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PRESIDENT BUSH SIGNS NEW POSTAL LAW
First major change to the Postal Service since 1971

WASHINGTON — President George W. Bush today signed into law new postal legislation that will benefit both residential and business customers by ensuring predictable price increases tied to the rate of inflation.

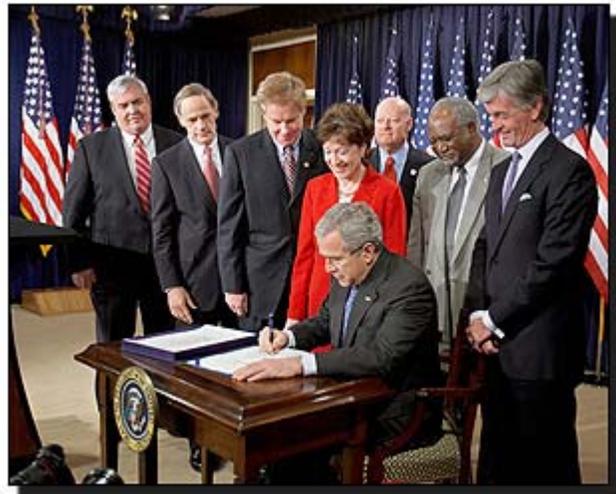
The Postal Accountability and Enhancement Act is the first major change to the Postal Service since 1971. The law enables the organization to continue its transformation efforts and cost-cutting measures.

“This new law could not have come at a better time. The Postal Service has never been stronger and this law enables us to build on our successes,” said Postmaster General John E. Potter who attended today’s White House signing ceremony. The Postal Service has ended a fourth consecutive year with positive retained earnings, a seventh consecutive year of improved productivity, and has benefited from record service and customer satisfaction scores that are independently measured.

This is the culmination of a 12-year effort by Congress to secure changes to the laws governing the Postal Service. It will link future rate increases to the Consumer Price Index and give the Postal Service more flexibility for pricing competitive products. The Act also reconstitutes the existing Postal Rate Commission into a regulatory body with greater authority and responsibility. The current rate case under consideration will proceed as scheduled. The Postal Service will be able to file one last rate case under the current rules.

The new law directs the Department of the Treasury to resume the funding of military pensions for postal employees and abolishes a federally mandated escrow requirement, directing those monies to pre-fund retiree health benefits. Potter said, “Over the next decade, these changes will free the Postal Service of future legacy costs. We are now on firm financial footing for the future.”

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 146 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



President Bush today signed postal legislation into law that benefits residential and business customers by ensuring predictable price increases tied to the rate of inflation. With the President are (from left): Postmaster General John E. Potter, Sen. Thomas Carper (D-DE), Rep. Tom Davis (R-VA), Sen. Susan Collins (R-ME), James C. Miller III, Chairman, Postal Service Board of Governors, Rep. Danny Davis (D-IL), and Rep. John McHugh, (R-NY).

postage, products and services. With annual revenues of \$72 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 213 billion letters, advertisements, periodicals and packages a year--and serves 10 million customers each day at its 37,000 retail locations nationwide.

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