

Postal Service Reform Act of 2022

[Public Law 117–108]

[This law has not been amended]

【Currency: This publication is a compilation of the text of Public Law 117–108. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at <https://www.govinfo.gov/app/collection/comps/>】

【Note: While this publication does not represent an official version of any Federal statute, substantial efforts have been made to ensure the accuracy of its contents. The official version of Federal law is found in the United States Statutes at Large and in the United States Code. The legal effect to be given to the Statutes at Large and the United States Code is established by statute (1 U.S.C. 112, 204).】

AN ACT To provide stability to and enhance the services of the United States Postal Service, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) 【39 U.S.C. 101 note】 SHORT TITLE.—This Act may be cited as the “Postal Service Reform Act of 2022”.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.

TITLE I—POSTAL SERVICE FINANCIAL REFORMS

- Sec. 101. Postal Service Health Benefits Program.
- Sec. 102. USPS Fairness Act.
- Sec. 103. Nonpostal services.

TITLE II—POSTAL SERVICE OPERATIONAL REFORMS

- Sec. 201. Performance targets and transparency.
- Sec. 202. Integrated delivery network.
- Sec. 203. Review of Postal Service cost attribution guidelines.
- Sec. 204. Rural newspaper sustainability.
- Sec. 205. Funding of Postal Regulatory Commission.
- Sec. 206. Flats operations study and reform.
- Sec. 207. Reporting requirements.
- Sec. 208. Postal Service transportation selection policy revisions.
- Sec. 209. USPS Inspector General oversight of Postal Regulatory Commission.

TITLE III—SEVERABILITY

- Sec. 301. Severability.

SEC. 2. 【39 U.S.C. 501 note】 DEFINITIONS.

(a) COMMISSION.—In this Act, the term “Commission” means the Postal Regulatory Commission.

(b) TERMS DEFINED IN TITLE 39, UNITED STATES CODE.—In this Act, the terms “competitive product”, “market-dominant product”, and “Postal Service” have the meanings given those terms in section 102 of title 39, United States Code.

TITLE I—POSTAL SERVICE FINANCIAL REFORMS

SEC. 101. POSTAL SERVICE HEALTH BENEFITS PROGRAM.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Chapter 89 of title 5, United States Code, is amended by inserting after section 8903b the following:

“SEC. 8903c. Postal Service Health Benefits Program

“(a) DEFINITIONS.—In this section—

“(1) the term ‘covered Medicare individual’ means an individual who is entitled to benefits under Medicare part A, but excluding an individual who is eligible to enroll under such part under section 1818 or 1818A of the Social Security Act (42 U.S.C. 1395i-2, 1395i-2a);

“(2) the term ‘initial contract year’ means the contract year beginning in January of 2025;

“(3) the term ‘initial participating carrier’ means a carrier that enters into a contract with the Office to participate in the Program during the initial contract year;

“(4) the term ‘Medicare part A’ means part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.);

“(5) the term ‘Medicare part B’ means part B of title XVIII of the Social Security Act (42 U.S.C. 1395j et seq.);

“(6) the term ‘Office’ means the Office of Personnel Management;

“(7) the term ‘Postal Service’ means the United States Postal Service;

“(8) the term ‘Postal Service annuitant’ means an annuitant enrolled in a health benefits plan under this chapter whose Government contribution is required to be paid under section 8906(g)(2);

“(9) the term ‘Postal Service employee’ means an employee of the Postal Service enrolled in a health benefits plan under this chapter whose Government contribution is paid by the Postal Service;

“(10) the term ‘Postal Service Medicare covered annuitant’ means an individual who—

“(A) is a Postal Service annuitant; and

“(B) is a covered Medicare individual;

“(11) the term ‘Program’ means the Postal Service Health Benefits Program established under subsection (c) within the Federal Employees Health Benefits Program;

“(12) the term ‘Program plan’ means a health benefits plan offered under the Program; and

“(13) the definitions set forth in section 8901 shall apply, and for the purposes of applying such definitions in carrying

out this section, a Postal Service employee and Postal Service annuitant shall be treated in the same manner as an employee and an annuitant (as those terms are defined in paragraphs (1) and (3), respectively, of section 8901), consistent with the requirements of this section.

“(b) APPLICATION.—The requirements under this section shall—

“(1) apply to the initial contract year and each contract year thereafter; and

“(2) supersede any other provision of this chapter inconsistent with such requirements, as determined by the Office.

“(c) ESTABLISHMENT OF THE POSTAL SERVICE HEALTH BENEFITS PROGRAM.—

“(1) IN GENERAL.—

“(A) ESTABLISHMENT.—The Office shall establish the Postal Service Health Benefits Program within the Federal Employees Health Benefits Program under this chapter, under which the Office may contract with carriers to offer health benefits plans as described under this section.

“(B) APPLICABILITY OF CHAPTER REQUIREMENTS TO CONTRACTS.—Except as otherwise provided in this section, any contract described in subparagraph (A) shall be consistent with the requirements of this chapter for contracts under section 8902 with carriers to offer health benefits plans other than under this section.

“(C) PROGRAM PLANS AND PARTICIPATION.—The Program shall—

“(i) to the greatest extent practicable—

“(I) with respect to each plan provided by a carrier under this subchapter in which the total enrollment includes, in the contract year beginning in January 2023, 1,500 or more enrollees who are Postal Service employees or Postal Service annuitants, include a plan offered by that carrier with equivalent benefits and cost-sharing requirements as provided under paragraph (2), except that the Director of the Office may exempt any comprehensive medical plan from this requirement; and

“(II) include plans offered by any other carrier determined appropriate by the Office;

“(ii) provide for enrollment in Program plans of Postal Service employees and Postal Service annuitants, in accordance with subsection (d);

“(iii) provide for enrollment in a Program plan as an individual, for self plus one, or for self and family; and

“(iv) not provide for enrollment in a Program plan of an individual who is not a Postal Service employee or Postal Service annuitant (except as a member of family of such an employee or annuitant or as provided under paragraph (4)).

“(2) COVERAGE WITH EQUIVALENT BENEFITS AND COST-SHARING.—In the initial contract year, the Office shall ensure that

each carrier participating in the Program provides under the Program plans offered by the carrier benefits and cost-sharing requirements that are equivalent to the benefits and cost-sharing requirements under the health benefits plans offered by the carrier under this chapter that are not Program plans, except that prescription drug benefits and cost-sharing requirements may differ between the Program plans and other health benefits plans offered by the carrier under this chapter to the extent needed to integrate the Medicare part D prescription drug benefits coverage required under subsection (h)(2).

“(3) APPLICABILITY OF FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM REQUIREMENTS.—Except as otherwise set forth in this section, the provisions of this chapter applicable to health benefits plans offered by carriers under section 8903 or 8903a shall apply to plans offered under the Program.

“(4) APPLICATION OF CONTINUATION COVERAGE.—In accordance with rules established by the Office, section 8905a shall apply to health benefits plans offered under this section in the same manner as such section applies to other health benefits plans offered under this chapter.

“(d) ELECTION OF COVERAGE.—Each Postal Service employee and Postal Service annuitant who elects to receive health benefits coverage under this chapter—

“(1) shall be subject to the requirements of this section; and

“(2) may not enroll in any other health benefits plan offered under any other section of this chapter.

“(e) REQUIREMENT OF MEDICARE ENROLLMENT FOR CERTAIN ANNUITANTS AND THEIR FAMILY MEMBERS.—

“(1) MEDICARE COVERED ANNUITANTS.—Except as provided under paragraph (3), a Postal Service Medicare covered annuitant may not enroll in a Program plan unless the annuitant is entitled to benefits under Medicare part A and enrolled in Medicare part B.

“(2) MEDICARE COVERED FAMILY MEMBERS.—Except as provided under paragraph (3), in the case of a Postal Service annuitant who is entitled to benefits under Medicare part A and required under this subsection to enroll in Medicare part B to enroll under the Program, if a member of family of such Postal Service annuitant is a covered Medicare individual, that member of family may not enroll under the Program as a member of family of the Postal Service annuitant unless that member of family is entitled to benefits under Medicare part A and enrolled in Medicare part B.

“(3) EXCEPTIONS.—

“(A) IN GENERAL.—The requirements under paragraphs (1) and (2), as applicable, shall not apply with respect to an individual in the following cases:

“(i) CURRENT POSTAL SERVICE ANNUITANTS.—The individual, as of January 1, 2025, is a Postal Service annuitant who is not both entitled to benefits under Medicare part A and enrolled in Medicare part B.

“(ii) CURRENT EMPLOYEES AGED 64 AND OVER.—The individual, as of January 1, 2025, is a Postal Service employee and is at least 64 years of age.

“(iii) POSTAL SERVICE MEDICARE COVERED ANNUITANTS AND FAMILY MEMBERS RESIDING ABROAD.—For any contract year with respect to which the individual is a Postal Service Medicare covered annuitant or a member of family of a Postal Service Medicare covered annuitant and resides outside the United States (which includes the States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands), provided that the individual demonstrates such residency to the Postal Service in accordance with regulations issued by the Postal Service.

“(iv) POSTAL SERVICE MEDICARE COVERED ANNUITANTS AND FAMILY MEMBERS ENROLLED UNDER VA COVERAGE.—The individual—

“(I) is a Postal Service Medicare covered annuitant or a member of family of a Postal Service Medicare covered annuitant; and

“(II) is enrolled in health care benefits provided by the Department of Veterans Affairs under subchapter II of chapter 17 of title 38, United States Code.

“(v) POSTAL SERVICE MEDICARE COVERED ANNUITANTS AND FAMILY MEMBERS ELIGIBLE FOR IHS HEALTH SERVICES.—The individual—

“(I) is a Postal Service Medicare covered annuitant or a member of family of a Postal Service Medicare covered annuitant; and

“(II) is eligible for health services from the Indian Health Service.

“(B) REGULATIONS FOR VA AND IHS EXCEPTIONS.—Not later than 1 year after the date of enactment of this section, the Office shall, in consultation with the Secretary of Veterans Affairs, the Secretary of Health and Human Services, and the Postmaster General, promulgate any regulations necessary to implement clauses (iv) and (v) of subparagraph (A).

“(C) LIST OF INDIVIDUALS RESIDING ABROAD.—The Postal Service shall provide a list of individuals who satisfy the exception under subparagraph (A)(iii) to the Office.

“(4) PROCESS FOR INFORMATION COLLECTION AND DISSEMINATION. The Postal Service and the Office, in consultation with the Social Security Administration and the Centers for Medicare & Medicaid Services, shall establish a process that will enable the Postal Service to timely inform Postal Service employees, Postal Service annuitants, and members of family of such employees and annuitants of the requirements described in paragraphs (1) and (2) in order to be eligible to enroll in Program plans under this section.

“(f) TRANSITIONAL OPEN SEASON.—

“(1) DEFINITIONS.—In this subsection—

“(A) the term ‘current option’, with respect to an individual, means the option under a plan under this chapter in which the individual is enrolled during the contract year preceding the initial contract year; and

“(B) the term ‘current plan’, with respect to an individual, means the plan under this chapter in which the individual is enrolled during the contract year preceding the initial contract year.

“(2) AUTOMATIC ENROLLMENT.—

“(A) IN GENERAL.—Subject to subparagraphs (B) and (C), in the case of an individual who is a Postal Service employee or Postal Service annuitant eligible to enroll in a Program plan under subsection (d), who is enrolled in a current plan, and who does not enroll in a Program plan during the open season that immediately precedes the initial contract year, the Office shall automatically enroll the individual, as of the start of the initial contract year, in a Program plan offered by the carrier of the individual’s current plan.

“(B) CARRIERS OFFERING MULTIPLE PROGRAM PLANS OR OPTIONS.—If the carrier of the current plan of an individual described in subparagraph (A) offers more than 1 Program plan or option, the Office, in carrying out subparagraph (A), shall automatically enroll the individual in the plan and option that provide coverage with equivalent benefits and cost sharing, as described in subsection (c)(2), to the individual’s current plan and current option.

“(C) CARRIERS NOT OFFERING PROGRAM PLANS.—If the carrier of the current plan of an individual described in subparagraph (A) does not offer a Program plan, the Office, in carrying out subparagraph (A), shall automatically enroll the individual in the lowest-cost nationwide plan option within the Program that is not a high deductible health plan and does not charge an association or membership fee.

“(g) OPM REGULATIONS.—

“(1) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Director of the Office shall issue regulations to carry out this section.

“(2) CONSULTATION.—In issuing regulations under paragraph (1), the Director of the Office shall consult, as necessary, with the Secretary of Health and Human Services, the Secretary of Veterans Affairs, the Commissioner of Social Security, and the Postmaster General.

“(3) CONTENTS.—The regulations issued under paragraph (1) shall include—

“(A) any provisions necessary to implement this section;

“(B) a process under which Postal Service annuitants and affected family members are timely informed of the enrollment requirements and may request, in writing, any additional enrollment information;

“(C) provisions under which a Postal Service employee or Postal Service annuitant enrolled under the Program

may request a belated change of plan and may be prospectively enrolled in the plan of the employee's or annuitant's choice; and

“(D) provisions for individuals to cancel coverage under the Program in writing to the Postal Service because the individuals choose not to enroll in, or to disenroll from, Medicare part B.

“(h) MEDICARE COORDINATION.—

“(1) IN GENERAL.—The Office shall require each Program plan to provide benefits for covered Medicare individuals pursuant to a coordination of benefits method approved by the Office.

“(2) MEDICARE PART D PRESCRIPTION DRUG BENEFITS.—The Office shall require each Program plan to provide prescription drug benefits to any Postal Service annuitant and member of family of such annuitant who is a part D eligible individual (as defined in section 1860D-1(a)(3)(A) of the Social Security Act) through employment-based retiree health coverage (as defined in section 1860D-22(c)(1) of such Act) through—

“(A) a prescription drug plan (as defined in section 1860D-41(a)(14) of such Act); or

“(B) contracts between such a Program plan and PDP sponsor, as defined in section 1860D-41(a)(13) of such Act, of such a prescription drug plan.

“(i) POSTAL SERVICE CONTRIBUTION.—

“(1) IN GENERAL.—Subject to subsection (k), for purposes of applying section 8906(b) to the Postal Service, the weighted average shall be calculated in accordance with paragraphs (2) and (3).

“(2) WEIGHTED AVERAGE CALCULATION.—Not later than October 1 of each year (beginning with 2024), the Office shall determine the weighted average of the rates established pursuant to subsection (c)(2) for Program plans that will be in effect during the following contract year with respect to—

“(A) enrollments for self only;

“(B) enrollments for self plus one; and

“(C) enrollments for self and family.

“(3) WEIGHTING IN COMPUTING RATES FOR INITIAL CONTRACT YEAR.—In determining such weighted average of the rates for the initial contract year, the Office shall take into account (for purposes of section 8906(a)(2)) the enrollment of Postal Service employees and annuitants in the health benefits plans offered by the initial participating carriers as of March 31, 2023.

“(4) PAYMENT OF LATE ENROLLMENT PENALTIES.—The Postal Service may direct the Office to pay the amounts required by an agreement between the United States Postal Service and the Secretary of the Department of Health and Human Services under section 1839(e)(1) of the Social Security Act (42 U.S.C. 1395r(e)(1)) from the Postal Service Retiree Health Benefits Fund established under section 8909a until depleted and thereafter shall pay such amounts from the Postal Service Fund established under section 2003 of title 39.

“(j) RESERVES.—

“(1) SEPARATE RESERVES.—

“(A) IN GENERAL.—The Office shall ensure that each Program plan maintains separate reserves (including a separate contingency reserve) with respect to the enrollees in the Program plan in accordance with section 8909.

“(B) APPLICABILITY OF SECTION 8909 TO CONTINGENCY RESERVES.—All provisions of section 8909 relating to contingency reserves shall apply to contingency reserves of Program plans in the same manner as to the contingency reserves of other plans under this chapter, except to the extent that such provisions are inconsistent with the requirements of this subsection.

“(C) REFERENCES.—For purposes of the Program, each reference to ‘the Government’ in section 8909 shall be deemed to be a reference to the Postal Service.

“(D) AMOUNTS TO BE CREDITED.—The reserves (including the separate contingency reserve) maintained for each Program plan shall be credited with a proportionate amount of the funds in the reserves for health benefits plans offered by the carrier.

“(2) DISCONTINUATION OF PROGRAM PLAN.—In applying section 8909(e) relating to a Program plan that is discontinued, the Office shall credit the separate Postal Service contingency reserve maintained under paragraph (1) for that plan only to the separate Postal Service contingency reserves of the Program plans continuing under this chapter.

“(k) NO EFFECT ON EXISTING LAW.—Nothing in this section shall be construed as affecting section 1005(f) of title 39 regarding variations, additions, or substitutions to the provisions of this chapter.

“(l) HEALTH BENEFITS EDUCATION PROGRAM.—

“(1) DEFINITION.—In this subsection, the term ‘navigator’ means an employee of the Postal Service or of a contractor of the Postal Service who is designated by the Postal Service or contractor to carry out activities under paragraph (5).

“(2) ESTABLISHMENT.—Not later than 18 months after the date of enactment of this section, the Postal Service shall establish a Health Benefits Education Program.

“(3) REQUIREMENTS.—In carrying out the Health Benefits Education Program established under paragraph (2), the Postal Service shall—

“(A) notify Postal Service annuitants and Postal Service employees about the Postal Service Health Benefits Program established under subsection (c)(1);

“(B) provide information regarding the Postal Service Health Benefits Program and the requirements of this section to Postal Service annuitants and Postal Service employees, including—

“(i) a description of the health care options available under such Program;

“(ii) the enrollment provisions of subsection (d);

and

“(iii) the requirement that Postal Service annuitants and their family members be enrolled in Medicare under subsection (e);

“(C) respond and provide answers to any inquiry from such employees and annuitants about the Postal Service Health Benefits Program, in consultation with the Office as necessary;

“(D) in consultation with the Centers for Medicare & Medicaid Services and the Social Security Administration, provide information to individuals about enrollment under the Medicare program under title XVIII of the Social Security Act, and refer individuals to the Centers for Medicare & Medicaid Services and the Social Security Administration as necessary for additional enrollment information; and

“(E) carry out, or provide for through contract or other arrangement, the activities described in paragraph (5).

“(4) INFORMATION.—

“(A) INFORMATION FROM OPM.—The Office shall timely provide the Postal Service with such information as necessary to conduct the Health Benefits Education Program.

“(B) COORDINATION WITH OPM.—The Postal Service shall coordinate with the Office, in consultation with the Centers for Medicare & Medicaid Services and the Social Security Administration, to obtain and confirm the accuracy of information as the Postal Service determines to be necessary to conduct the Health Benefits Education Program.

“(5) NAVIGATOR ACTIVITIES.—

“(A) ACTIVITIES.—The activities described in this paragraph, with respect to Program plans and the health care options available under the Program, are the following:

“(i) Educational activities for annuitants and employees of the Postal Service to raise awareness of the availability of Program plans and requirements for enrolling in such plans, including requirements to be entitled to Medicare part A and enroll in Medicare part B.

“(ii) Distribution of fair and impartial information concerning enrollment in such plans.

“(iii) Facilitation of enrollment in such plans.

“(iv) Provision of information in a manner that is culturally and linguistically appropriate to the needs of the population being served by the Program plans.

“(B) STANDARDS.—

“(i) IN GENERAL.—The Postal Service shall establish standards for navigators carrying out the activities under this paragraph to—

“(I) engage in the navigator activities described in subparagraph (A); and

“(II) avoid conflicts of interest.

“(ii) CONTENTS.—The standards established under clause (i) shall provide that a navigator may not—

“(I) be a health insurance carrier; or

“(II) receive any consideration directly or indirectly from any health insurance carrier in connection with the enrollment of any individual in a Program plan.

“(C) FAIR AND IMPARTIAL INFORMATION AND SERVICES.—The Postal Service, in consultation as necessary with the Office and the Centers for Medicare & Medicaid Services, shall develop standards to ensure that information made available by navigators under this paragraph is fair, accurate, and impartial.

“(6) REGULATIONS.—

“(A) IN GENERAL.—Not later than 18 months after the date of enactment of this section, the Postmaster General shall issue regulations to establish the Health Benefits Education Program required under this subsection.

“(B) CONTENTS.—The regulations issued under subparagraph (A) shall include—

“(i) provisions for the notification of Postal Service annuitants and Postal Service employees about the Program, including a description of the available health benefits options, including a process for notifying Postal Service employees who become eligible for Medicare part B and Postal Service Medicare covered annuitants about their choices;

“(ii) provisions for notifying Postal Service annuitants, Postal Service employees, and their family members of the requirements under subsection (e) to enroll in Medicare as a condition of eligibility to enroll in the Program; and

“(iii) a process, developed in consultation with the Social Security Administration, the Centers for Medicare & Medicaid Services, and the Office, for addressing any inquiry from Postal Service annuitants and Postal Service employees about the Program or Medicare enrollment.”.

(2) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) SERVICE BENEFIT PLANS.—Section 8903(1) of title 5, United States Code, is amended by striking “two levels of benefits” and inserting “at least 2 levels of benefits for enrollees under this chapter generally and at least 2 levels of benefits for enrollees under the Postal Service Health Benefits Program established under section 8903c”.

(B) [5 U.S.C. 8901] TABLE OF SECTIONS.—The table of sections for chapter 89 of title 5, United States Code, is amended by inserting after the item relating to section 8903b the following:

“8903c. Postal Service Health Benefits Program.”.

(C) APPLICATION TO CERTAIN POSTAL SERVICE ANNUITANTS OR FAMILY MEMBERS.—Section 1862(b)(1)(E) of the Social Security Act (42 U.S.C. 1395y(b)(1)(E)) is amended by adding at the end the following:

“(iv) APPLICATION TO CERTAIN POSTAL SERVICE ANNUITANTS OR FAMILY MEMBERS.—Nothing in this paragraph shall prohibit a group health plan from deter-

mining an individual's eligibility to enroll in a health benefits plan offered under the Postal Service Health Benefits Program under section 8903c of title 5, United States Code, in accordance with subsection (e) of such section.”.

(b) COORDINATION WITH MEDICARE.—

(1) PART B SPECIAL ENROLLMENT PERIOD.—Section 1837 of the Social Security Act (42 U.S.C. 1395p) is amended by adding at the end the following new subsection:

“(o)(1) In the case of an individual who—

“(A) as of January 1, 2024, is—

“(i) a Postal Service annuitant who is entitled to benefits under part A of title XVIII of the Social Security Act, but excluding an individual who is eligible to enroll under such part under section 1818 of such Act or 1818A of such Act (42 U.S.C. 1395i-2, 1395i-2a); or

“(ii) a member of family (as defined in section 8901(5) of title 5, United States Code) of a Postal Service annuitant and is entitled to benefits under part A of title XVIII of the Social Security Act, but excluding an individual who is eligible to enroll under such part under section 1818 of such Act or 1818A of such Act (42 U.S.C. 1395i-2, 1395i-2a); and

“(B) is not enrolled under this part, the individual may elect to be enrolled under this part during a special enrollment period during the 6-month period beginning on April 1, 2024.

“(2) In this subsection, the term ‘Postal Service annuitant’ means an annuitant enrolled in a health benefits plan under chapter 89 of title 5, United States Code, whose Government contribution is required to be paid under section 8906(g)(2) of such title.”.

(2) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) PART A ENROLLMENT.—Section 1818(c) of the Social Security Act (42 U.S.C. 1395i-2(c)) is amended, in the matter preceding paragraph (1), by striking “(except subsection (f) thereof)” and inserting “(except subsections (f) and (o) thereof)”.

(B) COVERAGE PERIOD UNDER PART B.—Section 1838 of the Social Security Act (42 U.S.C. 1395q) is amended by adding at the end the following:

“(i) Notwithstanding subsection (a), in the case of an individual who enrolls during the special enrollment period pursuant to section 1837(o), the coverage period shall begin on January 1, 2025.”.

(3) TREATMENT OF PART B LATE ENROLLMENT PENALTY FOR INDIVIDUALS ENROLLING DURING SPECIAL ENROLLMENT PERIOD.—Section 1839(e) of the Social Security Act (42 U.S.C. 1395r(e)) is amended—

(A) in paragraph (1), by striking “(as defined in paragraph (3)(A))” and by inserting “(as defined in paragraph (3)(A)(i)).Contracts. The Secretary shall enter into an agreement with the United States Postal Service under which the United 136 STAT. 1137 States Postal Service

agrees to pay on a quarterly or other periodic basis to the Secretary (to be deposited in the Treasury to the credit of the Federal Supplementary Medical Insurance Trust Fund) an amount equal to the amount of the part B late enrollment premium increases with respect to the premiums for eligible individuals (as defined in paragraph (3)(A)(ii)).”; and

(B) by amending paragraph (3)(A) to read as follows:

“(A) The term ‘eligible individual’ means an individual who is enrolled under this part B and who—

“(i) in the case of an agreement entered into under the first sentence of paragraph (1), is within a class of individuals specified in such agreement; and

“(ii) in the case of an agreement entered into under the second sentence of paragraph (1), is so enrolled under this part pursuant to the special enrollment period under section 1837(o)”.

(4) PART D EGWP CONTRACTING CONFORMING AMENDMENT.—Section 1860D-22(b) of the Social Security Act (42 U.S.C. 1395w-132(b)) is amended by inserting before the period at the end the following:“, and shall be applied in a manner to facilitate the offering of prescription drug benefits under a Program plan under section 8903c of title 5, United States Code, as required under subsection (h)(2) of such section, through employment-based retiree health coverage through—

“(1) a prescription drug plan; or

“(2) contracts between such a Program plan and the PDP sponsor of such a prescription drug plan.”.

(c) [5 U.S.C. 8903c note] INFORMATION SHARING AND DISSEMINATION REQUIRED FOR SPECIAL ENROLLMENT PERIOD AND ENFORCEMENT OF PART B ENROLLMENT REQUIREMENTS.—

(1) DEFINITIONS.—In this subsection, the terms “Medicare part A”, “Medicare part B”, “Office”, “Postal Service”, and “Postal Service annuitant” have the meanings given those terms in section 8903c of title 5, United States Code, as added by subsection (a).

(2) INFORMATION SHARING BY OPM.—The Office shall, by regulation, establish a process for providing such information as is necessary to the Social Security Administration regarding Postal Service annuitants (and the family members of such annuitants) who may be eligible to enroll under Medicare part B during the special enrollment period described in subsection (o) of section 1837 of the Social Security Act (42 U.S.C. 1395p), as added by subsection (b), or who may be subject to the enrollment requirements described in paragraphs (1) and (2) of section 8903c(e) of title 5, United States Code, as added by subsection (a).

(3) INFORMATION SHARING BY SSA.—The Social Security Administration shall provide to the Office and the Postal Service information regarding whether a Postal Service annuitant, or a family member of such an annuitant, is entitled to benefits under Medicare part A and enrolled under Medicare part B, to assist the Office and the Postal Service in determining—

(A) which Postal Service annuitants, and family members of such annuitants, may be eligible to enroll under Medicare part B during the special enrollment period described in paragraph (2); and

(B) whether Postal Service annuitants, and family members of such annuitants, satisfy the enrollment requirements described in paragraphs (1) and (2) of section 8903c(e) of title 5, United States Code, as added by subsection (a).

(d) FUNDING.—

(1) CMS APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Centers for Medicare & Medicaid Services—Program Management Account, for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$7,500,000, to remain available until expended, for the purposes of carrying out this section, including the amendments made by this section.

(2) SSA APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Social Security Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$16,000,000, to remain available until expended, for the purposes of carrying out this section (with the exception of the purposes set forth in subsection (c)(3)(B)), including the amendments made by this section.

(3) OPM APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Office of Personnel Management for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$70,500,000, to remain available until expended, for the purposes of carrying out this section, including the amendments made by this section.

(4) FUNDS CREDITED BY POSTAL SERVICE.—The United States Postal Service shall deposit an amount equal to the sum of the amounts appropriated under paragraphs (1), (2), and (3) into the Treasury as a miscellaneous receipt from the Postal Service Fund in fiscal year 2022.

(5) [5 U.S.C. 8903c note] REIMBURSEMENT FOR PERIODIC SSA DATA SHARING.—

(A) INTER-AGENCY AGREEMENT.—The Commissioner of Social Security shall enter into an agreement with the Director of the Office under which the Director pays the Commissioner from the Postal Service administrative reserve the full costs (including systems and administrative costs) of providing the information described in subsection (c)(3) for the purpose set forth in subsection (c)(3)(B).

(B) REPORT TO CONGRESS.—The Director of the Office—

(i) shall report the amount paid under subparagraph (A) annually to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Reform of the House of Representatives; and

(ii) may satisfy the requirement under clause (i) by including the amount paid under subparagraph (A) in any other annual report submitted to Congress.

SEC. 102. USPS FAIRNESS ACT.

(a) **[5 U.S.C. 101 note] SHORT TITLE.**—This section may be cited as the “USPS Fairness Act”.

(b) **RATIONAL BENEFITS FUNDING AND ACCOUNTING.**—

(1) **IN GENERAL.**—Section 8909a of title 5, United States Code, is amended by striking subsection (d) and inserting the following:

“(d)(1) Not later than June 30, 2026, and by June 30 of each succeeding year, the Office shall compute, for the most recently concluded fiscal year, the amount (if any) that Government contributions required to be paid from the Fund under section 8906(g)(2)(A) exceeded the estimated net claims costs under the enrollment of the individuals described in section 8906(g)(2)(A).

“(2) Not later than September 30 of each year in which the Office makes a computation under paragraph (1), the United States Postal Service shall pay into the Fund the amount (if any) of the excess computed under such paragraph.

“(e) Any computation required under section 3654(b) of title 39 shall be based on—

“(1) the net present value of the future net claims costs with respect to—

“(A) current annuitants of the United States Postal Service as of the end of the fiscal year ending on September 30 of the relevant reporting year; and

“(B) current employees of the United States Postal Service who would, as of September 30 of that year—

“(i) be eligible to become annuitants pursuant to section 8901(3)(A)(i) or (ii); and

“(ii) if they were retired as of that date, meet the criteria for coverage of annuitants under section 8905(b);

“(2) economic and actuarial methods and assumptions consistent with the methods and assumptions used in determining the Postal surplus or supplemental liability under section 8348(h); and

“(3) any other methods and assumptions, including a health care cost trend rate, that the Director of the Office determines to be appropriate.

“(f) After consultation with the United States Postal Service, the Office shall promulgate any regulations the Office determines necessary under this subsection.

“(g) For purposes of this section, the term ‘estimated net claims costs’ shall mean the difference between—

“(1) the sum of—

“(A) the estimated costs incurred by a carrier in providing health services to, paying for health services provided to, or reimbursing expenses for health services provided to, annuitants of the United States Postal Service and any other persons covered under the enrollment of such annuitants; and

“(B) an amount of indirect expenses reasonably allocable to the provision, payment, or reimbursement described in subparagraph (A), as determined by the Office; and

“(2) the amount withheld from the annuity of or paid by annuitants of the United States Postal Service under section 8906.”.

(2) CLERICAL AMENDMENT.—The heading of section 8909a of title 5, United States Code, is amended by striking “Benefit” and inserting “Benefits”.

(c) [5 U.S.C. 8909a note] APPLICATION.—

(1) CANCELLATION OF PAYMENTS.—Any payment required from the Postal Service under section 8909a of title 5, United States Code, as in effect on the day before the date of enactment of this Act that remains unpaid as of such date of enactment is canceled.

(2) EFFECT OF THIS ACT.—In any determination relating to the future liability for retiree health benefits of the United States Postal Service or the Postal Service Retiree Health Benefits Fund, the Office of Personnel Management shall take into account the actual and reasonably expected effects of this Act.

(d) USE OF FUNDS FROM SALE OF REAL PROPERTY FOR CERTAIN PAYMENTS.—

(1) IN GENERAL.—Chapter 29 of title 39, United States Code, is amended by adding at the end the following:

“SEC. 2903. Use of funds from sale of property

“In the event that the Postal Service permanently ceases operations, any funds derived from the sale of any real property owned by the Postal Service shall be used to pay any outstanding liability with respect to the salaries and expenses of any Postal Service employee. The balance of any remaining funds shall be deposited into the Postal Service Retiree Health Benefits Fund established under section 8909a of title 5.”.

(2) [39 U.S.C. 2901] CLERICAL AMENDMENT.—The table of sections of such chapter is amended by adding after the item relating to section 2902 the following new item:

“2903. Use of funds from sale of property.”.

SEC. 103. NONPOSTAL SERVICES.

(a) NONPOSTAL SERVICES.—

(1) IN GENERAL.—Part IV of title 39, United States Code, is amended by adding after chapter 36 the following:

“CHAPTER 37— NONPOSTAL SERVICES

“3701. Purpose.

“3702. Definitions.

“3703. Postal Service program for State governments.

“3704. Postal Service program for other Government agencies.

“3705. Transparency and accountability for nonpostal services.

“SEC. 3701. Purpose

“The purpose of this chapter is to enable the Postal Service to increase its net revenues through specific nonpostal products and services that are expressly authorized by this chapter.

“SEC. 3702. Definitions

“In this chapter—

“(1) the term ‘nonpostal services’ is limited to services offered by the Postal Service that are expressly authorized by this chapter and are not postal products or services;

“(2) the term ‘costs attributable’ has the meaning given such term in section 3631;

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

“(4) the term ‘local government’ means a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments, or regional or interstate government entity;

“(5) the term ‘State government’ includes the government of the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States;

“(6) the term ‘tribal government’ means the government of an Indian tribe, as that term is defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304); and

“(7) the term ‘United States’, when used in a geographical sense, means the States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States.

“SEC. 3703. Postal Service program for State governments

“(a) IN GENERAL.—Notwithstanding any other provision of this title, the Postal Service may establish a program to enter into agreements with an agency of any State government, local government, or tribal government to provide property or nonpostal services to the public on behalf of such agencies for non-commercial purposes, but only if—

“(1) such property or nonpostal services—

“(A) provide enhanced value to the public, such as by lowering the cost or raising the quality of such services or by making such services more accessible;

“(B) do not interfere with or detract from the value of postal services, including by—

“(i) harming the cost and efficiency of postal services; and

“(ii) unreasonably restricting access to postal retail service, such as customer waiting time and access to parking; and

“(2) such agreements provide a net contribution to the Postal Service, defined as reimbursement that covers at least 100 percent of the costs attributable to all property and nonpostal services provided under each relevant agreement in each year, except that agreements determined to be substantially similar by the Postal Service with the concurrence of the Postal Regulatory Commission shall be reviewed based on their collective revenue and costs attributable.

“(b) PUBLIC NOTICE.—Not more than 90 days after offering a service under the program, the Postal Service shall make available to the public on its website—

“(1) the agreement with the agency regarding such service; and

“(2) a business plan that describes the specific property or nonpostal service to be provided, the enhanced value to the public, and terms of reimbursement to the Postal Service.

“(c) APPROVAL REQUIRED.—The Postal Service may not establish the program under subsection (a) unless the Governors of the Postal Service approve such program by a recorded vote that is publicly disclosed on the Postal Service website with a majority of the Governors then in office voting for approval.

“(d) CONFIDENTIAL INFORMATION.—Subsection (b) shall not be construed as requiring the Postal Service to disclose to the public any information—

“(1) described in section 410(c); or

“(2) exempt from public disclosure under section 552(b) of title 5.

“SEC. 3704. Postal Service program for other Government agencies

“The Postal Service may establish a program to provide property and nonpostal services to other Government agencies within the meaning of section 411, but only if such program provides a net contribution to the Postal Service, defined as reimbursement that covers at least 100 percent of the costs attributable for property and nonpostal services provided by the Postal Service in each year to such agencies.

“SEC. 3705. Transparency and accountability for nonpostal services

“(a) ANNUAL REPORT TO THE COMMISSION.—

“(1) IN GENERAL.—Not later than 90 days after the last day of each year, the Postal Service shall submit to the Postal Regulatory Commission a report that analyzes costs, revenues, rates, and quality of service for each agreement or substantially similar set of agreements for the provision of property or nonpostal services under section 3703 or the program as a whole under section 3704, and any other nonpostal service authorized under this chapter, using such methodologies as the Commission may prescribe, and in sufficient detail to demonstrate compliance with the requirements of this chapter.

“(2) SUPPORTING MATTER.—A report submitted under paragraph (1) shall include any nonpublic annex, the working papers, and any other supporting matter of the Postal Service and the Inspector General related to the information submitted in such report.

“(b) CONTENT AND FORM OF REPORT.—

“(1) IN GENERAL.—The Postal Regulatory Commission shall, by regulation, prescribe the content and form of the report required under subsection (a). In prescribing such regulations, the Commission shall give due consideration to—

“(A) providing the public with timely, adequate information to assess compliance;

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

“(C) protecting the confidentiality of information that is commercially sensitive or is exempt from public disclosure under section 552(b) of title 5.

“(2) REVISED REQUIREMENTS.—The Commission may, on its own motion or on request of any interested party, initiate proceedings to improve the quality, accuracy, or completeness of Postal Service data required by the Commission if—

“(A) the attribution of costs or revenues to property, products, or services under this chapter has become significantly inaccurate or can be significantly improved;

“(B) the quality of service data provided to the Commission for a report under this chapter has become significantly inaccurate or can be significantly improved; or

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

“(c) AUDITS.—The Inspector General shall regularly audit the data collection systems and procedures used in collecting information and preparing the report required under subsection (a). The results of any such audit shall be submitted to the Postal Service and the Postal Regulatory Commission.

“(d) CONFIDENTIAL INFORMATION.—

“(1) IN GENERAL.—If the Postal Service determines that any document or portion of a document, or other matter, which it provides to the Postal Regulatory Commission in a nonpublic annex under this section contains information described in section 410(c), or exempt from public disclosure under section 552(b) of title 5, the Postal Service shall, at the time of providing such matter to the Commission, notify the Commission of its determination, in writing, and describe with particularity the documents (or portions of documents) or other matter for which confidentiality is sought and the reasons therefor.

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

“(e) ANNUAL COMPLIANCE DETERMINATION.—

“(1) OPPORTUNITY FOR PUBLIC COMMENT.—Upon receiving a report required under subsection (a), the Postal Regulatory Commission shall promptly—

“(A) provide an opportunity for comment on such report by any interested party; and

“(B) appoint an officer of the Commission to represent the interests of the general public.

“(2) DETERMINATION OF COMPLIANCE OR NONCOMPLIANCE.—Not later than 90 days after receiving a report required under subsection (a), the Postal Regulatory Commission shall make a written determination as to whether the activities carried out pursuant to this chapter during the applicable year were or were not in compliance with the provisions of this chapter. For

purposes of this paragraph, any case in which the requirements for coverage of costs attributable have not been met shall be considered to be a case of noncompliance. If, with respect to a year, no instance of noncompliance is found to have occurred, the determination shall be to that effect. Such determination of noncompliance shall be included with the annual compliance determination required under section 3653.

“(3) NONCOMPLIANCE.—If a timely written determination of noncompliance is made under paragraph (2), the Postal Regulatory Commission shall take appropriate action. If the requirements for coverage of costs attributable specified by this chapter are not met, the Commission shall, within 60 days after the determination, prescribe remedial action to restore compliance as soon as practicable, including the full restoration of revenue shortfalls during the following year. The Commission may order the Postal Service to discontinue a nonpostal service under section 3703 that persistently fails to meet cost coverage requirements.

“(4) DELIBERATE NONCOMPLIANCE.—In the case of deliberate noncompliance by the Postal Service with the requirements of this chapter, the Postal Regulatory Commission may order, based on the nature, circumstances, extent, and seriousness of the noncompliance, a fine (in the amount specified by the Commission in its order) for each incidence of such noncompliance. All receipts from fines imposed under this subsection shall be deposited in the general fund of the Treasury.

“(f) REGULATIONS REQUIRED.—The Postal Regulatory Commission shall issue such regulations as are necessary to carry out this section.

“(g) EXPERIMENTAL PRODUCT AUTHORITY.—The Postal Service may conduct market tests of agreements pursuant to section 3703 and section 3704 of this chapter subject to the same terms and conditions described in section 3641 of this title. For the purposes of a market test, the cost coverage requirements in sections 3703 and 3704 of this chapter shall not apply.”

(2) [39 U.S.C. 3001] CLERICAL AMENDMENT.—The table of chapters for part IV of title 39, United States Code, is amended by adding after the item relating to chapter 36 the following:

“37. Nonpostal services 3701”.

(b) CONFORMING AMENDMENTS.—

(1) SECTION 404.—Section 404(e) of title 39, United States Code, is amended in paragraph (2), by inserting after “subsection” the following: “, or any nonpostal products or services authorized by chapter 37”.

(2) SECTION 411.—The last sentence of section 411 of title 39, United States Code, is amended by striking “including reimbursability” and inserting “including reimbursability within the limitations of chapter 37”.

(3) [39 U.S.C. 404 note] TREATMENT OF EXISTING NON-POSTAL SERVICES.—All individual nonpostal services, provided directly or through licensing, that are continued pursuant to section 404(e) of title 39, United States Code, shall be considered to be expressly authorized by chapter 37 of such title (as

added by subsection (a)(1)) and shall be subject to the requirements of section 3705, subsections (a) through (d).

TITLE II—POSTAL SERVICE OPERATIONAL REFORMS

SEC. 201. PERFORMANCE TARGETS AND TRANSPARENCY.

(a) IN GENERAL.—Subchapter VII of chapter 36 of title 39, United States Code, is amended by inserting after section 3691 the following:

“SEC. 3692. Performance targets and transparency

“(a) PERFORMANCE TARGETS.—Each year, to ensure that mail service for postal customers meets the service standards for market-dominant products, established under section 3691, the Postal Service shall—

“(1) not later than 60 days after the beginning of the fiscal year in which they will apply, establish and provide to the Postal Regulatory Commission reasonable targets for performance for each product; and

“(2) provide the previous fiscal year’s performance targets in its Annual Compliance Report to the Postal Regulatory Commission for evaluation of compliance for each product.

“(b) POSTAL REGULATORY COMMISSION DETERMINATION OF CERTAIN PERFORMANCE INFORMATION.—Not later than 90 days after first receiving the performance targets under subsection (a)(1), the Postal Regulatory Commission shall provide to the Postal Service—

“(1) requirements for the Postal Service to publish nationwide, regional, and local delivery area performance information in accordance with subsection (c)(2) that—

“(A) are consistent with the organizational structure of the delivery network of the Postal Service (including at the District and Area organizational levels, or the functional equivalents, and, to the extent practicable, at the U.S. ZIP Code Area level);

“(B) reflect the most granular geographic level of performance information appropriate for the Postal Service to publish; and

“(C) includes time period segments for the published geographic levels to satisfy the publishing requirements of subparagraphs (A) and (C) of subsection (c)(2); and

“(2) recommendations for any modifications to the Postal Service’s measurement systems necessary to measure and publish the performance information under subsection (c)(2) that the Postal Regulatory Commission deems relevant.

“(c) PUBLIC PERFORMANCE DASHBOARD.—

“(1) IN GENERAL.—The Postal Service shall develop and maintain a publicly available Website with an interactive webtool that provides performance information for market-dominant products that is updated on a weekly basis.

“(2) PERFORMANCE INFORMATION.—The performance information provided for a market-dominant product on the Website shall include—

“(A) the type of market-dominant product;

“(B) performance information for different geographic areas, consistent with subsection (b);

“(C) performance information for different time periods, including annual, quarterly, monthly, and weekly segments;

“(D) comparisons of performance information for market-dominant products to performance information for previous time periods to facilitate identification of performance trends; and

“(E) the performance targets then in effect, and the performance targets for the previous fiscal year, as established under subsection (a)(1).

“(3) COMPREHENSIBILITY.—The Website shall include plain language descriptions of the elements required under paragraph (2) and information on the collection process, measurement methodology, completeness, accuracy, and validity of the performance information provided on the Website.

“(4) ADDRESS SEARCH FUNCTIONALITY.—The Website shall include functionality to enable a user to search for performance information by street address, ZIP Code, or post office box.

“(5) FORMAT.—The Postal Service shall make the performance information provided on the Website available—

“(A) in a manner that—

“(i) presents the information required under paragraph (2) on an interactive dashboard;

“(ii) is searchable and may be sorted and filtered by the elements described in paragraph (2); and

“(iii) to the extent practicable, enables any person or entity to download in bulk—

“(I) such performance information; and

“(II) the results of a search by the elements described in paragraph (2);

“(B) under an ‘open license’ which has the meaning given that term in section 3502 of title 44; and

“(C) as an ‘open Government data asset’ and in a ‘machine-readable’ format which have the meaning given those terms in section 3502 of title 44.

“(6) CONSULTATION.—The Postal Service shall regularly consult with the Postal Regulatory Commission on appropriate features and information to be included on the Website.

“(7) PUBLIC INPUT.—The Postal Service shall—

“(A) solicit public input on the design and implementation of the Website; and

“(B) maintain a public feedback tool to ensure each feature of, and the information on, the Website is usable and understandable.

“(8) DEADLINE.—The Postal Service shall implement and make available to the public (and make any subsequent changes in accordance with subsection (b)) the Website not later than 60 days from the date on which the Postal Service receives the requirements and recommendations from the Postal Regulatory Commission under subsection (b), and shall con-

tinuously update such information on the Website as required by subsection (b).

“(9) AVAILABILITY.—A link and plain language description of the Website shall be made available on any webpage where performance targets and measurements established under subsection (a)(1) are made available to the public.

“(10) REPORTING.—The Postal Service, the Postmaster General, or the Board, as applicable, shall reference the dashboard described in paragraph (5)(A)(i) in the Annual Performance Plan under section 2803, the Annual Performance Report under section 2804, and the Annual Report under section 2402.

“(11) DEFINITIONS.—In this subsection—

“(A) PERFORMANCE INFORMATION.—The term ‘performance information’ means the objective external performance measurements established under section 3691(b)(1)(D).

“(B) WEBSITE.—The term ‘Website’ means the website described in paragraph (1).”.

(b) **[39 U.S.C. 3621]** TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 36 of title 39, United States Code, is amended by inserting after the item relating to section 3691 the following:

“3692. Performance targets and transparency.”.

SEC. 202. INTEGRATED DELIVERY NETWORK.

(a) IN GENERAL.—Section 101(b) of title 39, United States Code, is amended by inserting before “The Postal Service” the following: “The Postal Service shall maintain an integrated network for the delivery of market-dominant and competitive products (as defined in chapter 36 of this title). Delivery shall occur at least six days a week, except during weeks that include a Federal holiday, in emergency situations, such as natural disasters, or in geographic areas where the Postal Service has established a policy of delivering mail fewer than six days a week as of the date of enactment of the Postal Service Reform Act of 2022.”.

(b) **[39 U.S.C. 101 note]** RULE OF CONSTRUCTION.—Nothing in subsection (a) or the amendment made by such subsection is intended to alter or amend the requirements of chapters 20 or 36 of title 39, United States Code, and related implementing regulations, including provisions relating to costing, accounting, or rates.

SEC. 203. [39 U.S.C. 3633 note] REVIEW OF POSTAL SERVICE COST ATTRIBUTION GUIDELINES.

Not later than the date that is one year after the date of the enactment of this Act, the Postal Regulatory Commission shall initiate a review of the regulations issued pursuant to sections 3633(a) and 3652(a)(1) of title 39, United States Code, to determine whether revisions are appropriate to ensure that all direct and indirect costs attributable to competitive and market-dominant products are properly attributed to those products, including by considering the underlying methodologies in determining cost attribution and considering options to revise such methodologies. If the Commission determines, after notice and opportunity for public comment, that revisions are appropriate, the Commission shall make modifications or adopt alternative methodologies as necessary.

SEC. 204. RURAL NEWSPAPER SUSTAINABILITY.

Section 3626(h) of title 39, United States Code, is amended by striking “10 percent” and inserting “50 percent”.

SEC. 205. FUNDING OF POSTAL REGULATORY COMMISSION.

(a) **IN GENERAL.**—Subsection (d) of section 504 of title 39, United States Code, is amended to read as follows:

“(d)(1) Not later than September 1 of each fiscal year (beginning with fiscal year 2022), the Postal Regulatory Commission shall submit to the Postal Service a budget of the Commission’s expenses, including expenses for facilities, supplies, compensation, and employee benefits, for the following fiscal year. Any such budget shall be deemed approved as submitted if the Governors fail to adjust the budget in accordance with paragraph (2).

“(2)(A) Not later than 30 days after receiving a budget under paragraph (1), the Governors holding office, by unanimous written decision, may adjust the total amount of funding requested in such budget. Nothing in this subparagraph may be construed to authorize the Governors to adjust any activity proposed to be funded by the budget.

“(B) If the Governors adjust the budget under subparagraph (A), the Postal Regulatory Commission shall adjust the suballocations within such budget to reflect the total adjustment made by the Governors. The budget shall be deemed approved on the date the Commission makes any such adjustments. The Commission may make further adjustments to the suballocations within such budget as necessary.

“(3) Expenses incurred under any budget approved under this subsection shall be paid out of the Postal Service Fund established under section 2003.”

(b) **CONFORMING AMENDMENTS.**—Title 39, United States Code, is amended—

(1) in section 2003(e), by striking “(B) all expenses of the Postal Regulatory Commission, subject to the availability of amounts appropriated under section 504(d);” and inserting “(B) all expenses of the Postal Regulatory Commission, pursuant to section 504(d);” and

(2) in section 2009—

(A) by striking “, (2)” and inserting “, and (2)”; and

(B) by striking “, and (3) the Postal Regulatory Commission requests to be appropriated, out of the Postal Service Fund, under section 504(d) of this title”.

SEC. 206. [39 U.S.C. 501 note] FLATS OPERATIONS STUDY AND REFORM.

(a) **FLATS OPERATIONS STUDY.**—

(1) **IN GENERAL.**—The Postal Regulatory Commission, in consultation with the Inspector General of the United States Postal Service, shall conduct a study to—

(A) comprehensively identify the causes of inefficiencies in the collection, sorting, transportation, and delivery of Flats; and

(B) quantify the effects of the volume trends, investments decisions, excess capacity, and operational ineffi-

- ciencies of the Postal Service on the direct and indirect costs of the Postal Service that are attributable to Flats.
- (2) **POSTAL SERVICE ASSISTANCE.**—For the purposes of carrying out the study under paragraph (1), the Postal Service shall, upon request by the Postal Regulatory Commission, consult with the Postal Regulatory Commission and provide—
- (A) access to Postal Service facilities to personnel of the Postal Regulatory Commission; and
- (B) information and records necessary to conduct such study.
- (3) **REPORT.**—Not later than one year after the date of the enactment of this Act, the Postal Regulatory Commission shall submit to Congress and the Postmaster General a report on the findings of the study conducted under paragraph (1).
- (4) **FLATS DEFINED.**—In this subsection, the term “Flats” means products that meet the physical standards described in the Domestic Mail Manual (as in effect on the date of the enactment of this Act) for Flats mail for any class of mail.
- (b) **FLATS OPERATIONS REFORM.**—
- (1) **IN GENERAL.**—Not later than six months after the date on which the Postal Regulatory Commission submits the report described in subsection (a)(3), the Postal Service shall—
- (A) develop and implement a plan to remedy each inefficiency identified in the study conducted under subsection (a)(1) to the extent practicable; and
- (B) if the Postal Service determines that remedying any such inefficiency is not practicable, provide to Congress and the Postal Regulatory Commission an explanation why remedying such inefficiency is not practicable, including whether it may become practicable to remedy such inefficiency at a later time.
- (2) **IMPLEMENTATION REQUIREMENTS.**—Prior to implementing the plan described in paragraph (1)—
- (A) the Postal Regulatory Commission must approve the plan; and
- (B) the Postal Service shall provide an adequate opportunity for public comment on the plan.
- (3) **COMPLETION NOTICE.**—On the date on which the plan described in paragraph (1) is fully implemented, as determined by the Postmaster General, the Postmaster General shall submit to Congress and the Postal Regulatory Commission a written notice of such implementation.
- (c) **SUBSEQUENT RATE ADJUSTMENTS.**—During the five-year period beginning on the date on which the Postal Regulatory Commission submits a report under subsection (a)(3), the Postal Service, when making any adjustment to the rate of a market-dominant product (as defined in section 102 of title 39, United States Code), shall consider the findings of such report and, after the plan described in subsection (b)(1) is implemented, the plan’s efficacy in remedying the inefficiencies identified in the study conducted under subsection (a)(1).

SEC. 207. REPORTING REQUIREMENTS.

(a) **IN GENERAL.**—Not later than 240 days after the date of the enactment of this Act, and every six months thereafter, the Postmaster General shall submit to the President, the Postal Regulatory Commission, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Oversight and Reform of the House of Representatives a report on the operations and financial condition of the Postal Service during the six-month period ending 60 days before the date on which the Postmaster General submits such report.

(b) **CONTENTS.**—Each report submitted under this section shall include updates, details of changes from previous standards and requirements, and assessments of progress being made on the operations and financial condition of the Postal Service, including—

(1) the actual mail and package volume growth relative to any mail or package volume growth projections previously made or relied upon by the Postal Service, including a discussion of the reasons for the differences in projections and the associated adjustments being made;

(2) the effect of pricing changes on product volume for market-dominant and competitive products, and associated revenue effects on financial projections, including a discussion of the reasons behind the differences in projections and associated adjustments being made;

(3) customer use of network distribution centers and processing and distribution centers;

(4) the status of the USPS Connect program and revenue effects of the program on the financial projections;

(5) the use of Priority Mail, Priority Mail Express, First-Class Package Service, and Parcel Select services (as such terms are defined in the Mail Classification Schedule as in effect on the date of the enactment of this Act) among customers and associated revenue effects;

(6) the use of USPS Connect Returns service among customers, and associated costs and revenue effects;

(7) the use of USPS E-Commerce Marketplace among customers, and associated costs and revenue effects;

(8) updates on the reliability, efficiency, and cost-effectiveness of the transportation network, including the manner in which ground transportation is utilized over air transportation for types of market-dominant products and competitive products;

(9) a review of efforts to enhance employee training, safety, and wellbeing, including associated effects on employee recruitment, satisfaction, and retention;

(10) a review of efforts being made to improve employee allocation, including changes of non-career employees to career status, and any associated impacts to operational expenses and processing, transportation, and delivery efficiency;

(11) the rate of planned investment into Postal Service processing, transportation, and delivery equipment and infrastructure for market-dominant and competitive products, and a review of any associated effects on operational expenses and efficiency;

(12) changes to network distribution centers and the expansion of regional distribution centers, including costs associated with the changes and any realized reduction in operational expenses or improved resource efficiencies;

(13) a review of the ability of the Postal Service to meet performance targets established under section 3692(a)(1) of title 39, United States Code;

(14) a discussion of the progress of the Postal Service in achieving any new, self-funded investments, including the amounts realized and expended to date, and a discussion of the reasons behind any disparities in the assumptions regarding the expected progress of the Postal Service getting new, self-funded investments to accommodate changes; and

(15) any other information the Postal Service determines relevant, such as barriers or unanticipated events, in order to help the Postal Regulatory Commission, Congress, the President, and the American public evaluate the success or difficulties faced by the Postal Service in implementing the reform plan.

(c) CONFIDENTIAL INFORMATION.—

(1) IN GENERAL.—The report required under this subsection shall be submitted in a form that excludes any proprietary or confidential information and trade secrets.

(2) NOTIFICATION.—If the Postal Service determines that any information must be excluded under paragraph (1), the Postal Service shall, at the time of submitting the report, notify the President, the Committee on Oversight and Reform of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Postal Regulatory Commission in writing of its determination and describe in detail the information for which confidentiality is sought and the reasons therefor.

(3) ANNEXES.—The Postal Service shall submit to the persons and entities notified under paragraph (2) any information excluded under paragraph (1) in an annex that shall be treated as confidential in accordance with paragraph (4).

(4) TREATMENT.—No person may, with respect to any information which such person receives under paragraph (4)—

(A) use such information for purposes other than the purposes for which it is supplied; or

(B) permit any person or entity other than a person or entity notified under paragraph (2), or the staff thereof, to have access to any such information.

(d) TERMINATION.—This section shall terminate on the date that is five years after the date on which the first report required by this section is submitted.

SEC. 208. POSTAL SERVICE TRANSPORTATION SELECTION POLICY REVISIONS.

Section 101(f) of title 39, United States Code, is amended—

(1) by striking “prompt and economical” and inserting “prompt, economical, consistent, and reliable”;

(2) by inserting after “all mail” the following: “in a manner that increases operational efficiency and reduces complexity”;

(3) by inserting “cost-effective” after “to achieve”; and

(4) by inserting “also” after “Nation shall”.

SEC. 209. USPS INSPECTOR GENERAL OVERSIGHT OF POSTAL REGULATORY COMMISSION.

(a) **IN GENERAL.**—Section 8G of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in subsection (a)(2), by striking “the Postal Regulatory Commission,”; and

(2) in subsection (f)—

(A) in paragraph (2)—

(i) by striking “(2) In carrying” and inserting “(2)(A) In carrying”; and

(ii) by adding at the end the following:

“(B) In carrying out the duties and responsibilities specified in this Act, the Inspector General of the United States Postal Service shall function as the Inspector General for the Postal Regulatory Commission, and shall have equal responsibility over the United States Postal Service and the Postal Regulatory Commission. The Commission shall comply with the Inspector General’s oversight as if the Commission were a designated Federal entity under subsection (a)(2) and as if the Inspector General were the inspector general of the Commission. The Governors of the Postal Service shall not direct oversight activities for the Postal Regulatory Commission.”;

(B) in paragraph (3)(A)(i), by inserting “pertaining to the United States Postal Service” after “subpoenas,”;

(C) in paragraph (3)(B)(i), by inserting “and the Postal Regulatory Commission” after “United States Postal Service”;

(D) in paragraph (3)(C), by inserting “or the Postal Regulatory Commission” after “Governors”;

(E) by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively; and

(F) by inserting after paragraph (3) the following:

“(4) For activities pertaining to the Postal Regulatory Commission, sections 4, 5, 6 (other than subsection (g) thereof), and 7 of this Act shall be applied by substituting the term ‘head of the Postal Regulatory Commission’ for ‘head of the establishment’.”.

(b) **APPOINTMENT AND REMOVAL.**—Section 202 of title 39, United States Code, is amended—

(1) in subsection (e)(1), by striking “The Governors shall appoint” and inserting “The Governors and the members of the Postal Regulatory Commission shall appoint, by a favorable vote of a majority of the Governors in office and of a majority of the members of the Commission in office,”; and

(2) in subsection (e)(3), by inserting “and 3 members of the Postal Regulatory Commission” after “at least 7 Governors”.

(c) **SAVINGS PROVISION.**—

(1) **PERSONNEL, DOCUMENTS, ASSETS.**—All personnel, documents, assets, unexpended balances of appropriations, and obligations of the Inspector General for the Postal Regulatory Commission shall transfer to the Inspector General of the Postal Service on the effective date of this section.

(2) **LEGAL DOCUMENTS.**—Any order, determination, rule, regulation, permit, grant, loan, contract, agreement, certificate, license, or privilege that has been issued, made, granted, or allowed to become effective by the Inspector General of the Postal Regulatory Commission that is in effect on the effective date of this section shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law.

(3) **PROCEEDINGS.**—This section and the amendments made by this section shall not affect any proceeding pending on the effective date of this section before the Inspector General of the Postal Regulatory Commission, but such proceeding shall be continued by the Inspector General of the Postal Service, at the discretion of that Inspector General. Nothing in this paragraph shall be construed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that the proceeding could have been discontinued or modified if this section and those amendments had not been enacted.

(4) **SUITS.**—This section and the amendments made by this section shall not affect any suit commenced before the effective date of this section, and in any such suit, proceeding shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section or such amendments had not been enacted.

(5) **REFERENCES.**—Any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document relating to the Inspector General of the Postal Regulatory Commission shall be deemed to refer to the Inspector General of the United States Postal Service.

(d) **TECHNICAL AND CONFORMING AMENDMENT.**—Section 504 of title 39, United States Code, is amended by striking subsection (h).

(e) **EFFECTIVE DATE.**—This section and the amendments made by this section shall take effect on the date that is 180 days after the date of enactment of this Act.

TITLE III—SEVERABILITY

SEC. 301. [39 U.S.C. 101 note] SEVERABILITY.

If any provision of this Act or any amendment made by this Act, or the application of a provision of this Act or an amendment made by this Act to any person or circumstance, is held to be unconstitutional, the remainder of this Act, and the application of the provisions to any person or circumstance, shall not be affected by the holding.