

Editorial Notes

REFERENCES IN TEXT

The National Voter Registration Act of 1993, referred to in text, is Pub. L. 103-31, May 20, 1993, 107 Stat. 77, which was formerly classified principally to subchapter I-H (§1973gg et seq.) of chapter 20 of Title 42, The Public Health and Welfare, prior to editorial reclassification and renumbering in Title 52, Voting and Elections, and is now classified principally to chapter 205 (§20501 et seq.) of Title 52. For complete classification of this Act to the Code, see Tables.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective (1) with respect to a State that, on May 20, 1993, has a provision in the constitution of the State that would preclude compliance with section 20501 et seq. of Title 52, Voting and Elections, unless the State maintained separate Federal and State official lists of eligible voters, on the later of Jan. 1, 1996, or the date that is 120 days after the date by which, under the constitution of the State as in effect on May 20, 1993, it would be legally possible to adopt and place into effect any amendments to the constitution of the State that are necessary to permit compliance with section 20501 et seq. of Title 52 without requiring a special election, and (2) with respect to a State not described above, on Jan. 1, 1995, see section 13 of Pub. L. 103-31, set out as a note under section 20501 of Title 52.

SUBCHAPTER II—PROVISIONS RELATING TO COMPETITIVE PRODUCTS**Editorial Notes**

PRIOR PROVISIONS

A prior subchapter II was redesignated subchapter I of this chapter.

§ 3631. Applicability; definitions and updates

(a) **APPLICABILITY.**—This subchapter shall apply with respect to—

- (1) priority mail;
- (2) expedited mail;
- (3) bulk parcel post;
- (4) bulk international mail; and
- (5) mailgrams;

subject to subsection (d) and any changes the Postal Regulatory Commission may make under section 3642.

(b) **DEFINITION.**—For purposes of this subchapter, the term “costs attributable”, as used with respect to a product, means the direct and indirect postal costs attributable to such product through reliably identified causal relationships.

(c) **RULE OF CONSTRUCTION.**—Mail matter referred to in subsection (a) shall, for purposes of this subchapter, be considered to have the meaning given to such mail matter under the mail classification schedule.

(Added Pub. L. 109-435, title II, §202, Dec. 20, 2006, 120 Stat. 3205.)

§ 3632. Action of the Governors

(a) **AUTHORITY TO ESTABLISH RATES AND CLASSES.**—The Governors, with the concurrence of a majority of all of the Governors then holding office, shall establish rates and classes for products in the competitive category of mail in accordance with the requirements of this sub-

chapter and regulations promulgated under section 3633.

(b) **PROCEDURES.**—

(1) **IN GENERAL.**—Rates and classes shall be established in writing, complete with a statement of explanation and justification, and the date as of which each such rate or class takes effect.

(2) **RATES OR CLASSES OF GENERAL APPLICABILITY.**—In the case of rates or classes of general applicability in the Nation as a whole or in any substantial region of the Nation, the Governors shall cause each rate and class decision under this section and the record of the Governors’ proceedings in connection with such decision to be published in the Federal Register at least 30 days before the effective date of any new rates or classes.

(3) **RATES OR CLASSES NOT OF GENERAL APPLICABILITY.**—In the case of rates or classes not of general applicability in the Nation as a whole or in any substantial region of the Nation, the Governors shall cause each rate and class decision under this section and the record of the proceedings in connection with such decision to be filed with the Postal Regulatory Commission by such date before the effective date of any new rates or classes as the Governors consider appropriate, but in no case less than 15 days.

(4) **CRITERIA.**—As part of the regulations required under section 3633, the Postal Regulatory Commission shall establish criteria for determining when a rate or class established under this subchapter is or is not of general applicability in the Nation as a whole or in any substantial region of the Nation.

(c) **TRANSITION RULE.**—Until regulations under section 3633 first take effect, rates and classes for competitive products shall remain subject to modification in accordance with the provisions of this chapter and section 407, as such provisions were as last in effect before the date of enactment of this section.

(Added Pub. L. 109-435, title II, §202, Dec. 20, 2006, 120 Stat. 3206.)

Editorial Notes

REFERENCES IN TEXT

The date of enactment of this section, referred to in subsec. (c), is the date of enactment of Pub. L. 109-435, which was approved Dec. 20, 2006.

§ 3633. Provisions applicable to rates for competitive products

(a) **IN GENERAL.**—The Postal Regulatory Commission shall, within 18 months after the date of enactment of this section, promulgate (and may from time to time thereafter revise) regulations to—

- (1) prohibit the subsidization of competitive products by market-dominant products;
- (2) ensure that each competitive product covers its costs attributable; and
- (3) ensure that all competitive products collectively cover what the Commission determines to be an appropriate share of the institutional costs of the Postal Service.

(b) **REVIEW OF MINIMUM CONTRIBUTION.**—Five years after the date of enactment of this sec-

tion, and every 5 years thereafter, the Postal Regulatory Commission shall conduct a review to determine whether the institutional costs contribution requirement under subsection (a)(3) should be retained in its current form, modified, or eliminated. In making its determination, the Commission shall consider all relevant circumstances, including the prevailing competitive conditions in the market, and the degree to which any costs are uniquely or disproportionately associated with any competitive products. (Added Pub. L. 109-435, title II, §202, Dec. 20, 2006, 120 Stat. 3206.)

Editorial Notes

REFERENCES IN TEXT

The date of enactment of this section, referred to in text, is the date of enactment of Pub. L. 109-435, which was approved Dec. 20, 2006.

Statutory Notes and Related Subsidiaries

REVIEW OF POSTAL SERVICE COST ATTRIBUTION GUIDELINES

Pub. L. 117-108, title II, §203, Apr. 6, 2022, 136 Stat. 1147, provided that: “Not later than the date that is one year after the date of the enactment of this Act [Apr. 6, 2022], the Postal Regulatory Commission shall initiate a review of the regulations issued pursuant to sections 3633(a) and 3652(a)(1) of title 39, United States Code, to determine whether revisions are appropriate to ensure that all direct and indirect costs attributable to competitive and market-dominant products are properly attributed to those products, including by considering the underlying methodologies in determining cost attribution and considering options to revise such methodologies. If the Commission determines, after notice and opportunity for public comment, that revisions are appropriate, the Commission shall make modifications or adopt alternative methodologies as necessary.”

[For definitions of terms used in section 203 of Pub. L. 117-108, set out above, see section 2 of Pub. L. 117-108, set out as a note under section 501 of this title.]

STUDY ON EQUAL APPLICATION OF LAWS TO COMPETITIVE PRODUCTS

Pub. L. 109-435, title VII, §703, Dec. 20, 2006, 120 Stat. 3244, required the Federal Trade Commission to prepare and submit to the President and Congress, and to the Postal Regulatory Commission, within 1 year after Dec. 20, 2006, a comprehensive report identifying Federal and State laws that applied differently to the United States Postal Service with respect to the competitive category of mail (within the meaning of section 102 of this title) and to private companies providing similar products.

§ 3634. Assumed Federal income tax on competitive products income

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

(1) the term “assumed Federal income tax on competitive products income” means the net income tax that would be imposed by chapter 1 of the Internal Revenue Code of 1986 on the Postal Service’s assumed taxable income from competitive products for the year; and

(2) the term “assumed taxable income from competitive products”, with respect to a year, refers to the amount representing what would be the taxable income of a corporation under

the Internal Revenue Code of 1986 for the year, if—

(A) the only activities of such corporation were the activities of the Postal Service allocable under section 2011(h) to competitive products; and

(B) the only assets held by such corporation were the assets of the Postal Service allocable under section 2011(h) to such activities.

(b) COMPUTATION AND TRANSFER REQUIREMENTS.—The Postal Service shall, for each year beginning with the year in which occurs the deadline for the Postal Service’s first report to the Postal Regulatory Commission under section 3652(a)—

(1) compute its assumed Federal income tax on competitive products income for such year; and

(2) transfer from the Competitive Products Fund to the Postal Service Fund the amount of that assumed tax.

(c) DEADLINE FOR TRANSFERS.—Any transfer required to be made under this section for a year shall be due on or before the January 15th next occurring after the close of such year.

(Added Pub. L. 109-435, title IV, §402, Dec. 20, 2006, 120 Stat. 3226.)

Editorial Notes

REFERENCES IN TEXT

The Internal Revenue Code of 1986, referred to in subsec. (a), is classified to Title 26, Internal Revenue Code.

SUBCHAPTER III—PROVISIONS RELATING TO EXPERIMENTAL AND NEW PRODUCTS

Editorial Notes

AMENDMENTS

2006—Pub. L. 109-435, title II, §203, Dec. 20, 2006, 120 Stat. 3207, substituted “PROVISIONS RELATING TO EXPERIMENTAL AND NEW PRODUCTS” for “TEMPORARY RATES AND CLASSES” in subchapter heading.

§ 3641. Market tests of experimental products

(a) AUTHORITY.—

(1) IN GENERAL.—The Postal Service may conduct market tests of experimental products in accordance with this section.

(2) PROVISIONS WAIVED.—A product shall not, while it is being tested under this section, be subject to the requirements of sections 3622, 3633, or 3642, or regulations promulgated under those sections.

(b) CONDITIONS.—A product may not be tested under this section unless it satisfies each of the following:

(1) SIGNIFICANTLY DIFFERENT PRODUCT.—The product is, from the viewpoint of the mail users, significantly different from all products offered by the Postal Service within the 2-year period preceding the start of the test.

(2) MARKET DISRUPTION.—The introduction or continued offering of the product will not create an unfair or otherwise inappropriate competitive advantage for the Postal Service or any mailer, particularly in regard to small