

112TH CONGRESS  
1ST SESSION

# H. R. 3591

To recalculate and restore retirement annuity obligations of the United States Postal Service, eliminate the requirement that the United States Postal Service pre-fund the Postal Service Retiree Health Benefits Fund, place restrictions on the closure of postal facilities, create incentives for innovation for the United States Postal Service, to maintain levels of postal service, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 7, 2011

Mr. DEFAZIO (for himself, Mr. HINCHEY, and Ms. SLAUGHTER) 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

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## A BILL

To recalculate and restore retirement annuity obligations of the United States Postal Service, eliminate the requirement that the United States Postal Service pre-fund the Postal Service Retiree Health Benefits Fund, place restrictions on the closure of postal facilities, create incentives for innovation for the United States Postal Service, to maintain levels of postal service, and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Postal Service Protec-  
3 tion Act of 2011”.

4 **TITLE I—RETIREMENT ANNUITY**  
5 **OBLIGATION RECALCULA-**  
6 **TION AND RESTORATION**

7 **SEC. 101. MODIFIED METHODOLOGY.**

8 (a) IN GENERAL.—Section 8348(h) of title 5, United  
9 States Code, is amended by adding at the end the fol-  
10 lowing:

11 “(4)(A) To the extent that a determination under  
12 paragraph (1), relating to benefits attributable to civilian  
13 employment with the United States Postal Service, is  
14 based on a provision of law described in subparagraph (C),  
15 the determination shall be made in accordance with that  
16 provision and any otherwise applicable provisions of law,  
17 subject to the following:

18 “(i) The ‘average pay’ used in the case of any  
19 individual shall be a single amount, determined in  
20 accordance with section 8331(4), taking into account  
21 the rates of basic pay in effect for the individual  
22 during the periods of creditable service performed by  
23 the individual. Nothing in this subsection shall be  
24 considered to permit or require—

1           “(I) 1 determination of average pay with  
2           respect to service performed with the United  
3           States Postal Service; and

4           “(II) a separate determination of average  
5           pay with respect to service performed with its  
6           predecessor entity in function.

7           “(ii) In determining the portion of an annuity  
8           attributable to civilian employment with the United  
9           States Postal Service, with respect to any period of  
10          employment with the United States Postal Service  
11          that follows any other period of employment cred-  
12          itable under section 8332 (without regard to whether  
13          the employment was with an entity referred to in  
14          clause (i)(II)), the total service of an employee for  
15          purposes of any provision of law described in sub-  
16          paragraph (C) shall be the sum of—

17                  “(I) any period of employment with the  
18                  United States Postal Service; and

19                  “(II) any period of employment creditable  
20                  under section 8332 that precedes the period de-  
21                  scribed in subclause (I).

22          “(B)(i) Not later than 6 months after the date of en-  
23          actment of this paragraph, the Office shall determine (or,  
24          if applicable, redetermine) the amount of the Postal sur-  
25          plus or supplemental liability as of the close of the fiscal

1 year most recently ending before that date of enactment,  
2 in conformance with the methodology required under sub-  
3 paragraph (A).

4 “(ii)(I) If the result of the determination or redeter-  
5 mination under clause (i) is a surplus, the Office may  
6 transfer the amount of the surplus, or any portion of the  
7 amount of the surplus, at the request of the United States  
8 Postal Service, to—

9 “(aa) the Postal Service Retiree Health Bene-  
10 fits Fund established under section 8909a; and

11 “(bb) the Postal Service Fund established  
12 under section 2003 of title 39.

13 “(II) If a determination or redetermination under  
14 clause (i) for a fiscal year is made before a determination  
15 under paragraph (2)(B) is made with respect to the fiscal  
16 year, the Office may not make a determination under  
17 paragraph (2)(B) with respect to the fiscal year.

18 “(C) The provisions of law described in this subpara-  
19 graph are—

20 “(i) the first sentence of section 8339(a); and

21 “(ii) section 8339(d)(1).”.

22 (b) COORDINATION PROVISIONS.—

23 (1) DETERMINATION OF AMOUNT PAYABLE.—

24 Section 8909a of title 5, United States Code, is  
25 amended by adding at the end the following:

1 “(e) Notwithstanding any other provision of law, the  
2 Office shall determine the amount payable by the Postal  
3 Service under subsection (d) in any fiscal year ending on  
4 or before September 30, 2013, without regard to the re-  
5 quirements under section 8348(h)(4).”.

6 (2) **RULE OF CONSTRUCTION.**—Nothing in this  
7 Act shall affect the amount of any benefits otherwise  
8 payable from the Civil Service Retirement and Dis-  
9 ability Fund to any individual.

10 (c) **TECHNICAL AND CONFORMING AMENDMENT.**—  
11 The heading for section 8909a of title 5, United States  
12 Code, is amended by striking “**Benefit**” and inserting  
13 “**Benefits**”.

14 **SEC. 102. RELATING TO A POSTAL SURPLUS.**

15 Section 8348(h)(2)(C) of title 5, United States Code,  
16 is amended—

17 (1) by inserting “2021,” after “2015,”; and

18 (2) by striking “if the result is” and all that  
19 follows through “terminated.” and inserting the fol-  
20 lowing: “if the result is a surplus—

21 “(i) that amount, or any portion of that  
22 amount, may be transferred at the request of the  
23 United States Postal Service to—

24 “(I) the Postal Service Retiree Health  
25 Benefits Fund; and



1           “(D) the United States Postal Service for the  
2           repayment of any obligation issued under section  
3           2005 of title 39.”.

4 **SEC. 104. ELIMINATION OF REQUIREMENT TO PRE-FUND**  
5                           **THE POSTAL SERVICE RETIREE HEALTH BEN-**  
6                           **EFITS FUND.**

7           (a) IN GENERAL.—Section 8909a of title 5, United  
8 States Code, as amended by this Act, is amended—

9                   (1) in subsection (d)—

10                           (A) by striking paragraph (3); and

11                           (B) by redesignating paragraphs (4)  
12                   through (6) as paragraphs (3) through (5), re-  
13                   spectively; and

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

15           “(f) Nothing in this section shall be construed to re-  
16           quire the Postal Service to pay any amount into the Postal  
17           Service Retiree Health Benefits Fund established under  
18           section 8909a.”.

19           (b) TECHNICAL AND CONFORMING AMENDMENT.—

20           Section 803(b)(1)(A) of the Postal Accountability and En-  
21           hancement Act (5 U.S.C. 8909a note) is amended by  
22           striking “8909a(d)(5)” and inserting “8909a(d)(4)”.

1 **SEC. 105. EFFECTIVE DATE; RULE OF CONSTRUCTION.**

2 (a) IN GENERAL.—This title and the amendments  
3 made by this title shall take effect on the date of enact-  
4 ment of this Act.

5 (b) INTENT OF CONGRESS.—It is the intent of Con-  
6 gress that this title apply with respect to the allocation  
7 of past, present, and future benefit liabilities between the  
8 United States Postal Service and the Treasury of the  
9 United States.

10 (c) RULE OF CONSTRUCTION.—Nothing in this Act  
11 or the amendments made by this Act shall be construed  
12 to prohibit the Postal Service from paying any amount of  
13 surplus contributions to the Civil Service Retirement and  
14 Disability Fund and the Federal Employees' Retirement  
15 System into—

16 (1) the Postal Service Retiree Health Benefits  
17 Fund established under section 8909a of title 5,  
18 United States Code; and

19 (2) the Postal Service Fund established under  
20 section 2003 of title 39, United States Code.

21 **TITLE II—RESTRICTIONS ON**  
22 **POSTAL FACILITY CLOSURES**

23 **SEC. 201. MODIFIED PROCEDURES.**

24 (a) IN GENERAL.—Section 404(d) of title 39, United  
25 States Code, is amended by striking “(d)(1)” and all that  
26 follows through paragraph (4) and inserting the following:



1 “(d)(1) Before making a determination under sub-  
2 section (a)(3) to close or consolidate a postal facility, the  
3 Postal Service shall—

4 “(A) conduct an investigation to assess the  
5 need for the proposed closure or consolidation; and

6 “(B) ensure that each person served by the  
7 postal facility has an opportunity to present views by  
8 providing appropriate notice—

9 “(i) to each person by mail; and

10 “(ii) by publication in a newspaper of gen-  
11 eral circulation in the area in which each person  
12 resides.

13 “(2) In conducting an investigation under paragraph  
14 (1)(A) and determining whether to close or consolidate a  
15 postal facility under subsection (a)(3), the Postal Serv-  
16 ice—

17 “(A) shall consider—

18 “(i) the effect the closing or consolidation  
19 would have on the community served by the  
20 postal facility;

21 “(ii) the effect the closing or consolidation  
22 would have on employees of the Postal Service  
23 employed at the postal facility; and

24 “(iii) whether the closing or consolidation  
25 would be consistent with the policy of the Gov-

1           ernment under section 101(b), that the Postal  
2           Service shall provide a maximum degree of ef-  
3           fective and regular postal services to rural  
4           areas, communities, and small towns where  
5           postal facilities are not self-sustaining; and

6           “(B) may not consider compliance with any  
7           provision of the Occupational Safety and Health Act  
8           of 1970 (29 U.S.C. 651 et seq.).

9           “(3)(A) Upon completion of an investigation under  
10          paragraph (1), the Postal Service shall make a decision,  
11          in writing, whether to proceed with the proposal to close  
12          or consolidate a postal facility, which shall include the  
13          findings of the Postal Service with respect to each factor  
14          specified in paragraph (2)(A).

15          “(B) Not later than 90 days before the Postal Service  
16          makes a final determination under this subsection, the  
17          Postal Service shall—

18                 “(i) post notice of the decision and findings  
19                 under subparagraph (A) in a prominent place in  
20                 each postal facility that would be affected by the  
21                 closing or consolidation; and

22                 “(ii) send notice of each posting under clause  
23                 (i) by mail to each person served by the postal facil-  
24                 ity in which the notice is posted.

25          “(C) Notice under subparagraph (B) shall include—

1           “(i) a statement as follows: ‘This is notice of a  
2           proposal to \_\_\_\_\_ this postal facility. A final  
3           determination will not be made before the end of the  
4           90-day period beginning on the date on which this  
5           notice is first posted.’, with the blank space being  
6           filled in with ‘close’ or ‘consolidate’ (whichever is ap-  
7           propriate), and with instructions for how any inter-  
8           ested person may submit comments;

9           “(ii) a brief summary of the findings of the  
10          Postal Service with respect to the factors specified in  
11          paragraph (2)(A); and

12          “(iii) the amount of cost savings the Postal  
13          Service estimates the Postal Service will realize from  
14          the closing or consolidation, in the first year fol-  
15          lowing the date of the closing or consolidation, to-  
16          gether with an explanation of the assumptions and  
17          methodologies used in making the estimate.

18          “(4) The Postal Service shall make a final determina-  
19          tion to close or consolidate a postal facility in writing after  
20          taking into consideration any comments received during  
21          the 90-day period described under paragraph (3). The  
22          Postal Service shall take no action to close or consolidate  
23          a postal facility before the date that is 60 days after the  
24          date on which the Postal Service—

1           “(A) posts a copy of the final determination in  
2 a prominent location in each affected postal facility;  
3 and

4           “(B) sends to each person served by the postal  
5 facility—

6                   “(i) a notice of the determination; and

7                   “(ii) notice of any appeal rights available  
8 with respect to the determination.”.

9           (b) DE NOVO REVIEW.—Section 404(d)(5) of title  
10 39, United States Code, is amended—

11                   (1) by striking “post office” and inserting  
12 “postal facility”; and

13                   (2) by striking “The Commission shall set  
14 aside” and all that follows through “final disposition  
15 of the appeal.” and inserting the following: “The  
16 Commission shall review de novo the determination  
17 of the Postal Service. In conducting a review de  
18 novo, the Commission shall consider the factors de-  
19 scribed in paragraph (2)(A). If the Commission  
20 finds fault with a determination of the Postal Serv-  
21 ice, the Commission shall suspend the effectiveness  
22 of the determination of the Postal Service.”.

23           (c) EXCEPTION; CALCULATION OF ACTUAL COST  
24 SAVINGS.—Section 404(d) of title 39, United States Code,  
25 is amended by adding at the end the following:

1       “(7)(A) Paragraphs (1) through (6) shall not apply  
2 in the case of a closing or consolidation which occurs by  
3 reason of an emergency suspension, as described in section  
4 241.3 of title 39, Code of Federal Regulations, or any suc-  
5 cessor thereto.

6       “(B) For purposes of this paragraph, the term ‘emer-  
7 gency suspension’ does not, in the case of a leased facility,  
8 include the termination or cancellation of the lease by a  
9 party other than the Postal Service.

10       “(8)(A) Not later than 2 years after the date of the  
11 closing or consolidation of any postal facility occurring  
12 after the date of enactment of this paragraph, the Inspec-  
13 tor General shall determine the amount of the cost savings  
14 realized by the Postal Service from the closing or consoli-  
15 dation for the first year following the closing or consolida-  
16 tion.

17       “(B) The Inspector General shall submit to the Post-  
18 master General and to Congress—

19               “(i) a report for each postal facility for which  
20 the Inspector made a determination of cost savings  
21 under subparagraph (A) during the preceding year  
22 that includes—

23                       “(I) the amount of the cost savings deter-  
24 mined to be realized with respect to each clos-  
25 ing or consolidation of a postal facility, together

1 with an explanation of the assumptions and  
2 methodologies used in making the determina-  
3 tion;

4 “(II) a comparison of—

5 “(aa) the cost savings determined by  
6 the Inspector General; and

7 “(bb) the estimates provided by the  
8 Postal Service under paragraph (3)(C)(iii);  
9 and

10 “(III) an explanation of the reasons for  
11 any differences between the determination of  
12 the Inspector General and the estimates of the  
13 Postal Service, together with recommendations  
14 for any legislation or administrative action that  
15 the Inspector General considers appropriate to  
16 provide for more accurate estimates; and

17 “(ii) an annual report with respect to all the  
18 postal facilities for which the Inspector made a de-  
19 termination of cost savings under subparagraph (A)  
20 that includes the information required under clause  
21 (i).”.

22 **SEC. 202. DEFINITIONS.**

23 Section 404(d) of title 39, United States Code, as  
24 amended by this Act, is amended by adding at the end  
25 the following:

1 “(9) In this subsection—

2 “(A) the term ‘postal facility’ includes an office,  
3 branch, station, or other facility which—

4 “(i) is operated by the Postal Service; and

5 “(ii) provides services to persons described  
6 in subparagraph (B); and

7 “(B) any reference to the persons served by a  
8 postal facility shall include a postal customer receiv-  
9 ing mail delivery service from the postal facility, a  
10 resident of a ZIP code served by the postal facility,  
11 a postal customer having a post office box at the  
12 postal facility, and any relevant local government of-  
13 ficial as defined by the Postal Service by rule.”.

14 **TITLE III—INCENTIVES FOR**  
15 **INNOVATION**

16 **SEC. 301. AUTHORITY TO OFFER NONPOSTAL SERVICES**  
17 **AND PRODUCTS.**

18 (a) SPECIFIC POWER.—Section 404(a) of title 39,  
19 United States Code, is amended—

20 (1) in paragraph (7), by striking “and” at the  
21 end;

22 (2) in paragraph (8), by striking the period and  
23 inserting “; and”; and

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

1           “(9) to provide nonpostal services and products  
2           in accordance with subsection (e).”.

3           (b) NONPOSTAL SERVICES AND PRODUCTS.—Section  
4 404(e) is amended to read as follows:

5           “(e)(1) The Postal Service may provide any nonpostal  
6 service or product in a manner consistent with the public  
7 interest.

8           “(2) Not later than 90 days before providing a non-  
9 postal service or product that the Postal Service did not  
10 provide before the date of enactment of this subsection,  
11 the Postal Service shall request an advisory opinion from  
12 the Postal Regulatory Commission that evaluates the ex-  
13 tent to which the provision of that nonpostal service or  
14 product—

15           “(A) would use the processing, transportation,  
16 delivery, retail network, technology, or other re-  
17 sources of the Postal Service; and

18           “(B) would be consistent with the public inter-  
19 est.

20           “(3) Not later than 45 days after the date on which  
21 the Postal Regulatory Commission receives a request  
22 under paragraph (2), the Postal Regulatory Commission  
23 shall—

24           “(A) issue an advisory opinion to the Postal  
25 Service concerning the request; and



1           “(B) transmit a copy of the advisory opinion,  
2 together with the original request, to—

3                   “(i) the Committee on Oversight and Gov-  
4 ernment Reform of the House of Representa-  
5 tives; and

6                   “(ii) the Committee on Homeland Security  
7 and Governmental Affairs of the Senate.

8           “(4) In this title, the term ‘nonpostal service or prod-  
9 uct’ means any service or product other than a postal serv-  
10 ice, including—

11                   “(A) check-cashing services;

12                   “(B) technology and media services;

13                   “(C) warehousing and logistics;

14                   “(D) facility leasing;

15                   “(E) public Internet access services;

16                   “(F) driver licensing;

17                   “(G) vehicle registration;

18                   “(H) hunting and fishing licensing;

19                   “(I) notary services; and

20                   “(J) voter registration.

21           “(5) The Postal Service may enter into a contract  
22 with a State or local agency to provide a nonpostal service  
23 or product authorized under this subsection.”.

24 **SEC. 302. WINE AND BEER SHIPPING.**

25           (a) MAILABILITY.—

1           (1) NONMAILABLE ARTICLES.—Section 1716(f)  
2           of title 18, United States Code, is amended by strik-  
3           ing “mails” and inserting “mails, except to the ex-  
4           tent that the mailing is allowable under section  
5           3001(p) of title 39”.

6           (2) INTOXICANTS.—Section 1154(a) of title 18,  
7           United States Code, is amended, by inserting “or,  
8           with respect to the mailing of wine or malt bev-  
9           erages, to the extent allowed under section 3001(p)  
10          of title 39” after “mechanical purposes”.

11          (b) REGULATIONS.—Section 3001 of title 39, United  
12          States Code, is amended by adding at the end the fol-  
13          lowing:

14          “(p)(1) Wine or malt beverages shall be considered  
15          mailable if mailed—

16                  “(A) by a licensed winery or brewery, in accord-  
17                  ance with applicable regulations under paragraph  
18                  (2); and

19                  “(B) in accordance with the law of the State,  
20                  territory, or district of the United States where the  
21                  addressee or duly authorized agent takes delivery.

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

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

5           “(B) the addressee (and any duly authorized  
6           agent) shall be an individual at least 21 years of  
7           age, and shall present a valid, government-issued  
8           photo identification at the time of delivery;

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

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

12                 “(i) certify in writing to the satisfaction of  
13                 the Postal Service, through a registration proc-  
14                 ess administered by the Postal Service, that the  
15                 mailing is not in violation of any provision of  
16                 this subsection or regulation prescribed under  
17                 this subsection; and

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

22          “(3) For purposes of this subsection—

23                 “(A) a winery shall be considered to be licensed  
24                 if that winery holds an appropriate basic permit  
25                 issued—

1           “(i) under the Federal Alcohol Administra-  
2           tion Act (27 U.S.C. 201 et seq.); and

3           “(ii) under the law of the State in which  
4           the winery is located; and

5           “(B) a brewery shall be considered to be li-  
6           censed if that brewery—

7           “(i) possesses a notice of registration and  
8           bond approved by the Alcohol and Tobacco Tax  
9           and Trade Bureau of the Department of the  
10          Treasury; and

11          “(ii) is licensed to manufacture and sell  
12          beer in the State in which the brewery is lo-  
13          cated.”.

14          (c) EFFECTIVE DATE.—The amendments made by  
15          this section shall take effect on the earlier of—

16                (1) the date on which the Postal Service issues  
17                regulations under section 3001(p) of title 39, United  
18                States Code, as amended by this section; or

19                (2) 120 days after the date of enactment of this  
20                Act.

21          **SEC. 303. INNOVATION AND ACCOUNTABILITY.**

22                (a) IN GENERAL.—Chapter 2 of title 39, United  
23                States Code, is amended by adding at the end the fol-  
24                lowing:

1 **“§ 209. Innovation and accountability**

2 “(a) CHIEF INNOVATION OFFICER.—There shall be  
3 in the Postal Service a Chief Innovation Officer appointed  
4 by the Postmaster General who shall have proven expertise  
5 and a record of success in—

6 “(1) the postal and shipping industry;

7 “(2) innovative product research and develop-  
8 ment;

9 “(3) marketing brand strategy;

10 “(4) emerging communications technology; or

11 “(5) business process management.

12 “(b) DUTIES.—The Chief Innovation Officer shall—

13 “(1) lead the development of innovative non-  
14 postal products and services that maximize the rev-  
15 enue of the Postal Service;

16 “(2) develop innovative postal products and  
17 services, particularly products and services that use  
18 emerging information technologies, to maximize the  
19 revenue of the Postal Service;

20 “(3) supervise the implementation of products  
21 and services described in paragraphs (1) and (2);  
22 and

23 “(4) monitor the performance of products and  
24 services described in paragraphs (1) and (2) and  
25 modify the products and services as needed to ad-  
26 dress changing market trends.

1       “(c) CONSIDERATIONS.—The Chief Innovation Office  
2 shall take into consideration comments or advisory opin-  
3 ions, if applicable, issued by the Postal Regulatory Com-  
4 mittee before the initial sale of innovative postal or non-  
5 postal products and services.

6       “(d) DESIGNATION.—

7           “(1) DEADLINE.—As soon as practicable after  
8 the date of enactment of this section, and not later  
9 than 90 days after the date of enactment of this sec-  
10 tion, the Postmaster General shall appoint a Chief  
11 Innovation Officer.

12           “(2) CONDITION.—The Chief Innovation Offi-  
13 cer may not, while serving as Chief Innovation Offi-  
14 cer, hold any other office or position in the Postal  
15 Service.

16           “(3) RULE OF CONSTRUCTION.—Nothing in  
17 this section shall be construed to prohibit an indi-  
18 vidual who holds another office or position in the  
19 Postal Service at the time the individual is appointed  
20 Chief Innovation Officer from serving as the Chief  
21 Innovation Officer under this section.

22       “(e) ADVISORY COMMISSION.—

23           “(1) ESTABLISHMENT.—There is established  
24 the Postal Innovation Advisory Commission (herein-  
25 after the ‘Commission’).

1 “(2) MEMBERSHIP.—

2 “(A) IN GENERAL.—The Commission shall  
3 be composed of—

4 “(i) the Chief Innovation Officer es-  
5 tablished under subsection (a), who shall  
6 serve as Chairperson of the Commission;  
7 and

8 “(ii) 5 other members as the Postal  
9 Regulatory Commission shall appoint, of  
10 whom—

11 “(I) 1 member shall have exper-  
12 tise in labor;

13 “(II) 1 member shall have exper-  
14 tise in small business issues;

15 “(III) 1 member shall have ex-  
16 pertise in consumer protection;

17 “(IV) 1 member shall have exper-  
18 tise in small periodicals and news-  
19 papers; and

20 “(V) 1 member shall have exper-  
21 tise in the postal industry.

22 “(B) PERIOD OF APPOINTMENT.—Mem-  
23 bers shall be appointed for 5-year terms.

24 “(C) VACANCIES.—Any vacancy in the  
25 Commission shall not affect the powers of the

1 Commission, but shall be filled in the same  
2 manner as the original appointment.

3 “(D) MEETINGS.—The Commission shall  
4 meet at the call of the Chairperson.

5 “(E) QUORUM.—A majority of the mem-  
6 bers of the Commission shall constitute a  
7 quorum, but a lesser number of members may  
8 hold hearings.

9 “(3) DUTIES OF THE COMMISSION.—

10 “(A) STUDY.—The Commission shall  
11 study—

12 “(i) additional postal and nonpostal  
13 services that the Postal Service may offer  
14 to raise revenue; and

15 “(ii) services that postal services in  
16 foreign countries have offered to respond  
17 to the increasing demand for high-tech  
18 services, including—

19 “(I) banking and insurance serv-  
20 ices;

21 “(II) communication services;

22 “(III) physical delivery of e-mail  
23 correspondence to individuals who do  
24 not have Internet access;



1                   “(IV) scanning physical mail and  
2                   delivering that mail through e-mail;  
3                   and

4                   “(V) communication through se-  
5                   cure servers.

6                   “(B) RECOMMENDATIONS.—The Commis-  
7                   sion shall generate recommendations for addi-  
8                   tional services that the Postal Service should  
9                   provide based on the study conducted under  
10                  subparagraph (A).

11                  “(C) REPORT.—Not later than 1 year  
12                  after the date of enactment of this section, and  
13                  each year thereafter, the Commission shall sub-  
14                  mit to the Postmaster General a report that  
15                  contains each recommendation described under  
16                  subparagraph (B) that the Commission ap-  
17                  proves by a majority vote.

18                  “(4) POWERS OF THE COMMISSION.—

19                  “(A) HEARINGS.—The Commission may  
20                  hold such hearings, take such testimony, and  
21                  receive such evidence as is necessary to carry  
22                  out this subsection.

23                  “(B) INFORMATION FROM FEDERAL AGEN-  
24                  CIES.—The Commission may secure directly  
25                  from any Federal department or agency such

1 information as the Commission considers nec-  
2 essary to carry out this subsection. Upon re-  
3 quest of the Chairperson of the Commission,  
4 the head of such department or agency shall  
5 furnish such information to the Commission.

6 “(C) POSTAL SERVICES.—The Commission  
7 may use the United States mails in the same  
8 manner and under the same conditions as other  
9 departments and agencies of the Federal Gov-  
10 ernment.

11 “(D) GIFTS.—The Commission may ac-  
12 cept, use, and dispose of gifts or donations of  
13 services or property.

14 “(5) COMMISSION PERSONNEL MATTERS.—

15 “(A) COMPENSATION OF MEMBERS.—Each  
16 member of the Commission who is not an offi-  
17 cer or employee of the Federal Government (in-  
18 cluding the Postal Service) shall be com-  
19 pensated at a rate equal to the daily equivalent  
20 of the annual rate of basic pay prescribed for  
21 level IV of the Executive Schedule under section  
22 5315 of title 5 for each day (including travel  
23 time) during which such member is engaged in  
24 the performance of the duties of the Commis-  
25 sion. All members of the Commission who are

1 officers or employees of the United States, in-  
2 cluding the Postal Service, shall serve without  
3 compensation in addition to that received for  
4 their services as officers or employees of the  
5 United States.

6 “(B) TRAVEL EXPENSES.—The members  
7 of the Commission shall be allowed travel ex-  
8 penses, including per diem in lieu of subsist-  
9 ence, at rates authorized for employees of agen-  
10 cies under subchapter I of chapter 57 of title 5  
11 while away from their homes or regular places  
12 of business in the performance of services for  
13 the Commission.

14 “(C) STAFF.—

15 “(i) IN GENERAL.—The Chairperson  
16 of the Commission may, without regard to  
17 the civil service laws and regulations, ap-  
18 point and terminate an executive director  
19 and such other additional personnel as  
20 may be necessary to enable the Commis-  
21 sion to perform its duties. The employment  
22 of an executive director shall be subject to  
23 confirmation by the Commission.

24 “(ii) COMPENSATION.—The Chair-  
25 person of the Commission may fix the com-

1           pensation of the executive director and  
2           other personnel without regard to chapter  
3           51 and subchapter III of chapter 53 of  
4           title 5 relating to classification of positions  
5           and General Schedule pay rates, except  
6           that the rate of pay for the executive direc-  
7           tor and other personnel may not exceed the  
8           rate payable for level V of the Executive  
9           Schedule under section 5316 of title 5.

10           “(D) DETAIL OF GOVERNMENT EMPLOY-  
11           EES.—Any Federal Government employee, in-  
12           cluding an employee of the Postal Service, may  
13           be detailed to the Commission without reim-  
14           bursement, and such detail shall be without  
15           interruption or loss of civil service status or  
16           privilege.

17           “(E) PROCUREMENT OF TEMPORARY AND  
18           INTERMITTENT SERVICES.—The Chairperson of  
19           the Commission may procure temporary and  
20           intermittent services under section 3109(b) of  
21           title 5 at rates for individuals that do not ex-  
22           ceed the daily equivalent of the annual rate of  
23           basic pay prescribed for level V of the Executive  
24           Schedule under section 5316 of title 5.

1           “(6) PERMANENT ADVISORY COMMISSION.—  
2           Section 14 of the Federal Advisory Committee Act  
3           (5 U.S.C. App.) shall not apply to the Commission.

4           “(7) AUTHORIZATION OF APPROPRIATIONS.—

5                   “(A) IN GENERAL.—There are authorized  
6                   to be appropriated such sums as may be nec-  
7                   essary to the Commission to carry out this Act.

8                   “(B) AVAILABILITY.—Any sums appro-  
9                   priated under the authorization contained in  
10                  this section shall remain available, without fis-  
11                  cal year limitation, until expended.

12          “(f) INNOVATION STRATEGY.—

13                  “(1) IN GENERAL.—Not later than 1 year after  
14                  the date of enactment of this section, the Postmaster  
15                  General shall submit, at the same time the President  
16                  submits the annual budget request under section  
17                  1105 of title 31 for that year, and together with the  
18                  report on performance under subsection (g), a com-  
19                  prehensive strategy for maximizing the revenue of  
20                  the Postal Service through innovative postal and  
21                  nonpostal products and services to—

22                          “(A) the Committee on Homeland Security  
23                          and Governmental Affairs of the Senate;

1           “(B) the Committee on Oversight and Gov-  
2           ernment Reform of the House of Representa-  
3           tives; and

4           “(C) the Postal Regulatory Commission.

5           “(2) MATTERS TO BE ADDRESSED.—At a min-  
6           imum, the strategy required by this subsection shall  
7           address—

8           “(A) the specific innovative postal and  
9           nonpostal products and services to be developed  
10          and offered by the Postal Service, including the  
11          nature of the market demand to be satisfied by  
12          each product and service and the estimated  
13          date by which each product and service will be  
14          introduced;

15          “(B) the cost of developing and offering  
16          each product or service;

17          “(C) the anticipated sales volume for each  
18          product and service;

19          “(D) the anticipated revenues and profits  
20          expected to be generated by each product and  
21          service;

22          “(E) the likelihood of success of each prod-  
23          uct and service and the risks associated with  
24          the development and sale of each product and  
25          service;

1           “(F) the trends anticipated in market con-  
2           ditions that may affect the success of each  
3           product and service during the 5-year period  
4           following the submission of the report; and

5           “(G) the metrics that will be used to assess  
6           the effectiveness of the innovation strategy.

7           “(3) STRATEGY UPDATES.—The Postmaster  
8           General shall—

9           “(A) update the strategy required under  
10          this subsection every 2 years; and

11          “(B) submit the updated strategy, at the  
12          same time the President submits the annual  
13          budget request under section 1105 of title 31  
14          for that year, and together with the report on  
15          performance under subsection (g), to—

16                  “(i) the Committee on Homeland Se-  
17                  curity and Governmental Affairs of the  
18                  Senate;

19                  “(ii) the Committee on Oversight and  
20                  Government Reform of the House of Rep-  
21                  resentatives; and

22                  “(iii) the Postal Regulatory Commis-  
23                  sion.

24          “(g) REPORT ON PERFORMANCE.—

1           “(1) IN GENERAL.—The Postmaster General  
2 shall submit an annual report that describes the  
3 progress of the Postal Service in implementing the  
4 strategy under this section, at the same time the  
5 President submits the annual budget request under  
6 section 1105 of title 31, to—

7                   “(A) the Committee on Homeland Security  
8 and Governmental Affairs of the Senate;

9                   “(B) the Committee on Oversight and Gov-  
10 ernment Reform of the House of Representa-  
11 tives; and

12                   “(C) the Postal Regulatory Commission.

13           “(2) MATTERS TO BE ADDRESSED.—At a min-  
14 imum, a report under this subsection shall include—

15                   “(A) the revenue generated by each prod-  
16 uct and service developed through the strategy  
17 under this section and the costs of developing  
18 and offering each product or service for the pre-  
19 ceding year;

20                   “(B) the total sales volume and revenue  
21 generated by each product and service on a  
22 monthly basis for the preceding year;

23                   “(C) trends in each market in which a  
24 product or service is intended to satisfy a de-  
25 mand;



1           “(D) products and services identified in  
2 the strategy under this section that are to be  
3 discontinued, the date on which the discontinu-  
4 ance will occur, and the reasons for the dis-  
5 continuance;

6           “(E) alterations in products and services  
7 identified in the strategy under this section that  
8 will be made to address changing market condi-  
9 tions, and an explanation of how the alterations  
10 will ensure the success of the products and  
11 services; and

12           “(F) the performance of the strategy  
13 under this section according to the metrics  
14 identified under subsection (e)(2)(G).

15           “(h) STUDY AND REPORT BY COMPTROLLER GEN-  
16 ERAL.—

17           “(1) STUDY.—

18           “(A) IN GENERAL.—The Comptroller Gen-  
19 eral of the United States shall conduct a study  
20 on the implementation of the strategy under  
21 this section that assesses the effectiveness of  
22 the Postal Service in identifying, developing,  
23 and selling innovative postal and nonpostal  
24 products and services.

1           “(B) CONTENTS.—The study under sub-  
2 paragraph (A) shall include—

3           “(i) an audit of the costs of devel-  
4 oping each innovative postal and nonpostal  
5 product and service developed or offered by  
6 the Postal Service;

7           “(ii) the sales volume of each product  
8 and service;

9           “(iii) the revenues and profits gen-  
10 erated by each product and service; and

11           “(iv) the likelihood of continued suc-  
12 cess of each product and service.

13           “(2) REPORT.—Not later than 3 years after the  
14 date of enactment of this section, the Comptroller  
15 General shall submit a report concerning the study  
16 under paragraph (1) to—

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

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

22           (b) TECHNICAL AND CONFORMING AMENDMENT.—  
23 The table of sections for chapter 2 of title 39, United  
24 States Code, is amended by adding at the end the fol-  
25 lowing:

“209. Innovation and accountability.”.

1 **TITLE IV—MAINTAINING LEVELS**  
2 **OF SERVICE**

3 **SEC. 401. SIX-DAY DELIVERY.**

4 Section 404a(a) of title 39, United States Code, is  
5 amended—

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

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

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

11 “(4) reduce the frequency of the delivery of  
12 mail to fewer than 6 days each week.”.

13 **SEC. 402. SERVICE STANDARDS FOR MARKET-DOMINANT**  
14 **PRODUCTS.**

15 Section 3691 of title 39, United States Code, is  
16 amended by adding at the end the following:

17 “(e) RESTRICTION ON AUTHORITY.—Notwith-  
18 standing subsections (a), (b), and (c), the Postal Service  
19 may not increase the expected delivery time for market-  
20 dominant products required under part 121 of title 39,  
21 Code of Federal Regulations, as in effect on March 2,  
22 2010.”.

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