)	<u>6.0</u>	<u>6.5</u>	<u>8.7</u>	<u>18.5</u>
<b>Total Reimbursements: Free Mail for Blind &amp; Overseas Voting</b>	<b>74.9</b>	<b>101.0</b>	<b>78.2</b>	<b>107.3</b>
Revenue Foregone Act - 1993 (\$1.2B over 42 Years)	<b>11.8</b>	<u>29.0</u>	<u>0.0</u>	<u>46.2</u>
<b>Total Appropriation Request</b>	<b><u>86.7</u></b>	<b><u>130.0</u></b>	<b><u>78.2</u></b>	<b><u>153.5</u></b>

No request for Public Service Subsidy (cost of Universal Service Obligation) – range of \$460M to \$3.7B



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