

112TH CONGRESS
1ST SESSION

H. R. 1262

To reform the United States Postal Service in order to fulfill its constitutional mandate, to improve its efficiency, to help it meet its universal service obligation, and to facilitate private sector economic growth.

IN THE HOUSE OF REPRESENTATIVES

MARCH 30, 2011

Mr. CONNOLLY of Virginia (for himself, Ms. NORTON, Mr. DEUTCH, and Mr. DAVIS of Illinois) introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To reform the United States Postal Service in order to fulfill its constitutional mandate, to improve its efficiency, to help it meet its universal service obligation, and to facilitate private sector economic growth.

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.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Reform the Postal Service for the 21st Century Act”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.
- Sec. 3. Assistance to facilitate voting by mail.
- Sec. 4. Provisions relating to the postal delivery vehicle fleet.
- Sec. 5. Forever box.
- Sec. 6. Nonpostal products and services.
- Sec. 7. Study relating to consolidated mailings.
- Sec. 8. Study relating to the cost of Government mailings.
- Sec. 9. Packaging of postal services and products.
- Sec. 10. After-delivery payment arrangements.
- Sec. 11. Small business mailing pools.
- Sec. 12. Electronic post office box services.
- Sec. 13. Contracting provisions.
- Sec. 14. Supervisory and other managerial organizations of the Postal Service.
- Sec. 15. Energy efficiency projects.
- Sec. 16. Required period for notice and comment with respect to changes in mailing rules.
- Sec. 17. Negotiated service agreements for market-dominant products.
- Sec. 18. Electronic communication products.

3 **SEC. 2. DEFINITIONS.**

4 For purposes of this Act—

5 (1) the term “Postal Service” means the United
 6 States Postal Service;

7 (2) the term “market-dominant product” has
 8 the meaning given such term by section 102 of title
 9 39, United States Code;

10 (3) the term “Postal fleet” means that portion
 11 of the Federal fleet (within the meaning of section
 12 303(b) of the Energy Policy Act of 1992 (42 U.S.C.
 13 13212(b)) which is owned, operated, leased, or oth-
 14 erwise controlled by or assigned to the Postal Serv-
 15 ice and used primarily in the delivery of mail;

1 (4) the term “motor vehicle” means any self-
2 propelled vehicle designed for transporting persons
3 or property on a street or highway;

4 (5) the term “electric motor vehicle” means a
5 motor vehicle powered solely by an electric motor
6 that draws current from rechargeable storage bat-
7 teries, fuel cells, photovoltaic arrays, or other
8 sources of electric current;

9 (6) the term “small business concern” means a
10 small business as defined pursuant to section 3 of
11 the Small Business Act (15 U.S.C. 632) and rel-
12 evant regulations promulgated pursuant thereto;

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

19 (8) the term “United States”, as used in a geo-
20 graphical sense, includes the District of Columbia,
21 the Commonwealth of Puerto Rico, the Virgin Is-
22 lands, Guam, American Samoa, the Commonwealth
23 of the Northern Mariana Islands, and any other ter-
24 ritory or possession of the United States.

1 **SEC. 3. ASSISTANCE TO FACILITATE VOTING BY MAIL.**

2 It is the sense of Congress that the Postal Service
3 should consider a simplified rate structure for election bal-
4 lots sent by voters by mail as part of its review of potential
5 new election mail products.

6 **SEC. 4. PROVISIONS RELATING TO THE POSTAL DELIVERY**
7 **VEHICLE FLEET.**

8 (a) **ELECTRIC VEHICLES.**—The Postal Service shall
9 implement a plan, which it shall present in advance to
10 Congress, to replace or convert 2,000 gasoline-powered de-
11 livery vehicles with electric vehicles by January 1, 2017.

12 (b) **CONVERSION TO ELECTRIC MOTOR VEHICLES.**—

13 (1) **IN GENERAL.**—It is the sense of Congress
14 that the Postal Service should—

15 (A) during each year in the 10-year period
16 beginning on the date of enactment of this Act,
17 replace at least 10 percent of the gasoline-pow-
18 ered motor vehicles in the Postal fleet with elec-
19 tric motor vehicles;

20 (B) take such measures as may be nec-
21 essary to ensure that, by the end of the 10-year
22 period described in subparagraph (A), at least
23 75 percent of the Postal fleet is comprised of
24 electric motor vehicles; and

25 (C) carry out the preceding provisions of
26 this paragraph, in coordination with local elec-

1 tric distribution companies, in a manner con-
2 sistent with the goals of—

3 (i) maintaining electric grid reliability;

4 and

5 (ii) minimizing charging costs of elec-
6 tric motor vehicles in the Postal fleet.

7 (2) BUY AMERICAN.—Notwithstanding any
8 other provision of law, electric motor vehicles ac-
9 quired to carry out this subsection shall be electric
10 motor vehicles manufactured in the United States.
11 The Postal Service shall ensure that manufacturers
12 of electric motor vehicles so acquired solicit competi-
13 tive bids for electric drive components and storage
14 devices from domestic manufacturers that partici-
15 pate in the Department of Energy’s Electric Drive
16 Vehicle Battery and Component Manufacturing Ini-
17 tiative (or successor program, as determined by the
18 Postal Service in consultation with the Secretary of
19 Energy).

20 (3) BORROWING AUTHORITY.—

21 (A) IN GENERAL.—The Postal Service may
22 borrow money and issue and sell such obliga-
23 tions as it determines necessary to carry out
24 this subsection.

1 (B) TERMS AND CONDITIONS.—The au-
2 thority under subparagraph (A) shall be avail-
3 able to the Postal Service, subject to the provi-
4 sions of sections 2005 through 2007 of title 39,
5 United States Code, to the same extent and in
6 the same manner as if it were the cor-
7 responding authority described in the first sen-
8 tence of subsection (a)(1) of such section 2005,
9 except that—

10 (i) the amount of obligations out-
11 standing under this paragraph shall not be
12 taken into account nor subject to—

13 (I) the last sentence of subsection
14 (a)(1) of such section 2005;

15 (II) subsection (a)(2) of such sec-
16 tion 2005, except as provided in
17 clause (iv); or

18 (III) the dollar-amount limitation
19 set forth in section 2006(b) of such
20 title;

21 (ii) obligations issued by the Postal
22 Service under this paragraph shall mature
23 within a period not to exceed 10 years
24 from the date of issuance;

1 (iii)(I) if the Secretary of the Treas-
2 ury makes an election under section
3 2006(a) to purchase such obligations, the
4 rate of interest on such obligations shall be
5 zero; and

6 (II) if those obligations are issued and
7 sold under the last sentence of section
8 2006(a) to a party or parties other than
9 the Secretary of the Treasury, any interest
10 on such obligations shall be payable by the
11 Government of the United States and not
12 by the Postal Service;

13 (iv) if the Postal Service does not
14 repay the principal of any obligations
15 under this paragraph (whether sold in the
16 manner described in clause (iii)(I) or
17 issued in the manner described in clause
18 (iii)(II)) in timely fashion—

19 (I) the unpaid portion of such
20 principal shall, after the deadline for
21 repayment, be taken into account for
22 purposes of section 2005(a)(2) of such
23 title 39; and

24 (II) if the application of sub-
25 clause (I) causes the aggregate

1 amount of obligations, issued by the
2 Postal Service, which are outstanding
3 at any one time to exceed the max-
4 imum amount allowable under such
5 section 2005(a)(2), the further exer-
6 cise of any borrowing authority under
7 this paragraph shall be suspended
8 until such aggregate amount is re-
9 duced to a level that does not exceed
10 that maximum amount allowable; and
11 (v) the aggregate amount of obliga-
12 tions outstanding under this paragraph at
13 any one time shall not exceed
14 \$6,000,000,000.

15 (c) AUTHORITY TO USE FLEET VEHICLES FOR CER-
16 TAIN PURPOSES BESIDES MAIL DELIVERY.—

17 (1) IN GENERAL.—Section 404(a) of title 39,
18 United States Code, is amended—

19 (A) by redesignating paragraphs (6)
20 through (8) as paragraphs (7) through (9), re-
21 spectively; and

22 (B) by inserting after paragraph (5) the
23 following:

24 “(6) to provide services, other than postal serv-
25 ices (as defined in section 102(5)) and in a manner

1 that generates revenue for the Postal Service, if the
2 Postal Service determines that the provision of that
3 service would utilize the processing, transportation,
4 delivery, retail network, or technology of the Postal
5 Service in a manner that is consistent with the pub-
6 lic interest;”.

7 (2) REPORTING REQUIREMENT.—Not later than
8 2 years after the date of enactment of this Act, the
9 Postal Service shall submit to Congress a written re-
10 port on the operation of the amendment made by
11 paragraph (1). Such report shall specifically include
12 a description of any agreements or other arrange-
13 ments entered into by the Postal Service for the pur-
14 pose of allowing vehicles in the Postal fleet to be
15 used for purposes relating to monitoring weather
16 conditions (including air pollution) or road condi-
17 tions. Such report shall—

18 (A) to the extent that it relates to moni-
19 toring weather conditions, be prepared in con-
20 sultation with the National Weather Service;

21 (B) to the extent that it relates to moni-
22 toring air pollution, be prepared in consultation
23 with the Environmental Protection Agency; and

1 (C) to the extent that it relates to moni-
2 toring road conditions, be prepared in consulta-
3 tion with the Department of Transportation.

4 **SEC. 5. FOREVER BOX.**

5 It is the sense of Congress that the Postal Service
6 should consider creating a “Forever Box” for customers
7 to mail parcels of a certain size, analogous to the “Forever
8 Stamp”.

9 **SEC. 6. NONPOSTAL PRODUCTS AND SERVICES.**

10 (a) CO-LOCATION OF POST OFFICES AT RETAIL FA-
11 CILITIES.—

12 (1) IN GENERAL.—Not later than 90 days after
13 the date of enactment of this Act, the Postal Service
14 shall submit a plan on the co-location of post offices
15 at retail facilities to—

16 (A) the Committee on Homeland Security
17 and Governmental Affairs of the Senate; and

18 (B) the Committee on Oversight and Gov-
19 ernment Reform of the House of Representa-
20 tives.

21 (2) CONTENTS.—The plan under paragraph (1)
22 shall—

23 (A) be developed in consultation with the
24 Postal Regulatory Commission;

1 (B) provide for an increase in the co-locat-
2 tion of post offices at retail facilities to enable
3 the United States Postal Service to offer its
4 products and services at those locations;

5 (C) consider the impact of any co-location
6 decisions on small communities and rural areas
7 before taking actions to co-locate post offices;
8 and

9 (D) ensure that—

10 (i) service shall continue in small com-
11 munities and rural areas after implementa-
12 tion of the plan;

13 (ii) the United States Postal Service
14 solicits community input before making de-
15 cisions about co-location;

16 (iii) the quality of products and serv-
17 ices offered in co-located facilities are con-
18 sistent with those offered in post offices;

19 (iv) products and services provided in
20 co-located facilities will be provided
21 through the employment of employees of
22 the Postal Service, to the same extent as
23 if such products and services had not been
24 relocated from a post office; and

1 (v) co-location shall be permitted only
2 to the extent that the Postal Service deter-
3 mines (and the Postal Regulatory Commis-
4 sion concurs) that net revenues will in-
5 crease with respect to the operations of the
6 post office or post offices so co-located.

7 (3) REPORTING REQUIREMENT.—The Postal
8 Service shall submit a report, once every 2 years, on
9 the progress of implementing the plan on the co-lo-
10 cation of post offices at retail facilities under this
11 subsection to—

12 (A) the Committee on Homeland Security
13 and Governmental Affairs of the Senate; and

14 (B) the Committee on Oversight and Gov-
15 ernment Reform of the House of Representa-
16 tives.

17 (b) SPECIFIC POWERS.—Section 404(a) of title 39,
18 United States Code, is amended—

19 (1) by redesignating paragraphs (6) through
20 (8) as paragraphs (7) through (9), respectively; and

21 (2) by inserting after paragraph (5) the fol-
22 lowing:

23 “(6) to provide services other than postal serv-
24 ices, but only after determining that the provision of
25 those other services would use the processing, trans-

1 portation, delivery, retail network, and technology of
2 the Postal Service (whichever apply) in a manner
3 that is consistent with the public interest;”.

4 (c) WINE AND BEER SHIPPING.—

5 (1) AMENDMENTS TO TITLE 18, UNITED STATES
6 CODE.—

7 (A) NONMAILABLE ARTICLES.—Section
8 1716(f) of title 18, United States Code, is
9 amended by striking “mails” and inserting
10 “mails, except to the extent that the mailing is
11 allowable under section 3001(p) of title 39”.

12 (B) INTOXICANTS.—Section 1154(a) of
13 title 18, United States Code, is amended by in-
14 serting “or, with respect to the mailing of wine
15 or malt beverages, to the extent allowed under
16 section 3001(p) of title 39” after “mechanical
17 purposes”.

18 (2) AMENDMENT TO TITLE 39, UNITED STATES
19 CODE.—Section 3001 of title 39, United States
20 Code, is amended by adding at the end the fol-
21 lowing:

22 “(p)(1) Wine or malt beverages shall be considered
23 mailable if mailed by a licensed winery or brewery, in ac-
24 cordance with applicable regulations under paragraph (2).

1 “(2) The Postal Service shall prescribe such regula-
2 tions as may be necessary to carry out this subsection,
3 including regulations providing that—

4 “(A) the mailing shall be by a means estab-
5 lished by the Postal Service to ensure direct delivery
6 to the addressee or a duly authorized agent at a
7 postal facility;

8 “(B) the addressee shall be an individual at
9 least 21 years of age, and shall present a valid, gov-
10 ernment-issued photo identification at the time of
11 delivery;

12 “(C) the wine or malt beverages may not be for
13 resale or other commercial purpose; and

14 “(D) the winery or brewery involved shall—

15 “(i) certify in writing to the satisfaction of
16 the Postal Service that the mailing is not in vio-
17 lation of any provision of this subsection or reg-
18 ulation prescribed under this subsection; and

19 “(ii) provide any other information or af-
20 firmation that the Postal Service may require,
21 including with respect to the prepayment of
22 State alcohol beverage taxes.

23 “(3) For purposes of this subsection, a winery or
24 brewery shall be considered to be licensed if it holds an

1 appropriate basic permit issued under the Federal Alcohol
2 Administration Act.”.

3 (3) EFFECTIVE DATE.—The amendments made
4 by this subsection shall take effect 180 days after
5 the date of enactment of this Act.

6 **SEC. 7. STUDY RELATING TO CONSOLIDATED MAILINGS.**

7 (a) DEFINITIONS.—For purposes of this section—

8 (1) the term “transpromotional mailing” refers
9 to the use of a single mailing to provide, in addition
10 to information provided by the mailing source, other
11 information of potential interest to the recipient
12 from a different source; and

13 (2) the term “consolidated mailing” refers to a
14 combined mailing, contained in a single envelope or
15 cover, comprised of mail matter from more than one
16 Federal agency.

17 (b) STUDY.—The Postal Service shall conduct a
18 study and submit to Congress, within 2 years after the
19 date of enactment of this Act, a report on ways to promote
20 the use of transpromotional or consolidated mailings. In-
21 cluded as part of such report shall be—

22 (1) findings regarding the effect that the great-
23 er use of transpromotional or consolidated mailings
24 is likely to have in terms of—

25 (A) expanded mail volume;

1 (B) efficiencies in the dissemination of in-
2 formation by Federal agencies; and

3 (C) other relevant measures; and

4 (2) recommendations for such legislation or
5 other actions as the Postal Service considers nec-
6 essary to achieve the optimal levels of
7 transpromotional or consolidated mailings.

8 **SEC. 8. STUDY RELATING TO THE COST OF GOVERNMENT**
9 **MAILINGS.**

10 (a) IN GENERAL.—Within 1 year after the date of
11 enactment of this Act, there shall be submitted to Con-
12 gress the results of a study relating to the mailing costs,
13 attributable to each agency or other entity in the executive
14 branch of the Government, of sending mail by using the
15 Postal Service, as compared to the services of a carrier
16 other than the Postal Service. The report shall include,
17 for the Postal Service and each of the other respective car-
18 riers—

19 (1) an estimate of the per-mile mailing costs for
20 each class of mail; and

21 (2) such other information as may be necessary
22 to allow meaningful comparisons to be made.

23 (b) REGULATIONS.—The requirements of this section
24 shall be carried out in such manner as the President may
25 require.

1 **SEC. 9. PACKAGING OF POSTAL SERVICES AND PRODUCTS.**

2 It is the sense of Congress that the Postal Service
3 should consider—

4 (1) establishing packages of postal services and
5 products; and

6 (2) marketing those packages to small busi-
7 nesses and other potential users.

8 **SEC. 10. AFTER-DELIVERY PAYMENT ARRANGEMENTS.**

9 Nothing in title 39, United States Code, or any other
10 provision of law, shall prevent the Postal Service from en-
11 tering into arrangements whereby the sender of a mailing
12 may be allowed to defer payment of postage until after
13 the item involved has been delivered.

14 **SEC. 11. SMALL BUSINESS MAILING POOLS.**

15 (a) IN GENERAL.—Nothing in title 39, United States
16 Code, or any other provision of law, shall prevent the Post-
17 al Service from promoting, or providing technical assist-
18 ance in connection with, the creation of small business and
19 other mailing pools, the purpose of which is to allow each
20 member of such pool to take advantage of postage rates
21 applicable to bulk mailings and other discounts.

22 (b) REPORTING REQUIREMENT.—The Postal Service
23 shall submit a written report to Congress, at least once
24 every 3 years, on the operation of this section.

1 **SEC. 12. ELECTRONIC POST OFFICE BOX SERVICES.**

2 (a) IN GENERAL.—The Postal Service may, in part-
3 nership with a private sector provider of electronic mail
4 services, carry out a pilot program which is designed to
5 test the feasibility and desirability of an integrated elec-
6 tronic system for the receipt, storage, transport, and deliv-
7 ery of mail directed to physical addresses and post office
8 boxes.

9 (b) REPORTING REQUIREMENT.—

10 (1) IN GENERAL.—Within 3 years after the
11 date of enactment of this Act, the Postal Service
12 shall submit to Congress a report describing the de-
13 sign, operation, and recommendations of the Postal
14 Service with respect to the pilot program under this
15 section.

16 (2) ROLE OF PRC.—At least 6 months before
17 submitting its report to Congress, the Postal Service
18 shall transmit a copy of its report to the Postal Reg-
19 ulatory Commission for comments. The Postal Serv-
20 ice shall append to the report any written comments
21 received from the Postal Regulatory Commission
22 under this paragraph.

23 **SEC. 13. CONTRACTING PROVISIONS.**

24 (a) IN GENERAL.—Part I of title 39, United States
25 Code, is amended by adding at the end the following:

“CHAPTER 7—CONTRACTING PROVISIONS

“See.

“701. Definitions.

“702. Advocate for competition.

“703. Delegation of contracting authority.

“704. Posting of justifications of noncompetitive contracts.

“705. Review of ethical issues.

“706. Ban on certain contracts.

1 **“§ 701. Definitions**

2 “In this chapter—

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

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

7 “(A) the United States Postal Service; or

8 “(B) the Postal Regulatory Commission;

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

11 “(A) in the case of the United States Post-
12 al Service, the Postmaster General; or

13 “(B) in the case of the Postal Regulatory
14 Commission, the Postal Regulatory Commis-
15 sion;

16 “(4) the term ‘postal contract’ means any con-
17 tract (including any agreement or memorandum of
18 understanding) entered into by a covered postal enti-
19 ty for the procurement of goods or services; and

20 “(5) the term ‘senior procurement executive’
21 means the senior procurement executive of a covered
22 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—

7 “(A) designate for the covered postal entity
8 and for each procuring activity of the covered
9 postal entity 1 officer or employee (other than
10 the senior procurement executive) to serve as
11 the advocate for competition;

12 “(B) not assign such officer or employee
13 any duties or responsibilities that are incon-
14 sistent with the duties and responsibilities of
15 the advocates for competition; and

16 “(C) provide such officer or employee with
17 such staff or assistance as may be necessary to
18 carry out the duties and responsibilities of the
19 advocate for competition, such as persons who
20 are specialists in engineering, technical oper-
21 ations, contract administration, financial man-
22 agement, supply management, and utilization of
23 small and disadvantaged business concerns.

24 “(b) DUTIES AND FUNCTIONS.—The advocate for
25 competition of each covered postal entity shall—

1 “(1) be responsible for challenging barriers to
2 and promoting full and open competition in the pro-
3 curement of goods and services by the covered postal
4 entity;

5 “(2) review the procurement activities of the
6 covered postal entity;

7 “(3) identify and report to the senior procure-
8 ment executive—

9 “(A) opportunities and actions taken to
10 maximize full and open competition in the pro-
11 curement activities of the covered postal entity;
12 and

13 “(B) any condition or action which has the
14 effect of unnecessarily restricting competition in
15 the procurement actions of the covered postal
16 entity;

17 “(4) prepare and transmit to the head of each
18 covered postal entity, the Board of Governors of the
19 United States Postal Service, and Congress an an-
20 nual report describing—

21 “(A) the activities of the advocate under
22 this section;

23 “(B) initiatives required to increase com-
24 petition; and

1 “(C) barriers to the use of full and open
2 competition to the maximum extent practicable;

3 “(5) recommend to the senior procurement ex-
4 ecutive the goals and the plans for increasing com-
5 petition on a fiscal year basis;

6 “(6) recommend to the senior procurement ex-
7 ecutive a system of personal and organizational ac-
8 countability for competition, which may include the
9 use of recognition and awards to motivate program
10 managers, contracting officers, and others in author-
11 ity to promote competition in procurement pro-
12 grams; and

13 “(7) describe other ways in which the covered
14 postal entity has emphasized competition in pro-
15 grams for procurement training and research.

16 “(c) RESPONSIBILITIES.—The advocate for competi-
17 tion for each procuring activity shall be responsible for
18 promoting full and open competition, promoting the acqui-
19 sition of commercial items, and challenging barriers to
20 such acquisition, including such barriers as unnecessarily
21 restrictive statements of need, unnecessarily detailed spec-
22 ifications, and unnecessarily burdensome contract clauses.

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

24 “(a) IN GENERAL.—

1 “(1) POLICY.—Not later than 60 days after the
2 date of enactment of the U.S. Postal Service Im-
3 provements Act of 2010, the head of each covered
4 postal entity shall issue a policy on contracting offi-
5 cer delegations of authority for the covered postal
6 entity.

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

9 “(A) notwithstanding any delegation of
10 contracting authority, the ultimate responsi-
11 bility and accountability for the award and ad-
12 ministration of postal contracts resides with the
13 senior procurement executive; and

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

20 “(b) POSTING OF DELEGATIONS.—

21 “(1) IN GENERAL.—The head of each covered
22 postal entity shall make any delegation of authority
23 outside the functional contracting unit for the pro-
24 curement of goods or services which exceeds the sim-
25 plified acquisition threshold, as defined under sec-

1 tion 4(11) of the Office of Federal Procurement Pol-
2 icy Act (41 U.S.C. 403(11)) including any adjust-
3 ment under section 35A of that Act (41 U.S.C.
4 431A), available on the website of the covered postal
5 entity.

6 “(2) EFFECTIVE DATE.—This paragraph shall
7 apply to any delegation of authority made on or
8 after 30 days after the date of enactment of the
9 U.S. Postal Service Improvements Act of 2010.

10 **“§ 704. Posting of justifications of noncompetitive**
11 **contracts**

12 “(a) IN GENERAL.—Not later than 14 days after the
13 date of the award of any noncompetitive contract which
14 exceeds the simplified acquisition threshold, as defined
15 under section 4(11) of the Office of Federal Procurement
16 Policy Act (41 U.S.C. 403(11)) including any adjustment
17 under section 35A of that Act (41 U.S.C. 431A), or within
18 30 days if the justification and approval for that contract
19 is urgent and compelling, a covered postal entity shall
20 make publicly available the documents containing the jus-
21 tification and approval of that contract.

22 “(b) WEBSITE.—

23 “(1) IN GENERAL.—Subject to paragraph (2),
24 the documents described under subsection (a) shall

1 be made available on the website of the covered post-
2 al entity.

3 “(2) PROTECTION OF PROPRIETARY INFORMA-
4 TION.—The covered postal entity shall carefully
5 screen all justifications for proprietary data, and any
6 references and citations as are necessary to protect
7 the proprietary data, or security related information
8 and remove all such data or information before mak-
9 ing the justifications available.

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

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

16 “(1) review the proposed contract; and

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

19 **“§ 706. Ban on certain contracts**

20 “(a) DEFINITIONS.—In this section—

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

22 “(A) a contracting officer; or

23 “(B) any employee of a covered postal en-
24 tity whose decisionmaking affects a postal con-

1 tract as determined by regulations prescribed
2 by the head of a covered postal entity; and

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

7 “(b) IN GENERAL.—

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

10 “(A) prohibit a covered employee from entering
11 into a postal contract with any party
12 with whom that covered employee is closely affiliated
13 in a nongovernmental capacity, regardless of whether
14 or not the postal contract is for private gain;

15 “(B) require a contractor to timely disclose
16 to the chief ethics officers of the covered postal
17 entity any relationship described under subparagraph
18 (A) with a covered employee in a bid, solicitation,
19 award, or performance of a postal contract; and
20 “(C) include authority for the head of the
21 covered postal entity to grant a waiver to any
22 prohibition or requirement under subparagraph
23 (A) or (B).

24 “(C) include authority for the head of the
25 covered postal entity to grant a waiver to any
26 prohibition or requirement under subparagraph
27 (A) or (B).

1 “(2) POSTING OF WAIVERS.—Not later than 30
2 days after the head of a covered postal entity grants
3 a waiver described under paragraph (1)(C), the head
4 of the covered postal entity shall make the waiver
5 available on the website of the covered postal entity.

6 “(c) CONTRACT VOIDANCE AND RECOVERY.—

7 “(1) BRIBERY AND GRAFT CONVICTIONS.—In
8 any case in which there is a final conviction for a
9 violation of any provision of chapter 11 of title 18
10 relating to a postal contract, the head of a covered
11 postal entity may—

12 “(A) void that contract; and

13 “(B) recover the amounts expended and
14 property transferred by the covered postal enti-
15 ty under that contract.

16 “(2) OBTAINING OR DISCLOSING PROCUREMENT
17 INFORMATION.—

18 “(A) IN GENERAL.—In any case described
19 under subparagraph (B) relating to a postal
20 contract, the head of a covered postal entity
21 may—

22 “(i) void that contract; and

23 “(ii) recover the amounts expended
24 and property transferred by the covered
25 postal entity under that contract.

1 “(B) CONVICTION OR ADMINISTRATIVE DE-
 2 TERMINATION.—A case described under sub-
 3 paragraph (A) is any case in which—

4 “(i) there is a final conviction for an
 5 offense punishable under section 27(e) of
 6 the Office of Federal Procurement Policy
 7 Act (41 U.S.C. 423(e)); or

8 “(ii) the head of a covered postal enti-
 9 ty determines, based upon a preponderance
 10 of the evidence, that the contractor or
 11 someone acting for the contractor has en-
 12 gaged in conduct constituting an offense
 13 punishable under section 27(e) of that
 14 Act.”.

15 (b) TECHNICAL AND CONFORMING AMENDMENT.—
 16 The table of chapters for part I of title 39, United States
 17 Code, is amended by adding at the end the following:

“7. Contracting Provisions 701”.

18 **SEC. 14. SUPERVISORY AND OTHER MANAGERIAL ORGANI-**
 19 **ZATIONS OF THE POSTAL SERVICE.**

20 Section 1004 of title 39, United States Code, is
 21 amended—

22 (1) in subsection (a), by inserting “to ensure
 23 reasonable and sustainable workloads and schedules
 24 for supervisory and management employees;” after
 25 “other managerial personnel;”;

1 (2) in subsection (b) (in the second sentence),
2 by inserting “as provided under subsection (d) and
3 any changes in, or termination of, pay policies and
4 schedules and fringe benefit programs for members
5 of the supervisors’ organization as provided under
6 subsection (e)” before the period; and

7 (3) in subsection (e)(1), by inserting “, or ter-
8 mination of,” after “any changes in”.

9 **SEC. 15. ENERGY EFFICIENCY PROJECTS.**

10 (a) **IN GENERAL.**—In order to help finance energy
11 efficiency projects with respect to postal operations and
12 facilities, the Postal Service shall have available to it the
13 authority described in subsection (b).

14 (b) **AUTHORITY DESCRIBED.**—The authority de-
15 scribed in this subsection is the authority to borrow money
16 and to issue and sell obligations. The authority described
17 in the preceding sentence shall be available to the Postal
18 Service—

19 (1) in order to carry out subsection (a), subject
20 to the same terms and conditions as apply with re-
21 spect to the corresponding authority made available
22 under paragraph (3) of section 4(a) in order to carry
23 out the purposes of such section 4(a); except that

1 (2) the aggregate amount of obligations out-
2 standing under this paragraph at any one time shall
3 not exceed \$1,000,000,000.

4 (c) REPORTING REQUIREMENT.—The Postal Service
5 shall submit a written report to Congress, once every 2
6 years, on the operation of this section.

7 **SEC. 16. REQUIRED PERIOD FOR NOTICE AND COMMENT**
8 **WITH RESPECT TO CHANGES IN MAILING**
9 **RULES.**

10 (a) IN GENERAL.—The Postal Service shall by regu-
11 lation establish procedures under which, before adding,
12 eliminating, or modifying any mailing rules—

13 (1) notice of the proposed change shall be pro-
14 vided by publication in the Federal Register; and

15 (2) a minimum of 30 days shall be provided,
16 after the date of such publication, for public com-
17 ment.

18 (b) EXCEPTIONS.—Subsection (a)—

19 (1) shall not apply to any classification or other
20 rules changes that must be brought before the Post-
21 al Regulatory Commission; and

22 (2) shall not apply to any change that the Post-
23 master General certifies has a cumulative cost, to
24 users of the mail, of less than \$5,000,000 per year.

1 (c) MAILING RULES DEFINED.—For purposes of this
2 section, the term “mailing rules” means any rules or other
3 requirements of the Postal Service—

4 (1) for qualifying, entering, accepting, certi-
5 fying, or validating mail for specific rates, products,
6 or services; or

7 (2) otherwise affecting utilization of the postal
8 system, by a business, nonprofit mailer, or other
9 person.

10 Such term includes any rule or other requirement that in-
11 creases the cost of compliance with existing rules or re-
12 quirements, whether or not reflected in any discount pro-
13 vided.

14 **SEC. 17. NEGOTIATED SERVICE AGREEMENTS FOR MAR-**
15 **KET-DOMINANT PRODUCTS.**

16 The Postal Service shall submit a written report to
17 Congress, once every 2 years, on measures taken, progress
18 achieved, and any impediments encountered, with respect
19 to the implementation of the special classifications and
20 agreements (as described in section subsection (e)(10) of
21 section 3622 of title 39, United States Code), in connec-
22 tion with the establishment and operation of a system for
23 regulating rates and classes for market-dominant prod-
24 ucts.

1 **SEC. 18. ELECTRONIC COMMUNICATION PRODUCTS.**

2 The Postal Service and Postal Regulatory Commis-
3 sion shall, within 12 months after the date of the enact-
4 ment of this Act, report to Congress on the advisability
5 of creating a not-for-profit venture capital program to help
6 the Postal Service identify and develop electronic commu-
7 nication products that would increase net revenue for the
8 Postal Service.

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