



POSTAL NEWS

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POSTAL SERVICE, DISCOVER

AGREEMENT APPROVED

WASHINGTON, D.C. — The U.S. Postal Service has entered into a Negotiated Service Agreement (NSA) with Discover Financial Services, Inc. that encourages more use of the mail and provides benefits for both organizations.

“Adopting this NSA with Discover is another example of the Postal Service’s continuing effort to meet our customers’ needs by tailoring products and prices,” said Stephen M. Kearney, vice president of Pricing and Classification. “And we expect this agreement to be mutually beneficial.”

Under the terms of the NSA, which was approved by the Governors of the Postal Service, Discover will earn lower rates for First-Class Mail volume in excess of 405 million pieces in the first year of the agreement. In exchange, Discover will accept information electronically from the Postal Service about undeliverable-as-addressed First-Class Mail in lieu of receiving the actual mail. This will result in significant cost savings for the Postal Service.

The Postal Service-Discover NSA is functionally equivalent to the groundbreaking NSA with Capital One Financial Services implemented last year.

“NSAs are one of the important business strategies outlined in the Postal Service’s Transformation Plan,” said Kearney. The Transformation Plan is the organization’s blueprint to short- and long-term changes necessary to carry out its mission of providing affordable, universal service for the nation’s business and personal mail.

“These contractual agreements allow us to do what millions of companies and organizations around the world do – work individually with customers to develop pricing and service incentives that benefit both parties and, ultimately, all customers,” he stated.

“We appreciate the steps the Postal Rate Commission took to expedite the review process for the Discover NSA, and we look forward to accelerating the process further as we negotiate future agreements,” Kearney added.