

Union Calendar No. 564

113TH CONGRESS
2^D SESSION

H. R. 2748

[Report No. 113-733, Part I]

To restore the financial solvency of the United States Postal Service and to ensure the efficient and affordable nationwide delivery of mail.

IN THE HOUSE OF REPRESENTATIVES

JULY 19, 2013

Mr. ISSA (for himself, Mr. FARENTHOLD, and Mr. ROSS) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

JANUARY 2, 2015

Reported with amendments and referred to the Committee on Education and the Workforce for a period ending not later than January 2, 2015, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(e) of rule X

[Omit the part struck through and insert the part printed in *italic*]

JANUARY 2, 2015

The Committee on Education and the Workforce discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To restore the financial solvency of the United States Postal Service and to ensure the efficient and affordable nationwide delivery of mail.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS; REF-**
 4 **ERENCES.**

5 (a) **SHORT TITLE.**—This Act may be cited as the
 6 “Postal Reform Act of 2013”.

7 (b) **TABLE OF CONTENTS.**—

Sec. 1. Short title; table of contents; references.

Sec. 2. Definitions.

TITLE I—POSTAL SERVICE MODERNIZATION

Sec. 101. Nationwide mail delivery schedule.

Sec. 102. Delivery-point modernization.

Sec. 103. Efficient and flexible universal postal service.

Sec. 104. Applicability of procedures relating to closures and consolidations.

Sec. 105. Enhanced reporting on Postal Service efficiency.

Sec. 106. Area and district office structure.

TITLE II—POSTAL SERVICE GOVERNANCE

Subtitle A—Temporary Governance Authority

Sec. 201. Purposes.

Sec. 202. Establishment of the Postal Service Financial Responsibility and
 Management Assistance Authority.

Sec. 203. Membership and qualification requirements.

Sec. 204. Organization and staff.

Sec. 205. Funding.

Sec. 206. Responsibilities and powers.

Sec. 207. Development of financial plan and budget for the solvency of the
 Postal Service.

Sec. 208. Process for submission and approval of financial plan and budget.

Sec. 209. Dissolution of the Authority; reconstitution of the Board of Gov-
 ernors.

Subtitle B—Other Matters

Sec. 211. Appointment of the Postal Service Inspector General.

Sec. 212. Membership of the Board of Governors.

TITLE III—POSTAL SERVICE WORKFORCE

Sec. 301. Applicability of reduction-in-force procedures.

Sec. 302. Postal Service FEHBP and FEGLI funding requirements.

Sec. 303. Repeal of provision relating to overall value of fringe benefits.

Sec. 304. Modifications relating to determination of pay comparability.

Sec. 305. Last-best-final-offer negotiations.

Sec. 306. Postal Service workers’ compensation reform.

Sec. 307. Reporting requirement.

TITLE IV—POSTAL SERVICE REVENUE

- Sec. 401. Adequacy, efficiency, and fairness of postal rates.
- Sec. 402. Repeal of rate preferences for qualified political committees.
- Sec. 403. Use of negotiated service agreements.
- Sec. 404. Nonpostal services.
- Sec. 405. Alaska bypass mail modernization.
- Sec. 406. Appropriations modernization.
- Sec. 407. Enhanced product innovation.

TITLE V—POSTAL SERVICE FINANCE

- Sec. 501. Treatment of Postal Service postemployment benefit funding projected surpluses.
- Sec. 502. Retiree health benefit liability payment schedule.
- Sec. 503. Supplementary borrowing authority during a control period.
- Sec. 504. Postal Service Delivery-Point Modernization Fund.
- Sec. 505. Specific retirement liability calculations relating to the Postal Service.

TITLE VI—POSTAL CONTRACTING REFORM

- Sec. 601. Contracting provisions.
- Sec. 602. Technical amendment to definition.
- Sec. 603. Contract limitation.

TITLE VII—OTHER PROVISIONS

- Sec. 701. Postal facility designations.
- Sec. 702. Response to submissions by the Postal Service.
- Sec. 703. Fair stamp-evidencing competition.
- Sec. 704. USPS innovation officer and accountability.
- Sec. 705. Postal regulatory commission travel reporting.

1 (c) REFERENCES.—Except as otherwise expressly
 2 provided, whenever in this Act an amendment or repeal
 3 is expressed in terms of an amendment to, or repeal of,
 4 a section or other provision, the reference shall be consid-
 5 ered to be made to a section or other provision of title
 6 39, United States Code.

7 **SEC. 2. DEFINITIONS.**

8 For the purposes of this Act—

9 (1) the term “Postal Service” means the United
 10 States Postal Service;

1 (2) the term “postal retail facility” means a
2 post office, post office branch, post office classified
3 station, or other facility which is operated by the
4 Postal Service, and the primary function of which is
5 to provide retail postal services, but does not include
6 a contractor-operated facility offering postal services;

7 (3) the term “district office” means the central
8 office of an administrative field unit with responsi-
9 bility for postal operations in a designated geo-
10 graphic area (as defined under regulations, direc-
11 tives, or other guidance of the Postal Service, as in
12 effect on January 1, 2013); and

13 (4) the term “area office” means the central of-
14 fice of an administrative field unit with responsibility
15 for postal operations in a designated geographic area
16 which is comprised of designated geographic areas
17 as referred to in paragraph (3).

18 **TITLE I—POSTAL SERVICE**

19 **MODERNIZATION**

20 **SEC. 101. NATIONWIDE MAIL DELIVERY SCHEDULE.**

21 (a) IN GENERAL.—Section 404 is amended by insert-
22 ing after subsection (e) the following:

23 “(f)(1) The Postal Service may establish a general,
24 nationwide mail delivery schedule of 5 days per week.

1 “(2) The Postal Service shall ensure that under any
2 schedule established under paragraph (1), there shall not
3 occur more than 2 consecutive days on which mail is not
4 delivered, including as a result of Federal holidays.

5 “(3) For a period not to end before December 31,
6 2018, the Postal Service shall provide domestic competi-
7 tive product service 6 days per week to each street address
8 that was scheduled to receive package service 6 days per
9 week as of September 30, 2012.

10 “(4) Nothing in this section shall be construed to au-
11 thorize a reduction, or to require an increase, in frequency
12 of mail delivery for any address for which the Postal Serv-
13 ice provided delivery on fewer than 6 days per week as
14 of January 1, 2013.”.

15 (b) MAILBOX ACCESS.—If the Postal Service estab-
16 lishes a general, nationwide mail delivery schedule of 5
17 days per week, consistent with the provisions of section
18 404 of title 39, United States Code, as amended by sub-
19 section (a), the Postal Service shall amend the Mailing
20 Standards of the United States Postal Service (as set
21 forth in the Domestic Mail Manual) to ensure that the
22 provisions of section 508.3.2.10 of such Manual, as in ef-
23 fect on September 30, 2012, shall apply on any day on
24 which the Postal Service does not deliver mail under the
25 established delivery schedule.

1 **SEC. 102. DELIVERY-POINT MODERNIZATION.**

2 (a) IN GENERAL.—Subchapter VII of chapter 36 is
3 amended by adding at the end the following:

4 **“§ 3692. Delivery-point modernization**

5 “(a) DEFINITIONS.—For the purposes of this sec-
6 tion—

7 “(1) the term ‘delivery point’ means a mailbox
8 or other receptacle to which mail is delivered;

9 “(2) the term ‘primary mode of mail delivery’
10 means the typical method by which the Postal Serv-
11 ice delivers letter mail to the delivery point of a
12 postal patron;

13 “(3) the term ‘door delivery’ means a primary
14 mode of mail delivery whereby mail is placed into a
15 slot or receptacle at or near the postal patron’s door
16 or is hand delivered to a postal patron, but does not
17 include curbside or centralized delivery;

18 “(4) the term ‘centralized delivery’ means a pri-
19 mary mode of mail delivery whereby mail receptacles
20 of a number of delivery points are grouped or clus-
21 tered at a single location; and

22 “(5) the term ‘curbside delivery’ means a pri-
23 mary mode of mail delivery whereby a mail recep-
24 tacle is situated at the edge of a sidewalk abutting
25 a road or curb, at a road, or at a curb.

1 “(b) POLICY.—It shall be the policy of the Postal
2 Service to use the most cost-effective primary mode of
3 mail delivery feasible for postal patrons.

4 “(c) PHASEOUT OF DOOR DELIVERY.—

5 “(1) NEW ADDRESSES.—Subject to paragraph
6 (4), the Postal Service shall implement a program,
7 wherever feasible, to provide a primary mode of mail
8 delivery other than door delivery to new addresses
9 established after the date of enactment of this sec-
10 tion.

11 “(2) BUSINESS ADDRESS CONVERSION.—Sub-
12 ject to paragraph (4), the Postal Service shall imple-
13 ment a program to convert existing business ad-
14 dresses with door delivery to centralized delivery to
15 the maximum extent feasible. In cases in which con-
16 version to centralized delivery is impractical, conver-
17 sion to curbside delivery shall be implemented to the
18 maximum extent feasible.

19 “(3) RESIDENTIAL ADDRESS CONVERSION.—

20 “(A) IDENTIFICATION.—Within one year
21 after the date of enactment of this section, each
22 district office shall identify residential addresses
23 within its service area that are appropriate can-
24 didates for conversion from door delivery to
25 curbside or centralized delivery, in accordance

1 with standards established by the Postal Serv-
2 ice.

3 “(B) VOLUNTARY CONVERSION.—Subject
4 to paragraph (4), the Postal Service shall seek
5 to voluntarily convert the delivery points identi-
6 fied under subparagraph (A) from door delivery
7 to more cost-effective primary modes of mail
8 delivery.

9 “(C) PROCEDURES.—In carrying out con-
10 versions under subparagraph (B), the Postal
11 Service shall establish procedures to—

12 “(i) solicit, consider, and respond to
13 input from postal patrons, State and local
14 governments, local associations, and prop-
15 erty owners; and

16 “(ii) place centralized delivery points
17 in locations that maximize delivery effi-
18 ciency, ease of use for postal patrons, and
19 respect for private property rights.

20 “(4) CONSIDERATIONS.—In making any deter-
21 mination to convert the primary mode of mail deliv-
22 ery for an existing address from door delivery to any
23 other primary mode of mail delivery, or to provide
24 a primary mode of mail delivery to a new address,
25 the Postal Service ~~may~~ *shall* consider—

1 “(A) the impact of weather conditions,
2 physical barriers, or any other factor that may
3 impact the feasibility of providing a primary
4 mode of mail delivery other than door delivery
5 (such as a factor that may significantly reduce
6 the potential cost savings associated with pro-
7 viding centralized or curbside delivery);

8 “(B) whether the address is in a registered
9 historic district (as that term is defined in sec-
10 tion 47(e)(3)(B) of the Internal Revenue Code
11 of 1986) is listed on the National Register of
12 Historic Places, *is designated as a National*
13 *Historic Landmark*, or is of historic value; and

14 “(C) population density and the concentra-
15 tion of poverty.

16 “(5) WAIVER FOR PHYSICAL HARDSHIP.—The
17 Postal Service shall establish and maintain a waiver
18 program under which, upon application, door deliv-
19 ery may be continued, or provided, at no cost to the
20 applicant in any case in which—

21 “(A) centralized or curbside delivery would,
22 but for this paragraph, otherwise be the pri-
23 mary mode of mail delivery; and

1 “(B) door delivery is necessary in order to
2 avoid causing significant physical hardship *or*
3 *physical safety risks* to a postal patron.

4 “(6) LEGACY DOOR DELIVERY SERVICE.—

5 “(A) IN GENERAL.—The Postal Service
6 may continue to provide, for a fee to be paid by
7 the addressee, door delivery to an address that
8 received door delivery as of January 1, 2013,
9 but was converted to a different primary mode
10 of mail delivery as a result of the requirements
11 of subsection (d).

12 “(B) OFFSET.—The fee shall, when taken
13 in the nationwide aggregate, offset the addi-
14 tional cost to the Postal Service for door deliv-
15 ery (compared to the cost of the primary mode
16 of mail delivery which would otherwise exist for
17 such address) as a result of the requirements of
18 subsection (d).

19 “(C) REQUIREMENTS.—The fee shall be
20 subject to the requirements of section
21 3622(d)(1)(B) and the Postmaster General may
22 by regulation prescribe the method of the fee’s
23 calculation.

24 “(d) MODERNIZATION REQUIREMENT.—

1 “(1) MINIMUM POINTS TO BE CONVERTED.—
2 Not later than September 30, 2022, the Postal Serv-
3 ice shall convert not less than 30,000,000 of the
4 door delivery points extant on December 31, 2012,
5 to centralized or curbside delivery.

6 “(2) CONVERSION ORDER.—In determining
7 which delivery points to convert under paragraph
8 (1), postal patrons who voluntarily agree to convert
9 their delivery point or points under subsection (c)(3)
10 shall take precedence over any other conversions to
11 the greatest extent practicable.

12 “(3) PROCEDURES.—*In carrying out conversions*
13 *under paragraph (1), the Postal Service shall estab-*
14 *lish procedures to—*

15 “(A) *solicit, consider, and respond to input*
16 *from the general public, postal patrons, State*
17 *and local governments, local associations, and*
18 *property owners which shall include but not be*
19 *limited to a minimum of a public community*
20 *meeting prior to the commencement of the con-*
21 *version of a community, prior to the completion*
22 *of the conversion of a community and at any*
23 *point in the process when the District Manager*
24 *makes a change to the delivery method or the lo-*
25 *cation of centralized delivery points;*

1 “(B) calculate and make publicly accessible
2 the cost or savings of the conversion to the Postal
3 Service as well as the average conversion cost or
4 savings to each postal patron and any cost or
5 savings to the State and local government; and

6 “(C) place centralized delivery points in lo-
7 cations that maximize delivery efficiency, ease of
8 use for postal patrons, and respect for private
9 property rights.

10 “~~(3)~~(4) FUNDING AND REPAYMENT.—Until
11 September 30, 2022, the Postal Service may with-
12 draw funds from the Postal Service Delivery-Point
13 Modernization Fund to carry out the purposes of
14 this section. All savings accrued by the Postal Serv-
15 ice from conversions under this subsection shall be
16 repaid to the Fund on a monthly basis until all
17 funds have been repaid. All funds withdrawn under
18 this paragraph must be repaid not later than Sep-
19 tember 30, 2023.

20 “~~(4)~~(5) VOUCHER PROGRAM.—The Postal Serv-
21 ice shall, in accordance with such standards and pro-
22 cedures as the Postal Service shall by regulation pre-
23 scribe, provide for a voucher program, funded
24 through the Postal Service Delivery Point Mod-
25 ernization Fund, under which, upon application, the

1 Postal Service may defray all or any portion of the
2 costs associated with conversion from door delivery
3 under this section which would otherwise be borne
4 by postal patrons.

5 “~~(5)~~(6) TREATMENT OF EXEMPTION.—Address-
6 es receiving door delivery or legacy door delivery as
7 a result of paragraph (5) or (6) of subsection (c)—

8 “(A) shall be counted as addresses that re-
9 ceive the primary mode of mail delivery which
10 the address would be subject to if not for the
11 applicable exemption; and

12 “(B) shall, within 30 days after ceasing to
13 meet the requirements of such paragraph (5) or
14 (6), as applicable, be converted to the primary
15 mode of mail delivery which was otherwise ap-
16 plicable.

17 “~~(6)~~(7) ANNUAL REPORTS.—Not later than 60
18 days after the end of each of fiscal years 2013
19 through 2023, the Postal Service shall submit to
20 Congress and the Inspector General of the Postal
21 Service a report on the implementation of this sec-
22 tion during the most recently completed fiscal year.
23 Each such report shall include—

24 “(A) the number of residential and busi-
25 ness addresses that—

1 “(i) receive door delivery as of the end
2 of the fiscal year preceding the most re-
3 cently completed fiscal year;

4 “(ii) receive door delivery as of the
5 end of the most recently completed fiscal
6 year; and

7 “(iii) during the most recently com-
8 pleted fiscal year, were converted from
9 door delivery to—

10 “(I) centralized delivery points;

11 “(II) curbside delivery points;

12 and

13 “(III) any other primary mode of
14 mail delivery, respectively;

15 “(B) the estimated cost savings from the
16 conversions described in subparagraph (A)(iii);

17 “(C) a description of the progress made by
18 the Postal Service toward meeting the require-
19 ments of subsection (c) and paragraph (1) of
20 this subsection; and

21 “(D) any other information which the
22 Postal Service considers appropriate.

23 “(8) *INSPECTOR GENERAL AUDIT.*—*The Inspec-*
24 *tor General of the Postal Service shall issue an an-*
25 *nuual audit report on the implementation of the con-*

1 *version requirement from paragraph (1) not later*
2 *than 90 days after date on which the Postal Service*
3 *releases its annual report under paragraph (7). At a*
4 *minimum, the report under this paragraph shall con-*
5 *tain—*

6 *“(A) an audit of the data contained in the*
7 *Postal Service’s report under paragraph (7); and*

8 *“(B) an evaluation of the Postal Service’s*
9 *implementation of the procedural requirements*
10 *described in paragraph (3).*

11 *“(e) REVIEW.—Subchapters IV and V shall not apply*
12 *with respect to any action taken by the Postal Service*
13 *under this section.”.*

14 (b) CLERICAL AMENDMENT.—The table of sections
15 for chapter 36 is amended by adding after the item relat-
16 ing to section 3691 the following:

“3692. Delivery-point modernization.”.

17 **SEC. 103. EFFICIENT AND FLEXIBLE UNIVERSAL POSTAL**
18 **SERVICE.**

19 (a) POSTAL POLICY.—

20 (1) IN GENERAL.—Section 101(b) is amended
21 to read as follows:

22 *“(b) The Postal Service shall provide effective and*
23 *regular postal services to rural areas, communities, and*
24 *small towns where post offices are not self-sustaining.”.*

1 (2) CONFORMING AMENDMENT.—Clause (iii) of
2 section 404(d)(2)(A) is amended to read as follows:

3 “(iii) whether such closing or consolidation
4 is consistent with the policy of the Government,
5 as stated in section 101(b), that the Postal
6 Service shall provide effective and regular post-
7 al services to rural areas, communities, and
8 small towns where post offices are not self-sus-
9 taining;”.

10 (b) GENERAL DUTY.—Paragraph (3) of section
11 403(b) is amended to read as follows:

12 “(3) to ensure that postal patrons throughout
13 the Nation will, consistent with reasonable econo-
14 mies of postal operations, have ready access to es-
15 sential postal services.”.

16 (c) CONDITIONS.—Clause (i) of section 404(d)(2)(A)
17 is amended to read as follows:

18 “(i) the effect of such closing or consolida-
19 tion on the community served by such post of-
20 fice, including through an analysis of such fac-
21 tors as—

22 “(I) the distance (as measured by
23 public roads) to the closest postal retail fa-
24 cility not proposed for closure or consolida-
25 tion under such plan;

1 “(II) the characteristics of such loca-
2 tion, including weather and terrain;

3 “(III) whether commercial mobile
4 service (as defined in section 332 of the
5 Communications Act of 1934) and com-
6 mercial mobile data service (as defined in
7 section 6001 of the Middle Class Tax Re-
8 lief and Job Creation Act of 2012) are
9 available in at least 80 percent of the total
10 geographic area of the ZIP codes served by
11 the postal retail facility proposed for clo-
12 sure or consolidation; and

13 “(IV) whether fixed broadband Inter-
14 net access service is available to households
15 in at least 80 percent of such geographic
16 area at speeds not less than those suffi-
17 cient for service to be considered
18 broadband for purposes of the most recent
19 report of the Federal Communications
20 Commission under section 706 of the Tele-
21 communications Act of 1996;”.

22 (d) PRC REVIEW OF DETERMINATIONS TO CLOSE
23 OR CONSOLIDATE A POST OFFICE.—

1 (1) DEADLINE FOR REVIEW.—Section
2 404(d)(5) is amended by striking “120 days” and
3 inserting “60 days”.

4 (2) EXCLUSION FROM REVIEW.—Section 404(d)
5 is amended by adding at the end the following:

6 “(7)(A) The appeals process set forth in paragraph
7 (5) shall not apply to a determination of the Postal Service
8 to close a post office if there is located, within 2 miles
9 of such post office, a qualified contract postal unit.

10 “(B) For purposes of this paragraph—

11 “(i) the term ‘contract postal unit’ means a
12 store or other place of business which—

13 “(I) is not owned or operated by the Postal
14 Service; and

15 “(II) in addition to its usual operations,
16 provides postal services to the general public
17 under contract with the Postal Service; and

18 “(ii) the term ‘qualified contract postal unit’, as
19 used in connection with a post office, means a con-
20 tract postal unit which—

21 “(I) begins to provide postal services to the
22 general public during the period—

23 “(aa) beginning 1 year before the date
24 on which the closure or consolidation of

1 such post office is scheduled to take effect;
2 and

3 “(bb) ending on the 15th day after
4 the date on which the closure or consolida-
5 tion of such post office is scheduled to take
6 effect; and

7 “(II) has not, pursuant to subparagraph
8 (A), served as the basis for exempting any other
9 post office from the appeals process set forth in
10 paragraph (5).

11 “(C)(i) If the qualified contract postal unit does not
12 continue to provide postal services, as required by sub-
13 paragraph (B)(i)(II), for at least the 2-year period begin-
14 ning on the date on which such post office was closed or,
15 if later, the date on which such unit began providing postal
16 services to the general public, the contract postal unit shall
17 be subject to a closure determination by the Postal Service
18 to decide whether a post office must be reopened within
19 the area (delimited by the 2-mile radius referred to in sub-
20 paragraph (A)).

21 “(ii) A decision under clause (i) not to reopen a post
22 office may be appealed to the Postal Regulatory Commis-
23 sion under procedures which the Commission shall by reg-
24 ulation prescribe. Such procedures shall be based on para-
25 graph (5), except that, for purposes of this clause, para-

1 graph (5)(C) shall be applied by substituting ‘in violation
2 of section 101(b), leaving postal patrons without effective
3 and regular access to postal services’ for ‘unsupported by
4 substantial evidence on the record’.”.

5 (3) APPLICABILITY.—The amendments made
6 by this subsection shall not apply with respect to
7 any appeal, notice of which is received by the Postal
8 Regulatory Commission before the date of enactment
9 of this Act (determined applying the rules set forth
10 in section 404(d)(6) of title 39, United States Code).

11 (e) EXPEDITED PROCEDURES.—

12 (1) IN GENERAL.—Section 3661 is amended by
13 adding at the end the following:

14 “(d)(1) The Commission shall issue its opinion within
15 90 days after the receipt of any proposal (as referred to
16 in subsection (b)) concerning—

17 “(A) the closing or consolidation of postal retail
18 facilities (as that term is defined in section 2(2) of
19 the Postal Reform Act of 2013) to a degree that will
20 generally affect service on a nationwide or substan-
21 tially nationwide basis; or

22 “(B) an identical or substantially identical pro-
23 posal on which the Commission issued an opinion
24 within the preceding 5 years.

1 “(2) If necessary in order to comply with the 90-day
2 requirement under paragraph (1), the Commission may
3 apply expedited procedures which the Commission shall by
4 regulation prescribe.”.

5 (2) REGULATIONS.—The Postal Regulatory
6 Commission shall prescribe any regulations nec-
7 essary to carry out the amendment made by para-
8 graph (1) within 90 days after the date of enact-
9 ment of this Act.

10 (3) APPLICABILITY.—The amendment made by
11 this subsection shall apply with respect to any pro-
12 posal received by the Postal Regulatory Commission
13 on or after the earlier of—

14 (A) the 90th day after the date of enact-
15 ment of this Act; or

16 (B) the effective date of the regulations
17 under paragraph (2).

18 (f) RURAL POST OFFICE ANNUAL CLOSURE LIMITA-
19 TION.—Section 404a(a) is amended—

20 (1) in paragraph (2), by striking “or” at the
21 end;

22 (2) in paragraph (3), by striking the period and
23 inserting “; or”; and

24 (3) by adding at the end the following:

1 “(4) close, consolidate, or suspend the oper-
2 ations of more than 5-percent of the number of cur-
3 rently operating postal retail facilities on January 1,
4 of each year that were within the K or L cost ascer-
5 tainment grouping on January 1, 2012, excluding
6 any postal retail facility scheduled for closure and
7 ineligible for appeal due to section 404(d)(7)(A)
8 shall not count toward the 5 percent limitation.”.

9 (g) ALTERNATE POSTAL ACCESS CHOICE.—Section
10 404(d) is amended by striking paragraph (1) and inserting
11 the following:

12 “~~(d)~~(1) The Postal Service, prior to making a deter-
13 mination under subsection (a)(3) as to the necessity for
14 the closing or consolidation of any post office, shall—

15 “(A) provide adequate notice of its intention to
16 close or consolidate such post office at least 60 days
17 prior to the proposed date of such closing or consoli-
18 dation to postal patrons served by such post office;

19 “(B) conduct a nonbinding survey on the pro-
20 posed closing or consolidation to allow postal patrons
21 served by such post office an opportunity to indicate
22 their preference between or among—

23 “(i) the closing or consolidation; and

24 “(ii) 1 or more alternative options; and

25 “(C) ensure that—

1 “(i) should the closure or consolidation of
2 a postal retail facility be deemed necessary, it
3 shall be the policy of the Postal Service to pro-
4 vide alternative access to postal services to
5 those served by the postal retail facility by the
6 option chosen by the highest number of survey
7 respondents under subparagraph (B)(ii); and

8 “(ii) if the Postal Service is unable to pro-
9 vide alternative access through the option iden-
10 tified in clause (i), or if that option is cost pro-
11 hibitive, the Postal Service may provide alter-
12 native access through a different means. Upon
13 selection of an alternative access method other
14 than the one identified by clause (i), the Postal
15 Service must provide written notice to those pa-
16 trons served by the postal retail facility identi-
17 fying and explaining why the option identified
18 by clause (i) was not possible or cost prohibi-
19 tive.”.

20 **SEC. 104. APPLICABILITY OF PROCEDURES RELATING TO**
21 **CLOSURES AND CONSOLIDATIONS.**

22 (a) IN GENERAL.—Section 404(d) is amended by
23 adding after paragraph (7) (as added by section
24 103(d)(2)) the following:

1 “(8) For purposes of this subsection, the term ‘post
2 office’ means a post office and any other facility described
3 in section 2(2) of the Postal Reform Act of 2013.”.

4 (b) EFFECTIVE DATE.—In the case of any post office
5 (within the meaning of the amendment made by sub-
6 section (a)) which, but for such amendment, would not
7 otherwise be subject to section 404(d) of title 39, United
8 States Code, the amendment made by subsection (a) shall
9 be effective with respect to any closure or consolidation,
10 the proposed effective date of which occurs on or after the
11 60th day following the date of enactment of this Act.

12 **SEC. 105. ENHANCED REPORTING ON POSTAL SERVICE EF-**
13 **FICIENCY.**

14 Section 3652(a) is amended—

15 (1) in paragraph (1), by striking “and” after
16 the semicolon;

17 (2) in paragraph (2), by striking the period at
18 the end and inserting “; and”; and

19 (3) by adding after paragraph (2) the following:

20 “(3) which shall provide the overall change in
21 Postal Service productivity and the resulting effect
22 of such change on overall Postal Service costs during
23 such year, using such methodologies as the Commis-
24 sion shall by regulation prescribe.”.

1 **SEC. 106. AREA AND DISTRICT OFFICE STRUCTURE.**

2 (a) IN GENERAL.—Not later than 120 days after the
3 date of enactment of this Act, the Postal Service, in con-
4 sultation with the Inspector General of the United States
5 Postal Service, shall develop and begin implementation of
6 a plan for the closure or consolidation of such area and
7 district offices as the Postal Service considers necessary
8 and appropriate so that, by October 1, 2015, the combined
9 total number of area and district offices will be at least
10 30 percent less than the corresponding combined total as
11 of September 30, 2012.

12 (b) CONTENTS.—The plan shall include—

13 (1) a list of the area and district offices pro-
14 posed for closure or consolidation;

15 (2) a proposed schedule under which closures
16 and consolidations of area and district offices would
17 be carried out;

18 (3) the estimated total annual cost savings at-
19 tributable to the proposed closures and consolida-
20 tions described in the plan;

21 (4) the criteria and process used to develop the
22 information described in paragraphs (1) and (2);

23 (5) the methodology and assumptions used to
24 derive the estimates described in paragraph (3); and

25 (6) any changes to the processing, transpor-
26 tation, delivery, or other postal operations antici-

1 pated as a result of the proposed closures and con-
2 solidations described in the plan.

3 (c) **PLAN SUBMISSION REVISION.**—Not later than
4 120 days after the date of enactment of this Act, the plan
5 shall be submitted to the Committee on Homeland Secu-
6 rity and Governmental Affairs of the Senate and the Com-
7 mittee on Oversight and Government Reform of the House
8 of Representatives. Any revision to the plan shall be sub-
9 mitted not later than 14 days after such revision is adopt-
10 ed by the Postal Service.

11 **TITLE II—POSTAL SERVICE** 12 **GOVERNANCE**

13 **Subtitle A—Temporary Governance** 14 **Authority**

15 **SEC. 201. PURPOSES.**

16 (a) **PURPOSES.**—The purposes of this subtitle are as
17 follows:

18 (1) To eliminate budget deficits and cash short-
19 ages of the Postal Service through strategic financial
20 planning, sound budgeting, accurate revenue fore-
21 casts, and careful spending.

22 (2) To ensure that universal service, as required
23 by section 101 of title 39, United States Code, is
24 maintained during the period of any fiscal emer-
25 gency.

1 (3) To conduct necessary investigations and
2 studies to determine the fiscal status and oper-
3 ational efficiency of the Postal Service.

4 (4) To assist the Postal Service in—

5 (A) restructuring its organization and
6 workforce to bring expenses in line with dimin-
7 ishing revenue and generate sufficient profits
8 for capital investments and repayment of debt;

9 (B) meeting all fiscal obligations to the
10 Treasury of the United States; and

11 (C) ensuring the appropriate and efficient
12 delivery of postal services.

13 (5) To ensure the long-term financial, fiscal,
14 and economic vitality and operational efficiency of
15 the Postal Service.

16 (b) RESERVATION OF POWERS.—Nothing in this sub-
17 title may be construed—

18 (1) to relieve any obligation of the Postal Serv-
19 ice to the Treasury of the United States existing as
20 of the date of enactment of this Act; or

21 (2) to limit the authority of Congress to exer-
22 cise legislative authority over the Postal Service.

1 **SEC. 202. ESTABLISHMENT OF THE POSTAL SERVICE FI-**
2 **NANCIAL RESPONSIBILITY AND MANAGE-**
3 **MENT ASSISTANCE AUTHORITY.**

4 (a) **ESTABLISHMENT.**—There is established, in ac-
5 cordance with the provisions of this subtitle, an entity to
6 be known as the “Postal Service Financial Responsibility
7 and Management Assistance Authority” (hereinafter in
8 this subtitle referred to as the “Authority”).

9 (b) **OPERATIONS DURING THE CONTROL PERIOD.**—

10 (1) **CONTROL PERIOD DEFINED.**—For the pur-
11 poses of this subtitle, the term “control period”
12 means the period that commences on the date as of
13 which the Authority has at least 4 members and ter-
14 minates as of the date determined under paragraph
15 (5).

16 (2) **TRANSFER OF AUTHORITIES AND RESPON-**
17 **SIBILITIES.**—Effective as of the date on which the
18 control period commences—

19 (A) subsections (a) and (b) of section 202
20 are repealed;

21 (B) the term of office of each of the 9 Gov-
22 ernors (appointed under the second sentence of
23 section 202(a)(1) of title 39, United States
24 Code, as last in effect before the date of enact-
25 ment of this Act) shall terminate; and

1 (C) the Authority shall assume its respon-
2 sibilities, as set forth in section 206.

3 (3) TREATMENT OF CERTAIN EXECUTIVES.—

4 (A) DEFINITION.—For the purposes of
5 this section, the term “Level-Two Postal Serv-
6 ice Executive” includes the Postmaster General,
7 the Deputy Postmaster General, and all the
8 other officers and employees of the Postal Serv-
9 ice in level two of the Postal Career Executive
10 Service (or the equivalent), but does not include
11 any officer or employee of the Office of Inspec-
12 tor General of the United States Postal Service.

13 (B) TREATMENT.—Notwithstanding any
14 other provision of law or the provisions of any
15 employment contract, during the control pe-
16 riod—

17 (i) all Level-Two Postal Service Ex-
18 ecutives shall serve at the pleasure of the
19 Authority;

20 (ii) the duties and responsibilities of
21 all Level-Two Postal Service Executives, as
22 well as the terms and conditions of their
23 employment (including their compensa-
24 tion), shall be subject to determination or
25 redetermination by the Authority;

1 (iii) total compensation of a Level-
2 Two Postal Service Executive may not, for
3 the first full fiscal year occurring in such
4 control period or any subsequent fiscal
5 year commencing in such control period,
6 exceed the annual rate of basic pay payable
7 for level I of the Executive Schedule under
8 section 5312 of title 5, United States
9 Code, for that year; for purposes of this
10 clause, the term “total compensation”
11 means basic pay, bonuses, awards, and all
12 other monetary compensation;

13 (iv) the percentage by which the rate
14 of basic pay of a Level-Two Postal Service
15 Executive is increased during any year
16 may not exceed the percentage change in
17 the Consumer Price Index for All Urban
18 Consumers, unadjusted for seasonal vari-
19 ation, for the most recent 12-month period
20 available, except that, in the case of a
21 Level-Two Postal Service Executive who
22 has had a significant change in job respon-
23 sibilities, a greater change shall be allow-
24 able if approved by the Authority;

1 (v) apart from basic pay, a Level-Two
2 Postal Service Executive may not be af-
3 farded any bonus, award, or other mone-
4 tary compensation for any full fiscal year
5 in the control period if expenditures of the
6 Postal Service for such fiscal year exceeded
7 revenues of the Postal Service for such fis-
8 cal year (determined in accordance with
9 generally accepted accounting principles);
10 ~~and~~

11 (vi) no deferred compensation may be
12 paid, accumulated, or recognized in the
13 case of any Level-Two Postal Service Exec-
14 utive, with respect to any full year in the
15 control period, which is not generally paid,
16 accumulated, or recognized in the case of
17 employees of the United States (outside of
18 the Postal Service) in level I of the Execu-
19 tive Schedule under section 5312 of title 5,
20 United States Code, with respect to such
21 year; *and*

22 *(vii) in the case of any Level-Two*
23 *Postal Service Executive, the expense in-*
24 *curring by the Postal Service for non-cash*
25 *awards or honorary recognitions covered*

1 *under section 4503 of title 5, United States*
2 *Code, may not exceed a combined total of*
3 *\$200 with respect to any full year in the*
4 *control period.*

5 (C) BONUS AUTHORITY.—Section 3686 of
6 title 39, United States Code, shall, during the
7 period beginning on the commencement date of
8 the control period and ending on the termi-
9 nation date of the control period—

10 (i) be suspended with respect to all
11 Level-Two Postal Service Executives; but

12 (ii) remain in effect for all other offi-
13 cers and employees of the Postal Service
14 otherwise covered by this section.

15 (4) CERTIFICATION REQUIREMENT.—The con-
16 trol period may not terminate until after the Author-
17 ity, with the concurrence of the Secretary of the
18 Treasury and the Director of the Office of Personnel
19 Management, certifies to the Director of the Office
20 of Management and Budget that—

21 (A) for 2 consecutive fiscal years (occur-
22 ring after the date of enactment of this Act),
23 expenditures of the Postal Service did not ex-
24 ceed revenues of the Postal Service (as deter-

1 mined in accordance with generally accepted ac-
2 counting principles);

3 (B) the Authority has approved a Postal
4 Service financial plan and budget that shows
5 expenditures of the Postal Service not exceeding
6 revenues of the Postal Service (as so deter-
7 mined) for the fiscal year to which such budget
8 pertains and each of the next 3 fiscal years;
9 and

10 (C) the Postal Service financial plan and
11 budget (as referred to in subparagraph (B)) in-
12 cludes plans—

13 (i) for the repayment of any
14 collateralized debt authorized by section
15 503; and

16 (ii) to properly fund Postal Service
17 pensions and retiree health benefits in ac-
18 cordance with applicable provisions of title
19 5, United States Code.

20 (5) TERMINATION OF CONTROL PERIOD.—

21 (A) TERMINATION DATE.—

22 (i) GENERAL RULE.—Except as pro-
23 vided in clause (ii), the control period shall
24 terminate 180 days after the date on which

1 the certification described in paragraph (4)
2 is made.

3 (ii) ALTERNATIVE DATE.—

4 (I) AUTHORITY.—The Director
5 of the Office of Management and
6 Budget may, by written notice given
7 to the Authority within 15 days after
8 the date on which the certification de-
9 scribed in paragraph (4) is made, pro-
10 vide for an alternative termination
11 date (in lieu of the date that would
12 otherwise apply under clause (i)).

13 (II) RANGE.—An alternative date
14 under this clause shall not apply un-
15 less such date occurs not less than 30
16 days after the date on which written
17 notice under subclause (I) is given
18 and not later than 180 days after the
19 date on which the certification de-
20 scribed in paragraph (4) is made.

21 (B) PUBLIC NOTICE.—The Authority shall
22 cause to be published in the Federal Register—

23 (i) the date on which the certification
24 described in paragraph (4) is made, not

1 later than 1 business day after the date on
2 which such certification is made; and

3 (ii) the termination date of the control
4 period, not later than 16 business days
5 after the date on which the certification
6 described in paragraph (4) is made.

7 **SEC. 203. MEMBERSHIP AND QUALIFICATION REQUIRE-**
8 **MENTS.**

9 (a) MEMBERSHIP.—

10 (1) IN GENERAL.—The Authority shall consist
11 of 5 members appointed by the President who meet
12 the qualifications described in subsection (b), except
13 that the Authority may take any action under this
14 subtitle at any time after the President has ap-
15 pointed the initial 4 of its members. Members of the
16 Authority shall report to the Secretary of the Treas-
17 ury.

18 (2) RECOMMENDATIONS.—Of the 5 members so
19 appointed—

20 (A) 1 shall be appointed by the President
21 taking into account any individuals rec-
22 ommended by the Speaker of the House of Rep-
23 resentatives;

1 (B) 1 shall be appointed by the President
2 taking into account any individuals rec-
3 ommended by the majority leader of the Senate;

4 (C) 1 shall be appointed by the President
5 taking into account any individuals rec-
6 ommended by the minority leader of the House
7 of Representatives;

8 (D) 1 shall be appointed by the President
9 taking into account any individuals rec-
10 ommended by the minority leader of the Senate;
11 and

12 (E) 1 shall be appointed by the President
13 taking into account any individuals rec-
14 ommended by the Comptroller General.

15 (3) POLITICAL AFFILIATION.—No more than 3
16 members of the Authority may be of the same polit-
17 ical party.

18 (4) CHAIR.—The President shall designate 1 of
19 the members of the Authority as the Chair of the
20 Authority.

21 (5) SENSE OF CONGRESS REGARDING DEAD-
22 LINE FOR APPOINTMENT.—It is the sense of Con-
23 gress that the President should appoint the members
24 of the Authority as soon as practicable after the

1 date of enactment of this Act, but no later than 30
2 days after such date.

3 (6) TERM OF SERVICE.—

4 (A) IN GENERAL.—Except as provided in
5 subparagraph (B), each member of the Author-
6 ity shall be appointed for a term of 3 years.

7 (B) APPOINTMENT FOR TERM FOLLOWING
8 INITIAL TERM.—As designated by the President
9 at the time of appointment for the term imme-
10 diately following the initial term, of the mem-
11 bers appointed for the term immediately fol-
12 lowing the initial term—

13 (i) 1 member shall be appointed for a
14 term of 1 year;

15 (ii) 2 members shall be appointed for
16 a term of 2 years; and

17 (iii) 2 members shall be appointed for
18 a term of 3 years.

19 (C) VACANCIES AND SUCCESSION.—Any
20 member of the Authority appointed to fill a va-
21 cancy before the expiration of the term for
22 which the predecessor of the member of the Au-
23 thority was appointed shall serve for the re-
24 mainder of such term.

1 (D) REMOVAL.—The President may re-
2 move any member of the Authority only for
3 cause.

4 (E) COMPENSATION FOR SERVICE.—Each
5 member of the Authority shall be paid for full-
6 time service at a rate of pay equivalent to the
7 rate of basic pay payable for level III of the Ex-
8 ecutive Schedule under section 5314 of title 5,
9 United States Code.

10 (b) QUALIFICATION REQUIREMENTS.—

11 (1) IN GENERAL.—An individual meets the
12 qualifications for membership on the Authority if the
13 individual—

14 (A) has significant knowledge and exper-
15 tise in finance, management, and the organiza-
16 tion or operation of businesses having more
17 than 500 employees; and

18 (B) represents the public interest gen-
19 erally, is not a representative of specific inter-
20 ests using or belonging to the Postal Service,
21 and does not have any business or financial in-
22 terest in any enterprise in the private sector of
23 the economy engaged in the delivery of mail
24 matter.

1 (2) SPECIFIC CONDITIONS.—An individual shall
2 not be considered to satisfy paragraph (1)(B) if, at
3 any time during the 5-year period ending on the
4 date of appointment, such individual—

5 (A) has been an officer, employee, or pri-
6 vate contractor with the Postal Service, United
7 States Postal Service Inspector General, or the
8 Postal Regulatory Commission; or

9 (B) has served as an employee or con-
10 tractor of a labor organization representing em-
11 ployees of the Postal Service, the United States
12 Postal Service Inspector General, or the Postal
13 Regulatory Commission.

14 **SEC. 204. ORGANIZATION AND STAFF.**

15 (a) ADOPTION OF BYLAWS FOR CONDUCTING BUSI-
16 NESS.—As soon as practicable after the appointment of
17 its members, the Authority shall adopt bylaws, rules, and
18 procedures governing its activities under this subtitle, in-
19 cluding procedures for hiring experts and consultants.
20 Upon adoption, such bylaws, rules, and procedures shall
21 be submitted by the Authority to the Postmaster General,
22 the President, and Congress.

23 (b) EXECUTIVE DIRECTOR AND STAFF.—

24 (1) EXECUTIVE DIRECTOR.—The Authority
25 shall have an Executive Director who shall be ap-

1 pointed by the Chair with the consent of the Author-
2 ity. The Executive Director shall be paid at a rate
3 determined by the Authority, except that such rate
4 may not exceed the rate of basic pay payable for
5 level IV of the Executive Schedule under section
6 5315 of title 5, United States Code.

7 (2) STAFF.—With the approval of the Author-
8 ity, the Executive Director may appoint and fix the
9 pay of such additional personnel as the Executive
10 Director considers appropriate, except that no indi-
11 vidual appointed by the Executive Director may be
12 paid at a rate greater than the rate of pay for the
13 Executive Director. Personnel appointed under this
14 paragraph shall serve at the pleasure of the Execu-
15 tive Director.

16 (3) INAPPLICABILITY OF CERTAIN CIVIL SERV-
17 ICE LAWS.—The Executive Director and staff of the
18 Authority may be appointed without regard to the
19 provisions of title 5, United States Code, governing
20 appointments in the competitive service, and paid
21 without regard to the provisions of chapter 51 and
22 subchapter III of chapter 53 of such title relating to
23 classification and General Schedule pay rates.

24 (4) STAFF OF FEDERAL AGENCIES.—Upon re-
25 quest of the Chair, the head of any Federal depart-

1 ment or agency may detail, on a reimbursable or
2 nonreimbursable basis, any of the personnel of such
3 department or agency to the Authority to assist it
4 in carrying out its duties under this subtitle.

5 **SEC. 205. FUNDING.**

6 (a) GENERAL RULE.—There are authorized to be ap-
7 propriated, out of the Postal Service Fund, such sums as
8 may be necessary for the Authority. In requesting an ap-
9 propriation under this section for a fiscal year, the Au-
10 thority shall prepare and submit to the Congress under
11 section 2009 of title 39, United States Code, a budget of
12 the Authority's expenses, including expenses for facilities,
13 supplies, compensation, and employee benefits, not to ex-
14 ceed \$10,000,000.

15 (b) INITIAL RULE.—Notwithstanding any other pro-
16 vision of this section, effective as of the date on which
17 at least 4 members of the Authority have been appointed,
18 there shall be available to the Authority, out of the Postal
19 Service Fund, such sums as the Authority may require
20 in order to carry out this subtitle, not to exceed the
21 amount equal to the product obtained by multiplying—

22 (1) the dollar amount specified in subsection

23 (a), times

24 (2) a fraction—

1 (A) the numerator of which is the number
2 of months remaining in the fiscal year as of the
3 date on which at least 4 members of the Au-
4 thority have been appointed (rounding any frac-
5 tion of a month to the next highest whole num-
6 ber); and

7 (B) the denominator of which is 12.

8 (c) AMENDMENT TO SECTION 2009.—Section 2009
9 is amended in the next to last sentence—

10 (1) by striking “, and (3)” and inserting “,
11 (3)”;

12 (2) by striking the period and inserting “, and
13 (4) the Postal Service Financial Responsibility and
14 Management Assistance Authority requests to be ap-
15 propriated, out of the Postal Service Fund, under
16 section 205 of the Postal Reform Act of 2013.”.

17 **SEC. 206. RESPONSIBILITIES AND POWERS.**

18 The exercise of the powers of the Postal Service shall
19 be directed by the Authority, including—

20 (1) all duties and responsibilities ascribed to the
21 Governors and the Board of Governors by title 39,
22 United States Code;

23 (2) determining the overall strategies of the
24 Postal Service;

1 (3) hiring, monitoring, compensating, and,
2 when necessary, replacing senior management at the
3 level of vice president and higher, as well as ensur-
4 ing adequate succession planning for these positions;

5 (4) approving major policies, particularly those
6 that have an important effect on the Postal Service's
7 financial position and the provision of universal
8 postal service;

9 (5) approving corporate budgets, financial and
10 capital plans, operational and service performance
11 standards and targets, human resource strategies,
12 collective-bargaining strategies, negotiation param-
13 eters, collective-bargaining agreements, and the com-
14 pensation structure for nonbargaining employees;

15 (6) formulating and communicating organiza-
16 tional policy and positions on legislative and other
17 public policy matters to Congress and the public;
18 and

19 (7) carrying out any responsibility, not other-
20 wise listed in this section, that was the responsibility
21 of the Board of Governors of the Postal Service at
22 any time during the 5-year period ending on the
23 date of enactment of this Act.

1 **SEC. 207. DEVELOPMENT OF FINANCIAL PLAN AND BUDG-**
2 **ET FOR THE SOLVENCY OF THE POSTAL**
3 **SERVICE.**

4 (a) DEVELOPMENT OF FINANCIAL PLAN AND BUDG-
5 ET.—For each fiscal year during a control period, the
6 Postmaster General shall submit to the Authority, by Au-
7 gust 1 before the start of such fiscal year, a financial plan
8 and budget for such fiscal year for the long-term solvency
9 of the Postal Service, except that, for fiscal year 2014,
10 the deadline for submission of the plan and budget under
11 this subsection shall be the 30th day after a majority of
12 the Authority take office. If a majority of the Authority
13 do not take office before August 1, 2014, the requirement
14 for a financial plan and budget under this subsection for
15 fiscal year 2014 is waived.

16 (b) CONTENTS OF FINANCIAL PLAN AND BUDGET.—
17 A financial plan and budget under this section for a fiscal
18 year shall specify the budget for the Postal Service as re-
19 quired by section 2009 of title 39, United States Code,
20 for the applicable fiscal year and each of the next 3 fiscal
21 years, in accordance with the following requirements:

22 (1) The financial plan and budget shall meet
23 the requirements described in subsection (c) to pro-
24 mote the financial stability of the Postal Service.

25 (2) The financial plan and budget shall—

1 (A) include the Postal Service’s annual
2 budget program (under section 2009 of title 39,
3 United States Code) and the Postal Service’s
4 plan commonly referred to as its “Integrated
5 Financial Plan”;

6 (B) describe lump-sum expenditures by all
7 categories traditionally used by the Postal Serv-
8 ice;

9 (C) describe capital expenditures (together
10 with a schedule of projected capital commit-
11 ments and cash outlays of the Postal Service
12 and proposed sources of funding);

13 (D) contain estimates of overall debt (both
14 outstanding and anticipated to be issued); and

15 (E) contain cash flow and liquidity fore-
16 casts for the Postal Service at such intervals as
17 the Authority may require.

18 (3) The financial plan and budget shall include
19 a statement describing methods of estimations and
20 significant assumptions.

21 (4) The financial plan and budget shall include
22 any other provisions and shall meet such other cri-
23 teria as the Authority considers appropriate to meet
24 the purposes of this subtitle, including provisions
25 for—

1 (A) changes in personnel policies and levels
2 for each component of the Postal Service; and

3 (B) management initiatives to promote
4 productivity, improvement in the delivery of
5 services, or cost savings.

6 (c) REQUIREMENTS TO PROMOTE FINANCIAL STA-
7 BILITY.—

8 (1) IN GENERAL.—The requirements to pro-
9 mote the solvency and financial stability of the Post-
10 al Service applicable to the financial plan and budget
11 for a fiscal year are as follows:

12 (A) For fiscal year 2016 and each subse-
13 quent fiscal year during a control period, budg-
14 eted expenditures of the Postal Service for the
15 fiscal year involved may not exceed budgeted
16 revenues of the Postal Service for the fiscal
17 year involved.

18 (B) In each fiscal year where a financial
19 plan and budget must be developed, the finan-
20 cial plan and budget shall provide for contin-
21 uous, substantial progress toward long-term fis-
22 cal solvency of the Postal Service.

23 (C) The financial plan and budget shall
24 provide for the orderly repayment of any out-

1 standing obligations authorized under section
2 503.

3 (D) The financial plan and budget shall
4 assure the continuing long-term solvency of the
5 Postal Service, as indicated by factors such as
6 the efficient management of the Postal Service's
7 workforce and the effective provision of services
8 by the Postal Service. In so doing, the financial
9 plan and budget shall consider—

10 (i) the legal authority of the Postal
11 Service;

12 (ii) the changes in the legal authority
13 and responsibilities of the Postal Service
14 under this Act;

15 (iii) any cost savings that the Postal
16 Service anticipates will be achieved through
17 negotiations with employees of the Postal
18 Service;

19 (iv) projected changes in mail volume;

20 (v) the impact of regulations the Post-
21 al Service was required by law to promul-
22 gate;

23 (vi) projected changes in the number
24 of employees needed to carry out the re-
25 sponsibilities of the Postal Service; and

1 (vii) the long-term capital needs of the
2 Postal Service, including the need to main-
3 tain, repair, and replace facilities and
4 equipment.

5 (2) APPLICATION OF SOUND BUDGETARY PRAC-
6 TICES.—In meeting the requirements described in
7 paragraph (1) with respect to a financial plan and
8 budget for a fiscal year, the Postal Service shall
9 apply sound budgetary practices, including reducing
10 costs and other expenditures, improving productivity,
11 increasing revenues, or a combination of such prac-
12 tices.

13 (3) ASSUMPTIONS BASED ON CURRENT LAW.—
14 In meeting the requirements described in paragraph
15 (1) with respect to a financial plan and budget for
16 a fiscal year, the Postal Service shall base estimates
17 of revenues and expenditures on ~~Federal law~~ *Gen-*
18 *erally Accepted Accounting Principles and Federal*
19 *law (including regulations)* as in effect at the time
20 of the preparation of such financial plan and budget.

21 (d) DEFINITION.—For the purposes of this section,
22 the term “long-term solvency” means the ability of the
23 Postal Service over the long term to pay debts and meet
24 expenses, including the ability to perform maintenance
25 and repairs, make investments, and maintain financial re-

1 serves, as necessary to fulfill the requirements and comply
2 with the policies of title 39, United States Code, and other
3 obligations of the Postal Service.

4 **SEC. 208. PROCESS FOR SUBMISSION AND APPROVAL OF FI-**
5 **NANCIAL PLAN AND BUDGET.**

6 (a) REVIEW BY THE AUTHORITY.—Upon receipt of
7 a financial plan and budget required by section 207, the
8 Authority shall promptly review such financial plan and
9 budget. In conducting the review, the Authority may re-
10 quest any additional information it considers necessary
11 and appropriate to carry out its duties.

12 (b) APPROVAL OF POSTMASTER GENERAL'S FINAN-
13 CIAL PLAN AND BUDGET.—

14 (1) IN GENERAL.—If the Authority determines
15 that the final financial plan and budget for the fiscal
16 year submitted by the Postmaster General under
17 subsection (a) meets the requirements of section
18 207—

19 (A) the Authority shall approve the finan-
20 cial plan and budget and shall provide the Post-
21 master General, the President, the Committee
22 on Homeland Security and Governmental Af-
23 fairs in the Senate, and the Committee on
24 Oversight and Government Reform in the

1 House of Representatives with a notice certi-
2 fying its approval; and

3 (B) the Postmaster General shall promptly
4 submit the annual budget program for the rel-
5 evant fiscal year to the Office of Management
6 and Budget pursuant to section 2009 of title
7 39, United States Code.

8 (2) DEEMED APPROVAL AFTER 30 DAYS.—If
9 the Authority has not provided the Postmaster Gen-
10 eral, the President, and Congress with a notice certi-
11 fying approval under paragraph (1)(A) or a state-
12 ment of disapproval under subsection (c) before the
13 expiration of the 30-day period which begins on the
14 date the Authority receives the financial plan and
15 budget from the Postmaster General under sub-
16 section (a), the Authority shall be deemed to have
17 approved the financial plan and budget and to have
18 provided the Postmaster General, the President, the
19 Committee on Homeland Security and Governmental
20 Affairs in the Senate, and the Committee on Over-
21 sight and Government Reform in the House of Rep-
22 resentatives with the notice certifying approval
23 under paragraph (1)(A).

24 (c) DISAPPROVAL OF POSTMASTER GENERAL'S FI-
25 NANCIAL PLAN AND BUDGET.—

1 (1) IN GENERAL.—If, after reviewing the finan-
2 cial plan and budget for a fiscal year submitted by
3 the Postmaster General under subsection (a) in ac-
4 cordance with the procedures described in this sec-
5 tion, the Authority determines that the revised final
6 financial plan and budget does not meet the applica-
7 ble requirements under section 207, the Authority
8 shall—

9 (A) disapprove the financial plan and
10 budget;

11 (B) provide the Postmaster General, the
12 President, and Congress with a statement con-
13 taining the reasons for such disapproval and de-
14 scribing the amount of any shortfall in the fi-
15 nancial plan and budget; and

16 (C) approve and recommend a financial
17 plan and budget for the Postal Service which
18 meets the applicable requirements under section
19 207, and submit such financial plan and budget
20 to the Postmaster General, the President, the
21 Committee on Homeland Security and Govern-
22 mental Affairs in the Senate, and the Com-
23 mittee on Oversight and Government Reform in
24 the House of Representatives.

1 (2) SUBMISSION TO OMB.—Upon receipt of the
2 recommended financial plan and budget under para-
3 graph (1)(C), the Postmaster General shall promptly
4 submit the recommended annual budget program to
5 the Office of Management and Budget pursuant to
6 section 2009 of title 39, United States Code.

7 (d) DEADLINE FOR TRANSMISSION OF FINANCIAL
8 PLAN AND BUDGET BY THE AUTHORITY.—Notwith-
9 standing any other provision of this section, not later than
10 September 30th before the start of each fiscal year for
11 which a financial plan and budget is required, the Author-
12 ity shall—

13 (1) provide Congress with a notice certifying its
14 approval of the Postmaster General’s financial plan
15 and budget for the fiscal year under subsection (e);
16 or

17 (2) submit to Congress an approved and rec-
18 ommended financial plan and budget developed by
19 the Authority for the fiscal year under subsection
20 (e)(1)(C).

21 (e) REVISIONS TO FINANCIAL PLAN AND BUDGET.—

22 (1) PERMITTING POSTMASTER GENERAL TO
23 SUBMIT REVISIONS.—The Postmaster General may
24 submit proposed revisions to the financial plan and

1 budget for the control period to the Authority at any
2 time during the fiscal year.

3 (2) PROCESS FOR REVIEW, APPROVAL, DIS-
4 APPROVAL, AND POSTMASTER GENERAL ACTION.—

5 The procedures described in subsections (b), (c), and
6 (d) shall apply with respect to a proposed revision to
7 a financial plan and budget in the same manner as
8 such procedures apply with respect to the original fi-
9 nancial plan and budget.

10 (f) REQUIREMENTS OF THE AUTHORITY.—

11 (1) IN GENERAL.—It shall be the policy of the
12 Authority to direct the Postal Service to take any
13 action necessary and permitted by law to ensure that
14 the approved financial plan and budget is fully im-
15 plemented over the course of each fiscal year and
16 that the budgetary goals for expenses and revenues
17 are achieved.

18 (2) ADDITIONAL FIDUCIARY ACTIONS.—In addi-
19 tion to paragraph (1), the Authority shall take any
20 additional actions it deems necessary and permitted
21 by law to ensure the requirements of the financial
22 plan and budget are achieved in practice so that the
23 total revenue of the Postal Service exceeds its total
24 operating expenses for the full fiscal year not later
25 than fiscal year 2016 and each fiscal year thereafter.

1 Such actions may include accelerating the conversion
2 of door delivery points to more cost-effective delivery
3 methods, the consolidation of additional mail proc-
4 essing facilities, transition to a 2-day or 3-day First-
5 Class Mail delivery standard for the continental
6 United States, and any other action consistent with
7 this Act and the provisions of title 39, United States
8 Code. For the purposes of this paragraph, the term
9 “total operating expenses” refers to all categories of
10 expenses identified under that term in the Report on
11 Form 10–K filed by the Postal Service for fiscal
12 year 2012.

13 **SEC. 209. DISSOLUTION OF THE AUTHORITY; RECONSTITU-**
14 **TION OF THE BOARD OF GOVERNORS.**

15 (a) IN GENERAL.—Effective as of the date on which
16 the control period terminates (as determined under section
17 202(b)(5))—

18 (1) the Authority is dissolved; and

19 (2) section 202 of title 39, United States Code
20 (as amended by section 202(b)(2)(A) of this Act) is
21 amended by inserting after the section heading the
22 following:

23 “(a)(1) The exercise of the power of the Postal Serv-
24 ice shall be directed by a Board of Governors composed
25 of 5 members appointed in accordance with this section.

1 The members, to be known as Governors, shall be ap-
2 pointed by the President, by and with the advice and con-
3 sent of the Senate. Not more than 3 of the Governors may
4 be adherents of the same political party. The Governors
5 shall elect a Chairman from among the individual Gov-
6 ernors. The Governors shall represent the public interest
7 generally, and shall be chosen solely on the basis of their
8 experience in the field of public administration, law, or ac-
9 counting, or on their demonstrated ability in managing or-
10 ganizations or corporations (in either the public or private
11 sector) of substantial size; except that at least 3 of the
12 Governors shall be chosen solely on the basis of their dem-
13 onstrated ability in managing organizations or corpora-
14 tions (in either the public or private sector) that employ
15 at least 10,000 employees. The Governors shall not be rep-
16 resentatives of specific interests using the Postal Service,
17 and may be removed only for cause. Each Governor shall
18 receive a salary of \$30,000 a year plus \$300 a day for
19 not more than 42 days of meetings each year and shall
20 be reimbursed for travel and reasonable expenses incurred
21 in attending meetings of the Board. Nothing in the pre-
22 ceding sentence shall be construed to limit the number of
23 days of meetings each year to 42 days.

24 “(2) In selecting the individuals described in para-
25 graph (1) for nomination for appointment to the position

1 of Governor, the President should consult with the Speak-
2 er of the House of Representatives, the minority leader
3 of the House of Representatives, the majority leader of
4 the Senate, and the minority leader of the Senate.

5 “(3) Not later than 60 days after the end of each
6 fiscal year, the Board of Governors shall submit an
7 itemized report describing all travel and reimbursable
8 business travel expenses paid to each Governor when per-
9 forming Board duties to the Committee on Oversight and
10 Government Reform of the House of Representatives and
11 the Committee on Homeland Security and Governmental
12 Affairs of the Senate. The report submitted under this
13 paragraph shall include a detailed justification for any
14 travel or reimbursable business travel expense that devi-
15 ates from the Board’s travel and reimbursable business
16 travel expense policies and guidelines under paragraph
17 (1).

18 “(b)(1) The terms of the 5 Governors shall be 7
19 years, except that—

20 “(A) upon the reconstitution of the Board of
21 Governors pursuant to the Postal Reform Act of
22 2013—

23 “(i) the 5 members last comprising the
24 Postal Service Financial Responsibility and
25 Management Assistance Authority before the

1 termination of the control period (as defined in
2 section 202(b)(1) of the Postal Reform Act of
3 2013) shall become the initial members of the
4 reconstituted Board of Governors; and

5 “(ii) the term of each of the 5 respective
6 individuals under clause (i) shall expire at the
7 end of the term which would have applied with
8 respect to that individual, if—

9 “(I) the control period (as so defined)
10 had not terminated; and

11 “(II) such individual had remained a
12 member of the Postal Service Financial
13 Responsibility and Management Assistance
14 Authority; and

15 “(B) the terms of the Governors first taking of-
16 fice after the initial Governors of the reconstituted
17 Board (as described in subparagraph (A)) shall be
18 as fixed by the President at the time of their ap-
19 pointment, except that each such term—

20 “(i) shall be for a period of years not less
21 than 3 years and not more than 7 years; and

22 “(ii) shall be fixed such that the term of
23 not more than 1 Governor is thereafter sched-
24 uled to expire in any calendar year (determined

1 disregarding the term of an initial Governor ex-
2 piring as described in subparagraph (A)(ii).

3 “(2) Any Governor appointed to fill a vacancy before
4 the expiration of the term for which his predecessor was
5 appointed shall serve for the remainder of such term. A
6 Governor may continue to serve after the expiration of his
7 term until his successor has qualified, but not to exceed
8 1 year.

9 “(3) No person may serve more than 14 years as a
10 Governor. For purposes of the preceding sentence, there
11 shall be taken into account any period served as a member
12 of—

13 “(A) the Postal Service Financial Responsibility
14 and Management Assistance Authority; or

15 “(B) the Board of Governors, as constituted be-
16 fore the start of the control period.”.

17 (b) CONFORMING AMENDMENTS.—

18 (1) Section 102(3) is amended by striking “9”
19 and inserting “5”; and

20 (2) Section 205(c) is amended by striking all
21 after “present, and” and inserting “an absolute ma-
22 jority of the Governors in office shall constitute a
23 quorum for the transaction of business by the
24 Board.”.

1 **Subtitle B—Other Matters**

2 **SEC. 211. APPOINTMENT OF THE POSTAL SERVICE INSPEC-**
3 **TOR GENERAL.**

4 (a) APPOINTMENT OF INSPECTOR GENERAL OF THE
5 POSTAL SERVICE BY PRESIDENT.—The Inspector General
6 Act of 1978 (5 U.S.C. App.) is amended—

7 (1) in section 8G—

8 (A) in subsection (a)—

9 (i) in paragraph (2), by striking “the
10 Postal Regulatory Commission, and the
11 United States Postal Service” and insert-
12 ing “and the Postal Regulatory Commis-
13 sion”;

14 (ii) in paragraph (3), by striking
15 “subsection (h)(1)” and inserting “sub-
16 section (g)(1)”; and

17 (iii) in paragraph (4)—

18 (I) in the matter preceding sub-
19 paragraph (A), by striking “sub-
20 section (h)(1)” and inserting “sub-
21 section (g)(1)”;
22 (II) by striking subparagraph

23 (B); and

1 (III) by redesignating subpara-
2 graphs (C) through (H) as subpara-
3 graphs (B) through (G), respectively;
4 (B) in subsection (c), by striking “Except
5 as provided under subsection (f) of this section,
6 the” and inserting “The”;
7 (C) by striking subsection (f); and
8 (D) by redesignating subsections (g) and
9 (h) as subsections (f) and (g), respectively;
10 (2) by inserting after section 8L the following:

11 **“SEC. 8M. SPECIAL PROVISIONS CONCERNING THE INSPEC-**
12 **TOR GENERAL OF THE UNITED STATES POST-**
13 **AL SERVICE.**

14 “(a) OVERSIGHT OF POSTAL INSPECTION SERV-
15 ICE.—In carrying out the duties and responsibilities speci-
16 fied in this Act, the Inspector General of the United States
17 Postal Service (in this section referred to as the ‘Inspector
18 General’) shall have oversight responsibility for all activi-
19 ties of the Postal Inspection Service, including any inter-
20 nal investigation performed by the Postal Inspection Serv-
21 ice. The Chief Postal Inspector shall promptly report the
22 significant activities being carried out by the Postal In-
23 spection Service to such Inspector General.

24 “(b) SUPERVISION; ADDITIONAL DUTIES AND RE-
25 SPONSIBILITIES; REPORT.—

1 “(1) AUTHORITY, DIRECTION, AND CONTROL.—

2 “(A) AUDITS, INVESTIGATIONS, SUB-
3 POENAS.—The Inspector General shall be under
4 the authority, direction, and control of the Gov-
5 ernors with respect to audits or investigations,
6 or the issuance of subpoenas, which require ac-
7 cess to sensitive information concerning—

8 “(i) ongoing civil or criminal inves-
9 tigation or proceedings;

10 “(ii) undercover operations;

11 “(iii) the identity of confidential
12 sources, including protected witnesses;

13 “(iv) intelligence or counterintel-
14 ligence matters; or

15 “(v) other matters the disclosure of
16 which would constitute a serious threat to
17 national security.

18 “(B) AUTHORITY OF GOVERNORS.—With
19 respect to the information described under sub-
20 paragraph (A), the Governors may prohibit the
21 Inspector General from carrying out or com-
22 pleting any audit or investigation, or from
23 issuing any subpoena, after such Inspector Gen-
24 eral has decided to initiate, carry out, or com-
25 plete such audit or investigation or to issue

1 such subpoena, if the Governors determine that
2 such prohibition is necessary to prevent the dis-
3 closure of any information described under sub-
4 paragraph (A) or to prevent the significant im-
5 pairment to the national interests of the United
6 States.

7 “(C) NOTICE REQUIRED.—If the Gov-
8 ernors exercise any power under subparagraph
9 (A) or (B), the Governors shall notify the In-
10 spector General in writing stating the reasons
11 for such exercise. Within 30 days after receipt
12 of any such notice, the Inspector General shall
13 transmit a copy of such notice to the Com-
14 mittee on Homeland Security and Govern-
15 mental Affairs of the Senate and the Committee
16 on Oversight and Government Reform of the
17 House of Representatives, and to other appro-
18 priate committees or subcommittees of the Con-
19 gress.

20 “(2) ADDITIONAL DUTIES AND RESPONSIBIL-
21 ITIES.—In carrying out the duties and responsibil-
22 ities specified in this Act, the Inspector General—

23 “(A) may initiate, conduct, and supervise
24 such audits and investigations in the United

1 States Postal Service as the Inspector General
2 considers appropriate; and

3 “(B) shall give particular regard to the ac-
4 tivities of the Postal Inspection Service with a
5 view toward avoiding duplication and insuring
6 effective coordination and cooperation.

7 “(3) REPORT REQUIRED.—Any report required
8 to be transmitted by the Governors to the appro-
9 priate committees or subcommittees of the Congress
10 under section 5(d) shall also be transmitted, within
11 the seven-day period specified under such section, to
12 the Committee on Homeland Security and Govern-
13 mental Affairs of the Senate and the Committee on
14 Oversight and Government Reform of the House of
15 Representatives.

16 “(c) GOVERNORS DEFINED.—As used in this section,
17 the term ‘Governors’ has the meaning given such term by
18 section 102(3) of title 39, United States Code.

19 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
20 are authorized to be appropriated, out of the Postal Serv-
21 ice Fund, such sums as may be necessary for the Office
22 of Inspector General of the United States.”; and

23 (3) in section 12—

24 (A) in paragraph (1), by striking “or the
25 Federal Cochairpersons of the Commissions es-

1 tablished under section 15301 of title 40,
2 United States Code” and inserting “the Federal
3 Cochairpersons of the Commissions established
4 under section 15301 of title 40, United States
5 Code; or the Board of Governors of the United
6 States Postal Service”; and

7 (B) in paragraph (2), by striking “or the
8 Commissions established under section 15301
9 of title 40, United States Code” and inserting
10 “the Commissions established under section
11 15301 of title 40, United States Code, or the
12 United States Postal Service”.

13 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
14 Title 39, United States Code, is amended—

15 (1) in section 102(4), by striking “section
16 202(e) of this title” and inserting “section 3 of the
17 Inspector General Act of 1978 (5 U.S.C. App.)”;

18 (2) in section 1001(b), in the first sentence, by
19 inserting “and section 3 of the Inspector General
20 Act of 1978 (5 U.S.C. App.)” after “1001(c) of this
21 title”;

22 (3) in section 1003(a), by striking “8G” and in-
23 serting “8M”;

1 (4) in section 1005(a)(3), by inserting “and
2 section 3 of the Inspector General Act of 1978 (5
3 U.S.C. App.)” after “1001(c) of this title”;

4 (5) in section 2003(e) by striking “8G(f)” and
5 inserting “8M(d)”; and

6 (6) in section 2009 by striking “8G(f)” and in-
7 serting “8M(d)”.

8 (c) APPLICABILITY.—

9 (1) IN GENERAL.—The amendments made by
10 this section shall apply with respect to the first indi-
11 vidual appointed as Inspector General of the Postal
12 Service after the date of enactment of this Act.

13 (2) RULE OF CONSTRUCTION.—Nothing in this
14 Act may be construed to alter the authority or the
15 length of the term of the individual serving as In-
16 spector General of the Postal Service on the date of
17 enactment of this Act.

18 **SEC. 212. MEMBERSHIP OF THE BOARD OF GOVERNORS.**

19 (a) POSTMASTER GENERAL.—Section 202(c) is
20 amended to read as follows:

21 “(c) The Governors shall appoint and shall have the
22 power to remove the Postmaster General. His pay and
23 term of service shall be fixed by the Governors.”.

24 (b) DEPUTY POSTMASTER GENERAL.—Section
25 202(d) is amended to read as follows:

1 “(d) The Governors shall appoint and shall have the
2 power to remove the Deputy Postmaster General. His
3 term of service shall be fixed by the Governors and the
4 Postmaster General and his pay by the Governors.”.

5 **TITLE III—POSTAL SERVICE**
6 **WORKFORCE**

7 **SEC. 301. APPLICABILITY OF REDUCTION-IN-FORCE PROCE-**
8 **DURES.**

9 Section 1206 is amended by adding at the end the
10 following:

11 “(d) Collective-bargaining agreements between the
12 Postal Service and bargaining representatives recognized
13 under section 1203, ratified after the date of enactment
14 of this subsection, shall contain no provision restricting
15 the applicability of reduction-in-force procedures under
16 title 5 with respect to members of the applicable bar-
17 gaining unit.

18 “(e)(1) If a collective-bargaining agreement between
19 the Postal Service and bargaining representatives recog-
20 nized under section 1203, ratified after the date of enact-
21 ment of this subsection, includes reduction-in-force proce-
22 dures which can be applied in lieu of reduction-in-force
23 procedures under title 5, the Postal Service may, in its
24 discretion, apply with respect to members of the applicable
25 bargaining unit—

1 “(A) the alternative procedures (or, if 2 or
2 more are agreed to, 1 of the alternative procedures);
3 or

4 “(B) the reduction-in-force procedures under
5 title 5.

6 “(2) In no event may, if procedures for the resolution
7 of a dispute or impasse arising in the negotiation of a col-
8 lective-bargaining agreement (whether through binding ar-
9 bitration or otherwise) are invoked under this chapter, the
10 award or other resolution reached under such procedures
11 provide for the elimination of, or the substitution of any
12 alternative procedures in lieu of, reduction-in-force proce-
13 dures under title 5.”.

14 **SEC. 302. POSTAL SERVICE FEHBP AND FEGLI FUNDING RE-**
15 **QUIREMENTS.**

16 Section 1005(d)(1) is amended—

17 (1) in the first sentence, by striking “chapters
18 83 and 84” and inserting “chapters 83, 84, 87, and
19 89”; and

20 (2) by adding at the end the following: “Begin-
21 ning not later than January 1, 2020, the Postal
22 Service shall withhold from pay and shall pay into
23 the Employees Life Insurance Fund and the Em-
24 ployee Health Benefits Fund the amounts specified

1 in or determined under chapters 87 and 89, respec-
2 tively.”.

3 **SEC. 303. REPEAL OF PROVISION RELATING TO OVERALL**
4 **VALUE OF FRINGE BENEFITS.**

5 The last sentence of section 1005(f) is repealed.

6 **SEC. 304. MODIFICATIONS RELATING TO DETERMINATION**
7 **OF PAY COMPARABILITY.**

8 (a) **POSTAL POLICY.**—The first sentence of section
9 101(c) is amended—

10 (1) by inserting “total” before “rates and types
11 of compensation”; and

12 (2) by inserting “entire” before “private sec-
13 tor”.

14 (b) **EMPLOYMENT POLICY.**—The second sentence of
15 section 1003(a) is amended—

16 (1) by inserting “total” before “compensation
17 and benefits” each place it appears; and

18 (2) by inserting “entire” before “private sec-
19 tor”.

20 (c) **CONSIDERATIONS.**—For purposes of the amend-
21 ments made by this section, any determination of “total
22 rates and types of compensation” or “total compensation
23 and benefits” shall, at a minimum, take into account pay,
24 health benefits, retirement benefits, life insurance benefits,

1 leave, holidays, and continuity and stability of employ-
2 ment.

3 **SEC. 305. LAST-BEST-FINAL-OFFER NEGOTIATIONS.**

4 Section 1207 is amended by striking subsections (c)
5 and (d) and inserting the following:

6 “(c)(1) If no agreement is reached within 30 days
7 after the appointment of a mediator under subsection (b),
8 or if the parties decide upon arbitration before the expira-
9 tion of the 30-day period, an arbitration board shall be
10 established consisting of 1 member selected by the Postal
11 Service (from the list under paragraph (2)), 1 member se-
12 lected by the bargaining representative of the employees
13 (from the list under paragraph (2)), and the mediator ap-
14 pointed under subsection (b).

15 “(2) Upon receiving a request from either of the par-
16 ties referred to in paragraph (1), the Director of the Fed-
17 eral Mediation and Conciliation Service shall provide a list
18 of not less than 9 individuals who are well qualified to
19 serve as neutral arbitrators. Each person listed shall be
20 an arbitrator of nationwide reputation and professional
21 nature, a member of the National Academy of Arbitrators,
22 and an individual whom the Director has determined to
23 be willing and available to serve. If, within 7 days after
24 the list is provided, either of the parties has not selected

1 an individual from the list, the Director shall make the
2 selection within 3 days.

3 “(3) The arbitration board shall give the parties a
4 full and fair hearing, including an opportunity to present
5 evidence in support of their claims, and an opportunity
6 to present their case in person, by counsel, or by other
7 representative as they may elect. The hearing shall be con-
8 cluded no more than 40 days after the arbitration board
9 is established.

10 “(4) No more than 7 days after the hearing is con-
11 cluded, each party shall submit to the arbitration board
12 2 offer packages, each of which packages shall specify the
13 terms of a proposed final agreement.

14 “(5) If no agreement is reached within 7 days after
15 the last day allowable for the submission of an offer pack-
16 age under paragraph (4), each party shall submit to the
17 arbitration board a single, final offer package specifying
18 the terms of a proposed final agreement.

19 “(6) No later than 3 days after the submission of
20 the final offer packages under paragraph (5), the arbitra-
21 tion board shall select 1 of those packages as its tentative
22 award, subject to paragraph (7).

23 “(7)(A) The arbitration board may not select a final
24 offer package under paragraph (6) unless it satisfies each
25 of the following:

1 “(i) The offer complies with the requirements of
2 sections 101(e) and 1003(a).

3 “(ii) The offer takes into account the current fi-
4 nancial condition of the Postal Service.

5 “(iii) The offer takes into account the long-term
6 financial condition of the Postal Service.

7 “(B)(i) If the board unanimously determines, based
8 on clear and convincing evidence presented during the
9 hearing under paragraph (3), that neither final offer pack-
10 age satisfies the conditions set forth in subparagraph (A),
11 the board shall by majority vote—

12 “(I) select the package that best meets such
13 conditions; and

14 “(II) modify the package so selected to the min-
15 imum extent necessary to satisfy such conditions.

16 “(ii) If modification (as described in subparagraph
17 (B)(i)(II)) is necessary, the board shall have an additional
18 7 days to render its tentative award under this subpara-
19 graph.

20 “(8) The parties may negotiate a substitute award
21 to replace the tentative award selected under paragraph
22 (6) or rendered under paragraph (7) (as the case may be).
23 If no agreement on a substitute award is reached within
24 10 days after the date on which the tentative award is

1 so selected or rendered, the tentative award shall become
2 final.

3 “(9) The arbitration board shall review any substitute
4 award negotiated under paragraph (8) to determine if it
5 satisfies the conditions set forth in paragraph (7)(A). If
6 the arbitration board, by a unanimous vote taken within
7 3 days after the date on which the agreement on the sub-
8 stitute award is reached under paragraph (8), determines
9 that the substitute award does not satisfy such conditions,
10 the tentative award shall become final. In the absence of
11 a vote, as described in the preceding sentence, the sub-
12 stitute agreement shall become final.

13 “(10) If, under paragraph (5), neither party submits
14 a final offer package by the last day allowable under such
15 paragraph, the arbitration board shall develop and issue
16 a final award no later than 20 days after such last day.

17 “(11) A final award or agreement under this sub-
18 section shall be conclusive and binding upon the parties.

19 “(12) Costs of the arbitration board and mediation
20 shall be shared equally by the Postal Service and the bar-
21 gaining representative.

22 “(d) In the case of a bargaining unit whose recog-
23 nized collective-bargaining representative does not have an
24 agreement with the Postal Service, if the parties fail to
25 reach agreement within 90 days after the commencement

1 of collective bargaining, a mediator shall be appointed in
2 accordance with the provisions of subsection (b), unless
3 the parties have previously agreed to another procedure
4 for a binding resolution of their differences. If the parties
5 fail to reach agreement within 180 days after the com-
6 mencement of collective bargaining, an arbitration board
7 shall be established to provide conclusive and binding arbi-
8 tration in accordance with the provisions of subsection
9 (c).”.

10 **SEC. 306. POSTAL SERVICE WORKERS' COMPENSATION RE-**
11 **FORM.**

12 (a) IN GENERAL.—Effective 12 months after the
13 triggering date of this section (as defined in subsection
14 (e)(2)), section 1005 is amended by striking subsection (c)
15 and inserting the following:

16 “(c)(1) For purposes of this subsection—

17 “(A) the term ‘postal employee’ means an offi-
18 cer or employee of the Postal Service or the former
19 Post Office Department; and

20 “(B) the term ‘retirement age’ has the meaning
21 given such term under section 216(l)(1) of the Social
22 Security Act.

23 “(2) The Postal Service shall design and administer
24 a program for the payment of benefits for the disability
25 or death of an individual resulting from personal injury

1 sustained while in the performance of such individual's du-
2 ties as a postal employee.

3 “(3) The program under this subsection—

4 “(A) shall be designed by the Postal Service in
5 consultation with appropriate employee representa-
6 tives;

7 “(B) shall not provide for any amount payable
8 to a disabled postal employee to be augmented on
9 the basis of number of dependents; and

10 “(C) shall include provisions for automatic
11 transition, upon attainment of retirement age, to
12 benefits involving, coordinated with, or otherwise de-
13 termined by reference to retirement benefits.”.

14 (b) RECOMMENDATIONS.—Not later than 6 months
15 after the triggering date—

16 (1) the Office of Personnel Management shall
17 submit to the appropriate committees of Congress
18 recommendations for any legislation or administra-
19 tive actions which the Office considers necessary to
20 carry out the purposes of this section with respect
21 to any matter within the jurisdiction of the Office,
22 including any amendments which may be necessary
23 with respect to chapter 87 or 89 of title 5, United
24 States Code; and

1 (2) the Postal Service shall submit to the ap-
2 propriate committees of Congress recommendations
3 for any legislation which the Postal Service considers
4 necessary to carry out the purposes of this section
5 with respect to any matter within the jurisdiction of
6 the Postal Service.

7 (c) NOTIFICATION REQUIREMENTS.—Not later than
8 9 months after the triggering date, the Postal Service shall
9 submit to the appropriate committees of Congress and
10 shall cause to be published in the Federal Register a de-
11 scription of the program proposed by the Postal Service
12 for implementation under section 1005(c) of title 39,
13 United States Code, as amended by subsection (a). In-
14 cluded in the notification provided under the preceding
15 sentence shall be—

16 (1) a detailed statement of the benefits to be of-
17 ferred and the persons eligible to receive those bene-
18 fits;

19 (2) provisions to ensure an orderly transition to
20 the system proposed to be implemented; and

21 (3) such other information as the Postal Service
22 considers appropriate.

23 (d) COMMENCEMENT DATE.—The program under
24 section 1005(c) of title 39, United States Code, as amend-
25 ed by subsection (a)—

1 (1) shall begin to operate on such date as the
2 Postmaster General shall determine, except that
3 such date shall be a date occurring—

4 (A) not earlier than 12 months after the
5 triggering date; and

6 (B) not later than 24 months after the
7 triggering date; and

8 (2) shall apply with respect to amounts payable
9 for periods beginning on or after the date on which
10 the program begins to operate, irrespective of date
11 of the disability or death to which such amounts re-
12 late.

13 (e) CONDITION PRECEDENT.—

14 (1) IN GENERAL.—The preceding provisions of
15 this section shall not become effective until the date
16 on which the Postal Service Financial Responsibility
17 and Management Assistance Authority (established
18 under section 202)—

19 (A) makes a written determination that
20 conditions warrant their implementation; and

21 (B) submits such written determination to
22 the Postal Service, the Office of Personnel
23 Management, and the appropriate committees
24 of Congress.

1 (2) TRIGGERING DATE.—For purposes of this
2 section, the term “triggering date of this section” or
3 “triggering date” means the date described in para-
4 graph (1).

5 (f) APPROPRIATE COMMITTEES OF CONGRESS DE-
6 FINED.—For purposes of this section, the term “appro-
7 priate committees of Congress” means—

8 (1) the Committee on Oversight and Govern-
9 ment Reform of the House of Representatives; and

10 (2) the Committee on Homeland Security and
11 Governmental Affairs of the Senate.

12 **SEC. 307. REPORTING REQUIREMENT.**

13 (a) IN GENERAL.—Chapter 10 is amended by adding
14 at the end the following:

15 **“§ 1012. Official time reporting**

16 “(a) Not later than March 31 of each calendar year,
17 the Postal Service, in consultation with the Office of Man-
18 agement and Budget, shall submit to each House of Con-
19 gress a report on the operation of this section during the
20 fiscal year last ending before the start of such calendar
21 year.

22 “(b) Each report by the Postal Service under this
23 subsection shall include, with respect to the fiscal year de-
24 scribed in subsection (a), at least the following informa-
25 tion:

1 “(1) The total amount of official time granted
2 to employees.

3 “(2) The average amount of official time ex-
4 pended per bargaining unit employee.

5 “(3) The specific types of activities or purposes
6 for which official time was granted, and the impact
7 which the granting of such official time for such ac-
8 tivities or purposes had on agency operations.

9 “(4) The total number of employees to whom
10 official time was granted, and, of that total, the
11 number who were not engaged in any activities or
12 purposes except activities or purposes involving the
13 use of official time.

14 “(5) The total amount of compensation (includ-
15 ing fringe benefits) afforded to employees in connec-
16 tion with activities or purposes for which they were
17 granted official time.

18 “(c) All information included in a report by the Post-
19 al Service under this subsection with respect to a fiscal
20 year—

21 “(1) shall be shown both for each supervisory
22 and managerial organization recognized under sec-
23 tion 1004 and labor organization recognized under
24 section 1203 and for all organizations together; and

1 “(2) shall be accompanied by the corresponding
2 information (submitted by the Postal Service in its
3 report under this subsection) for the fiscal year be-
4 fore the fiscal year to which such report pertains, to-
5 gether with appropriate comparisons and analyses.

6 “(d) For purposes of this subsection, the term ‘offi-
7 cial time’ means any period of time, regardless of Postal
8 Service nomenclature—

9 “(1) which may be granted to an employee
10 under this chapter or chapter 12 (including a collec-
11 tive-bargaining agreement entered into under chap-
12 ter 12) to perform representational or consultative
13 functions; and

14 “(2) during which the employee would otherwise
15 be in a duty status.”.

16 (b) APPLICABILITY.—The amendment made by sub-
17 section (a) shall be effective beginning with the report
18 which, under the provisions of such amendment, is first
19 required to be submitted by the Postal Service to each
20 House of Congress by a date which occurs at least 6
21 months after the date of the enactment of this Act.

22 (c) CLERICAL AMENDMENT.—The table of sections
23 for chapter 10 is amended by adding at the end the fol-
24 lowing:

“1012. Official time reporting.”.

1 **TITLE IV—POSTAL SERVICE**
2 **REVENUE**

3 **SEC. 401. ADEQUACY, EFFICIENCY, AND FAIRNESS OF POST-**
4 **AL RATES.**

5 (a) IN GENERAL.—Section 3622(d) is amended—

6 (1) in paragraph (1)—

7 (A) by redesignating subparagraphs (B)
8 through (E) as subparagraphs (D) through (G),
9 respectively; and

10 (B) by inserting after subparagraph (A)
11 the following:

12 “(B) subject to the limitation under sub-
13 paragraph (A), establish postal rates to fulfill
14 the requirement that each market-dominant
15 class, product, and type of mail service (except
16 for an experimental product or service) bear the
17 direct and indirect postal costs attributable to
18 such class, product, or type through reliably
19 identified causal relationships plus that portion
20 of all other costs of the Postal Service reason-
21 ably assignable to such class, product, or type;

22 “(C) establish postal rates for each group
23 of functionally equivalent agreements between
24 the Postal Service and users of the mail that—

25 “(i) cover attributable cost;

1 “(ii) improve the net financial position
2 of the Postal Service; and

3 “(iii) do not cause unreasonable dis-
4 ruption in the marketplace, consistent with
5 subsection (c)(10)(B);

6 for purposes of this subparagraph, a group of
7 functionally equivalent agreements shall consist
8 of all service agreements that are functionally
9 equivalent to each other within the same mar-
10 ket-dominant product, but shall not include
11 agreements within an experimental product;”;

12 (2) in paragraph (3), by striking “subsection
13 (c),” and inserting “subsection (c) and the provi-
14 sions of title IV of the Postal Reform Act of 2013,”;
15 and

16 (3) by adding at the end the following:

17 “(4) PRC STUDY.—

18 “(A) IN GENERAL.—Within 90 days after
19 the end of the first fiscal year beginning after
20 the date of enactment of the Postal Reform Act
21 of 2013, the Postal Regulatory Commission
22 shall complete a study to determine the quan-
23 titative impact of the Postal Service’s excess ca-
24 pacity on the direct and indirect postal costs at-
25 tributable to any class that bears less than 100

1 percent of its costs attributable (as described in
2 paragraph (1)(B)), according to the most recent
3 annual determination of the Postal Regulatory
4 Commission under section 3653.

5 “(B) REQUIREMENTS.—The study re-
6 quired under subparagraph (A) shall—

7 “(i) be conducted pursuant to regula-
8 tions that the Postal Regulatory Commis-
9 sion shall prescribe within 90 days after
10 the date of enactment of the Postal Re-
11 form Act of 2013, taking into account ex-
12 isting regulations for proceedings to im-
13 prove the quality, accuracy, or complete-
14 ness of ratemaking information under sec-
15 tion 3652(e)(2) in effect on such date; and

16 “(ii) for any year in which any class
17 of mail bears less than 100 percent of its
18 costs attributable (as described in para-
19 graph (1)(B)), be updated annually by the
20 Postal Service and included in its annual
21 report to the Commission under section
22 3652, using such methodologies as the
23 Commission shall by regulation prescribe.

24 “(5) ADDITIONAL RATES.—Starting not earlier
25 than 12 months and not later than 18 months after

1 the date on which the first study described in para-
2 graph (4) is completed, and at least once in each
3 subsequent 12-month period, the Postal Service shall
4 establish postal rates for each loss-making class of
5 mail to eliminate such losses (other than those
6 caused by the Postal Service's excess capacity) by
7 exhausting all unused rate authority as well as maxi-
8 mizing incentives to reduce costs and increase effi-
9 ciency, subject to the following:

10 “(A) The term ‘loss-making’, as used in
11 this paragraph with respect to a class of mail,
12 means a class of mail that bears less than 100
13 percent of its costs attributable (as described in
14 paragraph (1)(B)), according to the most recent
15 annual determination of the Postal Regulatory
16 Commission under section 3653, adjusted to ac-
17 count for the quantitative effect of excess ca-
18 pacity on the costs attributable of the class.

19 “(B) Unused rate authority shall be annu-
20 ally increased by 2 percentage points for each
21 class of mail that bears less than 90 percent of
22 its costs attributable (as described in paragraph
23 (1)(B)), according to the most recent annual
24 determination of the Postal Regulatory Com-
25 mission under section 3653, adjusted to account

1 for the quantitative effect of excess capacity on
2 the costs attributable of the class, with such in-
3 crease in unused rate authority to take effect
4 30 days after the date that the Commission
5 issues such determination.”.

6 (b) EXCEPTION.—Section 3622(d) is amended by
7 adding after paragraph (5) (as added by subsection
8 (a)(2)) the following:

9 “(6) EXCEPTION.—The requirements of para-
10 graph (1)(B) shall not apply to a market-dominant
11 product for which a substantial portion of the prod-
12 uct’s mail volume consists of inbound international
13 mail with terminal dues rates determined by the
14 Universal Postal Union (and not by bilateral agree-
15 ments or other arrangements).”.

16 **SEC. 402. REPEAL OF RATE PREFERENCES FOR QUALIFIED**
17 **POLITICAL COMMITTEES.**

18 Subsection (e) of section 3626 is repealed.

19 **SEC. 403. USE OF NEGOTIATED SERVICE AGREEMENTS.**

20 (a) STREAMLINED REVIEW OF QUALIFYING SERVICE
21 AGREEMENTS FOR COMPETITIVE PRODUCTS.—Section
22 3633 is amended by adding at the end the following:

23 “(c) STREAMLINED REVIEW.—Not later than 90
24 days after the date of enactment of this subsection, after
25 notice and opportunity for comment, the Postal Regu-

1 latory Commission shall promulgate (and may from time
2 to time thereafter revise) regulations for streamlined
3 after-the-fact review of newly proposed agreements be-
4 tween the Postal Service and users of the mail that provide
5 rates not of general applicability for competitive products.
6 Streamlined review shall apply only if agreements are
7 functionally equivalent to existing agreements that have
8 collectively covered attributable costs and collectively im-
9 proved the net financial position of the Postal Service. The
10 regulations issued under this subsection shall provide that
11 streamlined review shall be concluded not later than 5
12 business days after the date on which the agreement is
13 filed with the Commission and shall be limited to approval
14 or disapproval of the agreement as a whole based on the
15 Commission's determination of its functional equivalence.
16 Agreements not approved may be resubmitted without
17 prejudice under section 3632.”.

18 (b) SUBMISSION OF SERVICE AGREEMENTS FOR
19 STREAMLINED REVIEW.—Section 3632(b) is amended—

20 (1) by redesignating paragraph (4) as para-
21 graph (5); and

22 (2) by inserting after paragraph (3) the fol-
23 lowing:

24 “(4) RATES FOR STREAMLINED REVIEW.—In
25 the case of rates not of general applicability for com-

1 petitive products that the Postmaster General con-
2 siders eligible for streamlined review under section
3 3633(c), the Postmaster General shall cause the
4 agreement to be filed with the Postal Regulatory
5 Commission by a date that is on or before the effec-
6 tive date of any new rate established under the
7 agreement, as the Postmaster General considers ap-
8 propriate.”.

9 (c) **TRANSPARENCY AND ACCOUNTABILITY FOR**
10 **SERVICE AGREEMENTS.—**

11 (1) **CERTAIN INFORMATION REQUIRED TO BE**
12 **INCLUDED IN DETERMINATIONS OF COMPLIANCE.—**

13 Section 3653 is amended—

14 (A) by redesignating subsections (c), (d),
15 and (e) as subsections (d), (e), and (f), respec-
16 tively; and

17 (B) by inserting after subsection (b) the
18 following:

19 “(c) **WRITTEN DETERMINATION.—**Each annual writ-
20 ten determination of the Commission under this section
21 shall include the following:

22 “(1) **REQUIREMENTS.—**For each group of func-
23 tionally equivalent agreements between the Postal
24 Service and users of the mail, whether such group
25 fulfilled requirements to—

1 “(A) cover costs attributable; and

2 “(B) improve the net financial position of
3 the Postal Service.

4 “(2) NONCOMPLIANCE.—Any group of function-
5 ally equivalent agreements not meeting subpara-
6 graphs (A) and (B) of paragraph (1) shall be deter-
7 mined to be in noncompliance under this subsection.

8 “(3) DEFINITION.—For purposes of this sub-
9 section, a group of functionally equivalent agree-
10 ments shall consist of 1 or more service agreements
11 that are functionally equivalent to each other within
12 the same market-dominant or competitive product,
13 but shall not include agreements within an experi-
14 mental product.”.

15 (2) CRITERIA FOR SPECIAL CLASSIFICATIONS
16 RELATING TO MARKET-DOMINANT PRODUCTS.—

17 (A) AMENDMENT.—Section 3622(c)(10) is
18 amended by striking subparagraphs (A) and
19 (B) and inserting the following:

20 “(A) improve the net financial position of
21 the Postal Service by reducing Postal Service
22 costs or increasing the overall contribution to
23 the institutional costs of the Postal Service; and

24 “(B) do not cause—

1 “(i) unfair competitive advantage for
2 the Postal Service or postal users eligible
3 for the agreements; or

4 “(ii) unreasonable disruption to the
5 volume or revenues of other postal users.”.

6 (B) APPLICABILITY.—The amendment
7 made by subparagraph (A) shall take effect on
8 the date of enactment of this Act and shall
9 apply with respect to an agreement that—

10 (i) is filed with the Commission on or
11 after such date of enactment; or

12 (ii) is remanded to the Commission by
13 a court on or after such date of enactment.

14 **SEC. 404. NONPOSTAL SERVICES.**

15 (a) NONPOSTAL SERVICES.—

16 (1) IN GENERAL.—Part IV is amended by add-
17 ing after chapter 36 the following:

18 **“CHAPTER 37—NONPOSTAL SERVICES**

“Sec.

“3701. Purpose.

“3702. Definitions.

“3703. Postal Service advertising program.

“3704. Postal Service program for State governments.

“3705. Postal Service program for other government agencies.

“3706. Transparency and accountability for nonpostal services.

19 **“§ 3701. Purpose**

20 “This chapter is intended to enable the Postal Service
21 to increase its net revenues through specific nonpostal
22 products and services that are expressly authorized by this

1 chapter. Postal Service revenues and expenses under this
2 chapter shall be funded through the Postal Service Fund.

3 **“§ 3702. Definitions**

4 “As used in this chapter—

5 “(1) the term ‘nonpostal services’ is limited to
6 services offered by the Postal Service that are ex-
7 pressly authorized by this chapter and are not postal
8 products or services;

9 “(2) the term ‘attributable costs’ has the same
10 meaning as is given such term in section 3631; and

11 “(3) the term ‘year’ means a fiscal year.

12 **“§ 3703. Postal Service advertising program**

13 “Notwithstanding any other provision of this title,
14 the Postal Service may establish and manage a program
15 that allows entities to advertise at Postal Service facilities,
16 on Postal Service assets, and on Postal Service vehicles.
17 Such a program shall be subject to the following require-
18 ments:

19 “(1) The Postal Service shall at all times en-
20 sure advertising it permits is consistent with the in-
21 tegrity of the Postal Service.

22 “(2) Any advertising program is required to
23 cover a minimum of 200 percent of its attributable
24 costs in each year.

1 “(3) All advertising expenditures and revenues
2 are subject to annual compliance determination (in-
3 cluding remedies for noncompliance) applicable to
4 nonpostal products.

5 “(4) Total advertising expenditures and reve-
6 nues must be disclosed in Postal Service annual re-
7 ports.

8 **“§ 3704. Postal Service program for State govern-**
9 **ments**

10 “(a) IN GENERAL.—Notwithstanding any other pro-
11 vision of this title, the Postal Service may establish a pro-
12 gram to provide services for agencies of State governments
13 within the United States, but only if such services—

14 “(1) shall provide enhanced value to the public,
15 such as by lowering the cost or raising the quality
16 of such services or by making such services more ac-
17 cessible;

18 “(2) do not interfere with or detract from the
19 value of postal services, including—

20 “(A) the cost and efficiency of postal serv-
21 ices; and

22 “(B) unreasonable access to postal retail
23 service, such as customer waiting time and ac-
24 cess to parking; and

1 “(3) provide a reasonable contribution to the in-
2 stitutional costs of the Postal Service, defined as re-
3 imbursement for each service and covering at least
4 150 percent of the attributable costs of such service
5 in each year.

6 “(b) PUBLIC NOTICE.—At least 90 days before offer-
7 ing any services under this section, the Postal Service shall
8 make each agreement with State agencies readily available
9 to the public on its Web site, including a business plan
10 that describes the specific services to be provided, the en-
11 hanced value to the public, terms of reimbursement, the
12 estimated annual reimbursement to the Postal Service,
13 and the estimated percentage of attributable Postal Serv-
14 ice costs that will be covered by reimbursement (with doc-
15 umentation to support these estimates). The Postal Serv-
16 ice shall solicit public comment for at least 30 days, with
17 comments posted on its Web site, followed by its written
18 response posted on its Web site at least 30 days before
19 offering such services.

20 “(c) APPROVAL REQUIRED.—The Governors of the
21 Postal Service shall approve the provision of services
22 under this section by a recorded vote, with at least $\frac{2}{3}$ of
23 its membership voting for approval, with the vote publicly
24 disclosed on the Postal Service Web site.

1 “(d) CLASSIFICATION OF SERVICES.—All services for
2 a given agency provided under this section shall be classi-
3 fied as a separate activity subject to the requirements of
4 annual reporting under section 3706. Such reporting shall
5 also include information on the quality of service and re-
6 lated information to demonstrate that it satisfied the re-
7 quirements of subsection (a). Information provided under
8 this section shall be according to requirements that the
9 Postal Regulatory Commission shall by regulation pre-
10 scribe.

11 “(e) DEFINITIONS.—For the purpose of this sec-
12 tion—

13 “(1) the term ‘State’ includes the District of
14 Columbia, the Commonwealth of Puerto Rico, the
15 United States Virgin Islands, Guam, American
16 Samoa, the Commonwealth of the Northern Mariana
17 Islands, and any other territory or possession of the
18 United States; and

19 “(2) the term ‘United States’, when used in a
20 geographical sense, means the States.

21 **“§ 3705. Postal Service program for other government**
22 **agencies**

23 “(a) IN GENERAL.—The Postal Service may establish
24 a program to provide property and services for other gov-
25 ernment agencies within the meaning of section 411, but

1 only if such program provides a reasonable contribution
2 to the institutional costs of the Postal Service, defined as
3 reimbursement by each agency that covers at least 100
4 percent of the attributable costs of all property and service
5 provided by the Postal Service in each year to such agency.

6 “(b) CLASSIFICATION OF SERVICES.—For each agen-
7 cy, all property and services provided by the Postal Service
8 under this section shall be classified as a separate activity
9 subject to the requirements of annual reporting under sec-
10 tion 3706. Information provided under this section shall
11 be according to requirements that the Postal Regulatory
12 Commission shall by regulation prescribe.

13 **“§ 3706. Transparency and accountability for non-**
14 **postal services**

15 “(a) ANNUAL REPORTS TO THE COMMISSION.—

16 “(1) IN GENERAL.—The Postal Service shall,
17 no later than 90 days after the end of each year,
18 prepare and submit to the Postal Regulatory Com-
19 mission a report (together with such nonpublic
20 annex to the report as the Commission may require
21 under subsection (b)) which shall analyze costs, reve-
22 nues, rates, and quality of service for this chapter,
23 using such methodologies as the Commission shall
24 by regulation prescribe, and in sufficient detail to

1 demonstrate compliance with all applicable require-
2 ments of this chapter.

3 “(2) AUDITS.—The Inspector General shall reg-
4 ularly audit the data collection systems and proce-
5 dures utilized in collecting information and pre-
6 paring such report. The results of any such audit
7 shall be submitted to the Postal Service and the
8 Postal Regulatory Commission.

9 “(b) SUPPORTING MATTER.—The Postal Regulatory
10 Commission shall have access, in accordance with such
11 regulations as the Commission shall prescribe, to the
12 working papers and any other supporting matter of the
13 Postal Service and the Inspector General in connection
14 with any information submitted under this section.

15 “(c) CONTENT AND FORM OF REPORTS.—

16 “(1) IN GENERAL.—The Postal Regulatory
17 Commission shall, by regulation, prescribe the con-
18 tent and form of the public reports (and any non-
19 public annex and supporting matter relating to the
20 report) to be provided by the Postal Service under
21 this section. Such reports shall be included with the
22 annual compliance determination reported under sec-
23 tion 3653. In carrying out this subsection, the Com-
24 mission shall give due consideration to—

1 “(A) providing the public with timely, ade-
2 quate information to assess compliance;

3 “(B) avoiding unnecessary or unwarranted
4 administrative effort and expense on the part of
5 the Postal Service; and

6 “(C) protecting the confidentiality of infor-
7 mation that is commercially sensitive or is ex-
8 empt from public disclosure under section
9 552(b) of title 5.

10 “(2) REVISED REQUIREMENTS.—The Commis-
11 sion may, on its own motion or on request of any
12 interested party, initiate proceedings (to be con-
13 ducted in accordance with regulations that the Com-
14 mission shall prescribe) to improve the quality, accu-
15 racy, or completeness of Postal Service data required
16 by the Commission under this subsection whenever
17 it shall appear that—

18 “(A) the attribution of costs or revenues to
19 property or services under this chapter has be-
20 come significantly inaccurate or can be signifi-
21 cantly improved;

22 “(B) the quality of service data provided to
23 the Commission for annual reports under this
24 chapter has become significantly inaccurate or
25 can be significantly improved; or

1 “(C) such revisions are, in the judgment of
2 the Commission, otherwise necessitated by the
3 public interest.

4 “(d) CONFIDENTIAL INFORMATION.—

5 “(1) IN GENERAL.—If the Postal Service deter-
6 mines that any document or portion of a document,
7 or other matter, which it provides to the Postal Reg-
8 ulatory Commission in a nonpublic annex under this
9 section contains information which is described in
10 section 410(c) of this title, or exempt from public
11 disclosure under section 552(b) of title 5, the Postal
12 Service shall, at the time of providing such matter
13 to the Commission, notify the Commission of its de-
14 termination, in writing, and describe with particu-
15 larity the documents (or portions of documents) or
16 other matter for which confidentiality is sought and
17 the reasons therefor.

18 “(2) TREATMENT.—Any information or other
19 matter described in paragraph (1) to which the
20 Commission gains access under this section shall be
21 subject to paragraphs (2) and (3) of section 504(g)
22 in the same way as if the Commission had received
23 notification with respect to such matter under sec-
24 tion 504(g)(1).

25 “(e) ANNUAL COMPLIANCE DETERMINATION.—

1 “(1) OPPORTUNITY FOR PUBLIC COMMENT.—
2 After receiving the reports required under subsection
3 (a) for any year, the Postal Regulatory Commission
4 shall promptly provide an opportunity for comment
5 on such reports by any interested party, and an offi-
6 cer of the Commission who shall be required to rep-
7 resent the interests of the general public.

8 “(2) DETERMINATION OF COMPLIANCE OR NON-
9 COMPLIANCE.—Not later than 90 days after receiv-
10 ing the submissions required under subsection (a)
11 with respect to a year, the Postal Regulatory Com-
12 mission shall make a written determination as to
13 whether any nonpostal activities during such year
14 were or were not in compliance with applicable pro-
15 visions of this chapter (or regulations promulgated
16 under this chapter). The Postal Regulatory Commis-
17 sion shall issue a determination of noncompliance if
18 the requirements for coverage of attributable costs
19 are not met. If, with respect to a year, no instance
20 of noncompliance is found to have occurred in such
21 year, the written determination shall be to that ef-
22 fect.

23 “(3) NONCOMPLIANCE.—If, for a year, a timely
24 written determination of noncompliance is made
25 under this chapter, the Postal Regulatory Commis-

1 sion shall take appropriate action. If the require-
2 ments for coverage of attributable costs specified by
3 this chapter are not met, the Commission shall,
4 within 60 days after the determination, prescribe re-
5 medial action to restore compliance as soon as prac-
6 ticable, which shall also include the full restoration
7 of revenue shortfalls during the following fiscal year.
8 The Commission may order the Postal Service to
9 discontinue a nonpostal service under section 3703
10 or 3704 that persistently fails to meet cost coverage
11 requirements.

12 “(4) DELIBERATE NONCOMPLIANCE.—In addi-
13 tion, in cases of deliberate noncompliance by the
14 Postal Service with the requirements of this chapter,
15 the Postal Regulatory Commission may order, based
16 on the nature, circumstances, extent, and serious-
17 ness of the noncompliance, a fine (in the amount
18 specified by the Commission in its order) for each
19 incidence of such noncompliance. All receipts from
20 fines imposed under this subsection shall be depos-
21 ited in the general fund of the Treasury of the
22 United States.”.

23 (2) CLERICAL AMENDMENT.—The table of
24 chapters at the beginning of part IV is amended by

1 adding after the item relating to chapter 36 the fol-
 2 lowing:

“37. Nonpostal Services 3701”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) SECTION 404(e).—Section 404(e) is amend-
 5 ed by adding at the end the following:

6 “(6) Licensing which, before the date of enactment
 7 of this paragraph, has been authorized by the Postal Reg-
 8 ulatory Commission for continuation as a nonpostal serv-
 9 ice may not be used for any purpose other than—

10 “(A) to continue to provide licensed mailing and
 11 shipping supplies offered as of June 23, 2011; or

12 “(B) to license other goods, products, or serv-
 13 ices, the primary purpose of which is to promote and
 14 enhance the image or brand of the Postal Service.

15 “(7) Nothing in this section shall be considered to
 16 prevent the Postal Service from establishing nonpostal
 17 products and services that are expressly authorized by
 18 chapter 37.”.

19 (2) SECTION 409.—Section 409(f) is amended
 20 by inserting at the end the following:

21 “(7) The provisions of this section shall not apply to
 22 any outdoor advertising structure or sign constructed, in-
 23 stalled, operated, or maintained on a facility or asset
 24 owned or operated by the Postal Service except in a juris-
 25 diction in which posting of off premise advertising signs

1 for all persons, entities, governmental agencies, and others
2 is prohibited by law.”.

3 (3) SECTION 411.—The last sentence of section
4 411 is amended by striking “including
5 reimbursability” and inserting “including
6 reimbursability within the limitations of chapter
7 37”.

8 (4) TREATMENT OF EXISTING NONPOSTAL
9 SERVICES.—All individual nonpostal services, pro-
10 vided directly or through licensing, that are contin-
11 ued pursuant to section 404(e) of title 39, United
12 States Code, shall be considered to be expressly au-
13 thorized by chapter 37 of such title (as added by
14 subsection (a)(1)) and shall be subject to the re-
15 quirements of such chapter.

16 **SEC. 405. ALASKA BYPASS MAIL MODERNIZATION.**

17 (a) FAIR COMPETITION FOR ALASKA BYPASS
18 MAIL.—

19 (1) IN GENERAL.—Section 5402 is amended—

20 (A) in subsection (g)(4)—

21 (i) in subparagraph (A), by striking
22 “existing”;

23 (ii) in subparagraph (B)—

24 (I) in the matter preceding clause

25 (i), by striking “an existing mainline

1 carrier” and inserting “a carrier per-
2 mitted under subparagraph (A)”; and

3 (II) in clause (i), by striking “ex-
4 isting mainline carriers” and inserting
5 “mainline carriers providing service”;
6 and

7 (iii) in subparagraph (C), by striking
8 “existing”;

9 (B) in subsection (g)(5)—

10 (i) in subparagraph (A), by striking
11 “new”;

12 (ii) in subparagraph (B), by striking
13 “new”; and

14 (iii) in subparagraph (C), by striking
15 “new”;

16 (C) in subsection (h)(3)(A), by striking
17 “new or existing”; and

18 (D) in subsection (i)(3), by striking “new”.

19 (2) CONFORMING AMENDMENT.—Paragraphs
20 (12) and (15) of section 5402(a) are repealed.

21 (b) REDUCTION OF ALASKA BYPASS MAIL SUB-
22 SIDY.—

23 (1) IN GENERAL.—Chapter 54 is amended by
24 adding at the end the following:

1 **“§ 5404. Reduction of Alaska bypass mail subsidy**

2 “(a) COMPETITIVE PRODUCT CLASSIFICATION.—

3 “(1) IN GENERAL.—Except as provided in this
4 section, Alaska bypass mail service under section
5 5402 shall be treated as a separate competitive
6 product for all purposes.

7 “(2) TRANSFER PROHIBITED.—No part of
8 Alaska bypass mail service may be transferred to the
9 market-dominant category of mail under section
10 3642.

11 “(3) LIMITATIONS.—Alaska bypass mail service
12 shall not be treated as a competitive product for
13 purposes of the implementation of sections 3633(a)
14 and 3634.

15 “(b) MINIMUM COST COVERAGE.—

16 “(1) IN GENERAL.—The Postal Service shall es-
17 tablish and maintain rates and fees for matter sent
18 by Alaska bypass mail service—

19 “(A) for fiscal year 2014, that cover at
20 least 30 percent of the costs attributable to
21 Alaska bypass mail service in that fiscal year;

22 “(B) for fiscal year 2015, that cover at
23 least 35 percent of the costs attributable to
24 Alaska bypass mail service in that fiscal year;

1 “(C) for fiscal year 2016, that cover at
2 least 40 percent of the costs attributable to
3 Alaska bypass mail service in that fiscal year;

4 “(D) for fiscal year 2017, that cover at
5 least 45 percent of the costs attributable to
6 Alaska bypass mail service in that fiscal year;
7 and

8 “(E) for fiscal year 2018 and for each fis-
9 cal year thereafter, that cover at least 50 per-
10 cent of the costs attributable to Alaska bypass
11 mail service in the applicable fiscal year.

12 “(2) COSTS ATTRIBUTABLE.—The costs attrib-
13 utable to Alaska bypass mail service for a fiscal year
14 shall include all the direct and indirect costs of Alas-
15 ka bypass mail service during that fiscal year that
16 are attributable to that service through reliably iden-
17 tified causal relationships.

18 “(3) INSTITUTIONAL COSTS.—Costs that can be
19 attributed to Alaska bypass mail service may not be
20 classified as institutional costs of the Postal Service.

21 “(c) COMPLIANCE.—

22 “(1) ANNUAL REVIEW.—At least once each fis-
23 cal year, the Postal Regulatory Commission shall de-
24 termine whether the Postal Service is in compliance
25 with the requirements under subsection (b).

1 “(2) REMEDIAL ACTIONS.—If, under paragraph
2 (1), the Postal Regulatory Commission determines
3 that the Postal Service has not complied with the re-
4 quirements under subsection (b) with respect to a
5 fiscal year, the Commission shall prescribe, not later
6 than 60 days after making such determination, ac-
7 tions to ensure—

8 “(A) the establishment and maintenance of
9 rates and fees for Alaska bypass mail service
10 that recover any costs required to have been
11 covered for such fiscal year under subsection
12 (b), but that were not covered, by the date that
13 is not later than the last day of the fiscal year
14 that follows such fiscal year; and

15 “(B) compliance with the requirements
16 under subsection (b) in subsequent fiscal years.

17 “(3) LIMITATION.—The Postal Regulatory
18 Commission may not order the Postal Service to dis-
19 continue Alaska bypass mail service.

20 “(4) REGULATIONS.—Not later than 90 days
21 after the date of enactment of this subsection, the
22 Postal Regulatory Commission shall issue regula-
23 tions to implement this subsection.”.

1 (2) CLERICAL AMENDMENT.—The table of sec-
2 tions for chapter 54 is amended by adding at the
3 end the following:

“5404. Reduction of Alaska bypass mail subsidy.”.

4 **SEC. 406. APPROPRIATIONS MODERNIZATION.**

5 (a) IN GENERAL.—Section 2401 is amended by strik-
6 ing subsections (b) through (d).

7 (b) EFFECTIVE DATE.—The amendment made by
8 subsection (a) shall be effective with respect to fiscal years
9 beginning after the date of enactment of this Act.

10 (c) CONFORMING AMENDMENT.—(1) Section 3627 is
11 repealed.

12 (2) *The table of sections for chapter 36 is amended by*
13 *striking the item relating to section 3627.*

14 **SEC. 407. ENHANCED PRODUCT INNOVATION.**

15 (a) DOLLAR-AMOUNT LIMITATION RELATING TO
16 MARKET TESTS OF EXPERIMENTAL PRODUCTS.—Section
17 3641(e)(1) is amended by striking “\$10,000,000” and in-
18 serting “\$50,000,000”.

19 (b) DOLLAR-AMOUNT LIMITATION RELATING TO EX-
20 EMPTION AUTHORITY.—Section 3641(e)(2) is amended by
21 striking “\$50,000,000” and inserting “\$100,000,000”.

1 **TITLE V—POSTAL SERVICE**
2 **FINANCE**

3 **SEC. 501. TREATMENT OF POSTAL SERVICE**
4 **POSTEMPLOYMENT BENEFIT FUNDING PRO-**
5 **JECTED SURPLUSES.**

6 Section 8423(b)(4) of title 5, United States Code, is
7 amended by adding at the end the following:

8 “(C) Not later than 30 days after the end
9 of each fiscal year, the Office of Personnel
10 Management shall transfer from Postal Service
11 Federal Employee Retirement System monies
12 within the Civil Service Retirement and Dis-
13 ability Fund to the Postal Service Retiree
14 Health Benefits Fund an amount equal to the
15 negative supplemental liability (if any), as cal-
16 culated under paragraph (1)(B), for the most
17 recent fiscal year available, less the sum of—

18 “(i) the Postal supplemental liability,
19 calculated under section 8348(h), for the
20 same fiscal year (if any); and

21 “(ii) any contribution required by this
22 section that the Postal Service has not
23 made between the close of the fiscal year
24 of the calculation under paragraph (1)(B)
25 and the close of the most recent fiscal

1 year, as determined by the Office of Per-
2 sonnel Management.”.

3 **SEC. 502. RETIREE HEALTH BENEFIT LIABILITY PAYMENT**
4 **SCHEDULE.**

5 (a) IN GENERAL.—Subsection 8909a(d) of title 5,
6 United States Code, is amended—

7 (1) in paragraph (2)(B), by striking “2017”
8 and inserting “2015”; and

9 (2) in paragraph (3)—

10 (A) in subparagraph (A)—

11 (i) in clause (iii), by adding “and” at
12 the end;

13 (ii) in clause (iv), by striking the
14 semicolon at the end and inserting a pe-
15 riod; and

16 (iii) by striking clauses (v) through
17 (x); and

18 (B) in subparagraph (B), by striking
19 “2017” and inserting “2015”.

20 (b) CONFORMING AMENDMENT.—Section
21 8906(g)(2)(A) of title 5, United States Code, is amended
22 by striking “2016” and inserting “2014”.

23 (c) TECHNICAL CORRECTION.—The heading for sec-
24 tion 8909a of title 5, United States Code, is amended by
25 striking “**Benefit**” and inserting “**Benefits**”.

1 **SEC. 503. SUPPLEMENTARY BORROWING AUTHORITY DUR-**
2 **ING A CONTROL PERIOD.**

3 (a) IN GENERAL.—Chapter 20 is amended by adding
4 after section 2011 the following:

5 **“§ 2012. Supplementary borrowing authority**

6 “(a) SUPPLEMENTARY BORROWING AUTHORITY.—
7 Upon the commencement of the control period, subject to
8 the approval of the Authority, the Postal Service is author-
9 ized to borrow money and issue and sell such obligations
10 as may be necessary to carry out the purposes of this title,
11 to the same extent, in the same manner, and subject to
12 the same terms and conditions as if the maximum amount
13 allowable under the provisions of section 2005(a)(2) for
14 the fiscal year involved were equal to the maximum
15 amount which (but for this section) would otherwise be
16 allowable under such provisions, increased by
17 \$5,000,000,000.

18 “(b) SUNSET.—The authority to borrow money and
19 to issue and sell obligations under subsection (a) shall
20 cease to be available after September 30, 2022.

21 “(c) DEPOSIT.—Any amounts received under this
22 section shall be deposited in the Postal Service Fund.

23 “(d) PROPERTIES TO BE SET ASIDE.—Notwith-
24 standing section 2005(b)(2), the Postal Service shall take
25 such measures as may be necessary and appropriate so
26 that, during any period in which the Postal Service is

1 using supplemental borrowing authority under subsection
2 (a), a sufficient amount of real property has been pledged
3 or otherwise set aside by the Postal Service to carry out
4 subsection (e).

5 “(e) OUTSTANDING SUPPLEMENTAL DEBT REDUC-
6 TION.—

7 “(1) IN GENERAL.—In the case of any full fis-
8 cal year in which the Postal Service borrows funds
9 pursuant to subsection (a), the Postal Service shall,
10 not later than September 30 of such fiscal year, de-
11 posit into the Postal Service Fund an amount such
12 that the total obligations accrued and outstanding
13 pursuant to subsection (a) are, as of the close of
14 such fiscal year, at least 20 percent less than the
15 total obligations so accrued and outstanding as of
16 the start of such fiscal year.

17 “(2) SENSE OF CONGRESS.—It is the sense of
18 Congress that, to achieve the requirement of para-
19 graph (1), the Postal Service should dispose of such
20 real property as may be necessary.

21 “(f) DEFINITIONS.—For purposes of this section—

22 “(1) the term ‘Authority’ means the Postal
23 Service Financial Responsibility and Management
24 Assistance Authority, established in title II of the
25 Postal Reform Act of 2013; and

1 under this paragraph shall not exceed
2 \$1,000,000,000.

3 “(2) APPLICABILITY OF SECTION 2005.—The
4 provisions of subsections 2005(b), (c), and (d) shall
5 apply to obligations issued under this subsection.

6 “(3) DEPOSIT.—Any amounts received by the
7 Postal Service as a result of paragraph (1) shall be
8 deposited in the Postal Service Delivery-Point Mod-
9 ernization Fund.

10 “(c) SUNSET.—The authority to borrow money and
11 to issue and sell obligations under subsection (b) shall
12 cease to be available after September 30, 2023.

13 “(d) BUDGETARY TREATMENT.—The receipts and
14 disbursements of the Postal Service Delivery-Point Mod-
15 ernization Fund shall be accorded the same budgetary
16 treatment as is accorded to receipts and disbursements of
17 the Postal Service Fund under section 2009a.

18 “(e) TERMINATION OF FUND.—On September 30,
19 2023, any funds remaining in the Postal Service Delivery-
20 Point Modernization Fund shall be used to satisfy any re-
21 maining obligations under subsection (b)(1), and any
22 funds in excess of such obligations shall be deposited in
23 the Postal Service Fund. After any excess funds have been
24 so deposited, the Postal Service Delivery-Point Moderniza-
25 tion Fund shall be terminated.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
 2 for chapter 20 is amended by adding after the item relat-
 3 ing to section 2012 (as added by section 503(b)) the fol-
 4 lowing:

“2013. Postal Service Delivery-Point Modernization Fund.”.

5 **SEC. 505. SPECIFIC RETIREMENT LIABILITY CALCULA-**
 6 **TIONS RELATING TO THE POSTAL SERVICE.**

7 (a) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—
 8 Section 8423(a) of title 5, United States Code, is amend-
 9 ed—

10 (1) in paragraph (1)—

11 (A) in subparagraph (A)—

12 (i) in clause (i), by striking “subpara-
 13 graph (B)),” and inserting “subparagraph
 14 (B) or (C)),”; and

15 (ii) in clause (ii), by striking “and”
 16 after the semicolon;

17 (B) in subparagraph (B)(ii), by striking
 18 the period at the end and inserting “; and”;
 19 and

20 (C) by adding at the end the following:

21 “(C) the product of—

22 “(i) the normal-cost percentage, as deter-
 23 mined for employees (other than employees cov-
 24 ered by subparagraph (B)) of the United States

1 Postal Service under paragraph (5), multiplied
2 by

3 “(ii) the aggregate amount of basic pay
4 payable by the United States Postal Service, for
5 the period involved, to employees of the United
6 States Postal Service.”; and

7 (2) by adding at the end the following:

8 “(5)(A) In determining the normal-cost percentage
9 for employees of the United States Postal Service for pur-
10 poses of paragraph (1)(C), the Office—

11 “(i) shall use demographic factors specific to
12 such employees, unless such data cannot be gen-
13 erated; and

14 “(ii) may use economic assumptions regarding
15 wage and salary growth that reflect the specific past,
16 and likely future, pay for such employees.

17 “(B) The United States Postal Service shall provide
18 any data or projections the Office requires in order to de-
19 termine the normal-cost percentage for employees of the
20 United States Postal Service, consistent with subpara-
21 graph (A).

22 “(C) The Office shall review the determination of the
23 normal-cost percentage for employees of the United States
24 Postal Service and make such adjustments as the Office
25 considers necessary—

1 “(i) upon request of the United States Postal
2 Service, but not more frequently than once each fis-
3 cal year; and

4 “(ii) at such other times as the Office considers
5 appropriate.

6 “(6) For the purpose of carrying out subsection
7 (b)(1)(B), and consistent with paragraph (5), for fiscal
8 year 2013, and each fiscal year thereafter, the Office—

9 “(A) shall use demographic factors specific to
10 current and former employees of the United States
11 Postal Service, unless such data cannot be gen-
12 erated; and

13 “(B) may use economic assumptions regarding
14 wage and salary growth that reflect the specific past,
15 and likely future, pay for current employees of the
16 United States Postal Service.”.

17 (b) CIVIL SERVICE RETIREMENT SYSTEM.—Section
18 8348(h) of title 5, United States Code, is amended by add-
19 ing at the end the following:

20 “(4) For the purpose of carrying out paragraph (1),
21 consistent with section 8423(b)(1)(B), for fiscal year
22 2013, and each fiscal year thereafter, the Office—

23 “(A) shall use demographic factors specific to
24 current and former employees of the United States

1 Postal Service, unless such data cannot be gen-
2 erated; and

3 “(B) may use economic assumptions regarding
4 wage and salary growth that reflect the specific past,
5 and likely future, pay for current employees of the
6 United States Postal Service.”.

7 **TITLE VI—POSTAL**
8 **CONTRACTING REFORM**

9 **SEC. 601. CONTRACTING PROVISIONS.**

10 (a) IN GENERAL.—Part I is amended by adding at
11 the end the following:

12 **“CHAPTER 7—CONTRACTING PROVISIONS**

“Sec.

“701. Definitions.

“702. Advocate for competition.

“703. Delegation of contracting authority.

“704. Posting of noncompetitive purchase requests for noncompetitive contracts.

“705. Review of ethical issues.

“706. Ethical restrictions on participation in certain contracting activity.

13 **“§ 701. Definitions**

14 “In this chapter—

15 “(1) the term ‘contracting officer’ means an
16 employee of a covered postal entity who has author-
17 ity to enter into a postal contract;

18 “(2) the term ‘covered postal entity’ means—

19 “(A) the Postal Service; or

20 “(B) the Postal Regulatory Commission;

21 “(A)

1 “(3) the term ‘head of a covered postal entity’
2 means—

3 “(A) in the case of the Postal Service, the
4 Postmaster General; or

5 “(B) in the case of the Postal Regulatory
6 Commission, the Chairman of the Postal Regu-
7 latory Commission;

8 “(4) the term ‘postal contract’ means—

9 “(A) in the case of the Postal Service, any
10 contract (including any agreement or memo-
11 randum of understanding) entered into by the
12 Postal Service for the procurement of goods or
13 services; or

14 “(B) in the case of the Postal Regulatory
15 Commission, any contract (including any agree-
16 ment or memorandum of understanding) in an
17 amount exceeding the simplified acquisition
18 threshold (as defined in section 134 of title 41
19 and adjusted under section 1908 of such title)
20 entered into by the Postal Regulatory Commis-
21 sion for the procurement of goods or services;
22 and

23 “(5) the term ‘senior procurement executive’
24 means the senior procurement executive of a covered
25 postal entity.

1 **“§ 702. Advocate for competition**

2 “(a) ESTABLISHMENT AND DESIGNATION.—

3 “(1) There is established in each covered postal
4 entity an advocate for competition.

5 “(2) The head of each covered postal entity
6 shall designate for the covered postal entity 1 or
7 more officers or employees (other than the senior
8 procurement executive) to serve as the advocate for
9 competition.

10 “(b) RESPONSIBILITIES.—The advocate for competi-
11 tion of a covered postal entity shall—

12 “(1) be responsible for promoting—

13 “(A) the contracting out of functions of
14 the covered postal entity that the private sector
15 can perform equally well or better, and at lower
16 cost; and

17 “(B) competition to the maximum extent
18 practicable consistent with obtaining best value
19 by promoting the acquisition of commercial
20 items and challenging barriers to competition;

21 “(2) review the procurement activities of the
22 covered postal entity; and

23 “(3) prepare and transmit the annual report re-
24 quired under subsection (c).

25 “(c) ANNUAL REPORT.—

1 “(1) PREPARATION.—The advocate for competi-
2 tion of a covered postal entity shall prepare an an-
3 nual report describing the following:

4 “(A) The activities of the advocate under
5 this section.

6 “(B) Initiatives required to promote con-
7 tracting out and competition.

8 “(C) Barriers to contracting out and com-
9 petition.

10 “(D) In the case of the report prepared by
11 the competition advocate of the Postal Service,
12 the number of waivers made by the Postal Serv-
13 ice under section 704(c).

14 “(2) TRANSMISSION.—The report under this
15 subsection shall be transmitted—

16 “(A) to Congress;

17 “(B) to the head of the postal entity;

18 “(C) to the senior procurement executive
19 of the entity;

20 “(D) in the case of the competition advo-
21 cate of the Postal Service, to each member of
22 the Postal Service Board of Governors; and

23 “(E) in the case of the competition advo-
24 cate of the Postal Regulatory Commission, to
25 each of the Commissioners of the Commission.

1 **“§ 703. Delegation of contracting authority**

2 “(a) IN GENERAL.—

3 “(1) POLICY.—Not later than 60 days after the
4 date of enactment of this chapter, the head of each
5 covered postal entity shall issue a policy on con-
6 tracting officer delegations of authority for postal
7 contracts for the covered postal entity.

8 “(2) CONTENTS.—The policy issued under
9 paragraph (1) shall require that—

10 “(A) notwithstanding any delegation of au-
11 thority with respect to postal contracts, the ulti-
12 mate responsibility and accountability for the
13 award and administration of postal contracts
14 resides with the senior procurement executive;
15 and

16 “(B) a contracting officer shall maintain
17 an awareness of and engagement in the activi-
18 ties being performed on postal contracts of
19 which that officer has cognizance, notwith-
20 standing any delegation of authority that may
21 have been executed.

22 “(b) POSTING OF DELEGATIONS.—

23 “(1) IN GENERAL.—The head of each covered
24 postal entity shall make any delegation of authority
25 for postal contracts outside the functional con-

1 tracting unit readily available and accessible on the
2 Web site of the covered postal entity.

3 “(2) EFFECTIVE DATE.—This paragraph shall
4 apply to any delegation of authority made on or
5 after 30 days after the date of enactment of this
6 chapter.

7 **“§ 704. Posting of noncompetitive purchase requests**
8 **for noncompetitive contracts**

9 “(a) POSTING REQUIRED.—

10 “(1) POSTAL REGULATORY COMMISSION.—The
11 Postal Regulatory Commission shall make the non-
12 competitive purchase request for any noncompetitive
13 award for any contract (including any agreement or
14 memorandum of understanding) entered into by the
15 Postal Regulatory Commission for the procurement
16 of goods and services, in an amount of \$20,000 or
17 more, including the rationale supporting the non-
18 competitive award, publicly available on the Web site
19 of the Postal Regulatory Commission—

20 “(A) not later than 14 days after the date
21 of the award of the noncompetitive contract; or

22 “(B) not later than 30 days after the date
23 of the award of the noncompetitive contract, if
24 the basis for the award was a compelling busi-
25 ness interest.

1 “(2) POSTAL SERVICE.—The Postal Service
2 shall make the noncompetitive purchase request for
3 any noncompetitive award of a postal contract in an
4 amount of \$250,000 or more, including the rationale
5 supporting the noncompetitive award, publicly avail-
6 able on the Web site of the Postal Service—

7 “(A) not later than 14 days after the date
8 of the award; or

9 “(B) not later than 30 days after the date
10 of the award, if the basis for the award was a
11 compelling business interest.

12 “(3) ADJUSTMENTS TO THE POSTING THRESH-
13 OLD FOR THE POSTAL SERVICE.—

14 “(A) REVIEW AND DETERMINATION.—Not
15 later than January 31 of each year, the Postal
16 Service shall—

17 “(i) review the \$250,000 threshold es-
18 tablished under paragraph (2); and

19 “(ii) based on any change in the Con-
20 sumer Price Index for All Urban Con-
21 sumers of the Department of Labor, deter-
22 mine whether an adjustment to the thresh-
23 old shall be made.

24 “(B) AMOUNT OF ADJUSTMENTS.—An ad-
25 justment under subparagraph (A) shall be made

1 in increments of \$5,000. If the Postal Service
2 determines that a change in the Consumer
3 Price Index for a year would require an adjust-
4 ment in an amount that is less than \$5,000, the
5 Postal Service may not make an adjustment to
6 the threshold for the year.

7 “(4) EFFECTIVE DATE.—This subsection shall
8 apply to any noncompetitive contract awarded on or
9 after the date that is 90 days after the date of en-
10 actment of this chapter.

11 “(b) PUBLIC AVAILABILITY.—

12 “(1) IN GENERAL.—Subject to paragraph (2),
13 the information required to be made publicly avail-
14 able by a covered postal entity under subsection (a)
15 shall be readily accessible on the Web site of the cov-
16 ered postal entity.

17 “(2) PROTECTION OF PROPRIETARY INFORMA-
18 TION.—A covered postal entity shall—

19 “(A) carefully screen any description of the
20 rationale supporting a noncompetitive award re-
21 quired to be made publicly available under sub-
22 section (a) to determine whether the description
23 includes proprietary data (including any ref-
24 erence or citation to the proprietary data) or se-
25 curity-related information; and

1 “(B) remove any proprietary data or secu-
2 rity-related information before making publicly
3 available a description of the rationale sup-
4 porting a noncompetitive award.

5 “(c) WAIVERS.—

6 “(1) WAIVER PERMITTED.—If the Postal Serv-
7 ice determines that making a noncompetitive pur-
8 chase request for a postal contract of the Postal
9 Service publicly available would risk placing the
10 Postal Service at a competitive disadvantage relative
11 to a private sector competitor, the senior procure-
12 ment executive, in consultation with the advocate for
13 competition of the Postal Service, may waive the re-
14 quirements under subsection (a).

15 “(2) FORM AND CONTENT OF WAIVER.—

16 “(A) FORM.—A waiver under paragraph
17 (1) shall be in the form of a written determina-
18 tion placed in the file of the contract to which
19 the noncompetitive purchase request relates.

20 “(B) CONTENT.—A waiver under para-
21 graph (1) shall include—

22 “(i) a description of the risk associ-
23 ated with making the noncompetitive pur-
24 chase request publicly available; and

1 “(ii) a statement that redaction of
2 sensitive information in the noncompetitive
3 purchase request would not be sufficient to
4 protect the Postal Service from being
5 placed at a competitive disadvantage rel-
6 ative to a private sector competitor.

7 “(3) DELEGATION OF WAIVER AUTHORITY.—
8 The Postal Service may not delegate the authority to
9 approve a waiver under paragraph (1) to any em-
10 ployee having less authority than the senior procure-
11 ment executive.

12 **“§ 705. Review of ethical issues**

13 “If a contracting officer identifies any ethical issues
14 relating to a proposed contract and submits those issues
15 and that proposed contract to the designated ethics official
16 for the covered postal entity before the awarding of that
17 contract, that ethics official shall—

18 “(1) review the proposed contract; and

19 “(2) advise the contracting officer on the appro-
20 priate resolution of ethical issues.

21 **“§ 706. Ethical restrictions on participation in certain**
22 **contracting activity**

23 “(a) DEFINITIONS.—In this section—

24 “(1) the term ‘covered employee’ means—

25 “(A) a contracting officer; or

1 “(B) any employee of a covered postal en-
2 tity whose decisionmaking affects a postal con-
3 tract as determined by regulations prescribed
4 by the head of a covered postal entity;

5 “(2) the term ‘final conviction’ means a convic-
6 tion, whether entered on a verdict or plea, including
7 a plea of nolo contendere, for which a sentence has
8 been imposed; and

9 “(3) the term ‘covered relationship’ means a
10 covered relationship described in section
11 2635.502(b)(1) of title 5, Code of Federal Regula-
12 tions, or any successor thereto.

13 “(b) IN GENERAL.—

14 “(1) REGULATIONS.—The head of each covered
15 postal entity shall prescribe regulations that—

16 “(A) require a covered employee to include
17 in the file of any noncompetitive purchase re-
18 quest for a noncompetitive postal contract a
19 written certification that—

20 “(i) discloses any covered relationship
21 of the covered employee; and

22 “(ii) states that the covered employee
23 will not take any action with respect to the
24 noncompetitive purchase request that af-
25 fects the financial interests of a friend, rel-

1 ative, or person with whom the covered
2 employee is affiliated in a nongovernmental
3 capacity, or otherwise gives rise to an ap-
4 pearance of the use of public office for pri-
5 vate gain, as described in section 2635.702
6 of title 5, Code of Federal Regulations, or
7 any successor thereto;

8 “(B) require a contracting officer to con-
9 sult with the ethics counsel for the covered
10 postal entity regarding any disclosure made by
11 a covered employee under subparagraph (A)(i),
12 to determine whether participation by the cov-
13 ered employee in the noncompetitive purchase
14 request would give rise to a violation of part
15 2635 of title 5, Code of Federal Regulations
16 (commonly referred to as the Standards of Eth-
17 ical Conduct for Employees of the Executive
18 Branch), or any successor thereto;

19 “(C) require the ethics counsel for a cov-
20 ered postal entity to review any disclosure made
21 by a contracting officer under subparagraph
22 (A)(i) to determine whether participation by the
23 contracting officer in the noncompetitive pur-
24 chase request would give rise to a violation of
25 part 2635 of title 5, Code of Federal Regula-

1 tions (commonly referred to as the Standards of
2 Ethical Conduct for Employees of the Executive
3 Branch), or any successor thereto;

4 “(D) under subsections (d) and (e) of sec-
5 tion 2635.502 of title 5, Code of Federal Regu-
6 lations, or any successor thereto, require the
7 ethics counsel for a covered postal entity to—

8 “(i) authorize a covered employee that
9 makes a disclosure under subparagraph
10 (A)(i) to participate in the noncompetitive
11 postal contract; or

12 “(ii) disqualify a covered employee
13 that makes a disclosure under subpara-
14 graph (A)(i) from participating in the non-
15 competitive postal contract;

16 “(E) require a contractor to timely disclose
17 to the contracting officer in a bid, solicitation,
18 award, or performance of a postal contract any
19 conflict of interest with a covered employee; and

20 “(F) include authority for the head of the
21 covered postal entity to grant a waiver or other-
22 wise mitigate any organizational or personal
23 conflict of interest, if the head of the covered
24 postal entity determines that the waiver or miti-

1 gation is in the best interests of the covered
2 postal entity.

3 “(2) POSTING OF WAIVERS.—Not later than 30
4 days after the head of a covered postal entity grants
5 a waiver described in paragraph (1)(F), the head of
6 the covered postal entity shall make the waiver pub-
7 licly available on the Web site of the covered postal
8 entity.

9 “(c) CONTRACT VOIDANCE AND RECOVERY.—

10 “(1) UNLAWFUL CONDUCT.—In any case in
11 which there is a final conviction for a violation of
12 any provision of chapter 11 of title 18 relating to a
13 postal contract, the head of a covered postal entity
14 may—

15 “(A) void that contract; and

16 “(B) recover the amounts expended and
17 property transferred by the covered postal enti-
18 ty under that contract.

19 “(2) OBTAINING OR DISCLOSING PROCUREMENT
20 INFORMATION.—

21 “(A) IN GENERAL.—In any case in which
22 a contractor under a postal contract fails to
23 timely disclose a conflict of interest to the ap-
24 propriate contracting officer as required under
25 the regulations promulgated under subsection

1 (b)(1)(E), the head of a covered postal entity
2 may—

3 “(i) void that contract; and

4 “(ii) recover the amounts expended
5 and property transferred by the covered
6 postal entity under that contract.

7 “(B) CONVICTION OR ADMINISTRATIVE DE-
8 TERMINATION.—A case described under sub-
9 paragraph (A) is any case in which—

10 “(i) there is a final conviction for an
11 offense punishable under section 2105 of
12 title 41; or

13 “(ii) the head of a covered postal enti-
14 ty determines, based upon a preponderance
15 of the evidence, that the contractor or
16 someone acting for the contractor has en-
17 gaged in conduct constituting an offense
18 punishable under section 2105 of such
19 title.”.

20 (b) CLERICAL AMENDMENT.—The table of chapters
21 at the beginning of part I is amended by adding at the
22 end the following:

“7. Contracting Provisions 701”.

23 **SEC. 602. TECHNICAL AMENDMENT TO DEFINITION.**

24 Section 7101(8) of title 41, United States Code, is
25 amended—

1 (1) by striking “and” at the end of subpara-
2 graph (C);

3 (2) by striking the period at the end of sub-
4 paragraph (D) and inserting “; and”; and

5 (3) by adding at the end the following:

6 “(E) the United States Postal Service and
7 the Postal Regulatory Commission.”.

8 **SEC. 603. CONTRACT LIMITATION.**

9 (a) **IN GENERAL.**—Each covered contract entered
10 into within 6 months after the date on which the Postal
11 Service commences any reduction in force shall include a
12 requirement that the contractor provide a preference in
13 the hiring of qualifying individuals for full-time positions
14 created by or as a result of the contract.

15 (b) **COVERED CONTRACT.**—For the purposes of this
16 section, the term “covered contract” means a contract—

17 (1) for an amount greater than \$250,000;

18 (2) entered into by the Postal Service—

19 (A) within 2 years after the date of enact-
20 ment of this Act;

21 (B) with a person other than a small busi-
22 ness concern; and

23 (C) for the procurement of goods or serv-
24 ices; and

1 (3) for which such person will hire 10 or more
2 individuals.

3 (c) QUALIFYING INDIVIDUAL.—For the purposes of
4 this section, the term “qualifying individual” means an in-
5 dividual who—

6 (1) is separated from the Postal Service due to
7 a reduction in force;

8 (2) at the time of separation—

9 (A) is a career postal employee; and

10 (B) is not a retirement-eligible individual;

11 (3) as of the date of hire (as referred to in sub-
12 section (b)(3)) has been continuously unemployed for
13 a period not exceeding 78 weeks; and

14 (4) is qualified for the position involved.

15 (d) RETIREMENT-ELIGIBLE INDIVIDUAL.—For pur-
16 poses of this section, the term “retirement-eligible indi-
17 vidual”, as used with respect to a qualifying individual,
18 means an individual who, at the time of such individual’s
19 separation (as described in subsection (c)(1)), satisfies the
20 age and service requirements for entitlement to an annuity
21 under—

22 (1) subsection (a), (b), (c), or (f) of section
23 8336 of title 5, United States Code; or

24 (2) subsection (a), (b), (c), (d), or (g) of section
25 8412 of title 5, United States Code.

1 (e) SMALL BUSINESS CONCERN.—For purposes of
2 this section, the term “small business concern” means a
3 small business as defined pursuant to section 3 of the
4 Small Business Act and relevant regulations prescribed
5 pursuant thereto.

6 **TITLE VII—OTHER PROVISIONS**

7 **SEC. 701. POSTAL FACILITY DESIGNATIONS.**

8 (a) FACILITIES DESIGNATED.—

9 (1) OFFICER TOMMY DECKER MEMORIAL POST
10 OFFICE.—

11 (A) DESIGNATION.—The facility of the
12 United States Postal Service located at 14 Red
13 River Avenue North in Cold Spring, Minnesota,
14 shall be known and designated as the “Officer
15 Tommy Decker Memorial Post Office”.

16 (B) REFERENCES.—Any reference in a
17 law, map, regulation, document, paper, or other
18 record of the United States to the facility re-
19 ferred to in subsection (a) shall be deemed to
20 be a reference to the “Officer Tommy Decker
21 Memorial Post Office”.

22 (2) RICHARD K. SALICK POST OFFICE.—

23 (A) DESIGNATION.—The facility of the
24 United States Postal Service located at 500
25 North Brevard Avenue in Cocoa Beach, Flor-

1 ida, shall be known and designated as the
2 “Richard K. Salick Post Office”.

3 (B) REFERENCES.—Any reference in a
4 law, map, regulation, document, paper, or other
5 record of the United States to the facility re-
6 ferred to in subsection (a) shall be deemed to
7 be a reference to the “Richard K. Salick Post
8 Office”.

9 (3) NATIONAL PARK RANGER MARGARET AN-
10 DERSON POST OFFICE.—

11 (A) DESIGNATION.—The facility of the
12 United States Postal Service located at 103
13 Center Street West in Eatonville, Washington,
14 shall be known and designated as the “National
15 Park Ranger Margaret Anderson Post Office”.

16 (B) REFERENCES.—Any reference in a
17 law, map, regulation, document, paper, or other
18 record of the United States to the facility re-
19 ferred to in subsection (a) shall be deemed to
20 be a reference to the “National Park Ranger
21 Margaret Anderson Post Office”.

22 (4) JUDGE SHIRLEY A. TOLENTINO POST OF-
23 FICE BUILDING.—

24 (A) DESIGNATION.—The facility of the
25 United States Postal Service located at 369

1 Martin Luther King Jr. Drive in Jersey City,
2 New Jersey, shall be known and designated as
3 the “Judge Shirley A. Tolentino Post Office
4 Building”.

5 (B) REFERENCES.—Any reference in a
6 law, map, regulation, document, paper, or other
7 record of the United States to the facility re-
8 ferred to in subsection (a) shall be deemed to
9 be a reference to the “Judge Shirley A.
10 Tolentino Post Office Building”.

11 (b) SENSE OF CONGRESS.—It is the sense of Con-
12 gress that additional postal facility designations be in-
13 cluded in postal reform legislation.

14 **SEC. 702. RESPONSE TO SUBMISSIONS BY THE POSTAL**
15 **SERVICE.**

16 (a) IN GENERAL.—Chapter 5 is amended by adding
17 at the end the following:

18 **“§ 506. Submissions by the Postal Service to the Post-**
19 **al Regulatory Commission**

20 “Whenever the Postal Service submits to the Postal
21 Regulatory Commission any notice, petition, request, or
22 other filing intended to initiate a new proceeding before
23 the Commission, the Commission shall make an initial de-
24 termination that such filing presents adequate information
25 upon which the Commission may make its decision or ad-

1 visory opinion. If the Commission’s initial determination
 2 is that the Postal Service’s filing is inadequate, it shall
 3 dismiss the filing without prejudice.”.

4 (b) CLERICAL AMENDMENT.—The table of sections
 5 for chapter 5 is amended by adding at the end the fol-
 6 lowing:

“506. Submissions by the Postal Service to the Postal Regulatory Commission.”.

7 **SEC. 703. FAIR STAMP-EVIDENCING COMPETITION.**

8 Section 404(a) is amended—

9 (1) in paragraph (2), by striking “or” at the
 10 end;

11 (2) in paragraph (3), by striking the period at
 12 the end and inserting “; or”; and

13 (3) by adding at the end the following:

14 “(4) offer to the public any postage-evidencing
 15 product or service that does not comply with any
 16 rule or regulation that would be applicable to such
 17 product or service if the product or service were of-
 18 fered by a private company.”.

19 **SEC. 703. FAIR STAMP-EVIDENCING COMPETITION.**

20 *Section 404a(a) is further amended by—*

21 (1) *in paragraph (3), by striking “or” (as added*
 22 *by section 103(f)(1));*

23 (2) *in paragraph (4) (as added 103(f)(4)), by*
 24 *striking the period and inserting “; or”; and*

25 (3) *by adding at the end the following:*

1 “(5) offer to the public any postage-evidencing
 2 product or service that does not comply with any rule
 3 or regulation that would be applicable to such product
 4 or service if the product or service were offered by a
 5 private company.”.

6 **SEC. 704. USPS INNOVATION OFFICER AND ACCOUNT-**
 7 **ABILITY.**

8 (a) IN GENERAL.—Chapter 2 is amended by adding
 9 at the end the following:

10 **“SEC. 209. USPS INNOVATION OFFICER AND ACCOUNT-**
 11 **ABILITY.**

12 “(a) IN GENERAL.—There shall be in the Postal
 13 Service a Chief Innovation Officer selected by the Post-
 14 master General who shall have proven expertise and a
 15 record of success in 1 or more of the following: postal and
 16 shipping industry, innovation product research and devel-
 17 opment, marketing brand strategy, emerging communica-
 18 tions technology, or business process management. The
 19 Chief Innovation Officer shall manage the Postal Service’s
 20 development and implementation of innovative postal and
 21 nonpostal products and services.

22 “(b) DUTIES.—The Chief Innovation Officer shall
 23 have as primary duties—

1 “(1) leading the development of innovative non-
2 postal products and services that will maximize rev-
3 enue to the Postal Service;

4 “(2) developing innovative postal products and
5 services, particularly those that utilize emerging in-
6 formation technologies, to maximize revenue to the
7 Postal Service;

8 “(3) monitoring the performance of innovative
9 products and services and revising them as needed
10 to meet changing market trends; and

11 “(4) taking into consideration comments or ad-
12 visory opinions, if applicable, issued by the Postal
13 Regulatory Committee prior to the initial sale of in-
14 novative postal or nonpostal products and services.

15 “(c) DESIGNATION.—

16 “(1) DEADLINE.—As soon as practicable after
17 the date of enactment of this section, but no later
18 than January 1, 2014, the Postmaster General shall
19 designate a Chief Innovation Officer.

20 “(2) CONDITION.—Nothing in this section shall
21 be construed to prohibit an individual who holds an-
22 other office or position in the Postal Service from
23 serving as the Chief Innovation Officer under this
24 chapter. However, upon appointment to the position
25 of the Chief Innovation Officer, such individual may

1 not, while serving in such office, concurrently hold
2 any other office or position in the Postal Service.

3 “(d) INNOVATION STRATEGY.—

4 “(1) IN GENERAL.—Not later than 12 months
5 after the date on which the Chief Innovation Officer
6 is designated under subsection (c)(1), the Post-
7 master General shall submit to the Committee on
8 Homeland Security and Governmental Affairs of the
9 Senate and the Committee on Oversight and Govern-
10 ment Reform of the House of Representatives a
11 comprehensive strategy for maximizing revenues
12 through innovative postal and nonpostal products
13 and services.

14 “(2) MATTERS TO BE ADDRESSED.—At a min-
15 imum, the strategy required by this section shall ad-
16 dress—

17 “(A) the specific innovative postal and
18 nonpostal products and services to be developed
19 and offered by the Postal Service, including the
20 nature of the market to be filled by each prod-
21 uct and service and the likely date by which
22 each product and service will be introduced;

23 “(B) the cost of developing and offering
24 each product or service;

1 “(C) the anticipated sales volume of each
2 product and service;

3 “(D) the anticipated revenues and profits
4 expected to be generated by each product and
5 service;

6 “(E) the likelihood of success of each inno-
7 vative product and service as well as the risks
8 associated with the development and sale of
9 each innovative product and service;

10 “(F) the trends anticipated in market con-
11 ditions that may affect the success of each
12 product and service over the 5-year period be-
13 ginning on the date such strategy or update is
14 submitted; ~~and~~

15 “(G) the metrics that will be utilized to as-
16 sess the effectiveness of the innovation strat-
17 egy; *and*

18 “(H) *the specific methods by which*
19 *mailpiece design analysis may be improved to*
20 *speed the approval process and promote the in-*
21 *creased use of innovative mailpiece design.*

22 “(3) STRATEGY UPDATES.—On January 1,
23 2018, and every 3 years thereafter, the Chief Inno-
24 vation Officer shall submit an update to the innova-
25 tion strategy submitted under paragraph (1) to the

1 Committee on Homeland Security and Governmental
2 Affairs of the Senate, the Committee on Oversight
3 and Government Reform of the House of Represent-
4 atives, and the Postal Regulatory Commission.

5 “(e) REPORT ON PERFORMANCE.—

6 “(1) IN GENERAL.—The Postmaster General
7 shall submit to the Committee on Homeland Secu-
8 rity and Governmental Affairs of the Senate, the
9 Committee on Oversight and Government Reform of
10 the House of Representatives, and the Postal Regu-
11 latory Commission with the President’s budget sub-
12 mission under section 1105(a) of title 31 a report
13 that details the Postal Service’s progress in imple-
14 menting the innovation strategy.

15 “(2) MATTERS TO BE ADDRESSED.—At a min-
16 imum, the report required by this section shall ad-
17 dress—

18 “(A) the revenue generated by each prod-
19 uct and service developed through the innova-
20 tion strategy and the costs of developing and
21 offering each such product and service for the
22 most recent fiscal year;

23 “(B) the total sales volume and revenue
24 generated by each product and service on a
25 monthly basis for the preceding year;

1 “(C) trends in the markets filled by each
2 product and service;

3 “(D) products and services identified in
4 the innovation strategy that are to be discon-
5 tinued, the date on which the discontinuance
6 will occur, and the reasons for the discontinu-
7 ance;

8 “(E) alterations in products and services
9 identified in the innovation strategy that will be
10 made to meet changing market conditions, and
11 an explanation of how these alterations will en-
12 sure the success of the products and services;
13 and

14 “(F) the performance of the innovation
15 strategy according to the metrics identified in
16 subsection (d)(2)(G).

17 “(f) COMPTROLLER GENERAL.—

18 “(1) IN GENERAL.—The Comptroller General
19 shall conduct a study on the implementation of the
20 innovation strategy not later than 4 years after the
21 date of enactment of this section.

22 “(2) CONTENTS.—At a minimum, the Comp-
23 troller General shall assess the effectiveness of the
24 Postal Service in identifying, developing, and selling

1 innovative postal and nonpostal products and serv-
2 ices. The study shall also include—

3 “(A) an audit of the costs of developing
4 each innovative postal and nonpostal product
5 and service developed or offered by the Postal
6 Service during the period beginning on the date
7 of enactment of this section and ending 4 years
8 after such date;

9 “(B) the sales volume of each such product
10 and service;

11 “(C) the revenues and profits generated by
12 each such product and service; and

13 “(D) the likelihood of continued success of
14 each such product and service.

15 “(3) SUBMISSION.—The results of the study re-
16 quired under this subsection shall be submitted to
17 the Committee on Homeland Security and Govern-
18 mental Affairs of the Senate and the Committee on
19 Oversight and Government Reform of the House of
20 Representatives.”.

21 (b) CLERICAL AMENDMENT.—The table of sections
22 at the beginning of chapter 2 is amended by adding at
23 the end the following:

“209. USPS innovation officer and accountability.”.

1 **SEC. 705. POSTAL REGULATORY COMMISSION TRAVEL RE-**
2 **PORTING.**

3 Section 504(d) is amended—

4 (1) by striking “(d)” and inserting “(d)(1)”;
5 and

6 (2) by adding at the end the following:

7 “(2) Not later than 60 days after the end of
8 each fiscal year, the Postal Regulatory Commis-
9 sioners shall submit an itemized report describing all
10 travel and reimbursable business travel expenses
11 paid to each Commissioner, including the Chairman,
12 when performing regulatory duties to the Committee
13 on Oversight and Government Reform of the House
14 of Representatives and the Committee on Homeland
15 Security and Governmental Affairs of the Senate.
16 The report submitted under this paragraph shall in-
17 clude a detailed justification for any travel or reim-
18 bursable business travel expense that deviates from
19 the Commission’s travel and reimbursable business
20 travel expense policies and guidelines.”.

Union Calendar No. 564

113TH CONGRESS
2D SESSION

H. R. 2748

[Report No. 113-733, Part I]

A BILL

To restore the financial solvency of the United States Postal Service and to ensure the efficient and affordable nationwide delivery of mail.

JANUARY 2, 2015

Reported with amendments and referred to the Committee on Education and the Workforce for a period ending not later than January 2, 2015, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(e) of rule X

JANUARY 2, 2015

The Committee on Education and the Workforce discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed