

(d) Obligations issued by the Postal Service under this section shall—

(1) be negotiable or nonnegotiable and bearer or registered instruments, as specified therein and in any indenture or covenant relating thereto;

(2) contain a recital that they are issued under this section, and such recital shall be conclusive evidence of the regularity of the issuance and sale of such obligations and of their validity;

(3) be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of any officer or agency of the Government of the United States, and the Secretary of the Treasury or any other officer or agency having authority over or control of any such fiduciary, trust, or public funds, may at any time sell any of the obligations of the Postal Service acquired under this section;

(4) be exempt both as to principal and interest from all taxation now or hereafter imposed by any State or local taxing authority except estate, inheritance, and gift taxes; and

(5) not be obligations of, nor shall payment of the principal thereof or interest thereon be guaranteed by, the Government of the United States, except as provided in section 2006(c) of this title.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 740; Pub. L. 101-227, §3(a), Dec. 12, 1989, 103 Stat. 1944; Pub. L. 109-435, title V, §502, Dec. 20, 2006, 120 Stat. 3233.)

AMENDMENTS

2006—Subsec. (a)(1). Pub. L. 109-435, §502(c)(2), substituted “obligations issued by the Postal Service which may be” for “any such obligations” in second sentence.

Pub. L. 109-435, §502(b), substituted third sentence for former third sentence which read: “In any one fiscal year the net increase in the amount of obligations outstanding issued for the purpose of capital improvements shall not exceed \$2,000,000,000, and the net increase in the amount of obligations outstanding issued for the purpose of defraying operating expenses of the Postal Service shall not exceed \$1,000,000,000.”

Pub. L. 109-435, §502(a), substituted “title, other than any of the purposes for which the corresponding authority is available to the Postal Service under section 2011” for “title” in first sentence.

Subsec. (a)(3). Pub. L. 109-435, §502(c)(1), added par. (3).

Subsec. (b). Pub. L. 109-435, §502(d), substituted “obligations issued by the Postal Service under this section,” for “such obligations,”, designated existing provisions as par. (1), and added par. (2).

1989—Subsec. (a). Pub. L. 101-227 designated existing provisions as par. (1), substituted “the maximum amount then allowable under paragraph (2) of this subsection” for “\$10,000,000,000”, “\$2,000,000,000” for “\$1,500,000,000”, and “\$1,000,000,000” for “\$500,000,000” and added par. (2).

EFFECTIVE DATE OF 1989 AMENDMENT

Pub. L. 101-227, §3(b), Dec. 12, 1989, 103 Stat. 1944, provided that:

“(1) Subject to the provisions of paragraph (2), the amendments made by subsection (a) [amending this section] shall take effect on October 1, 1990.

“(2) Notwithstanding any other provision of this section, the amendments made by subsection (a) shall not take effect, if no law to provide for reconciliation pursuant to section 5 of the concurrent resolution on the

budget for the fiscal year 1990 is enacted before October 1, 1990.” [Omnibus Budget Reconciliation Act of 1989, Pub. L. 101-239, Dec. 19, 1989, 103 Stat. 2106, was enacted Dec. 19, 1989.]

EFFECTIVE DATE

Section effective July 1, 1971, pursuant to Resolution No. 71-9 of the Board of Governors. See section 15(a) of Pub. L. 91-375, set out as a note preceding section 101 of this title.

§ 2006. Relationship between the Treasury and the Postal Service

(a) At least 15 days before selling any issue of obligations under section 2005 or 2011 of this title, the Postal Service shall advise the Secretary of the Treasury of the amount, proposed date of sale, maturities, terms and conditions, and expected maximum rates of interest of the proposed issue in appropriate detail and shall consult with him or his designee thereon. The Secretary may elect to purchase such obligations under such terms, including rates of interest, as he and the Postal Service may agree, but at a rate of yield no less than the prevailing yield on outstanding marketable Treasury securities of comparable maturity, as determined by the Secretary. If the Secretary does not purchase such obligations, the Postal Service may proceed to issue and sell them to a party or parties other than the Secretary upon notice to the Secretary and upon consultation as to the date of issuance, maximum rates of interest, and other terms and conditions.

(b) Subject to the conditions of subsection (a) of this section, the Postal Service may require the Secretary of the Treasury to purchase obligations of the Postal Service under section 2005 in such amounts as will not cause the holding by the Secretary of the Treasury resulting from such required purchases to exceed \$2,000,000,000 at any one time. This subsection shall not be construed as limiting the authority of the Secretary to purchase obligations of the Postal Service under section 2005 in excess of such amount.

(c) Notwithstanding section 2005(d)(5) or 2011(e)(4)(E) of this title, obligations issued by the Postal Service shall be obligations of the Government of the United States, and payment of principal and interest thereon shall be fully guaranteed by the Government of the United States, such guaranty being expressed on the face thereof, if and to the extent that—

(1) the Postal Service requests the Secretary of the Treasury to pledge the full faith and credit of the Government of the United States for the payment of principal and interest thereon; and

(2) the Secretary, in his discretion, determines that it would be in the public interest to do so.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 741; Pub. L. 109-435, title IV, §401(b)(4), Dec. 20, 2006, 120 Stat. 3225.)

AMENDMENTS

2006—Subsec. (a). Pub. L. 109-435, §401(b)(4)(A), inserted “or 2011” after “section 2005” in first sentence.

Subsec. (b). Pub. L. 109-435, §401(b)(4)(B), inserted “under section 2005” before “in such amounts” in first sentence and before “in excess of such amount.” in second sentence.

Subsec. (c). Pub. L. 109-435, §401(b)(4)(C), inserted “or 2011(e)(4)(E)” after “section 2005(d)(5)”.

EFFECTIVE DATE

Section effective July 1, 1971, pursuant to Resolution No. 71-9 of the Board of Governors. See section 15(a) of Pub. L. 91-375, set out as a note preceding section 101 of this title.

§ 2007. Public debt character of the obligations of the Postal Service

For the purpose of any purchase of the obligations of the Postal Service, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, as now or hereafter in force, and the purposes for which securities may be issued under chapter 31 of title 31, as now or hereafter in force, are extended to include any purchases of the obligations of the Postal Service under this chapter. The Secretary of the Treasury may, at any time, sell any of the obligations of the Postal Service acquired by him under this chapter. All redemptions, purchases, and sales by the Secretary of the obligations of the Postal Service shall be treated as public debt transactions of the United States.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 741; Pub. L. 97-452, §2(f), Jan. 12, 1983, 96 Stat. 2479.)

AMENDMENTS

1983—Pub. L. 97-452 substituted “chapter 31 of title 31” for “the Second Liberty Bond Act” wherever appearing.

EFFECTIVE DATE

Section effective July 1, 1971, pursuant to Resolution No. 71-9 of the Board of Governors. See section 15(a) of Pub. L. 91-375, set out as a note preceding section 101 of this title.

§ 2008. Audit and expenditures

(a) The accounts and operations of the Postal Service shall be audited by the Comptroller General and reports thereon made to the Congress to the extent and at such times as he may determine.

(b) The Postal Service shall maintain an adequate internal audit of the financial transactions of the Postal Service.

(c) Subject only to the provisions of this chapter, the Postal Service is authorized to make such expenditures and to enter into such contracts, agreements, and arrangements, upon such terms and conditions and in such manner as it deems necessary, including the final settlement of all claims and litigation by or against the Postal Service.

(d) Nothing in this section shall be construed as denying to the Postal Service the power to obtain audits of the accounts of the Postal Service and reports concerning its financial condition and operations by certified public accounting firms. Such audits and reports shall be in addition to those required by this section.

(e) At least once each year beginning with the fiscal year commencing after June 30, 1971, the Postal Service shall obtain a certification from an independent, certified public accounting firm of the accuracy of any financial statements of

the Postal Service used in determining and establishing postal rates.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 741.)

EFFECTIVE DATE

Section effective July 1, 1971, pursuant to Resolution No. 71-9 of the Board of Governors. See section 15(a) of Pub. L. 91-375, set out as a note preceding section 101 of this title.

§ 2009. Annual budget

The Postal Service shall cause to be prepared annually a budget program which shall be submitted to the Office of Management and Budget, under such rules and regulations as the President may establish as to the date of submission, the form and content, the classifications of data, and the manner in which such budget program shall be prepared and presented. The budget program shall be a business-type budget, or plan of operations, with due allowance given to the need for flexibility, including provision for emergencies and contingencies, in order that the Postal Service may properly carry out its activities as authorized by law. The budget program shall contain estimates of the financial condition and operations of the Postal Service for the current and ensuing fiscal years and the actual condition and results of operation for the last completed fiscal year. Such budget program shall include a statement of financial condition, a statement of income and expense, an analysis of surplus or deficit, a statement of sources and application of funds, and such other supplementary statements and information as are necessary or desirable to make known the financial condition and operations of the Postal Service. Such statements shall include estimates of operations by major types of activities, together with estimates of administrative expenses and estimates of borrowings. The budget program shall also include separate statements of the amounts which (1) the Postal Service requests to be appropriated under subsections (b) and (c) of section 2401, (2) the Office of Inspector General of the United States Postal Service requests to be appropriated, out of the Postal Service Fund, under section 8G(f) of the Inspector General Act of 1978, and (3) the Postal Regulatory Commission requests to be appropriated, out of the Postal Service Fund, under section 504(d) of this title. The President shall include these amounts, with his recommendations but without revision, in the budget transmitted to Congress under section 1105 of title 31.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 742; Pub. L. 93-328, §3, June 30, 1974, 88 Stat. 288; Pub. L. 97-258, §3(l)(2), Sept. 13, 1982, 96 Stat. 1066; Pub. L. 109-435, title VI, §603(c)(1), Dec. 20, 2006, 120 Stat. 3241.)

REFERENCES IN TEXT

The Inspector General Act of 1978, referred to in text, is Pub. L. 95-452, Oct. 12, 1978, 92 Stat. 1101, which is set out in the Appendix to Title 5, Government Organization and Employees.

AMENDMENTS

2006—Pub. L. 109-435 substituted “The budget program shall also include separate statements of the amounts which (1) the Postal Service requests to be ap-