



# POSTAL NEWS

FOR IMMEDIATE RELEASE  
August 1, 2006

Contact: Media Relations  
202-268-2155  
News Release No. 06-048  
www.usps.com

## **U.S. POSTAL SERVICE, FEDEX EXPRESS AGREE TO NEW CONTRACT FOR AIR TRANSPORTATION OF MAIL**

*New contract will continue through 2013*

WASHINGTON – The U.S. Postal Service (USPS) and FedEx Express, a subsidiary of FedEx Corp., have agreed to a new contract for domestic air transportation of postal express shipments. The new agreement continues through September 2013, and supersedes the current contract which was set to expire in August of 2008.

In 2001 the Postal Service and FedEx Express signed a seven-year contract for airport-to-airport delivery of Priority Mail, Express Mail and First-Class Mail within the United States. The contract announced today replaces the final two years of that contract and adds five additional years of service.

“The new contract allows the Postal Service and FedEx to continue our successful business relationship,” said Postmaster General John E. Potter. “This relationship benefits postal customers by allowing us to maintain our high service standards while keeping costs affordable.”

“Reaching a new agreement a full two years ahead of schedule is proof positive of the excellent relationship that FedEx has developed with the U.S. Postal Service,” said David J. Bronczek, president and chief executive officer of FedEx Express. “We are proud of the trust the Postal Service has placed in us and their confidence in our fast, reliable and efficient service.”

The new agreement is worth approximately \$1 billion a year for a minimum of seven years. FedEx Express will fly about 4 million pounds of U.S. mail every business day. The 2001 retail agreement, giving FedEx the opportunity to place FedEx self-service collection boxes on postal property, is not affected by today’s announcement. That portion of the contract expires in 2009.

Since 1775, the United States Postal Service and its predecessor, the Post Office Department, have connected friends, families, neighbors and businesses by mail. An independent federal agency that visits more than 144 million homes and businesses every day, the Postal Service is the only service provider delivering to every address in the nation. It 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 ten million customers each day at its 37,000 retail locations nationwide.