



For Immediate Release
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**STATEMENT OF JAMES C. MILLER, III
CHAIRMAN, BOARD OF GOVERNORS
UNITED STATES POSTAL SERVICE
REGARDING POSTAL REFORM LEGISLATION**

Yesterday, the Board of Governors addressed a number of matters, among them the Postal reform legislation winding its way through Congress. The Governors were particularly cognizant of two issues.

First, the White House's recent Statement of Position threatening veto if the resulting bill is not revenue-neutral conflicts with both H.R. 22, the bill passed by the House of Representatives, and S. 662, the bill reported out of Senate Committee. Consequently, the Governors reviewed how the Postal Service would operate in the event there were no reform legislation and determined that we would build on our recent progress in controlling costs and generating revenue. Under this scenario, the Governors would anticipate a further increase for 2007 in mid-single digits and then target future annual increases at CPI or below.

The Governors also discussed the extreme difficulties the Postal Service would have meeting consumers' needs in the event new legislation were enacted that was revenue neutral and that at the same time gave the Board very limited authority to govern the organization as an efficient business enterprise.

The Board intends to study these issues further and to communicate its views to the leaders of Congress and officials in the Administration.

– August 2, 2005