



POSTAL NEWS

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POSTAL SERVICE SEEKS NEW NEGOTIATED SERVICE AGREEMENT *Agreements gaining in popular appeal*

WASHINGTON – Washington Mutual Bank is the latest Postal Service customer to take advantage of an innovative pricing tool that continues to gain in popularity with high volume mailers.

The U.S. Postal Service has filed a Negotiated Service Agreement (NSA) request with the Postal Rate Commission, which, if approved, would result in the Postal Service entering a three-year NSA agreement with Washington Mutual Bank for First-Class Mail in the bank's credit card business.

A Negotiated Service Agreement (NSA) is a contractual agreement between the United States Postal Service and a company whose mail use is an integral part of its business strategy. The NSA provides customized pricing incentives based on the company's mail operations.

The changes in rates and mail classification needed to implement the NSA must first be reviewed and recommended by the Postal Rate Commission and then approved by the Postal Service's Presidentially appointed Board of Governors.

"These agreements allow mailers to see better returns on their investments in direct mail," said Stephen Kearney, Vice President, Pricing and Classification.

NSAs give the Postal Service a way to customize rates and services to accommodate the unique mailing needs of specialized business customers and to encourage cost-efficient mail preparation for accurate sorting and distribution.

The Governors previously have approved NSAs with HSBC North America Holdings Inc., Capital One Service Inc., Bank One (now JPMorgan Chase) and Discover Financial Services Inc., all for First-Class Mail. The PRC has not yet ruled on a proposed NSA for Standard Mail with Bookspan book clubs.

"The volume and contribution incentives that we can create through NSAs are the real innovation for our customers and clients," Kearney said. "These agreements allow us to help our clients and customers grow their business through direct mail programs."

Since 1775, the Postal Service and its predecessor, the Post Office Department, has connected friends, families, neighbors and businesses by mail. It is an independent federal agency that visits more than 144 million homes and businesses every day and is the only service provider delivering to every address in the nation. The Postal Service receives no taxpayer dollars for routine operations, but derives its operating revenues solely from the sale of postage, products and services. With annual revenues of \$70 billion, it is the world's leading provider of mailing and delivery services, offering some of the most affordable postage rates in the world. The U.S. Postal Service delivers more than 46 percent of the world's mail volume—some 212 billion letters, advertisements, periodicals and packages a year—and serves seven million customers each day at its 37,000 retail locations nationwide.

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