

expenses incurred by the Postal Service in carrying out its functions as provided by law, subject to the same limitation as set forth in the parenthetical matter under subsection (a); (B) all expenses of the Postal Regulatory Commission, subject to the availability of amounts appropriated under section 504(d); and (C) all expenses of the Office of Inspector General, subject to the availability of amounts appropriated under section 8G(f) of the Inspector General Act of 1978.” for “The Fund shall be available for the payment of all expenses incurred by the Postal Service in carrying out its functions as provided by law and, subject to the provisions of section 3604 of this title, all of the expenses of the Postal Rate Commission.”

1997—Subsec. (e)(2). Pub. L. 105-33, § 7003(a)(2)(B), substituted “section 2401” for “sections 2401 and 2004” in two places.

Subsec. (h). Pub. L. 105-33, § 7003(b), added subsec. (h). 1992—Subsec. (b)(8). Pub. L. 102-393, § 638(g)(1), added par. (8).

Subsec. (e)(1). Pub. L. 102-393, § 638(g)(2), inserted after first sentence “The Postmaster General shall transfer from the Fund to the Secretary of the Treasury for deposit in the Department of the Treasury Forfeiture Fund amounts appropriate to reflect the degree of participation of Department of the Treasury law enforcement organizations (described in section 9703(p) of title 31) in the law enforcement effort resulting in the forfeiture pursuant to laws enforced or administered by the Postal Service.”

1989—Subsec. (g). Pub. L. 101-239 added subsec. (g).

1988—Subsec. (b)(7). Pub. L. 100-690 struck out “administrative” after “civil” and “under title 18” after “Service”.

1986—Subsec. (b)(7). Pub. L. 99-500 and Pub. L. 99-591, § 101(m) [title II, § 201(b)(1)-(3)], added par. (7).

Subsec. (e)(1). Pub. L. 99-500 and Pub. L. 99-591, § 101(m) [title II, § 201(b)(4)], substituted “as provided by law” for “under this title”.

1982—Subsec. (e)(1). Pub. L. 97-258 substituted “subchapter II of chapter 15 of title 31” for “section 665 of title 31”.

1981—Subsec. (e). Pub. L. 97-35 redesignated existing provisions as par. (1) and added par. (2).

1976—Subsec. (f). Pub. L. 94-421 added subsec. (f).

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 2006 AMENDMENT; SAVINGS PROVISIONS

Amendment by section 603(c)(2) of Pub. L. 109-435 applicable with respect to fiscal years beginning on or after Oct. 1, 2008, subject to savings provisions, see section 603(d) of Pub. L. 109-435, set out as a note under section 504 of this title.

##### EFFECTIVE DATE OF 1997 AMENDMENT

Pub. L. 105-33, title VII, § 7003(c), Aug. 5, 1997, 111 Stat. 663, provided that:

“(1) IN GENERAL.—This section [amending this section and repealing section 2004 of this title] and the amendments made by this section shall take effect on the date of the enactment of this Act [Aug. 5, 1997] or October 1, 1997, whichever is later.

“(2) PROVISIONS RELATING TO PAYMENTS FOR FISCAL YEAR 1998.—

“(A) AMOUNTS NOT YET PAID.—No payment may be made to the Postal Service Fund, on or after the date of the enactment of this Act, pursuant to any appropriation for fiscal year 1998 authorized by section 2004 of title 39, United States Code (as in effect before the effective date of this section).

“(B) AMOUNTS PAID.—If any payment to the Postal Service Fund is or has been made pursuant to an appropriation for fiscal year 1998 authorized by such section 2004, then, an amount equal to the amount of such payment shall be paid from such Fund into the Treasury as miscellaneous receipts before October 1, 1998.”

##### EFFECTIVE DATE OF 1989 AMENDMENT

Pub. L. 101-239, title IV, § 4004(b), Dec. 19, 1989, 103 Stat. 2135, provided that: “The amendment made by subsection (a) [amending this section] shall take effect on October 1, 1989.”

##### EFFECTIVE DATE OF 1981 AMENDMENT

Pub. L. 97-35, title XVII, § 1727, Aug. 13, 1981, 95 Stat. 761, provided that: “The provisions of this subtitle [subtitle B (§§ 1721-1727) of title XVII of Pub. L. 97-35, amending this section and section 2401 of this title and enacting provisions set out as notes under sections 403, 2004, and 2401 of this title] (other than section 1726 and this section) shall take effect on October 1, 1981. The provisions of sections 1726 [enacting a provision set out as a note under section 403 of this title] and this section [enacting this provision] shall take effect on the date of the enactment of this Act [Aug. 13, 1981].”

##### 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.

##### CONTRIBUTIONS BY UNITED STATES POSTAL SERVICE TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Pub. L. 100-203, title VI, § 6002, Dec. 22, 1987, 101 Stat. 1330-276, provided that:

“(a) ESTABLISHMENT OF POSTAL SERVICE ESCROW FUND.—There is established as a separate account in the United States Treasury, the ‘Postal Service Escrow Fund’. Such Fund shall—

“(1) have such amounts described under subsection (b)(2) deposited no later than October 31, 1988;

“(2) not be available for expenditures of any amounts therein during the existence of such Fund; and

“(3) cease to exist on October 1, 1989, and on such date all amounts deposited in such Fund under subsection (b)(2) shall be deposited in the Postal Service Fund established under section 2003 of title 39, United States Code.

“(b) DEPOSIT OF CERTAIN SAVINGS IN CERTAIN FUNDS.—

“(1) FISCAL YEAR 1988.—From all funds available to the United States Postal Service in fiscal year 1988, the Postal Service shall deposit into the Civil Service Retirement and Disability Fund established under section 8348 of title 5, United States Code, an amount of \$350,000,000 in fiscal year 1988, in addition to any amount deposited pursuant to subsection (h) of such section.

“(2) FISCAL YEAR 1989.—From all funds available to the United States Postal Service in fiscal year 1989, the Postal Service shall deposit into the Postal Service Escrow Fund an amount of \$465,000,000 no later than October 31, 1988.

“(c) CAPITAL LIMITATIONS FOR FISCAL YEARS 1988 AND 1989.—

“(1) The United States Postal Service may not make any commitment or obligation to expend any monies deposited in the Postal Service Fund established under section 2003 of title 39, United States Code, for the capital investment program—

“(A) in excess of \$625,000,000 in fiscal year 1988; and

“(B) in excess of \$1,995,000,000 in fiscal year 1989.

“(2) CAPITAL INVESTMENT PROGRAMS.—For the purposes of paragraph (1) the term ‘capital investment program’ shall include all investments in long-term assets and capital investment expenditures (including direct and indirect costs associated with such investments and expenditures, such as obligations through contracts).”

#### [§ 2004. Repealed. Pub. L. 105-33, title VII, § 7003(a)(1), Aug. 5, 1997, 111 Stat. 663]

Section, Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 739, authorized appropriations to ensure a sound financial transition for the Postal Service.

**Statutory Notes and Related Subsidiaries**

## EFFECTIVE DATE OF REPEAL

Repeal effective Oct. 1, 1997, with special provisions relating to payments for fiscal year 1998, see section 7003(c) of Pub. L. 105-33, set out as an Effective Date of 1997 Amendment note under section 2003 of this title.

**§ 2005. Obligations**

(a)(1) The Postal Service is authorized to borrow money and to issue and sell such obligations as it determines necessary to carry out the purposes of this title, other than any of the purposes for which the corresponding authority is available to the Postal Service under section 2011. The aggregate amount of obligations issued by the Postal Service which may be outstanding at any one time shall not exceed the maximum amount then allowable under paragraph (2) of this subsection. In any one fiscal year, the net increase in the amount of obligations outstanding issued for the purpose of capital improvements 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 a combined total of \$3,000,000,000.

(2) The maximum amount allowable under this paragraph is—

- (A) \$10,000,000,000 for fiscal year 1990;
- (B) \$12,500,000,000 for fiscal year 1991; and
- (C) \$15,000,000,000 for fiscal year 1992 and each fiscal year thereafter.

(3) For purposes of applying the respective limitations under this subsection, the aggregate amount of obligations issued by the Postal Service which are outstanding as of any one time, and the net increase in the amount of obligations outstanding issued by the Postal Service for the purpose of capital improvements or for the purpose of defraying operating expenses of the Postal Service in any fiscal year, shall be determined by aggregating the relevant obligations issued by the Postal Service under this section with the relevant obligations issued by the Postal Service under section 2011.

(b)(1) The Postal Service may pledge the assets of the Postal Service and pledge and use its revenues and receipts for the payment of the principal of or interest on obligations issued by the Postal Service under this section, for the purchase or redemption thereof, and for other purposes incidental thereto, including creation of reserve, sinking, and other funds which may be similarly pledged and used, to such extent and in such manner as it deems necessary or desirable. The Postal Service is authorized to enter into binding covenants with the holders of such obligations, and with the trustee, if any, under any agreement entered into in connection with the issuance thereof with respect to the establishment of reserve, sinking, and other funds, application and use of revenues and receipts of the Postal Service, stipulations concerning the subsequent issuance of obligations or the execution of leases or lease purchases relating to properties of the Postal Service and such other matters as the Postal Service deems necessary or desirable to enhance the marketability of such obligations.

(2) Notwithstanding any other provision of this section—

(A) the authority to pledge assets of the Postal Service under this subsection shall be available only to the extent that such assets are not related to the provision of competitive products (as determined under section 2011(h) or, for purposes of any period before accounting practices and principles under section 2011(h) have been established and applied, the best information available from the Postal Service, including the audited statements required by section 2008(e)); and

(B) any authority under this subsection relating to the pledging or other use of revenues or receipts of the Postal Service shall be available only to the extent that they are not revenues or receipts of the Competitive Products Fund.

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

(1) shall be in such forms and denominations;

(2) shall be sold at such times and in such amounts;

(3) shall mature at such time or times;

(4) shall be sold at such prices;

(5) shall bear such rates of interest;

(6) may be redeemable before maturity in such manner, at such times, and at such redemption premiums;

(7) may be entitled to such relative priorities of claim on the assets of the Postal Service with respect to principal and interest payments; and

(8) shall be subject to such other terms and conditions;

as the Postal Service determines.

(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.)