

112TH CONGRESS
1ST SESSION

S. 1625

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

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 23, 2011

Mr. McCAIN introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

A BILL

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

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

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

5 (a) **SHORT TITLE.**—This Act may be cited as the
6 “Postal Reform Act of 2011”.

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

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

TITLE I—POSTAL SERVICE MODERNIZATION

Subtitle A—Commission on Postal Reorganization

- Sec. 101. Short title.
- Sec. 102. Definitions.
- Sec. 103. Commission on Postal Reorganization.
- Sec. 104. Recommendations for closures and consolidations.
- Sec. 105. Implementation of closures and consolidations.
- Sec. 106. Congressional consideration of final CPR reports.
- Sec. 107. Nonappealability of decisions.
- Sec. 108. Rules of construction.

Subtitle B—Other Provisions

- Sec. 111. Frequency of mail delivery.
- Sec. 112. Efficient and flexible universal postal service.
- Sec. 113. More cost-efficient Postal Service contracting.
- Sec. 114. Enhanced reporting on Postal Service efficiency.

TITLE II—POSTAL SERVICE FINANCIAL RESPONSIBILITY AND
MANAGEMENT ASSISTANCE AUTHORITY

Subtitle A—Establishment and Organization

- Sec. 201. Purposes.
- Sec. 202. Establishment of the Authority.
- Sec. 203. Membership and qualification requirements.
- Sec. 204. Organization.
- Sec. 205. Executive Director and staff.
- Sec. 206. Funding.

Subtitle B—Powers of the Authority

- Sec. 211. Powers.
- Sec. 212. Exemption from liability for claims.
- Sec. 213. Treatment of actions arising under this title.

Subtitle C—Establishment and Enforcement of Financial Plan and Budget
for the Postal Service

- Sec. 221. Development of financial plan and budget for the Postal Service.
- Sec. 222. Process for submission and approval of financial plan and budget.
- Sec. 223. Responsibilities of the Authority.
- Sec. 224. Effect of finding noncompliance with financial plan and budget.
- Sec. 225. Recommendations regarding financial stability, etc.
- Sec. 226. Special rules for fiscal year in which control period commences.
- Sec. 227. Assistance in achieving financial stability, etc.
- Sec. 228. Obtaining reports.
- Sec. 229. Reports and comments.

Subtitle D—Termination of a Control Period

- Sec. 231. Termination of control period, etc.
- Sec. 232. Congressional consideration of recommendation.

TITLE III—POSTAL SERVICE WORKFORCE

Subtitle A—General Provisions

- Sec. 301. Modifications relating to determination of pay comparability.

- Sec. 302. Limitation on postal contributions under FEGLI and FEHBP.
 Sec. 303. Repeal of provision relating to overall value of fringe benefits.
 Sec. 304. Modifications relating to collective bargaining.

Subtitle B—Postal Service Workers’ Compensation Reform

- Sec. 311. Sense of Congress.

TITLE IV—POSTAL SERVICE REVENUE

- Sec. 401. Adequacy, efficiency, and fairness of postal rates.
 Sec. 402. Repeal of rate preferences for qualified political committees.
 Sec. 403. Rate preferences for nonprofit advertising.
 Sec. 404. Streamlined review of qualifying service agreements for competitive products.
 Sec. 405. Submission of service agreements for streamlined review.
 Sec. 406. Transparency and accountability for service agreements.
 Sec. 407. Nonpostal services.

TITLE V—POSTAL CONTRACTING REFORM

- Sec. 501. Contracting provisions.
 Sec. 502. Technical amendment to definition.

1 **TITLE I—POSTAL SERVICE**
 2 **MODERNIZATION**
 3 **Subtitle A—Commission on Postal**
 4 **Reorganization**

5 **SEC. 101. SHORT TITLE.**

6 This subtitle may be cited as the “Commission on
 7 Postal Reorganization Act” or the “CPR Act”.

8 **SEC. 102. DEFINITIONS.**

9 For purposes of this title—

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

12 (2) the term “postal retail facility” means a
 13 post office, post office branch, post office classified
 14 station, or other facility which is operated by the

1 Postal Service, and the primary function of which is
2 to provide retail postal services;

3 (3) the term “mail processing facility” means a
4 processing and distribution center, processing and
5 distribution facility, network distribution center, or
6 other facility which is operated by the Postal Serv-
7 ice, and the primary function of which is to sort and
8 process mail;

9 (4) the term “district office” means the central
10 office of an administrative field unit with responsi-
11 bility for postal operations in a designated geo-
12 graphic area (as defined under regulations, direc-
13 tives, or other guidance of the Postal Service, as in
14 effect on June 23, 2011);

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

20 (6) the term “baseline year” means the fiscal
21 year last ending before the date of the enactment of
22 this Act.

23 **SEC. 103. COMMISSION ON POSTAL REORGANIZATION.**

24 (a) ESTABLISHMENT.—There shall be established,
25 not later than 90 days after the date of the enactment

1 of this Act, an independent commission to be known as
2 the “Commission on Postal Reorganization” (hereinafter
3 in this section referred to as the “Commission”).

4 (b) DUTIES.—The Commission shall carry out the
5 duties specified for it in this subtitle.

6 (c) MEMBERS.—

7 (1) IN GENERAL.—The Commission shall be
8 composed of 5 members who shall be appointed by
9 the President, and of whom—

10 (A) 1 shall be appointed from among indi-
11 viduals recommended by the Speaker of the
12 House of Representatives;

13 (B) 1 shall be appointed from among indi-
14 viduals recommended by the majority leader of
15 the Senate;

16 (C) 1 shall be appointed from among indi-
17 viduals recommended by the minority leader of
18 the House of Representatives;

19 (D) 1 shall be appointed from among indi-
20 viduals recommended by the minority leader of
21 the Senate; and

22 (E) 1 shall be appointed from among indi-
23 viduals recommended by the Comptroller Gen-
24 eral.

25 (2) QUALIFICATIONS.—

1 (A) IN GENERAL.—Members of the Com-
2 mission shall be chosen to represent the public
3 interest generally, and shall not be representa-
4 tives of specific interests using the Postal Serv-
5 ice.

6 (B) INELIGIBILITY.—An individual may
7 not be appointed to serve as a member of the
8 Commission if such individual served as an em-
9 ployee of the Postal Service or the Postal Regu-
10 latory Commission, or of a labor organization
11 representing employees of the Postal Service or
12 the Postal Regulatory Commission, during the
13 3-year period ending on the date of such ap-
14 pointment.

15 (3) POLITICAL AFFILIATION.—Not more than 3
16 members of the Commission may be of the same po-
17 litical party.

18 (d) TERMS.—Each member of the Commission shall
19 be appointed for the life of the Commission and may be
20 removed only for cause.

21 (e) VACANCIES.—A vacancy in the Commission shall
22 be filled in the same manner as the original appointment.

23 (f) CHAIRMAN.—The President shall, at the time of
24 making appointments under subsection (c), designate one
25 of the members to serve as chairman of the Commission.

1 (g) COMPENSATION AND TRAVEL EXPENSES.—

2 (1) COMPENSATION.—

3 (A) IN GENERAL.—Except as provided in
4 subparagraph (B), each member of the Com-
5 mission shall be paid at a rate equal to the
6 daily equivalent of \$40,000 per year for each
7 day (including travel time) during which the
8 member is engaged in the actual performance of
9 duties vested in the Commission.

10 (B) EXCEPTION.—Any member of the
11 Commission who is a full-time officer or em-
12 ployee of the United States may not receive ad-
13 ditional pay, allowances, or benefits by reason
14 of such member's service on the Commission.

15 (2) TRAVEL EXPENSES.—Each member shall
16 receive travel expenses, including per diem in lieu of
17 subsistence, in accordance with applicable provisions
18 of subchapter I of chapter 57 of title 5, United
19 States Code.

20 (h) DIRECTOR.—The Commission shall have a Direc-
21 tor who shall be appointed by the Commission. The Direc-
22 tor shall be paid at the rate of basic pay for level IV of
23 the Executive Schedule under section 5315 of title 5,
24 United States Code. An appointment under this sub-

1 section shall be subject to the requirements of subsection
2 (c)(2).

3 (i) **ADDITIONAL PERSONNEL.**—With the approval of
4 the Commission, the Director may appoint and fix the pay
5 of such additional personnel as the Director considers ap-
6 propriate. Such additional personnel may be appointed
7 without regard to the provisions of title 5, United States
8 Code, governing appointments in the competitive service,
9 and may be paid without regard to the provisions of chap-
10 ter 51 and subchapter III of chapter 53 of such title relat-
11 ing to classification and General Schedule pay rates, ex-
12 cept that an individual so appointed may not receive pay
13 at a rate of basic pay in excess of the rate of basic pay
14 payable to the Director. An individual appointed under
15 this subsection shall serve at the pleasure of the Director.

16 (j) **PROVISIONS RELATING TO DETAILS.**—

17 (1) **IN GENERAL.**—Upon request of the Direc-
18 tor, the head of any Federal department or agency
19 may detail any of the personnel of such department
20 or agency to the Commission to assist the Commis-
21 sion in carrying out its duties under this subtitle.
22 Notwithstanding any other provision of law, to pro-
23 vide continuity in the work of the Commission, such
24 details may be extended beyond 1 year at the re-
25 quest of the Director.

1 (2) NUMERICAL LIMITATION.—Not more than
2 $\frac{1}{3}$ of the personnel of the Commission may consist
3 of individuals on detail from the Postal Service or
4 the Postal Regulatory Commission.

5 (3) OTHER LIMITATIONS.—A person may not
6 be detailed to the Commission from the Postal Serv-
7 ice or the Postal Regulatory Commission if such per-
8 son participated personally and substantially on any
9 matter, within the Postal Service or the Postal Reg-
10 ulatory Commission, concerning the preparation of
11 recommendations for closures or consolidations of
12 postal facilities under this subtitle. No employee of
13 the Postal Service or the Postal Regulatory Commis-
14 sion (including a detailee to the Postal Service or
15 the Postal Regulatory Commission) may—

16 (A) prepare any report concerning the ef-
17 fectiveness, fitness, or efficiency of the perform-
18 ance, on the staff of the Commission, of any
19 person detailed from the Postal Service or the
20 Postal Regulatory Commission to such staff;

21 (B) review the preparation of such a re-
22 port; or

23 (C) approve or disapprove such a report.

24 (k) OTHER AUTHORITIES.—

1 (1) EXPERTS AND CONSULTANTS.—The Com-
2 mission may procure by contract, to the extent funds
3 are available, temporary or intermittent services
4 under section 3109 of title 5, United States Code.

5 (2) LEASING, ETC.—The Commission may lease
6 space and acquire personal property to the extent
7 funds are available.

8 (1) AUTHORIZATION OF APPROPRIATIONS.—In order
9 to carry out this section, there are authorized to be appro-
10 priated out of the Postal Service Fund \$20,000,000,
11 which funds shall remain available until expended.

12 (m) FINANCIAL REPORTING.—

13 (1) AUDIT AND EXPENDITURES.—The Commis-
14 sion shall be responsible for issuing annual financial
15 statements and for establishing and maintaining
16 adequate controls over its financial reporting.

17 (2) INTERNAL AUDITS.—The Commission shall
18 maintain an adequate internal audit of its financial
19 transactions.

20 (3) ANNUAL CERTIFICATION.—The Commission
21 shall obtain an annual certification for each fiscal
22 year from an independent, certified public account-
23 ing firm of the accuracy of its financial statements.

24 (4) COMPTROLLER GENERAL.—The accounts
25 and operations of the Commission shall be audited

1 by the Comptroller General and reports thereon
2 made to the Congress to the extent and at such
3 times as the Comptroller General may determine.

4 (n) TERMINATION.—The Commission shall terminate
5 60 days after submitting its final reports under section
6 104(d)(3).

7 **SEC. 104. RECOMMENDATIONS FOR CLOSURES AND CON-**
8 **SOLIDATIONS.**

9 (a) PLAN FOR THE CLOSURE OR CONSOLIDATION OF
10 POSTAL RETAIL FACILITIES.—

11 (1) IN GENERAL.—Not later than 120 days
12 after the date of the enactment of this Act, the Post-
13 al Service, in consultation with the Postal Regu-
14 latory Commission, shall develop and submit to the
15 Commission on Postal Reorganization a plan for the
16 closure or consolidation of such postal retail facilities
17 as the Postal Service considers necessary and appro-
18 priate so that the total annual costs attributable to
19 the operation of postal retail facilities will be, for
20 each fiscal year beginning at least 2 years after the
21 date on which the Commission transmits to Con-
22 gress its final report under subsection (d)(3)(A) re-
23 lating to this subsection, at least \$1,000,000,000
24 less than the corresponding total annual costs for
25 the baseline year.

1 (2) CONTENTS.—The plan shall include—

2 (A) a list of the postal retail facilities pro-
3 posed for closure or consolidation under this
4 subtitle;

5 (B) a proposed schedule under which—

6 (i) closures and consolidations of post-
7 al retail facilities would be carried out
8 under this subtitle; and

9 (ii) all closures and consolidations of
10 postal retail facilities under this subtitle
11 would be completed by not later than 2
12 years after the date on which the Commis-
13 sion transmits to Congress its final report
14 under subsection (d)(3)(A) relating to such
15 plan;

16 (C) the estimated total annual cost savings
17 attributable to the proposed closures and con-
18 solidations described in the plan;

19 (D) the criteria and process used to de-
20 velop the information described in subpara-
21 graphs (A) and (B);

22 (E) the methodology and assumptions used
23 to derive the estimates described in subpara-
24 graph (C); and

1 (F) any changes to the processing, trans-
2 portation, delivery, or other postal operations
3 anticipated as a result of the proposed closures
4 and consolidations described in the plan.

5 (3) CONSISTENCY.—The methodology and as-
6 sumptions used to derive the cost estimates de-
7 scribed in paragraph (2)(C) shall be consistent with
8 the methodology and assumptions which would have
9 been used by the Postal Service if those closures and
10 consolidations had instead taken effect in the base-
11 line year.

12 (b) PLAN FOR THE CLOSURE OR CONSOLIDATION OF
13 MAIL PROCESSING FACILITIES.—

14 (1) IN GENERAL.—Not later than 300 days
15 after the date of the enactment of this Act, the Post-
16 al Service, in consultation with the Inspector Gen-
17 eral of the United States Postal Service, shall de-
18 velop and submit to the Commission on Postal Reor-
19 ganization a plan for the closure or consolidation of
20 such mail processing facilities as the Postal Service
21 considers necessary and appropriate so that—

22 (A) the total annual costs attributable to
23 the operation of mail processing facilities will
24 be, for each fiscal year beginning at least 2
25 years after the date on which the Commission

1 transmits to Congress its final report under
2 subsection (d)(3)(A) relating to this subsection,
3 at least \$1,000,000,000 less than the cor-
4 responding total annual costs for the baseline
5 year; and

6 (B) the Postal Service has, for fiscal years
7 beginning at least 2 years after the date on
8 which the Commission transmits to Congress its
9 final report under subsection (d)(3)(A) relating
10 to this subsection, no more than 10 percent ex-
11 cess mail processing capacity.

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

13 (A) a list of the mail processing facilities
14 proposed for closure or consolidation under this
15 subtitle;

16 (B) a proposed schedule under which—

17 (i) closures and consolidations of mail
18 processing facilities would be carried out
19 under this subtitle; and

20 (ii) all closures and consolidations of
21 mail processing facilities under this sub-
22 title would be completed by not later than
23 2 years after the date on which the Com-
24 mission transmits to Congress its final re-

1 port under subsection (d)(3)(A) relating to
2 such plan;

3 (C) the estimated total annual cost savings
4 attributable to the proposed closures and con-
5 solidations described in the plan;

6 (D) the criteria and process used to de-
7 velop the information described in subpara-
8 graphs (A) and (B);

9 (E) the methodology and assumptions used
10 to derive the estimates described in subpara-
11 graph (C); and

12 (F) any changes to the processing, trans-
13 portation, delivery, or other postal operations
14 anticipated as a result of the proposed closures
15 and consolidations described in the plan.

16 (3) CONSISTENCY.—The methodology and as-
17 sumptions used to derive the cost estimates de-
18 scribed in paragraph (2)(C) shall be consistent with
19 the methodology and assumptions which would have
20 been used by the Postal Service if those closures and
21 consolidations had instead taken effect in the base-
22 line year.

23 (4) EXCESS MAIL PROCESSING CAPACITY.—The
24 Commission shall cause to be published in the Fed-
25 eral Register notice of a proposed definition of “ex-

1 cess mail processing capacity” for purposes of this
2 section within 120 days after the date of the enact-
3 ment of this Act, and shall provide a period of 30
4 days for public comment on the proposed definition.
5 Not later than 180 days after the date of the enact-
6 ment of this Act, the Commission shall issue and
7 cause to be published in the Federal Register a final
8 definition of “excess mail processing capacity” for
9 purposes of this section. Such definition shall in-
10 clude an estimate of the total amount of excess mail
11 processing capacity in mail processing facilities as of
12 the date of the enactment of this Act.

13 (c) PLAN FOR THE CLOSURE OR CONSOLIDATION OF
14 AREA AND DISTRICT OFFICES.—

15 (1) IN GENERAL.—Not later than 300 days
16 after the date of the enactment of this Act, the Post-
17 al Service, in consultation with the Inspector Gen-
18 eral of the United States Postal Service, shall de-
19 velop and submit to the Commission on Postal Reor-
20 ganization a plan for the closure or consolidation of
21 such area and district offices as the Postal Service
22 considers necessary and appropriate so that the com-
23 bined total number of area and district offices will
24 be, for each fiscal year beginning at least 2 years
25 after the date on which the Commission transmits to

1 Congress its final report under subsection (d)(3)(A)
2 relating to this subsection, at least 30 percent less
3 than the corresponding combined total for the base-
4 line year.

5 (2) CONTENTS.—The plan shall include—

6 (A) a list of the area and district offices
7 proposed for closure or consolidation under this
8 subtitle;

9 (B) a proposed schedule under which—

10 (i) closures and consolidations of area
11 and district offices would be carried out
12 under this subtitle; and

13 (ii) all closures and consolidations of
14 area and district offices under this subtitle
15 would be completed by not later than 2
16 years after the date on which the Commis-
17 sion transmits to Congress its final report
18 under subsection (d)(3)(A) relating to such
19 plan;

20 (C) the estimated total annual cost savings
21 attributable to the proposed closures and con-
22 solidations described in the plan;

23 (D) the criteria and process used to de-
24 velop the information described in subpara-
25 graphs (A) and (B);

1 (E) the methodology and assumptions used
2 to derive the estimates described in subpara-
3 graph (C); and

4 (F) any changes to the processing, trans-
5 portation, delivery, or other postal operations
6 anticipated as a result of the proposed closures
7 and consolidations described in the plan.

8 (3) CONSISTENCY.—The methodology and as-
9 sumptions used to derive the cost estimates de-
10 scribed in paragraph (2)(C) shall be consistent with
11 the methodology and assumptions which would have
12 been used by the Postal Service if those closures and
13 consolidations had instead taken effect in the base-
14 line year.

15 (d) REVIEW AND RECOMMENDATIONS OF THE COM-
16 MISSION.—

17 (1) INITIAL REPORTS.—

18 (A) IN GENERAL.—After receiving the plan
19 of the Postal Service under subsection (a), (b),
20 or (c), the Commission on Postal Reorganiza-
21 tion shall transmit to Congress and publish in
22 the Federal Register a report under this para-
23 graph, which shall contain the Commission's
24 findings based on a review and analysis of such
25 plan, together with the Commission's initial rec-

1 ommendations for closures and consolidations
2 of postal facilities, mail processing facilities, or
3 area and district offices (as the case may be).

4 (B) EXPLANATION OF CHANGES.—The
5 Commission shall explain and justify in its re-
6 port any recommendations made by the Com-
7 mission that are different from those contained
8 in the Postal Service plan to which such report
9 pertains.

10 (C) DEADLINES.—A report of the Commis-
11 sion under this paragraph shall be transmitted
12 and published, in accordance with subparagraph
13 (A), within—

14 (i) if the report pertains to the plan
15 under subsection (a), 60 days after the
16 date on which the Commission receives
17 such plan; or

18 (ii) if the report pertains to the plan
19 under subsection (b) or (c), 90 days after
20 the date on which the Commission receives
21 such plan.

22 (2) PUBLIC HEARINGS.—

23 (A) IN GENERAL.—After receiving the plan
24 of the Postal Service under subsection (a), (b),
25 or (c), the Commission on Postal Reorganiza-

1 tion shall conduct at least 5 public hearings on
2 such plan. The hearings shall be conducted in
3 geographic areas chosen so as to reflect a
4 broadly representative range of needs and inter-
5 ests.

6 (B) TESTIMONY.—All testimony before the
7 Commission at a public hearing conducted
8 under this paragraph shall be given under oath.

9 (C) DEADLINES.—All hearings under this
10 paragraph shall be completed within 60 days
11 after the date as of which the Commission sat-
12 isfies the requirements of paragraph (1) with
13 respect to such plan.

14 (3) FINAL REPORTS.—

15 (A) IN GENERAL.—After satisfying the re-
16 quirements of paragraph (2) with respect to the
17 plan of the Postal Service under subsection (a),
18 (b), or (c) (as the case may be), the Commis-
19 sion shall transmit to Congress and publish in
20 the Federal Register a report under this para-
21 graph containing a summary of the hearings
22 conducted with respect to such plan, together
23 with the Commission's final recommendations
24 for closures and consolidations of postal facili-

1 ties, mail processing facilities, or area and dis-
2 trict offices (as the case may be).

3 (B) APPROVAL.—Recommendations under
4 subparagraph (A) shall not be considered to be
5 final recommendations unless they are made
6 with—

7 (i) except as provided in clause (ii),
8 the concurrence of at least 4 members of
9 the Commission; or

10 (ii) to the extent that the require-
11 ments of subsection (b)(1)(A) or (c)(1) are
12 not met, with the concurrence of all sitting
13 members, but only if the shortfall (relative
14 to the requirements of subsection (b)(1)(A)
15 or (c)(1), as the case may be) does not ex-
16 ceed 25 percent.

17 (C) CONTENTS.—A report under this para-
18 graph shall include—

19 (i) the information required by para-
20 graph (2) of subsection (a), (b), or (c) (as
21 the case may be); and

22 (ii) a description of the operations
23 that will be affected by the closure or con-
24 solidation and the facilities or offices which
25 will be performing or ceasing to perform

1 such operations as a result of such closure
2 or consolidation.

3 (D) DEADLINES.—A report of the Com-
4 mission under this paragraph shall be trans-
5 mitted and published, in accordance with sub-
6 paragraph (A), within 60 days after the date as
7 of which the Commission satisfies the require-
8 ments of paragraph (2) with respect to the plan
9 involved.

10 **SEC. 105. IMPLEMENTATION OF CLOSURES AND CONSOLI-**
11 **DATIONS.**

12 (a) IN GENERAL.—Subject to subsection (b), the
13 Postal Service shall—

14 (1) close or consolidate (as the case may be) the
15 facilities and offices recommended by the Commis-
16 sion in each of its final reports under section
17 104(d)(3); and

18 (2) carry out those closures and consolidations
19 in accordance with the timetable recommended by
20 the Commission in such report, except that in no
21 event shall any such closure or consolidation be com-
22 pleted later than 2 years after the date on which
23 such report is submitted to Congress.

24 (b) CONGRESSIONAL DISAPPROVAL.—

1 (1) IN GENERAL.—The Postal Service may not
2 carry out any closure or consolidation recommended
3 by the Commission in a final report if a joint resolu-
4 tion disapproving the recommendations of the Com-
5 mission is enacted, in accordance with section 106,
6 before the earlier of—

7 (A) the end of the 30-day period beginning
8 on the date on which the Commission transmits
9 those recommendations to Congress under sec-
10 tion 104(d)(3); or

11 (B) the adjournment of the Congress sine
12 die for the session during which such report is
13 transmitted.

14 (2) DAYS OF SESSION.—For purposes of para-
15 graph (1) and subsections (a) and (c) of section 106,
16 the days on which either House of Congress is not
17 in session because of an adjournment of more than
18 7 days to a day certain shall be excluded in the com-
19 putation of a period.

20 **SEC. 106. CONGRESSIONAL CONSIDERATION OF FINAL CPR**
21 **REPORTS.**

22 (a) TERMS OF THE RESOLUTION.—For purposes of
23 this subtitle, the term “joint resolution”, as used with re-
24 spect to a report under section 104(d)(3), means only a
25 joint resolution—

1 (1) which is introduced within the 10-day pe-
2 riod beginning on the date on which such report is
3 received by Congress;

4 (2) the matter after the resolving clause of
5 which is as follows: “That Congress disapproves the
6 recommendations of the Commission on Postal Reor-
7 ganization, submitted by such Commission on _____,
8 and pertaining to the closure or consolidation of
9 _____.”, the first blank space being filled in with the
10 appropriate date and the second blank space being
11 filled in with “postal facilities”, “mail processing fa-
12 cilities”, or “area and district offices” (as the case
13 may be);

14 (3) the title of which is as follows: “Joint reso-
15 lution disapproving the recommendations of the
16 Commission on Postal Reorganization.”; and

17 (4) which does not have a preamble.

18 (b) REFERRAL.—A resolution described in subsection
19 (a) that is introduced in the House of Representatives or
20 the Senate shall be referred to the appropriate committees
21 of the House of Representatives or the Senate, respec-
22 tively.

23 (c) DISCHARGE.—If the committee to which a resolu-
24 tion described in subsection (a) is referred has not re-
25 ported such resolution (or an identical resolution) by the

1 end of the 20-day period beginning on the date on which
2 the Commission transmits the report (to which such reso-
3 lution pertains) to Congress under section 104(d)(3), such
4 committee shall, at the end of such period, be discharged
5 from further consideration of such resolution, and such
6 resolution shall be placed on the appropriate calendar of
7 the House involved.

8 (d) CONSIDERATION.—

9 (1) IN GENERAL.—On or after the third day
10 after the date on which the committee to which such
11 a resolution is referred has reported, or has been
12 discharged (under subsection (c)) from further con-
13 sideration of, such a resolution, it is in order (even
14 though a previous motion to the same effect has
15 been disagreed to) for any Member of the respective
16 House to move to proceed to the consideration of the
17 resolution. A Member may make the motion only on
18 the day after the calendar day on which the Member
19 announces to the House concerned the Member's in-
20 tention to make the motion, except that, in the case
21 of the House of Representatives, the motion may be
22 made without such prior announcement if the mo-
23 tion is made by direction of the committee to which
24 the resolution was referred. All points of order
25 against the resolution (and against consideration of

1 the resolution) are waived. The motion is highly
2 privileged in the House of Representatives and is
3 privileged in the Senate and is not debatable. The
4 motion is not subject to amendment, or to a motion
5 to postpone, or to a motion to proceed to the consid-
6 eration of other business. A motion to reconsider the
7 vote by which the motion is agreed to or disagreed
8 to shall not be in order. If a motion to proceed to
9 the consideration of the resolution is agreed to, the
10 respective House shall immediately proceed to con-
11 sideration of the joint resolution without intervening
12 motion, order, or other business, and the resolution
13 shall remain the unfinished business of the respec-
14 tive House until disposed of.

15 (2) DEBATE.—Debate on the resolution, and on
16 all debatable motions and appeals in connection
17 therewith, shall be limited to not more than 2 hours,
18 which shall be divided equally between those favoring
19 and those opposing the resolution. An amendment to
20 the resolution is not in order. A motion further to
21 limit debate is in order and not debatable. A motion
22 to postpone, or a motion to proceed to the consider-
23 ation of other business, or a motion to recommit the
24 resolution is not in order. A motion to reconsider the

1 vote by which the resolution is agreed to or dis-
2 agreed to is not in order.

3 (3) VOTE ON FINAL PASSAGE.—Immediately
4 following the conclusion of the debate on a resolu-
5 tion described in subsection (a) and a single quorum
6 call at the conclusion of the debate if requested in
7 accordance with the rules of the appropriate House,
8 the vote on final passage of the resolution shall
9 occur.

10 (4) APPEALS.—Appeals from the decisions of
11 the Chair relating to the application of the rules of
12 the Senate or the House of Representatives, as the
13 case may be, to the procedure relating to a resolu-
14 tion described in subsection (a) shall be decided
15 without debate.

16 (e) CONSIDERATION BY OTHER HOUSE.—

17 (1) IN GENERAL.—If, before the passage by one
18 House of a resolution of that House described in
19 subsection (a), that House receives from the other
20 House a resolution (described in subsection (a)) re-
21 lating to the same report, then the following proce-
22 dures shall apply:

23 (A) The resolution of the other House shall
24 not be referred to a committee and may not be
25 considered in the House receiving it except in

1 the case of final passage as provided in sub-
2 paragraph (B)(ii).

3 (B) With respect to the resolution de-
4 scribed in subsection (a) (relating to the report
5 in question) of the House receiving the resolu-
6 tion—

7 (i) the procedure in that House shall
8 be the same as if no resolution (relating to
9 the same report) had been received from
10 the other House; but

11 (ii) the vote on final passage shall be
12 on the resolution of the other House.

13 (2) DISPOSITION OF A RESOLUTION.—Upon
14 disposition of the resolution received from the other
15 House, it shall no longer be in order to consider the
16 resolution that originated in the receiving House.

17 (f) RULES OF THE SENATE AND HOUSE.—This sec-
18 tion is enacted by Congress—

19 (1) as an exercise of the rulemaking power of
20 the Senate and House of Representatives, respec-
21 tively, and as such it is deemed a part of the rules
22 of each House, respectively, but applicable only with
23 respect to the procedure to be followed in that
24 House in the case of a resolution described in sub-

1 section (a), and it supersedes other rules only to the
2 extent that it is inconsistent with such rules; and

3 (2) with full recognition of the constitutional
4 right of either House to change the rules (so far as
5 relating to the procedure of that House) at any time,
6 in the same manner, and to the same extent as in
7 the case of any other rule of that House.

8 **SEC. 107. NONAPPEALABILITY OF DECISIONS.**

9 (a) TO PRC.—The closing or consolidation of any fa-
10 cility or office under this subtitle may not be appealed to
11 the Postal Regulatory Commission under section 404(d)
12 of title 39, United States Code, or any other provision of
13 such title, or the subject of an advisory opinion issued by
14 the Postal Regulatory Commission under section 3661 of
15 such title.

16 (b) JUDICIAL REVIEW.—No process, report, rec-
17 ommendation, or other action of the Commission on Postal
18 Reorganization shall be subject to judicial review.

19 **SEC. 108. RULES OF CONSTRUCTION.**

20 (a) CONTINUED AVAILABILITY OF AUTHORITY TO
21 CLOSE OR CONSOLIDATE POSTAL FACILITIES.—

22 (1) IN GENERAL.—Nothing in this subtitle shall
23 be considered to prevent the Postal Service from
24 closing or consolidating any postal facilities, in ac-
25 cordance with otherwise applicable provisions of law,

1 either before or after the implementation of any clo-
2 sures or consolidations under this subtitle.

3 (2) COORDINATION RULE.—No appeal or deter-
4 mination under section 404(d) of title 39, United
5 States Code, or any other provision of law shall
6 delay, prevent, or otherwise affect any closure or
7 consolidation under this subtitle.

8 (b) INAPPLICABILITY OF CERTAIN PROVISIONS.—

9 (1) IN GENERAL.—The provisions of law identi-
10 fied in paragraph (2)—

11 (A) shall not apply to any closure or con-
12 solidation carried out under this subtitle; and

13 (B) shall not be taken into account for
14 purposes of carrying out section 103 or 104.

15 (2) PROVISIONS IDENTIFIED.—The provisions
16 of law under this paragraph are—

17 (A) section 101(b) of title 39, United
18 States Code; and

19 (B) section 404(d) of title 39, United
20 States Code.

21 **Subtitle B—Other Provisions**

22 **SEC. 111. FREQUENCY OF MAIL DELIVERY.**

23 Section 101 of title 39, United States Code, is
24 amended by adding at the end the following:

1 “(h) Nothing in this title or any other provision of
2 law shall be considered to prevent the Postal Service from
3 taking whatever actions may be necessary to provide for
4 5-day delivery of mail and a commensurate adjustment in
5 rural delivery of mail, subject to the requirements of sec-
6 tion 3661.”.

7 **SEC. 112. EFFICIENT AND FLEXIBLE UNIVERSAL POSTAL**
8 **SERVICE.**

9 (a) **POSTAL POLICY.**—

10 (1) **IN GENERAL.**—Section 101(b) of title 39,
11 United States Code, is amended to read as follows:

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

15 (2) **CONFORMING AMENDMENTS.**—(A) Clause
16 (iii) of section 404(d)(2)(A) of title 39, United
17 States Code, is amended to read as follows:

18 “(iii) whether such closing or consolidation
19 is consistent with the policy of the Government,
20 as stated in section 101(b), that the Postal
21 Service shall provide effective and regular post-
22 al services to rural areas, communities, and
23 small towns where post offices are not self-sus-
24 taining;”.

1 (B) Section 2401(b)(1) of title 39, United
2 States Code, is amended (in the matter before sub-
3 paragraph (A)), by striking “a maximum degree of”.

4 (b) GENERAL DUTY.—Paragraph (3) of section
5 403(b) of title 39, United States Code, is amended to read
6 as follows:

7 “(3) to ensure that postal patrons throughout
8 the Nation will, consistent with reasonable econo-
9 mies of postal operations, have ready access to es-
10 sential postal services.”.

11 (c) PRC REVIEW OF DETERMINATIONS TO CLOSE
12 OR CONSOLIDATE A POST OFFICE.—

13 (1) DEADLINE FOR REVIEW.—Section
14 404(d)(5) of title 39, United States Code, is amend-
15 ed by striking “120 days” and inserting “60 days”.

16 (2) EXCLUSION FROM REVIEW.—Section 404(d)
17 of title 39, United States Code, is amended by add-
18 ing at the end the following:

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

23 “(B) For purposes of this paragraph—

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

1 “(I) is not owned or operated by the Postal
2 Service; and

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

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

9 “(I) begins to provide postal services to the
10 general public during the period—

11 “(aa) beginning 1 year before the date
12 on which the closure or consolidation of
13 such post office is scheduled to take effect;
14 and

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

19 “(II) has not, pursuant to subparagraph
20 (A), served as the basis for exempting any other
21 post office from the appeals process set forth in
22 paragraph (5).

23 “(C)(i) If the contract postal unit (which is providing
24 postal services that had been previously provided by the
25 post office that was closed) does not continue to provide

1 postal services, as required by subparagraph (B)(i)(II), for
2 at least the 2-year period beginning on the date on which
3 such post office was closed, the contract postal unit shall
4 be subject to a closure determination by the Postal Service
5 to decide whether a post office must be reopened within
6 the area (delimited by the 2-mile radius referred to in sub-
7 paragraph (A)).

8 “(ii) A decision under clause (i) not to reopen a post
9 office may be appealed to the Postal Regulatory Commis-
10 sion under procedures which the Commission shall by reg-
11 ulation prescribe. Such procedures shall be based on para-
12 graph (5), except that, for purposes of this clause, para-
13 graph (5)(C) shall be applied by substituting ‘in violation
14 of section 101(b), leaving postal patrons without effective
15 and regular access to postal services’ for ‘unsupported by
16 substantial evidence on the record’.”

17 (3) APPLICABILITY.—The amendments made
18 by this subsection shall not apply with respect to
19 any appeal, notice of which is received by the Postal
20 Regulatory Commission before the date of the enact-
21 ment of this Act (determined applying the rules set
22 forth in section 404(d)(6) of title 39, United States
23 Code).

24 (d) EXPEDITED PROCEDURES.—

1 (1) IN GENERAL.—Section 3661 of title 39,
2 United States Code, is amended by adding at the
3 end the following:

4 “(d)(1) The Commission shall issue its opinion within
5 90 days after the receipt of any proposal (as referred to
6 in subsection (b)) concerning—

7 “(A) the closing or consolidation of post offices
8 to a degree that will generally affect service on a na-
9 tionwide or substantially nationwide basis; or

10 “(B) an identical or substantially identical pro-
11 posal on which the Commission issued an opinion
12 within the preceding 5 years.

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

17 (2) REGULATIONS.—The Postal Regulatory
18 Commission shall prescribe any regulations nec-
19 essary to carry out the amendment made by para-
20 graph (1) within 90 days after the date of the enact-
21 ment of this Act.

22 (3) APPLICABILITY.—The amendment made by
23 this subsection shall apply with respect to any pro-
24 posal received by the Postal Regulatory Commission
25 on or after the earlier of—

1 (A) the 90th day after the date of the en-
2 actment of this Act; or

3 (B) the effective date of the regulations
4 under paragraph (2).

5 **SEC. 113. MORE COST-EFFICIENT POSTAL SERVICE CON-**
6 **TRACTING.**

7 (a) IN GENERAL.—Section 410 of title 39, United
8 States Code, is amended—

9 (1) in subsection (b), by striking paragraph (4)
10 and inserting the following:

11 “(4) sections 3114–3116, 3118, 3131, and
12 3133;” and

13 (2) by striking subsection (d).

14 (b) APPLICABILITY.—The amendments made by sub-
15 section (a) shall be effective with respect to contracts and
16 agreements first entered into on or after the date of the
17 enactment of this Act.

18 **SEC. 114. ENHANCED REPORTING ON POSTAL SERVICE EF-**
19 **FICIENCY.**

20 Section 3652(a) of title 39, United States Code, is
21 amended—

22 (1) in paragraph (1), by striking “and” after
23 the semicolon;

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

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

2 “(3) which shall provide the overall change in
3 Postal Service productivity and the resulting effect
4 of such change on overall Postal Service costs during
5 such year, using such methodologies as the Commis-
6 sion shall by regulation prescribe.”.

7 **TITLE II—POSTAL SERVICE FI-**
8 **NANCIAL RESPONSIBILITY**
9 **AND MANAGEMENT ASSIST-**
10 **ANCE AUTHORITY**
11 **Subtitle A—Establishment and**
12 **Organization**

13 **SEC. 201. PURPOSES.**

14 (a) PURPOSES.—The purposes of this title are as fol-
15 lows:

16 (1) To eliminate budget deficits and cash short-
17 ages of the Postal Service through visionary finan-
18 cial planning, sound budgeting, accurate revenue
19 forecasts, and careful spending.

20 (2) To ensure the universal service mandate de-
21 tailed in section 101 of title 39, United States Code,
22 is maintained during a period of fiscal emergency.

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

1 (4) To assist the Postal Service in—

2 (A) restructuring its organization and
3 workforce to bring expenses in line with dimin-
4 ishing revenue and generate sufficient profits
5 for capital investment and repayment of debt;

6 (B) meeting all fiscal obligations to the
7 Treasury of the United States; and

8 (C) ensuring the appropriate and efficient
9 delivery of postal services.

10 (5) To provide the Postal Service with a tem-
11 porary increase in its borrowing authority to enable
12 the Postal Service to complete necessary restruc-
13 turing.

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

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

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

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

1 **SEC. 202. ESTABLISHMENT OF THE AUTHORITY.**

2 (a) ESTABLISHMENT.—There shall be established,
3 upon the commencement of any control period, an entity
4 to be known as the “Postal Service Financial Responsi-
5 bility and Management Assistance Authority” (hereinafter
6 in this title referred to as the “Authority”).

7 (b) CONTROL PERIOD.—

8 (1) COMMENCEMENT OF A CONTROL PERIOD.—

9 For purposes of this title, a control period com-
10 mences whenever the Postal Service has been in de-
11 fault to the Treasury of the United States, with re-
12 spect to any loans, bonds, notes, or other form of
13 borrowing, for a period of at least 30 days.

14 (2) TREATMENT OF AUTHORITIES AND RESPON-
15 SIBILITIES OF THE BOARD OF GOVERNORS, ETC.
16 DURING A CONTROL PERIOD.—During a control pe-
17 riod—

18 (A) all authorities and responsibilities of
19 the Board of Governors, and the individual
20 Governors, of the Postal Service under title 39,
21 United States Code, and any other provision of
22 law shall be assumed by the Authority; and

23 (B) the Board of Governors, and the indi-
24 vidual Governors, may act in an advisory capac-
25 ity only.

1 (3) TREATMENT OF CERTAIN POSTAL SERVICE
2 EXECUTIVES DURING A CONTROL PERIOD.—

3 (A) DEFINITION.—For the purposes of
4 this section, the term “Level-Two Postal Serv-
5 ice Executive” includes the Postmaster General,
6 the Deputy Postmaster General, and all other
7 officers or employees of the Postal Service in
8 level two of the Postal Career Executive Service
9 (or the equivalent).

10 (B) TREATMENT.—Notwithstanding any
11 other provision of law or employment contract,
12 during a control period—

13 (i) all Level-Two Postal Service Ex-
14 ecutives shall serve at the pleasure of the
15 Authority;

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

22 (iii) total compensation of a Level-
23 Two Postal Service Executive may not, for
24 any year in such control period, exceed the
25 annual rate of basic pay payable for level

1 I of the Executive Schedule under section
2 5312 of title 5, United States Code, for
3 such year; for purposes of this clause, the
4 term “total compensation” means basic
5 pay, bonuses, awards, and all other mone-
6 tary compensation;

7 (iv) the percentage by which the rate
8 of basic pay of a Level-Two Postal Service
9 Executive is increased during any year in
10 such control period may not exceed the
11 percentage change in the Consumer Price
12 Index for All Urban Consumers, unadjust-
13 ed for seasonal variation, for the most re-
14 cent 12-month period available, except
15 that, in the case of a Level-Two Postal
16 Service Executive who has had a signifi-
17 cant change in job responsibilities, a great-
18 er change shall be allowable if approved by
19 the Authority;

20 (v) apart from basic pay, a Level-Two
21 Postal Service Executive may not be af-
22 farded any bonus, award, or other mone-
23 tary compensation for any fiscal year in
24 the control period if expenditures of the
25 Postal Service for such fiscal year exceeded

1 revenues of the Postal Service for such fis-
2 cal year (determined in accordance with
3 generally accepted accounting principles);
4 and

5 (vi) no deferred compensation may be
6 paid, accumulated, or recognized in the
7 case of any Level-Two Postal Service Exec-
8 utive, with respect to any year in a control
9 period, which is not generally paid, accu-
10 mulated, or recognized in the case of em-
11 ployees of the United States (outside of the
12 Postal Service) in level I of the Executive
13 Schedule under section 5312 of title 5,
14 United States Code, with respect to such
15 year.

16 (C) BONUS AUTHORITY.—Section 3686 of
17 title 39, United States Code, shall, during the
18 period beginning on the commencement date of
19 the control period and ending on the termi-
20 nation date of the control period—

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

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

1 (4) TERMINATION OF A CONTROL PERIOD.—
2 Subject to subtitle D, a control period terminates
3 upon certification by the Authority, with the concur-
4 rence of the Secretary of the Treasury and the Di-
5 rector of the Office of Personnel Management,
6 that—

7 (A) for 2 consecutive fiscal years (occur-
8 ring after the date of the enactment of this
9 Act), expenditures of the Postal Service did not
10 exceed revenues of the Postal Service (as deter-
11 mined in accordance with generally accepted ac-
12 counting principles);

13 (B) the Authority has approved a Postal
14 Service financial plan and budget that shows
15 expenditures of the Postal Service not exceeding
16 revenues of the Postal Service (as so deter-
17 mined) for the fiscal year to which such budget
18 pertains and each of the next 3 fiscal years;
19 and

20 (C) the Postal Service financial plan and
21 budget (as referred to in subparagraph (B)) in-
22 cludes plans to properly fund Postal Service
23 pensions and retiree health benefits in accord-
24 ance with law.

1 **SEC. 203. MEMBERSHIP AND QUALIFICATION REQUIRE-**
2 **MENTS.**

3 (a) MEMBERSHIP.—

4 (1) IN GENERAL.—The Authority shall consist
5 of 5 members appointed by the President who meet
6 the qualifications described in subsection (b), except
7 that the Authority may take any action under this
8 title at any time after the President has appointed
9 4 of its members.

10 (2) RECOMMENDATIONS.—Of the 5 members so
11 appointed—

12 (A) 1 shall be appointed from among indi-
13 viduals recommended by the Speaker of the
14 House of Representatives;

15 (B) 1 shall be appointed from among indi-
16 viduals recommended by the majority leader of
17 the Senate;

18 (C) 1 shall be appointed from among indi-
19 viduals recommended by the minority leader of
20 the House of Representatives;

21 (D) 1 shall be appointed from among indi-
22 viduals recommended by the minority leader of
23 the Senate; and

24 (E) 1 shall be appointed from among indi-
25 viduals recommended by the Comptroller Gen-
26 eral.

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

4 (4) CHAIR.—The President shall designate 1 of
5 the members of the Authority as the Chair of the
6 Authority.

7 (5) SENSE OF CONGRESS REGARDING DEAD-
8 LINE FOR APPOINTMENT.—It is the sense of Con-
9 gress that the President should appoint the members
10 of the Authority as soon as practicable after the
11 date on which a control period commences, but no
12 later than 30 days after such date.

13 (6) TERM OF SERVICE.—

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

17 (B) APPOINTMENT FOR TERM FOLLOWING
18 INITIAL TERM.—As designated by the President
19 at the time of appointment for the term imme-
20 diately following the initial term, of the mem-
21 bers appointed for the term immediately fol-
22 lowing the initial term—

23 (i) 1 member shall be appointed for a
24 term of 1 year;

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

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

5 (C) REMOVAL.—The President may re-
6 move any member of the Authority only for
7 cause.

8 (D) NO COMPENSATION FOR SERVICE.—
9 Members of the Authority shall serve without
10 pay, but may receive reimbursement for any
11 reasonable and necessary expenses incurred by
12 reason of service on the Authority.

13 (b) QUALIFICATION REQUIREMENTS.—

14 (1) IN GENERAL.—An individual meets the
15 qualifications for membership on the Authority if the
16 individual—

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

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

1 the economy engaged in the delivery of mail
2 matter.

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

7 (A) has been an officer, employee, or pri-
8 vate contractor with the Postal Service or the
9 Postal Regulatory Commission; or

10 (B) has served as an employee or con-
11 tractor of a labor organization representing em-
12 ployees of the Postal Service or the Postal Reg-
13 ulatory Commission.

14 **SEC. 204. ORGANIZATION.**

15 (a) ADOPTION OF BY-LAWS FOR CONDUCTING BUSI-
16 NESS.—As soon as practicable after the appointment of
17 its members, the Authority shall adopt by-laws, rules, and
18 procedures governing its activities under this title, includ-
19 ing procedures for hiring experts and consultants. Upon
20 adoption, such by-laws, rules, and procedures shall be sub-
21 mitted by the Authority to the Postmaster General, the
22 President, and Congress.

23 (b) CERTAIN ACTIVITIES REQUIRING APPROVAL OF
24 MAJORITY OF MEMBERS.—Under its by-laws, the Author-
25 ity may conduct its operations under such procedures as

1 it considers appropriate, except that an affirmative vote
2 of a majority of the members of the Authority shall be
3 required in order for the Authority to—

4 (1) approve or disapprove a financial plan and
5 budget as described by subtitle C;

6 (2) implement recommendations on financial
7 stability and management responsibility under sec-
8 tion 225;

9 (3) take any action under authority of section
10 202(b)(3)(B)(i);

11 (4) require the immediate renegotiation of an
12 existing collective bargaining agreement in accord-
13 ance with section 211(g)(1); or

14 (5) reject, modify, or terminate 1 or more terms
15 of an existing collective bargaining agreement in ac-
16 cordance with section 211(g)(2).

17 **SEC. 205. EXECUTIVE DIRECTOR AND STAFF.**

18 (a) EXECUTIVE DIRECTOR.—The Authority shall
19 have an Executive Director who shall be appointed by the
20 Chair with the consent of the Authority. The Executive
21 Director shall be paid at a rate determined by the Author-
22 ity, except that such rate may not exceed the rate of basic
23 pay payable for level IV of the Executive Schedule under
24 section 5315 of title 5, United States Code.

1 (b) STAFF.—With the approval of the Authority, the
2 Executive Director may appoint and fix the pay of such
3 additional personnel as the Executive Director considers
4 appropriate, except that no individual appointed by the
5 Executive Director may be paid at a rate greater than the
6 rate of pay for the Executive Director. Personnel ap-
7 pointed under this subsection shall serve at the pleasure
8 of the Executive Director.

9 (c) INAPPLICABILITY OF CERTAIN CIVIL SERVICE
10 LAWS.—The Executive Director and staff of the Authority
11 may be appointed without regard to the provisions of title
12 5, United States Code, governing appointments in the
13 competitive service, and paid without regard to the provi-
14 sions of chapter 51 and subchapter III of chapter 53 of
15 such title relating to classification and General Schedule
16 pay rates.

17 (d) STAFF OF FEDERAL AGENCIES.—Upon request
18 of the Chair, the head of any Federal department or agen-
19 cy may detail, on a reimbursable or nonreimbursable basis,
20 any of the personnel of such department or agency to the
21 Authority to assist it in carrying out its duties under this
22 title.

23 **SEC. 206. FUNDING.**

24 (a) IN GENERAL.—There are authorized to be appro-
25 priated, out of the Postal Service Fund, such sums as may

1 be necessary for the Authority. In requesting an appro-
2 priation under this section for a fiscal year, the Authority
3 shall prepare and submit to the Congress under section
4 2009 of title 39, United States Code, a budget of the
5 Authority's expenses, including expenses for facilities, sup-
6 plies, compensation, and employee benefits not to exceed
7 \$10,000,000. In years in which a control period com-
8 mences, the Authority shall submit a budget within 30
9 days of the appointment of the members of the Authority.

10 (b) AMENDMENT TO SECTION 2009.—Section 2009
11 of title 39, United States Code, is amended in the next
12 to last sentence—

13 (1) by striking “, and (3)” and inserting “,
14 (3)”; and

15 (2) by striking the period and inserting “, and
16 (4) the Postal Service Financial Responsibility and
17 Management Assistance Authority requests to be ap-
18 propriated, out of the Postal Service Fund, under
19 section 206 of the Postal Reform Act of 2011.”.

20 **Subtitle B—Powers of the**
21 **Authority**

22 **SEC. 211. POWERS.**

23 (a) POWERS OF MEMBERS AND AGENTS.—Any mem-
24 ber or agent of the Authority may, if authorized by the

1 Authority, take any action which the Authority is author-
2 ized by this section to take.

3 (b) OBTAINING OFFICIAL DATA FROM THE POSTAL
4 SERVICE.—Notwithstanding any other provision of law,
5 the Authority may secure copies of such records, docu-
6 ments, information, or data from any entity of the Postal
7 Service necessary to enable the Authority to carry out its
8 responsibilities under this title. At the request of the Au-
9 thority, the Authority shall be granted direct access to
10 such information systems, records, documents, informa-
11 tion, or data as will enable the Authority to carry out its
12 responsibilities under this title. The head of the relevant
13 entity of the Postal Service shall provide the Authority
14 with such information and assistance (including granting
15 the Authority direct access to automated or other informa-
16 tion systems) as the Authority requires under this sub-
17 section.

18 (c) GIFTS, BEQUESTS, AND DEVICES.—The Author-
19 ity may accept, use, and dispose of gifts, bequests, or de-
20 vises of services or property, both real and personal, for
21 the purpose of aiding or facilitating the work of the Au-
22 thority. Gifts, bequests, or devises of money and proceeds
23 from sales of other property received as gifts, bequests,
24 or devises shall be deposited in such account as the Au-

1 thority may establish and shall be available for disburse-
2 ment upon order of the Chair.

3 (d) ADMINISTRATIVE SUPPORT SERVICES.—Upon
4 the request of the Authority, the Administrator of General
5 Services may provide to the Authority, on a reimbursable
6 basis, the administrative support services necessary for the
7 Authority to carry out its responsibilities under this title.

8 (e) AUTHORITY TO ENTER INTO CONTRACTS.—The
9 Executive Director may enter into such contracts as the
10 Executive Director considers appropriate (subject to the
11 approval of the Chair) to carry out the Authority's respon-
12 sibilities under this title.

13 (f) CIVIL ACTIONS TO ENFORCE POWERS.—The Au-
14 thority may seek judicial enforcement of its authority to
15 carry out its responsibilities under this title.

16 (g) COLLECTIVE BARGAINING.—Notwithstanding
17 any other provision of law—

18 (1) the Authority may require the renegotiation
19 of an existing collective bargaining agreement to
20 achieve specific economic savings and workforce
21 flexibility goals; and

22 (2) after meeting and conferring with the ap-
23 propriate bargaining representative, the Authority
24 may reject, modify, or terminate 1 or more terms or

1 conditions of an existing collective bargaining agree-
2 ment if—

3 (A) a prompt and satisfactory agreement
4 under paragraph (1) is unlikely; and

5 (B) in the judgment of the Authority, the
6 rejection, modification, or termination—

7 (i) is reasonable and necessary for the
8 Postal Service to be a financially viable
9 provider of universal postal service to the
10 Nation; and

11 (ii) is designed to achieve the specific
12 economic savings or workforce flexibility
13 goals (as the case may be) referred to in
14 paragraph (1).

15 (h) PENALTIES.—

16 (1) ADMINISTRATIVE DISCIPLINE.—Any officer
17 or employee of the Postal Service who takes or fails
18 to take any action which is noncompliant with any
19 directive or other order of the Authority under sec-
20 tion 225(c) shall be subject to appropriate adminis-
21 trative discipline, including suspension from duty
22 without pay or removal from office, by order of ei-
23 ther the Postmaster General or the Authority.

24 (2) REPORTING REQUIREMENT.—Whenever an
25 officer or employee of the Postal Service takes or

1 fails to take any action which is noncompliant with
2 any directive or other order of the Authority under
3 section 225(c), the Postmaster General shall imme-
4 diately report to the Authority all pertinent facts, to-
5 gether with a statement of any actions taken by the
6 Postmaster General or proposed by the Postmaster
7 General to be taken under paragraph (1).

8 **SEC. 212. EXEMPTION FROM LIABILITY FOR CLAIMS.**

9 The Authority and its members may not be liable for
10 any obligation of or claim against the Postal Service re-
11 sulting from actions taken to carry out this title.

12 **SEC. 213. TREATMENT OF ACTIONS ARISING UNDER THIS**
13 **TITLE.**

14 (a) JURISDICTION ESTABLISHED IN UNITED STATES
15 COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA.—
16 A person (including the Postal Service) adversely affected
17 or aggrieved by an order or decision of the Authority may,
18 within 30 days after such order or decision becomes final,
19 institute proceedings for review thereof by filing a petition
20 in the United States Court of Appeals for the District of
21 Columbia. The court shall review the order or decision in
22 accordance with section 706 of title 5, United States Code,
23 and chapter 158 and section 2112 of title 28, United
24 States Code, on the basis of the record before the Author-
25 ity.

1 (b) PROMPT APPEAL TO THE SUPREME COURT.—
2 Notwithstanding any other provision of law, review by the
3 Supreme Court of the United States of a decision of the
4 Court of Appeals which is issued pursuant to subsection
5 (a) may be had only if the petition for such review is filed
6 within 10 days after the entry of such decision.

7 (c) TIMING OF RELIEF.—No order of any court
8 granting declaratory or injunctive relief against the Au-
9 thority, including relief permitting or requiring the obliga-
10 tion, borrowing, or expenditure of funds, shall take effect
11 during the pendency of the action before such court, dur-
12 ing the time appeal may be taken, or (if appeal is taken)
13 during the period before the court has entered its final
14 order disposing of such action.

15 (d) EXPEDITED CONSIDERATION.—It shall be the
16 duty of the United States Court of Appeals for the District
17 of Columbia and the Supreme Court of the United States
18 to advance on the docket and to expedite to the greatest
19 possible extent the disposition of any matter brought
20 under subsection (a).

1 **Subtitle C—Establishment and En-**
2 **forcement of Financial Plan and**
3 **Budget for the Postal Service**

4 **SEC. 221. DEVELOPMENT OF FINANCIAL PLAN AND BUDG-**
5 **ET FOR THE POSTAL SERVICE.**

6 (a) DEVELOPMENT OF FINANCIAL PLAN AND BUDG-
7 ET.—For each fiscal year for which the Postal Service is
8 in a control period, the Postmaster General shall develop
9 and submit to the Authority a financial plan and budget
10 for the Postal Service in accordance with this section.

11 (b) CONTENTS OF FINANCIAL PLAN AND BUDGET.—
12 A financial plan and budget for the Postal Service for a
13 fiscal year shall specify the budget for the Postal Service
14 as required by section 2009 of title 39, United States
15 Code, for the applicable fiscal year and the next 3 fiscal
16 years, in accordance with the following requirements:

17 (1) The financial plan and budget shall meet
18 the standards described in subsection (c) to promote
19 the financial stability of the Postal Service.

20 (2) The financial plan and budget shall—

21 (A) include the Postal Service’s annual
22 budget program (under section 2009 of title 39,
23 United States Code) and the Postal Service’s
24 plan commonly referred to as its “Integrated
25 Financial Plan”;

1 (B) describe lump-sum expenditures by all
2 categories traditionally used by the Postal Serv-
3 ice;

4 (C) describe capital expenditures (together
5 with a schedule of projected capital commit-
6 ments and cash outlays of the Postal Service
7 and proposed sources of funding);

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

10 (E) contain cash flow and liquidity fore-
11 casts for the Postal Service at such intervals as
12 the Authority may require.

13 (3) The financial plan and budget shall include
14 a statement describing methods of estimations and
15 significant assumptions.

16 (4) The financial plan and budget shall include
17 any other provisions and shall meet such other cri-
18 teria as the Authority considers appropriate to meet
19 the purposes of this title, including provisions for—

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

22 (B) management initiatives to promote
23 productivity, improvement in the delivery of
24 services, or cost savings.

1 (c) STANDARDS TO PROMOTE FINANCIAL STA-
2 BILITY.—

3 (1) IN GENERAL.—The standards to promote
4 the financial stability of the Postal Service applica-
5 ble to the financial plan and budget for a fiscal year
6 are as follows:

7 (A) In each fiscal year (following the first
8 full fiscal year) in a control period, budgeted
9 expenditures of the Postal Service for the fiscal
10 year involved may not exceed budgeted revenues
11 of the Postal Service for the fiscal year in-
12 volved.

13 (B) In each fiscal year in a control period,
14 the Postal Service shall make continuous, sub-
15 stantial progress towards long-term fiscal sol-
16 vency and shall have either a lower deficit or
17 greater surplus than in the previous fiscal year.

18 (C) The financial plan and budget shall as-
19 sure the continuing long-term financial stability
20 of the Postal Service, as indicated by factors
21 such as the efficient management of the Postal
22 Service's workforce and the effective provision
23 of services by the Postal Service.

24 (2) APPLICATION OF SOUND BUDGETARY PRAC-
25 TICES.—In meeting the standard described in para-

1 graph (1) with respect to a financial plan and budg-
2 et for a fiscal year, the Postal Service shall apply
3 sound budgetary practices, including reducing costs
4 and other expenditures, improving productivity, in-
5 creasing revenues, or a combination of such prac-
6 tices.

7 (3) ASSUMPTIONS BASED ON CURRENT LAW.—
8 In meeting the standards described in paragraph (1)
9 with respect to a financial plan and budget for a fis-
10 cal year, the Postal Service shall base estimates of
11 revenues and expenditures on Federal law as in ef-
12 fect at the time of the preparation of such financial
13 plan and budget.

14 **SEC. 222. PROCESS FOR SUBMISSION AND APPROVAL OF FI-**
15 **NANCIAL PLAN AND BUDGET.**

16 (a) IN GENERAL.—For each fiscal year for which the
17 Postal Service is in a control period, the Postmaster Gen-
18 eral shall submit to the Authority—

19 (1) by February 1 before the start of such fiscal
20 year, a preliminary financial plan and budget under
21 section 221 for such fiscal year; and

22 (2) by August 31 before the start of such fiscal
23 year, a final financial plan and budget under section
24 221 for such fiscal year.

1 (b) REVIEW BY AUTHORITY.—Upon receipt of a fi-
2 nancial plan and budget under subsection (a) (whether
3 preliminary or final), the Authority shall promptly review
4 such financial plan and budget. In conducting the review,
5 the Authority may request any additional information it
6 considers necessary and appropriate to carry out its duties
7 under this subtitle.

8 (c) APPROVAL OF POSTMASTER GENERAL'S FINAN-
9 CIAL PLAN AND BUDGET.—

10 (1) CERTIFICATION TO POSTMASTER GEN-
11 ERAL.—

12 (A) IN GENERAL.—If the Authority deter-
13 mines that the final financial plan and budget
14 for the fiscal year submitted by the Postmaster
15 General under subsection (a) meets the require-
16 ments of section 221—

17 (i) the Authority shall approve the fi-
18 nancial plan and budget and shall provide
19 the Postmaster General, the President, and
20 Congress with a notice certifying its ap-
21 proval; and

22 (ii) the Postmaster General shall
23 promptly submit the annual budget pro-
24 gram to the Office of Management and

1 Budget pursuant to section 2009 of title
2 39, United States Code.

3 (B) DEEMED APPROVAL AFTER 30 DAYS.—

4 (i) IN GENERAL.—If the Authority
5 has not provided the Postmaster General,
6 the President, and Congress with a notice
7 certifying approval under subparagraph
8 (A)(i) or a statement of disapproval under
9 subsection (d) before the expiration of the
10 30-day period which begins on the date the
11 Authority receives the financial plan and
12 budget from the Postmaster General under
13 subsection (a), the Authority shall be
14 deemed to have approved the financial plan
15 and budget and to have provided the Post-
16 master General, the President, and Con-
17 gress with the notice certifying approval
18 under subparagraph (A)(i).

19 (ii) EXPLANATION OF FAILURE TO
20 RESPOND.—If clause (i) applies with re-
21 spect to a financial plan and budget, the
22 Authority shall provide the Postmaster
23 General, the President and Congress with
24 an explanation for its failure to provide the
25 notice certifying approval or the statement

1 of disapproval during the 30-day period de-
2 scribed in such clause.

3 (d) DISAPPROVAL OF POSTMASTER GENERAL'S
4 BUDGET.—If the Authority determines that the final fi-
5 nancial plan and budget for the fiscal year submitted by
6 the Postmaster General under subsection (a) does not
7 meet the requirements applicable under section 221, the
8 Authority shall disapprove the financial plan and budget,
9 and shall provide the Postmaster General, the President,
10 and Congress with a statement containing—

11 (1) the reasons for such disapproval;

12 (2) the amount of any shortfall in the budget
13 or financial plan; and

14 (3) any recommendations for revisions to the
15 budget the Authority considers appropriate to ensure
16 that the budget is consistent with the financial plan
17 and budget.

18 (e) AUTHORITY REVIEW OF POSTMASTER GEN-
19 ERAL'S REVISED FINAL FINANCIAL PLAN AND BUDG-
20 ET.—

21 (1) SUBMISSION OF POSTMASTER GENERAL'S
22 REVISED FINAL FINANCIAL PLAN AND BUDGET.—
23 Not later than 15 days after receiving the statement
24 from the Authority under subsection (d), the Post-
25 master General shall promptly adopt a revised final

1 financial plan and budget for the fiscal year which
2 addresses the reasons for the Authority's disapproval
3 cited in the statement, and shall submit such finan-
4 cial plan and budget to the Authority.

5 (2) APPROVAL OF POSTMASTER GENERAL'S RE-
6 VISED FINAL FINANCIAL PLAN AND BUDGET.—If,
7 after reviewing the revised final financial plan and
8 budget for a fiscal year submitted by the Postmaster
9 General under paragraph (1) in accordance with the
10 procedures described in this section, the Authority
11 determines that the revised final financial plan and
12 budget meets the requirements applicable under sec-
13 tion 221—

14 (A) the Authority shall approve the finan-
15 cial plan and budget and shall provide the Post-
16 master General, the President, and Congress
17 with a notice certifying its approval; and

18 (B) the Postmaster General shall promptly
19 submit the annual budget program to the Office
20 of Management and Budget pursuant to section
21 2009 of title 39, United States Code.

22 (3) DISAPPROVAL OF POSTMASTER GENERAL'S
23 REVISED FINAL FINANCIAL PLAN AND BUDGET.—

24 (A) IN GENERAL.—If, after reviewing the
25 revised final financial plan and budget for a fis-

1 cal year submitted by the Postmaster General
2 under paragraph (1) in accordance with the
3 procedures described in this subsection, the Au-
4 thority determines that the revised final finan-
5 cial plan and budget does not meet the applica-
6 ble requirements under section 221, the Author-
7 ity shall—

8 (i) disapprove the financial plan and
9 budget;

10 (ii) provide the Postmaster General,
11 the President, and Congress with a state-
12 ment containing the reasons for such dis-
13 approval and describing the amount of any
14 shortfall in the financial plan and budget;
15 and

16 (iii) approve and recommend a finan-
17 cial plan and budget for the Postal Service
18 which meets the applicable requirements
19 under section 221, and submit such finan-
20 cial plan and budget to the Postmaster
21 General, the President, and Congress.

22 (B) SUBMISSION TO OMB.—Upon receipt
23 of the recommended financial plan and budget
24 subparagraph (A)(iii), the Postmaster General
25 shall promptly submit the recommended annual

1 budget program to the Office of Management
2 and Budget pursuant to section 2009 of title
3 39, United States Code.

4 (4) DEEMED APPROVAL AFTER 15 DAYS.—

5 (A) IN GENERAL.—If the Authority has
6 not provided the Postmaster General, the Presi-
7 dent, and Congress with a notice certifying ap-
8 proval under paragraph (2)(A) or a statement
9 of disapproval under paragraph (3) before the
10 expiration of the 15-day period which begins on
11 the date the Authority receives the revised final
12 financial plan and budget submitted by the
13 Postmaster General under paragraph (1), the
14 Authority shall be deemed to have approved the
15 revised final financial plan and budget and to
16 have provided the Postmaster General, the
17 President, and Congress with the notice certi-
18 fying approval described in paragraph (2)(A).

19 (B) EXPLANATION OF FAILURE TO RE-
20 SPOND.—If subparagraph (A) applies with re-
21 spect to a financial plan and budget, the Au-
22 thority shall provide the Postmaster General,
23 the President and Congress with an explanation
24 for its failure to provide the notice certifying
25 approval or the statement of disapproval during

1 the 15-day period described in such subpara-
2 graph.

3 (f) DEADLINE FOR TRANSMISSION OF FINANCIAL
4 PLAN AND BUDGET BY AUTHORITY.—Notwithstanding
5 any other provision of this section, not later than June
6 15 before each fiscal year which is a control period, the
7 Authority shall—

8 (1) provide Congress with a notice certifying its
9 approval of the Postmaster General’s initial financial
10 plan and budget for the fiscal year under subsection
11 (e)(1);

12 (2) provide Congress with a notice certifying its
13 approval of the Postmaster General’s revised final fi-
14 nancial plan and budget for the fiscal year under
15 subsection (e)(2); or

16 (3) submit to Congress an approved and rec-
17 ommended financial plan and budget of the Author-
18 ity for the Postal Service for the fiscal year under
19 subsection (e)(3)(A)(iii).

20 (g) REVISIONS TO FINANCIAL PLAN AND BUDGET.—

21 (1) PERMITTING POSTMASTER GENERAL TO
22 SUBMIT REVISIONS.—The Postmaster General may
23 submit proposed revisions to the financial plan and
24 budget for a control period to the Authority at any
25 time during the year.

1 (2) PROCESS FOR REVIEW, APPROVAL, DIS-
2 APPROVAL, AND POSTMASTER GENERAL ACTION.—
3 Except as provided in paragraph (3), the procedures
4 described in subsections (b), (c), (d), and (e) shall
5 apply with respect to a proposed revision to a finan-
6 cial plan and budget in the same manner as such
7 procedures apply with respect to the original finan-
8 cial plan and budget.

9 (3) EXCEPTION FOR REVISIONS NOT AFFECT-
10 ING SPENDING.—To the extent that a proposed revi-
11 sion to a financial plan and budget adopted by the
12 Postmaster General pursuant to this subsection does
13 not increase the amount of spending with respect to
14 any account of the Postal Service, the revision shall
15 become effective upon the Authority’s approval of
16 such revision.

17 **SEC. 223. RESPONSIBILITIES OF THE AUTHORITY.**

18 (a) IN GENERAL.—The Authority shall direct the ex-
19 ercise of the powers of the Postal Service, including—

20 (1) determining its vision and overall strategies;

21 (2) determining its organizational structure,
22 particularly for senior management at the level of
23 vice president and higher;

24 (3) hiring, monitoring, compensating, and,
25 when necessary, replacing senior management at the

1 level of vice president and higher, as well as ensur-
2 ing adequate succession planning for these positions;

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

7 (5) approving corporate budgets, financial and
8 capital plans, operational and service performance
9 standards and targets, human resources strategies,
10 collective bargaining strategies, negotiation param-
11 eters, and collective bargaining agreements, and the
12 compensation structure for nonbargaining employ-
13 ees;

14 (6) approving substantial capital projects and
15 any substantial disposition of capital assets, such as
16 surplus property;

17 (7) approving changes in rates and classifica-
18 tions, new products and services, policy regarding
19 other substantial matters before the Postal Regu-
20 latory Commission, and any appeals of its decisions
21 or orders to the Federal courts;

22 (8) approving the Postal Service Annual Re-
23 port, Annual Comprehensive Statement, and stra-
24 tegic plans, performance plans, and performance

1 program reports under chapter 28 of title 39,
2 United States Code;

3 (9) formulating and communicating organiza-
4 tional policy and positions on legislative and other
5 public policy matters to Congress and the public;

6 (10) ensuring organizational responsiveness to
7 oversight by Congress, the Postal Regulatory Com-
8 mission, the Treasury of the United States, and
9 other audit entities;

10 (11) ensuring adequate internal controls and
11 selecting, monitoring, and compensating an inde-
12 pendent public accounting firm to conduct an annual
13 audit of the Postal Service; and

14 (12) carrying out any responsibility, not other-
15 wise listed in this subsection, that was the responsi-
16 bility of the Board of Governors at any time during
17 the 5-year period ending on the date of the enact-
18 ment of this Act.

19 (b) REVIEW OF POSTAL SERVICE PROPOSALS.—

20 (1) SUBMISSION OF POSTAL SERVICE PRO-
21 POSALS TO THE AUTHORITY.—During a control pe-
22 riod, the Postmaster General shall submit to the Au-
23 thority any proposal that has a substantial effect on
24 any item listed in subsection (a).

1 (2) PROMPT REVIEW BY AUTHORITY.—Upon re-
2 receipt of a proposal from the Postmaster General
3 under paragraph (1), the Authority shall promptly
4 review the proposal to determine whether it is con-
5 sistent with the applicable financial plan and budget
6 approved under this title.

7 (3) ACTIONS BY AUTHORITY.—

8 (A) APPROVAL.—If the Authority deter-
9 mines that a proposal is consistent with the ap-
10 plicable financial plan and budget, the Author-
11 ity shall notify the Postmaster General that it
12 approves the proposal.

13 (B) FINDING OF INCONSISTENCY.—If the
14 Authority determines that a proposal is signifi-
15 cantly inconsistent with the applicable financial
16 plan and budget, the Authority shall—

17 (i) notify the Postmaster General of
18 its finding;

19 (ii) provide the Postmaster General
20 with an explanation of the reasons for its
21 finding; and

22 (iii) to the extent the Authority con-
23 siders appropriate, provide the Postmaster
24 General with recommendations for modi-
25 fications to the proposal.

1 (4) DEEMED APPROVAL.—If the Authority does
2 not notify the Postmaster General that it approves
3 or disapproves a proposal submitted under this sub-
4 section during the 7-day period which begins on the
5 date the Postmaster General submits the proposal to
6 the Authority, the Authority shall be deemed to have
7 approved the proposal in accordance with paragraph
8 (3)(A). At the option of the Authority, the previous
9 sentence shall be applied as if the reference in such
10 sentence to “7-day period” were a reference to “14-
11 day period” if, during the 7-day period referred to
12 in the preceding sentence, the Authority so notifies
13 the Postmaster General.

14 (c) EFFECT OF APPROVED FINANCIAL PLAN AND
15 BUDGET ON CONTRACTS AND LEASES.—

16 (1) MANDATORY PRIOR APPROVAL FOR CER-
17 TAIN CONTRACTS AND LEASES.—

18 (A) IN GENERAL.—In the case of a con-
19 tract or lease described in subparagraph (B)
20 which is proposed to be entered into, renewed,
21 modified, or extended by the Postal Service dur-
22 ing a control period, the Postmaster General
23 (or the appropriate officer or agent of the Post-
24 al Service) shall submit the proposed contract
25 or lease to the Authority. The Authority shall

1 review each contract or lease submitted under
2 this subparagraph, and the Postmaster General
3 (or the appropriate officer or agent of the Post-
4 al Service) may not enter into the contract or
5 lease unless the Authority determines that the
6 proposed contract or lease is consistent with the
7 financial plan and budget for the fiscal year.

8 (B) CONTRACTS AND LEASES DE-
9 SCRIBED.—A contract or lease described in this
10 subparagraph is—

11 (i) a labor contract entered into
12 through collective bargaining; or

13 (ii) such other type of contract or
14 lease as the Authority may specify for pur-
15 poses of this subparagraph.

16 (2) AUTHORITY TO REVIEW OTHER CONTRACTS
17 AFTER EXECUTION.—

18 (A) IN GENERAL.—In addition to the prior
19 approval of certain contracts and leases, the
20 Postal Service shall submit to the Authority—

21 (i) any Level-Two Post Career Execu-
22 tive Service employee contract that is in ef-
23 fect during a control period; and

1 (ii) any collective bargaining agree-
2 ment entered into by the Postal Service
3 that is in effect during a control period.

4 Any such contract or agreement shall be sub-
5 mitted to the Authority upon the commence-
6 ment of a control period and at such other
7 times as the Authority may require.

8 (B) REVIEW BY AUTHORITY.—The Author-
9 ity shall review each contract submitted under
10 subparagraph (A) to determine if the contract
11 is consistent with the financial plan and budget
12 for the fiscal year. If the Authority determines
13 that the contract is not consistent with the fi-
14 nancial plan and budget, the Authority shall
15 take such actions as are within the Authority’s
16 powers to revise the contract.

17 **SEC. 224. EFFECT OF FINDING NONCOMPLIANCE WITH FI-**
18 **NANCIAL PLAN AND BUDGET.**

19 (a) SUBMISSION OF REPORTS.—Not later than 30
20 days after the expiration of each quarter of each fiscal
21 year beginning in a control period, the Postmaster General
22 shall submit reports to the Authority describing the actual
23 revenues obtained and expenditures made by the Postal
24 Service during the quarter with its cash flows during the
25 quarter, and comparing such actual revenues, expendi-

1 tures, and cash flows with the most recent projections for
2 these items.

3 (b) ADDITIONAL INFORMATION.—If the Authority
4 determines, based on reports submitted by the Postmaster
5 General under subsection (a), independent audits, or such
6 other information as the Authority may obtain, that the
7 revenues or expenditures of the Postal Service during a
8 control period are not consistent with the financial plan
9 and budget for the year, the Authority shall require the
10 Postmaster General to provide such additional information
11 as the Authority determines to be necessary to explain the
12 inconsistency.

13 (c) CERTIFICATION OF VARIANCE.—

14 (1) IN GENERAL.—After requiring the Post-
15 master General to provide additional information
16 under subsection (b), the Authority shall certify to
17 the Postmaster General, the President, the Secretary
18 of the Treasury, and Congress that the Postal Serv-
19 ice is at variance with the financial plan and budget
20 unless—

21 (A) the additional information provides an
22 explanation for the inconsistency which the Au-
23 thority finds reasonable and appropriate; or

24 (B)(i) the Postal Service adopts or imple-
25 ments remedial action (including revising the fi-

1 nancial plan and budget pursuant to section
2 222(g)) to correct the inconsistency which the
3 Authority finds reasonable and appropriate,
4 taking into account the terms of the financial
5 plan and budget; and

6 (ii) the Postmaster General agrees to sub-
7 mit the reports described in subsection (a) on
8 a monthly basis for such period as the Author-
9 ity may require.

10 (2) SPECIAL RULE FOR INCONSISTENCIES AT-
11 TRIBUTABLE TO ACTS OF CONGRESS.—

12 (A) DETERMINATION BY AUTHORITY.—If
13 the Authority determines that the revenues or
14 expenditures of the Postal Service during a con-
15 trol period are not consistent with the financial
16 plan and budget for the year as approved by
17 the Authority under section 222 as a result of
18 the terms and conditions of any law enacted by
19 Congress which affects the Postal Service, the
20 Authority shall so notify the Postmaster Gen-
21 eral.

22 (B) CERTIFICATION.—In the case of an in-
23 consistency described in subparagraph (A), the
24 Authority shall certify to the Postmaster Gen-
25 eral, the President, the Secretary of the Treas-

1 ury, and Congress that the Postal Service is at
2 variance with the financial plan and budget un-
3 less the Postal Service adopts or implements re-
4 medial action (including revising the financial
5 plan and budget pursuant to section 202(e)) to
6 correct the inconsistency which the Authority
7 finds reasonable and appropriate, taking into
8 account the terms of the financial plan and
9 budget.

10 (d) EFFECT OF CERTIFICATION.—If the Authority
11 certifies to the Secretary of the Treasury that a variance
12 exists the Authority or the Secretary may withhold access
13 by the Postal Service to additional supplementary debt au-
14 thorized by this title.

15 **SEC. 225. RECOMMENDATIONS REGARDING FINANCIAL**
16 **STABILITY, ETC.**

17 (a) IN GENERAL.—The Authority may at any time
18 submit recommendations to the Postmaster General, the
19 President, and Congress on actions the Postal Service or
20 any other entity of the Federal Government should take
21 to ensure compliance by the Postal Service with a financial
22 plan and budget or to otherwise promote the financial sta-
23 bility, management responsibility, and service delivery effi-
24 ciency of the Postal Service, including recommendations
25 relating to—

1 (1) the management of the Postal Service's fi-
2 nancial affairs, including cash forecasting, informa-
3 tion technology, placing controls on expenditures for
4 personnel, reducing benefit costs, reforming procure-
5 ment practices, and placing other controls on ex-
6 penditures;

7 (2) the relationship between the Postal Service
8 and other entities of the Federal Government;

9 (3) the structural relationship of subdivisions
10 within the Postal Service;

11 (4) the modification of existing revenue struc-
12 tures, or the establishment of additional revenue
13 structures;

14 (5) the establishment of alternatives for meet-
15 ing obligations to pay for the pensions and retire-
16 ment benefits of current and future Postal Service
17 retirees;

18 (6) modifications of services which are the re-
19 sponsibility of and are delivered by the Postal Serv-
20 ice;

21 (7) modifications of the types of services which
22 are delivered by entities other than the Postal Serv-
23 ice under alternative service delivery mechanisms;

24 (8) the effects of Federal Government laws and
25 court orders on the operations of the Postal Service;

1 (9) the increased use of a personnel system for
2 employees of the Postal Service which is based upon
3 employee performance standards; and

4 (10) the improvement of personnel training and
5 proficiency, the adjustment of staffing levels, and
6 the improvement of training and performance of
7 management and supervisory personnel.

8 (b) RESPONSE TO RECOMMENDATIONS FOR ACTIONS
9 WITHIN AUTHORITY OF POSTAL SERVICE.—

10 (1) IN GENERAL.—In the case of any rec-
11 ommendations submitted under subsection (a) dur-
12 ing a control year which are within the authority of
13 the Postal Service to adopt, not later than 90 days
14 after receiving the recommendations, the Postmaster
15 General shall submit a statement to the Authority,
16 the President, and Congress which provides notice as
17 to whether the Postal Service will adopt the rec-
18 ommendations.

19 (2) IMPLEMENTATION PLAN REQUIRED FOR
20 ADOPTED RECOMMENDATIONS.—If the Postmaster
21 General notifies the Authority and Congress under
22 paragraph (1) that the Postal Service will adopt any
23 of the recommendations submitted under subsection
24 (a), the Postmaster General shall include in the

1 statement a written plan to implement the rec-
2 ommendation which includes—

3 (A) specific performance measures to de-
4 termine the extent to which the Postal Service
5 has adopted the recommendation; and

6 (B) a schedule for auditing the Postal
7 Service's compliance with the plan.

8 (3) EXPLANATIONS REQUIRED FOR REC-
9 OMMENDATIONS NOT ADOPTED.—If the Postmaster
10 General notifies the Authority, the President, and
11 Congress under paragraph (1) that the Postal Serv-
12 ice will not adopt any recommendation submitted
13 under subsection (a) which the Postal Service has
14 authority to adopt, the Postmaster General shall in-
15 clude in the statement explanations for the rejection
16 of the recommendations.

17 (c) IMPLEMENTATION OF REJECTED RECOMMENDA-
18 TIONS BY AUTHORITY.—

19 (1) IN GENERAL.—If the Postmaster General
20 notifies the Authority, the President, and Congress
21 under subsection (b)(1) that the Postal Service will
22 not adopt any recommendation submitted under sub-
23 section (a) which the Postal Service has authority to
24 adopt, the Authority may by a majority vote of its
25 members take such action concerning the rec-

1 ommendation as it deems appropriate, after con-
2 sulting with the Committee on Oversight and Gov-
3 ernment Reform of the House of Representatives
4 and the Committee on Homeland Security and Gov-
5 ernmental Affairs of the Senate.

6 (2) EFFECTIVE DATE.—This subsection shall
7 apply with respect to recommendations of the Au-
8 thority made after the expiration of the 6-month pe-
9 riod which begins on the date of the commencement
10 of a control period.

11 **SEC. 226. SPECIAL RULES FOR FISCAL YEAR IN WHICH**
12 **CONTROL PERIOD COMMENCES.**

13 (a) ADOPTION OF TRANSITION BUDGET.—Notwith-
14 standing any provision of section 222 to the contrary, in
15 the case of a fiscal year in which a control period com-
16 mences, the following rules shall apply:

17 (1) Not later than 45 days after the appoint-
18 ment of its members, the Authority shall review the
19 proposed Integrated Financial Plan for the Postal
20 Service for such fiscal year and shall submit any rec-
21 ommendations for modifications to such plan to pro-
22 mote the financial stability of the Postal Service to
23 the Postmaster General, the President, and Con-
24 gress.

1 (2) Not later than 15 days after receiving the
2 recommendations of the Authority submitted under
3 paragraph (1), the Postmaster General shall
4 promptly adopt a revised budget for the fiscal year
5 (in this section referred to as the “transition budg-
6 et”), and shall submit the transition budget to the
7 Authority, the President, and Congress.

8 (3) Not later than 15 days after receiving the
9 transition budget from the Postmaster General
10 under paragraph (2), the Authority shall submit a
11 report to the Postmaster General, the President, and
12 Congress analyzing the budget (taking into account
13 any items or provisions disapproved by the Post-
14 master General) and shall include in the report such
15 recommendations for revisions to the transition
16 budget as the Authority considers appropriate to
17 promote the financial stability of the Postal Service
18 during the fiscal year.

19 (b) FINANCIAL PLAN AND BUDGET.—

20 (1) DEADLINE FOR SUBMISSION.—For purposes
21 of section 222, the Postmaster General shall submit
22 the financial plan and budget for the applicable fis-
23 cal year as soon as practicable after the initiation of
24 a control period (in accordance with guidelines es-
25 tablished by the Authority).

1 (2) **ADOPTION BY POSTMASTER GENERAL.**—In
2 accordance with the procedures applicable under sec-
3 tion 222 (including procedures providing for review
4 by the Authority) the Postmaster General shall
5 adopt the financial plan and budget for the applica-
6 ble fiscal year (including the transition budget incor-
7 porated in the financial plan and budget) prior to
8 the submission by the Postmaster General.

9 (3) **TRANSITION BUDGET AS TEMPORARY FI-**
10 **NANCIAL PLAN AND BUDGET.**—Until the approval of
11 the financial plan and budget for the applicable fis-
12 cal year by the Authority under this subsection, the
13 transition budget established under subsection (a)
14 shall serve as the financial plan and budget adopted
15 under this subtitle for purposes of this Act (and any
16 provision of law amended by this Act) for the appli-
17 cable fiscal year.

18 **SEC. 227. ASSISTANCE IN ACHIEVING FINANCIAL STA-**
19 **BILITY, ETC.**

20 In addition to any other actions described in this title,
21 the Authority may undertake cooperative efforts to assist
22 the Postal Service in achieving financial stability and man-
23 agement efficiency, including—

24 (1) assisting the Postal Service in avoiding de-
25 faults, eliminating and liquidating deficits, maintain-

1 ing sound budgetary practices, and avoiding inter-
2 ruptions in the delivery of services;

3 (2) assisting the Postal Service in improving
4 the delivery of services, the training and effective-
5 ness of personnel of the Postal Service, and the effi-
6 ciency of management and supervision; and

7 (3) making recommendations to the President
8 for transmission to Congress on changes to this Act
9 or other Federal laws, or other actions of the Fed-
10 eral Government, which would assist the Postal
11 Service in complying with an approved financial plan
12 and budget under subtitle B.

13 **SEC. 228. OBTAINING REPORTS.**

14 The Authority may require the Postmaster General,
15 the Chief Financial Officer of the Postal Service, and the
16 Inspector General of the Postal Service, to prepare and
17 submit such reports as the Authority considers appro-
18 priate to assist it in carrying out its responsibilities under
19 this title, including submitting copies of any reports re-
20 garding revenues, expenditures, budgets, costs, plans, op-
21 erations, estimates, and other financial or budgetary mat-
22 ters of the Postal Service.

23 **SEC. 229. REPORTS AND COMMENTS.**

24 (a) ANNUAL REPORTS TO CONGRESS.—Not later
25 than 30 days after the last day of each fiscal year which

1 is a control year, the Authority shall submit a report to
2 Congress describing—

3 (1) the progress made by the Postal Service in
4 meeting the objectives of this title during the fiscal
5 year;

6 (2) the assistance provided by the Authority to
7 the Postal Service in meeting the purposes of this
8 title for the fiscal year; and

9 (3) any other activities of the Authority during
10 the fiscal year.

11 (b) REVIEW AND ANALYSIS OF PERFORMANCE AND
12 FINANCIAL ACCOUNTABILITY REPORTS.—The Authority
13 shall review each yearly report prepared and submitted by
14 the Postmaster General to the Postal Regulatory Commis-
15 sion and Congress and shall submit a report to Congress
16 analyzing the completeness and accuracy of such reports.

17 (c) COMMENTS REGARDING ACTIVITIES OF POSTAL
18 SERVICE.—At any time during a control period, the Au-
19 thority may submit a report to Congress describing any
20 action taken by the Postal Service (or any failure to act
21 by the Postal Service) which the Authority determines will
22 adversely affect the Postal Service’s ability to comply with
23 an approved financial plan and budget under subtitle B
24 or will otherwise have a significant adverse impact on the
25 best interests of the Postal Service.

1 (d) REPORTS ON EFFECT OF FEDERAL LAWS ON
2 THE POSTAL SERVICE.—At any time during any year, the
3 Authority may submit a report to the Postmaster General,
4 the President, and Congress on the effect of laws enacted
5 by Congress on the financial plan and budget for the year
6 and on the financial stability and management efficiency
7 of the Postal Service in general.

8 (e) MAKING REPORTS PUBLICLY AVAILABLE.—The
9 Authority shall make any report submitted under this sec-
10 tion available to the public, except to the extent that the
11 Authority determines that the report contains confidential
12 material.

13 **Subtitle D—Termination of a** 14 **Control Period**

15 **SEC. 231. TERMINATION OF CONTROL PERIOD, ETC.**

16 (a) IN GENERAL.—After the completion of the re-
17 quirements for the termination of a control period de-
18 scribed in section 202(b)(4), the Authority shall submit
19 a recommendation to Congress requesting the termination
20 of such control period, the dissolution of the Authority,
21 and the reinstatement to the Board of Governors (and the
22 individual Governors) of the Postal Service of the authori-
23 ties and responsibilities referred to in section
24 202(b)(2)(A).

25 (b) CONGRESSIONAL APPROVAL.—

1 (1) IN GENERAL.—A control period shall not be
2 terminated unless a joint resolution approving of the
3 recommendation in subsection (a) is enacted, in ac-
4 cordance with section 232, before the earlier of—

5 (A) the end of the 30-day period beginning
6 on the date on which the Authority transmits
7 the recommendation to Congress under sub-
8 section (a); or

9 (B) the adjournment of the Congress sine
10 die for the session during which such rec-
11 ommendation is transmitted.

12 (2) DAYS OF SESSION.—For purposes of para-
13 graph (1) and subsections (a) and (c) of section 232,
14 the days on which either House of Congress is not
15 in session because of an adjournment of more than
16 3 days to a day certain shall be excluded in the com-
17 putation of a period.

18 **SEC. 232. CONGRESSIONAL CONSIDERATION OF REC-**
19 **COMMENDATION.**

20 (a) TERMS OF THE RESOLUTION.—For purposes of
21 this subtitle, the term “joint resolution” means only a
22 joint resolution which is introduced within the 10-day pe-
23 riod beginning on the date on which the recommendation
24 referred to in section 231(a) is received by Congress—

1 (1) the matter after the resolving clause of
2 which is as follows: “That Congress approves the
3 recommendation of the Postal Service Financial Re-
4 sponsibility and Management Assistance Authority,
5 submitted by such Authority on ____.”, the blank
6 space being filled in with the appropriate date;

7 (2) the title of which is as follows: “Joint reso-
8 lution approving the recommendation of Postal Serv-
9 ice Financial Responsibility and Management Assist-
10 ance Authority.”; and

11 (3) which does not have a preamble.

12 (b) REFERRAL.—A resolution described in subsection
13 (a) that is introduced in the House of Representatives or
14 the Senate shall be referred to the appropriate committees
15 of the House of Representatives or the Senate, respec-
16 tively.

17 (c) DISCHARGE.—If the committee to which a resolu-
18 tion described in subsection (a) is referred has not re-
19 ported such resolution (or an identical resolution) by the
20 end of the 20-day period beginning on the date on which
21 the Authority transmits its recommendation to Congress
22 under section 231(a) such committee shall, at the end of
23 such period, be discharged from further consideration of
24 such resolution, and such resolution shall be placed on the
25 appropriate calendar of the House involved.

1 (d) CONSIDERATION.—

2 (1) IN GENERAL.—On or after the third day
3 after the date on which the committee to which such
4 a resolution is referred has reported, or has been
5 discharged (under subsection (c)) from further con-
6 sideration of, such a resolution, it is in order (even
7 though a previous motion to the same effect has
8 been disagreed to) for any Member of the respective
9 House to move to proceed to the consideration of the
10 resolution. A Member may make the motion only on
11 the day after the calendar day on which the Member
12 announces to the House concerned the Member's in-
13 tention to make the motion, except that, in the case
14 of the House of Representatives, the motion may be
15 made without such prior announcement if the mo-
16 tion is made by direction of the committee to which
17 the resolution was referred. All points of order
18 against the resolution (and against consideration of
19 the resolution) are waived. The motion is highly
20 privileged in the House of Representatives and is
21 privileged in the Senate and is not debatable. The
22 motion is not subject to amendment, or to a motion
23 to postpone, or to a motion to proceed to the consid-
24 eration of other business. A motion to reconsider the
25 vote by which the motion is agreed to or disagreed

1 to shall not be in order. If a motion to proceed to
2 the consideration of the resolution is agreed to, the
3 respective House shall immediately proceed to con-
4 sideration of the joint resolution without intervening
5 motion, order, or other business, and the resolution
6 shall remain the unfinished business of the respec-
7 tive House until disposed of.

8 (2) DEBATE.—Debate on the resolution, and on
9 all debatable motions and appeals in connection
10 therewith, shall be limited to not more than 2 hours,
11 which shall be divided equally between those favoring
12 and those opposing the resolution. An amendment to
13 the resolution is not in order. A motion further to
14 limit debate is in order and not debatable. A motion
15 to postpone, or a motion to proceed to the consider-
16 ation of other business, or a motion to recommit the
17 resolution is not in order. A motion to reconsider the
18 vote by which the resolution is agreed to or dis-
19 agreed to is not in order.

20 (3) VOTE ON FINAL PASSAGE.—Immediately
21 following the conclusion of the debate on a resolu-
22 tion described in subsection (a) and a single quorum
23 call at the conclusion of the debate if requested in
24 accordance with the rules of the appropriate House,

1 the vote on final passage of the resolution shall
2 occur.

3 (4) APPEALS.—Appeals from the decisions of
4 the Chair relating to the application of the rules of
5 the Senate or the House of Representatives, as the
6 case may be, to the procedure relating to a resolu-
7 tion described in subsection (a) shall be decided
8 without debate.

9 (e) CONSIDERATION BY OTHER HOUSE.—

10 (1) IN GENERAL.—If, before the passage by one
11 House of a resolution of that House described in
12 subsection (a), that House receives from the other
13 House a resolution described in subsection (a), then
14 the following procedures shall apply:

15 (A) The resolution of the other House shall
16 not be referred to a committee and may not be
17 considered in the House receiving it except in
18 the case of final passage as provided in sub-
19 paragraph (B)(ii).

20 (B) With respect to a resolution described
21 in subsection (a) of the House receiving the res-
22 olution—

23 (i) the procedure in that House shall
24 be the same as if no resolution had been
25 received from the other House; but

1 (ii) the vote on final passage shall be
2 on the resolution of the other House.

3 (2) DISPOSITION OF A RESOLUTION.—Upon
4 disposition of the resolution received from the other
5 House, it shall no longer be in order to consider the
6 resolution that originated in the receiving House.

7 (f) RULES OF THE SENATE AND HOUSE.—This sec-
8 tion is enacted by Congress—

9 (1) as an exercise of the rulemaking power of
10 the Senate and House of Representatives, respec-
11 tively, and as such it is deemed a part of the rules
12 of each House, respectively, but applicable only with
13 respect to the procedure to be followed in that
14 House in the case of a resolution described in sub-
15 section (a), and it supersedes other rules only to the
16 extent that it is inconsistent with such rules; and

17 (2) with full recognition of the constitutional
18 right of either House to change the rules (so far as
19 relating to the procedure of that House) at any time,
20 in the same manner, and to the same extent as in
21 the case of any other rule of that House.

1 **TITLE III—POSTAL SERVICE**
2 **WORKFORCE**
3 **Subtitle A—General Provisions**

4 **SEC. 301. MODIFICATIONS RELATING TO DETERMINATION**
5 **OF PAY COMPARABILITY.**

6 (a) **POSTAL POLICY.**—Section 101(c) of title 39,
7 United States Code, is amended—

8 (1) in the first sentence, by inserting “total”
9 before “rates and types of compensation”; and

10 (2) in the second sentence, by inserting “en-
11 tire” before “private sector”.

12 (b) **EMPLOYMENT POLICY.**—The second sentence of
13 section 1003(a) of title 39, United States Code, is amend-
14 ed—

15 (1) by inserting “total” before “compensation
16 and benefits”; and

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

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

1 **SEC. 302. LIMITATION ON POSTAL CONTRIBUTIONS UNDER**
2 **FEGLI AND FEHBP.**

3 Section 1003 of title 39, United States Code, is
4 amended by adding at the end the following:

5 “(e)(1) At least 1 month before the start of each fis-
6 cal year as described in paragraph (2), the Postmaster
7 General shall transmit to the Postal Regulatory Commis-
8 sion certification (together with such supporting docu-
9 mentation as the Postal Regulatory Commission may re-
10 quire) that contributions of the Postal Service for such
11 fiscal year will not exceed—

12 “(A) in the case of life insurance under chapter
13 87 of title 5, the Government contributions deter-
14 mined under section 8708 of such title; and

15 “(B) in the case of health insurance under
16 chapter 89 of title 5, the Government contributions
17 determined under 8906 of such title.

18 “(2) This subsection applies with respect to—

19 “(A) except as provided in subparagraph (B),
20 each fiscal year beginning after September 30, 2013;
21 and

22 “(B) in the case of officers and employees of
23 the Postal Service covered by a collective bargaining
24 agreement which is in effect on the date of the en-
25 actment of this subsection—

1 “(i) each fiscal year beginning after the ex-
2 piration date of such agreement, including

3 “(ii) for the fiscal year in which such expi-
4 ration date occurs, any portion of such fiscal
5 year remaining after such expiration date.

6 “(3)(A) If, after reasonable notice and opportunity
7 for hearing is afforded to the Postal Service, the Postal
8 Regulatory Commission finds that the contributions of the
9 Postal Service for a fiscal year will exceed or are exceeding
10 the limitation specified in subparagraph (A) or (B) of
11 paragraph (1), the Commission shall order that the Postal
12 Service take such action as the Commission considers nec-
13 essary to achieve full and immediate compliance with the
14 applicable limitation or limitations.

15 “(B) Sections 3663 and 3664 shall apply with respect
16 to any order issued by the Postal Regulatory Commission
17 under subparagraph (A).

18 “(C) Nothing in this paragraph shall be considered
19 to permit the issuance of an order requiring reduction of
20 contributions below the level specified by the provision of
21 law cited in subparagraph (A) or (B) of paragraph (1),
22 as applicable.”.

1 **SEC. 303. REPEAL OF PROVISION RELATING TO OVERALL**
2 **VALUE OF FRINGE BENEFITS.**

3 The last sentence of section 1005(f) of title 39,
4 United States Code, is repealed.

5 **SEC. 304. MODIFICATIONS RELATING TO COLLECTIVE BAR-**
6 **GAINING.**

7 Section 1207 of title 39, United States Code, is
8 amended by striking subsections (c) and (d) and inserting
9 the following:

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

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

1 be willing and available to serve. If, within 7 days after
2 the list is provided, either of the parties has not selected
3 an individual from the list, the Director shall make the
4 selection within 3 days.

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

12 “(4) No more than 7 days after the hearing is con-
13 cluded, each party shall submit to the arbitration board
14 2 offer packages, each of which packages shall specify the
15 terms of a proposed final agreement.

16 “(5) If no agreement is reached within 7 days after
17 the last day date for the submission of an offer package
18 under paragraph (4), each party shall submit to the arbi-
19 tration board a single final offer package specifying the
20 terms of a proposed final agreement.

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

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

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

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

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

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

15 “(I) select the package that best meets such
16 conditions; and

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

19 “(ii) If modification (as described in subparagraph
20 (B)(i)(II)) is necessary, the board shall have an additional
21 7 days to render its tentative award under this subpara-
22 graph.

23 “(8) The parties may negotiate a substitute award
24 to replace the tentative award selected under paragraph
25 (6) or rendered under paragraph (7) (as the case may be).

1 If no agreement on a substitute award is reached within
2 10 days after the date on which the tentative award is
3 so selected or rendered, the tentative award shall become
4 final.

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

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

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

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

24 “(d) In the case of a bargaining unit whose recog-
25 nized collective-bargaining representative does not have an

1 agreement with the Postal Service, if the parties fail to
2 reach agreement within 90 days after the commencement
3 of collective bargaining, a mediator shall be appointed in
4 accordance with the provisions of subsection (b), unless
5 the parties have previously agreed to another procedure
6 for a binding resolution of their differences. If the parties
7 fail to reach agreement within 180 days after the com-
8 mencement of collective bargaining, an arbitration board
9 shall be established to provide conclusive and binding arbi-
10 tration in accordance with the provisions of subsection
11 (c).”.

12 **Subtitle B—Postal Service Workers’** 13 **Compensation Reform**

14 **SEC. 311. SENSE OF CONGRESS.**

15 It is the sense of Congress that—

16 (1) the Postal Service should develop and man-
17 age a program to pay compensation for the disability
18 or death of an officer or employee of the Postal
19 Service which results from an injury sustained while
20 in the performance of duty;

21 (2) such program should include an automatic
22 transition to retirement and provide a retirement
23 pension based on the average salary of the officer or
24 employee, determined as if such officer or employee

1 had continued to receive basic pay from the date of
2 injury to the date of retirement; and

3 (3) officers or employees of the Postal Service
4 receiving compensation for a disability from an in-
5 jury sustained while in the performance of duty
6 should be transitioned to the program described in
7 paragraph (1).

8 **TITLE IV—POSTAL SERVICE**
9 **REVENUE**

10 **SEC. 401. ADEQUACY, EFFICIENCY, AND FAIRNESS OF POST-**
11 **AL RATES.**

12 (a) IN GENERAL.—Paragraph (1) of section 3622(d)
13 of title 39, United States Code, is amended—

14 (1) by redesignating subparagraphs (B)
15 through (E) as subparagraph (D) through (G), re-
16 spectively; and

17 (2) by inserting after subparagraph (A) the fol-
18 lowing:

19 “(B) subject to the limitation under para-
20 graph (A), establish postal rates to fulfill the
21 requirement that each market-dominant class,
22 product, and type of mail service (except for an
23 experimental product or service) bear the direct
24 and indirect postal costs attributable to such
25 class, product, or type through reliably identi-

1 fied causal relationships plus that portion of all
2 other costs of the Postal Service reasonably as-
3 signable to such class, product, or type;

4 “(C) establish postal rates for each loss-
5 making class of mail to eliminate such losses by
6 exhausting all unused rate authority as well as
7 maximizing incentives to reduce costs and in-
8 crease efficiency; with—

9 “(i) the term ‘loss-making’, as used
10 with respect to a class of mail, meaning a
11 class of mail that bears less than 100 per-
12 cent of its costs attributable (as described
13 in subparagraph (B)), according to the
14 most recent annual determination of the
15 Postal Regulatory Commission under sec-
16 tion 3653; and

17 “(ii) unused rate authority annually
18 increased by 5 percent for each class of
19 mail that bore less than 90 percent of its
20 costs attributable, according to the most
21 annual determination by the Postal Regu-
22 latory Commission under section 3653,
23 with such increase in unused rate authority
24 to take effect 30 days after issuance of
25 such Commission determination;”.

1 (b) EXCEPTION.—Section 3622(d) of title 39, United
 2 States Code, is amended by adding at the end the fol-
 3 lowing:

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

11 **SEC. 402. REPEAL OF RATE PREFERENCES FOR QUALIFIED**
 12 **POLITICAL COMMITTEES.**

13 Subsection (e) of section 3626 of title 39, United
 14 States Code, is repealed.

15 **SEC. 403. RATE PREFERENCES FOR NONPROFIT ADVER-**
 16 **TISING.**

17 (a) PROVISIONS RELATING TO FORMER SECTION
 18 4358(f).—Section 3626(a)(5) of title 39, United States
 19 Code, is amended by adding at the end the following:
 20 “Notwithstanding any other provision of this paragraph,
 21 the percentage specified in the preceding sentence shall
 22 be increased by an additional 5 percentage points as of
 23 the first day of each calendar year beginning after the date
 24 of the enactment of the Postal Reform Act of 2011, until
 25 such percentage reaches 90 percent.”.

1 (b) PROVISIONS RELATING TO FORMER SECTION
2 4452 (b) AND (c).—Section 3626(a)(6) of title 39, United
3 States Code, is amended by inserting after subparagraph
4 (C) the following (as a flush left sentence):

5 “Notwithstanding any other provision of this paragraph,
6 the percentage specified in subparagraph (A) shall be in-
7 creased by an additional 5 percentage points as of the first
8 day of each calendar year beginning after the date of the
9 enactment of the Postal Reform Act of 2011, until such
10 percentage reaches 90 percent.”.

11 **SEC. 404. STREAMLINED REVIEW OF QUALIFYING SERVICE**
12 **AGREEMENTS FOR COMPETITIVE PRODUCTS.**

13 Section 3633 of title 39, United States Code, is
14 amended by adding at the end the following:

15 “(c) STREAMLINED REVIEW.—Within 90 days after
16 the date of the enactment of this subsection, after notice
17 and opportunity for public comment, the Postal Regu-
18 latory Commission shall promulgate (and may from time
19 to time thereafter revise) regulations for streamlined
20 after-the-fact review of new agreements between the Post-
21 al Service and users of the mail that provide rates not
22 of general applicability for competitive products, and are
23 functionally equivalent to existing agreements that have
24 collectively covered costs attributable to such agreements
25 and collectively improved the net financial position of the

1 Postal Service. Streamlined review will be concluded with-
2 in 5 working days after the agreement is filed with the
3 Commission and shall be limited to approval or dis-
4 approval of the agreement as a whole based on the Com-
5 mission's determination of its functional equivalence.
6 Agreements not approved may be resubmitted without
7 prejudice under section 3632(b)(3).”.

8 **SEC. 405. SUBMISSION OF SERVICE AGREEMENTS FOR**
9 **STREAMLINED REVIEW.**

10 Section 3632(b) of title 39, United States Code, is
11 amended—

12 (1) by redesignating paragraph (4) as para-
13 graph (5); and

14 (2) by inserting paragraph (3) the following:

15 “(4) **RATES FOR STREAMLINED REVIEW.**—In
16 the case of rates not of general applicability for com-
17 petitive products that the Postmaster General con-
18 siders eligible for streamlined review under section
19 3633(e), the Postmaster General shall cause each
20 agreement to be filed with the Postal Regulatory
21 Commission by such date, on or before the effective
22 date of any new rate, as the Postmaster General
23 considered appropriate.”.

1 **SEC. 406. TRANSPARENCY AND ACCOUNTABILITY FOR**
2 **SERVICE AGREEMENTS.**

3 Section 3632(b) of title 39, United States Code, as
4 amended by section 405, is amended by adding at the end
5 the following:

6 “(6)(A) Each annual written determination of
7 the Commission under section 3653 shall include
8 written determinations, for each group of function-
9 ally equivalent agreements between the Postal Serv-
10 ice and users of the mail, whether it—

11 “(i) covered costs attributable; and

12 “(ii) improved the net financial position of
13 the Postal Service.

14 “(B) Any group of functionally equivalent
15 agreements (as referred to in subparagraph (A)) not
16 meeting clauses (i) and (ii) of subparagraph (A)
17 shall be determined to be in noncompliance under
18 section 3653(c).

19 “(C) For purposes of this paragraph, a group
20 of functionally equivalent agreements (as referred to
21 in subparagraph (A)) shall consist of all service
22 agreements that are functionally equivalent to each
23 other within the same market-dominant or competi-
24 tive product, but shall not include agreements within
25 an experimental product.”.

1 **SEC. 407. NONPOSTAL SERVICES.**

2 (a) NONPOSTAL SERVICES.—

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

6 **“CHAPTER 37—NONPOSTAL SERVICES**

“Sec.

“3701. Purpose.

“3702. Definitions.

“3703. Postal Service advertising program.

“3704. Postal Service program for State governments.

“3705. Postal Service program for other government agencies.

“3706. Transparency and accountability for nonpostal services.

7 **“§ 3701. Purpose**

8 “This chapter is intended to enable the Postal Service
9 to increase its net revenues through specific nonpostal
10 products and services that are expressly authorized by this
11 chapter. Postal Service revenues and expenses under this
12 chapter shall be funded through the Postal Service Fund.

13 **“§ 3702. Definitions**

14 “As used in this chapter—

15 “(1) the term ‘nonpostal services’ is limited to
16 services offered by the Postal Service that are ex-
17 pressly authorized by this chapter and are not postal
18 products or services;

19 “(2) the term ‘Postal Service advertising pro-
20 gram’ means a program, managed by the Postal
21 Service, by which the Postal Service receives reve-

1 nues from entities which advertise at Postal Service
2 facilities and on Postal Service vehicles;

3 “(3) the term ‘Postal Service program for State
4 government services’ means a program, managed by
5 the Postal Service, by which the Postal Service re-
6 ceives revenue from State governments (including
7 their agencies) which provide services at Postal Serv-
8 ice facilities;

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

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

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

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

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

21 “(2) Any advertising program is required to
22 cover a minimum of 200 percent of the costs attrib-
23 utable to the program in each year.

24 “(3) All advertising expenditures and revenues
25 are subject to annual compliance determination (in-

1 including remedies for noncompliance) applicable to
2 nonpostal products.

3 “(4) Total advertising expenditures and reve-
4 nues must be disclosed in Postal Service Annual Re-
5 ports.

6 **“§ 3704. Postal Service program for State govern-
7 ments**

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

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

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

18 “(A) the cost and efficiency of postal serv-
19 ices; and

20 “(B) access to postal retail service, such as
21 customer waiting time and access to parking;
22 and

23 “(3) provide a reasonable contribution to the in-
24 stitutional costs of the Postal Service, defined as re-
25 imbursement for each service and to each agency

1 covering at least 150 percent of the costs attrib-
2 utable to such service in each year.

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

17 “(c) APPROVAL REQUIRED.—The Governors of the
18 Postal Service shall approve the provision of services
19 under this section by a recorded vote, with at least 6 mem-
20 bers voting for approval, with the vote publicly disclosed
21 on the Postal Service Web site.

22 “(d) CLASSIFICATION OF SERVICES.—All services for
23 a given agency provided under this section shall be classi-
24 fied as a separate activity subject to the requirements of
25 annual reporting under section 3706. Such reporting shall

1 also include information on the quality of service and re-
2 lated information to demonstrate that it satisfied the re-
3 quirements of subsection (a). Information provided under
4 this section shall be according to requirements that the
5 Postal Regulatory Commission shall by regulation pre-
6 scribe.

7 “(e) DEFINITIONS.—For the purpose of this sec-
8 tion—

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

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

17 **“§ 3705. Postal Service program for other government**
18 **agencies**

19 “(a) IN GENERAL.—The Postal Service may establish
20 a program to provide property and services for other gov-
21 ernment agencies within the meaning of section 411, but
22 only if such program provides a reasonable contribution
23 to the institutional costs of the Postal Service, defined as
24 reimbursement by each agency that covers at least 100
25 percent of the costs attributable to all property and service

1 provided by the Postal Service in a each year to such agen-
2 cy.

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

10 **“§ 3706. Transparency and accountability for non-**
11 **postal services**

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

13 “(1) IN GENERAL.—The Postal Service shall,
14 no later than 90 days after the end of each year,
15 prepare and submit to the Postal Regulatory Com-
16 mission a report (together with such nonpublic
17 annex to the report as the Commission may require
18 under subsection (b)) which shall analyze costs, reve-
19 nues, rates, and quality of service for section 3704,
20 using such methodologies as the Commission shall
21 by regulation prescribe, and in sufficient detail to
22 demonstrate compliance with all applicable require-
23 ments of this chapter.

24 “(2) AUDITS.—The Inspector General shall reg-
25 ularly audit the data collection systems and proce-

1 dures utilized in collecting information and pre-
2 paring such report. The results of any such audit
3 shall be submitted to the Postal Service and the
4 Postal Regulatory Commission.

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

11 “(c) CONTENT AND FORM OF REPORTS.—

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

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

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

1 “(C) protecting the confidentiality of infor-
2 mation that is commercially sensitive or is ex-
3 empt from public disclosure under section
4 552(b) of title 5.

5 “(2) REVISED REQUIREMENTS.—The Commis-
6 sion may, on its own motion or on request of an in-
7 terested party, initiate proceedings (to be conducted
8 in accordance with regulations that the Commission
9 shall prescribe) to improve the quality, accuracy, or
10 completeness of Postal Service data required by the
11 Commission under this subsection whenever it shall
12 appear that—

13 “(A) the attribution of costs or revenues to
14 property or services under this chapter has be-
15 come significantly inaccurate or can be signifi-
16 cantly improved;

17 “(B) the quality of service data provided to
18 the Commission for annual reports under this
19 chapter has become significantly inaccurate or
20 can be significantly improved; or

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

24 “(d) CONFIDENTIAL INFORMATION.—

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

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

21 “(e) ANNUAL COMPLIANCE DETERMINATION.—

22 “(1) OPPORTUNITY FOR PUBLIC COMMENT.—
23 After receiving the reports required under subsection
24 (a) for any year, the Postal Regulatory Commission
25 shall promptly provide an opportunity for comment

1 on such reports by any interested party, and an offi-
2 cer of the Commission who shall be required to rep-
3 resent the interests of the general public.

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

19 “(3) NONCOMPLIANCE.—If, for a year, a timely
20 written determination of noncompliance is made
21 under this chapter, the Postal Regulatory Commis-
22 sion shall take appropriate action. If the require-
23 ments for coverage of costs attributable to activities
24 specified by this chapter are not met, the Commis-
25 sion shall, within 60 days after the determination,

1 prescribe remedial action to restore compliance as
 2 soon as practicable, which shall also include the full
 3 restoration of revenue shortfalls during the following
 4 fiscal year. The Commission may order the Postal
 5 Service to discontinue a nonpostal service under sec-
 6 tion 3703 or 3704 that persistently fails to meet
 7 cost coverage requirements.

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

19 (2) CLERICAL AMENDMENT.—The analysis for
 20 part IV of title 39, United States Code, is amended
 21 by adding after the item relating to chapter 36 the
 22 following:

“37. Nonpostal services 3701”.

23 (b) CONFORMING AMENDMENTS.—

1 (1) SECTION 404(e).—Section 404(e) of title
2 39, United States Code, is amended by adding at
3 the end the following:

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

8 (2) SECTION 411.—The last sentence of section
9 411 of title 39, United States Code, is amended by
10 striking “including reimbursability” and inserting
11 “including reimbursability within the limitations of
12 chapter 37”.

13 **TITLE V—POSTAL CONTRACTING**
14 **REFORM**

15 **SEC. 501. CONTRACTING PROVISIONS.**

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

18 **“CHAPTER 7—CONTRACTING PROVISIONS**

“Sec.

“701. Definitions.

“702. Advocate for competition.

“703. Delegation of contracting authority.

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

“705. Review of ethical issues.

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

19 **“§ 701. Definitions**

20 “In this chapter—

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

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

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

6 “(B) the Postal Regulatory Commission;

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

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

11 “(B) in the case of the Postal Regulatory
12 Commission, the Chairman of the Postal Regu-
13 latory Commission;

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

18 “(5) the term ‘senior procurement executive’
19 means the senior procurement executive of a covered
20 postal entity.

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

22 “(a) ESTABLISHMENT AND DESIGNATION.—

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

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

6 “(b) RESPONSIBILITIES.—The advocate for competi-
7 tion of each covered postal entity shall—

8 “(1) be responsible for promoting—

9 “(A) the contracting out of Postal Service
10 functions that the private sector can perform
11 equally well or better, and at lower cost; and

12 “(B) competition to the maximum extent
13 practicable consistent with obtaining best value
14 by promoting the acquisition of commercial
15 items and challenging barriers to competition;

16 “(2) review the procurement activities of the
17 covered postal entity; and

18 “(3) prepare and transmit to the head of each
19 covered postal entity, the senior procurement execu-
20 tive of each covered postal entity, the Board of Gov-
21 ernors of the United States Postal Service, and Con-
22 gress, an annual report describing—

23 “(A) the activities of the advocate under
24 this section;

1 “(B) initiatives required to promote con-
2 tracting out and competition;

3 “(C) barriers to contracting out and com-
4 petition; and

5 “(D) the number of waivers made by each
6 covered postal entity under section 704(c).

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

8 “(a) IN GENERAL.—

9 “(1) POLICY.—Not later than 60 days after the
10 date of enactment of this chapter, the head of each
11 covered postal entity shall issue a policy on con-
12 tracting officer delegations of authority for the cov-
13 ered postal entity.

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

16 “(A) notwithstanding any delegation of au-
17 thority with respect to postal contracts, the ulti-
18 mate responsibility and accountability for the
19 award and administration of postal contracts
20 resides with the senior procurement executive;
21 and

22 “(B) a contracting officer shall maintain
23 an awareness of and engagement in the activi-
24 ties being performed on postal contracts of
25 which that officer has cognizance, notwith-

1 standing any delegation of authority that may
2 have been executed.

3 “(b) POSTING OF DELEGATIONS.—

4 “(1) IN GENERAL.—The head of each covered
5 postal entity shall make any delegation of authority
6 for postal contracts outside the functional con-
7 tracting unit readily available and accessible on the
8 Web site of the covered postal entity.

9 “(2) EFFECTIVE DATE.—This paragraph shall
10 apply to any delegation of authority made on or
11 after 30 days after the date of enactment of this
12 chapter.

13 **“§ 704. Posting of noncompetitive purchase requests**
14 **for noncompetitive contracts**

15 “(a) POSTING REQUIRED.—

16 “(1) POSTAL REGULATORY COMMISSION.—The
17 Postal Regulatory Commission shall make the non-
18 competitive purchase request for any noncompetitive
19 award, including the rationale supporting the non-
20 competitive award, publicly available on the Web site
21 of the Postal Regulatory Commission—

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

24 “(B) not later than 30 days after the date
25 of the award of the noncompetitive contract, if

1 the basis for the award was a compelling busi-
2 ness interest.

3 “(2) UNITED STATES POSTAL SERVICE.—The
4 United States Postal Service shall make the non-
5 competitive purchase request for any noncompetitive
6 award of a postal contract valued at \$250,000 or
7 more, including the rationale supporting the non-
8 competitive award, publicly available on the Web site
9 of the United States Postal Service—

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

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

15 “(3) ADJUSTMENTS TO THE POSTING THRESH-
16 OLD FOR THE UNITED STATES POSTAL SERVICE.—

17 “(A) REVIEW AND DETERMINATION.—Not
18 later than January 31 of each year, the United
19 States Postal Service shall—

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

22 “(ii) based on any change in the Con-
23 sumer Price Index for all-urban consumers
24 of the Department of Labor, determine

1 whether an adjustment to the threshold
2 shall be made.

3 “(B) AMOUNT OF ADJUSTMENTS.—An ad-
4 justment under subparagraph (A) shall be made
5 in increments of \$5,000. If the United States
6 Postal Service determines that a change in the
7 Consumer Price Index for a year would require
8 an adjustment in an amount that is less than
9 \$5,000, the United States Postal Service may
10 not make an adjustment to the threshold for
11 the year.

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

16 “(b) PUBLIC AVAILABILITY.—

17 “(1) IN GENERAL.—Subject to paragraph (2),
18 the information required to be made publicly avail-
19 able by a covered postal entity under subsection (a)
20 shall be readily accessible on the Web site of the cov-
21 ered postal entity.

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

24 “(A) carefully screen any description of the
25 rationale supporting a noncompetitive award re-

1 required to be made publicly available under sub-
2 section (a) to determine whether the description
3 includes proprietary data (including any ref-
4 erence or citation to the proprietary data) or se-
5 curity-related information; and

6 “(B) remove any proprietary data or secu-
7 rity-related information before making publicly
8 available a description of the rationale sup-
9 porting a noncompetitive award.

10 “(c) WAIVERS.—

11 “(1) WAIVER PERMITTED.—If a covered postal
12 entity determines that making a noncompetitive pur-
13 chase request publicly available would risk placing
14 the United States Postal Service at a competitive
15 disadvantage relative to a private sector competitor,
16 the senior procurement executive, in consultation
17 with the advocate for competition of the covered
18 postal entity, may waive the requirements under
19 subsection (a).

20 “(2) FORM AND CONTENT OF WAIVER.—

21 “(A) FORM.—A waiver under paragraph
22 (1) shall be in the form of a written determina-
23 tion placed in the file of the contract to which
24 the noncompetitive purchase agreement relates.

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

3 “(i) a description of the risk associ-
4 ated with making the noncompetitive pur-
5 chase request publicly available; and

6 “(ii) a statement that redaction of
7 sensitive information in the noncompetitive
8 purchase request would not be sufficient to
9 protect the United States Postal Service
10 from being placed at a competitive dis-
11 advantage relative to a private sector com-
12 petitor.

13 “(3) DELEGATION OF WAIVER AUTHORITY.—A
14 covered postal entity may not delegate the authority
15 to approve a waiver under paragraph (1) to any em-
16 ployee having less authority than the senior procure-
17 ment executive.

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

19 “‘If a contracting officer identifies any ethical issues
20 relating to a proposed contract and submits those issues
21 and that proposed contract to the designated ethics official
22 for the covered postal entity before the awarding of that
23 contract, that ethics official shall—

24 “(1) review the proposed contract; and

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

3 **“§ 706. Ethical restrictions on participation in certain**
4 **contracting activity**

5 “(a) DEFINITIONS.—In this section—

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

7 “(A) a contracting officer; or

8 “(B) any employee of a covered postal en-
9 tity whose decisionmaking affects a postal con-
10 tract as determined by regulations prescribed
11 by the head of a covered postal entity;

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

16 “(3) the term ‘covered relationship’ means a
17 covered relationship described in section
18 2635.502(b)(1) of title 5, Code of Federal Regula-
19 tions, or any successor thereto.

20 “(b) IN GENERAL.—

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

23 “(A) require a covered employee to include
24 in the file of any noncompetitive purchase re-

1 quest for a noncompetitive postal contract a
2 written certification that—

3 “(i) discloses any covered relationship
4 of the covered employee; and

5 “(ii) states that the covered employee
6 will not take any action with respect to the
7 noncompetitive purchase request that af-
8 fects the financial interests of a friend, rel-
9 ative, or person with whom the covered
10 employee is affiliated in a nongovernmental
11 capacity, or otherwise gives rise to an ap-
12 pearance of the use of public office for pri-
13 vate gain, as described in section 2635.702
14 of title 5, Code of Federal Regulations, or
15 any successor thereto;

16 “(B) require a contracting officer to con-
17 sult with the ethics counsel for the covered
18 postal entity regarding any disclosure made by
19 a covered employee under subparagraph (A)(i),
20 to determine whether participation by the cov-
21 ered employee in the noncompetitive purchase
22 request would give rise to a violation of part
23 2635 of title 5, Code of Federal Regulations
24 (commonly referred to as the Standards of Eth-

1 ical Conduct for Employees of the Executive
2 Branch);

3 “(C) require the ethics counsel for a cov-
4 ered postal entity to review any disclosure made
5 by a contracting officer under subparagraph
6 (A)(i) to determine whether participation by the
7 contracting officer in the noncompetitive pur-
8 chase request would give rise to a violation of
9 part 2635 of title 5, Code of Federal Regula-
10 tions (commonly referred to as the Standards of
11 Ethical Conduct for Employees of the Executive
12 Branch), or any successor thereto;

13 “(D) under subsections (d) and (e) of sec-
14 tion 2635.50 of title 5, Code of Federal Regula-
15 tions, or any successor thereto, require the eth-
16 ics counsel for a covered postal entity to—

17 “(i) authorize a covered employee that
18 makes a disclosure under subparagraph
19 (A)(i) to participate in the noncompetitive
20 postal contract; or

21 “(ii) disqualify a covered employee
22 that makes a disclosure under subpara-
23 graph (A)(i) from participating in the non-
24 competitive postal contract;

1 “(E) require a contractor to timely disclose
2 to the contracting officer in a bid, solicitation,
3 award, or performance of a postal contract any
4 conflict of interest with a covered employee; and

5 “(F) include authority for the head of the
6 covered postal entity to grant a waiver or other-
7 wise mitigate any organizational or personal
8 conflict of interest, if the head of the covered
9 postal entity determines that the waiver or miti-
10 gation is in the best interests of the Postal
11 Service.

12 “(2) POSTING OF WAIVERS.—Not later than 30
13 days after the head of a covered postal entity grants
14 a waiver described in paragraph (1)(F), the head of
15 the covered postal entity shall make the waiver pub-
16 licly available on the Web site of the covered postal
17 entity.

18 “(c) CONTRACT VOIDANCE AND RECOVERY.—

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

24 “(A) void that contract; and

1 “(B) recover the amounts expended and
2 property transferred by the covered postal enti-
3 ty under that contract.

4 “(2) OBTAINING OR DISCLOSING PROCUREMENT
5 INFORMATION.—

6 “(A) IN GENERAL.—In any case in which
7 a contractor under a postal contract fails to
8 timely disclose a conflict of interest to the ap-
9 propriate contracting officer as required under
10 the regulations promulgated under subsection
11 (b)(1)(E), the head of a covered postal entity
12 may—

13 “(i) void that contract; and

14 “(ii) recover the amounts expended
15 and property transferred by the covered
16 postal entity under that contract.

17 “(B) CONVICTION OR ADMINISTRATIVE DE-
18 TERMINATION.—A case described under sub-
19 paragraph (A) is any case in which—

20 “(i) there is a final conviction for an
21 offense punishable under section 2105 of
22 title 41, United States Code; or

23 “(ii) the head of a covered postal enti-
24 ty determines, based upon a preponderance
25 of the evidence, that the contractor or

1 someone acting for the contractor has en-
2 gaged in conduct constituting an offense
3 punishable under section 2105 of such
4 title.”.

5 (b) CLERICAL AMENDMENT.—The table of chapters
6 for part I of title 39, United States Code, is amended by
7 adding at the end the following:

“7. Contracting Provisions 701”.

8 **SEC. 502. TECHNICAL AMENDMENT TO DEFINITION.**

9 Section 7101(8) of title 41, United States Code, is
10 amended—

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

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

15 (3) by adding at the end the following new sub-
16 paragraph:

17 “(E) the United States Postal Service and
18 the Postal Regulatory Commission.”.

