

Union Calendar No. 291

112TH CONGRESS
2^D SESSION

H. R. 2309

[Report No. 112-363, Parts I and II]

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

IN THE HOUSE OF REPRESENTATIVES

JUNE 23, 2011

Mr. ISSA (for himself and Mr. ROSS of Florida) introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

JANUARY 17, 2012

Reported from the Committee on Oversight and Government Reform with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

JANUARY 17, 2012

Referral to the Committee on Rules extended for a period ending not later than March 1, 2012

MARCH 1, 2012

Referral to the Committee on Rules extended for a period ending not later than March 30, 2012

MARCH 29, 2012

Reported from the Committee on Rules with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in boldface roman]

[For text of introduced bill, see copy of bill as introduced on June 23, 2011]

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 this*
 8 *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.

Sec. 109. GAO study and report.

Subtitle B—Other Provisions

Sec. 111. Implementation of discretionary non-mail delivery days.

Sec. 112. Efficient and flexible universal postal service.

Sec. 113. Enhanced reporting on Postal Service efficiency.

Sec. 114. Applicability of procedures relating to closures and consolidations.

**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.

Sec. 214. Delivery point modernization.

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. Supplementary borrowing authority during a control period.
Sec. 223. Process for submission and approval of financial plan and budget.
Sec. 224. Responsibilities of the Authority.
Sec. 225. Effect of finding noncompliance with financial plan and budget.
Sec. 226. Recommendations regarding financial stability, etc.
Sec. 227. Special rules for fiscal year in which control period commences.
Sec. 228. Assistance in achieving financial stability, etc.
Sec. 229. Obtaining reports.
Sec. 230. 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. Applicability of reduction-in-force procedures.
Sec. 305. Modifications relating to collective bargaining.
Sec. 306. One-time transfer of net surplus postal retirement contributions.

Subtitle B—Postal Service Workers' Compensation Reform

- Sec. 311. Postal Service workers' compensation reform.*

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.
Sec. 408. Reimbursement of Alaska bypass mail costs.
Sec. 409. Appropriations modernization.
Sec. 410. Retiree health care benefit payment deferral.

TITLE V—POSTAL CONTRACTING REFORM

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

1 (c) *REFERENCES.—Except as otherwise expressly pro-*
 2 *vided, whenever in this Act an amendment or repeal is ex-*

1 *pressed in terms of an amendment to, or repeal of, a section*
2 *or other provision, the reference shall be considered to be*
3 *made to a section or other provision of title 39, United*
4 *States Code.*

5 **TITLE I—POSTAL SERVICE**
6 **MODERNIZATION**

7 **Subtitle A—Commission on Postal**
8 **Reorganization**

9 **SEC. 101. SHORT TITLE.**

10 *This subtitle may be cited as the “Commission on Post-*
11 *al Reorganization Act” or the “CPR Act”.*

12 **SEC. 102. DEFINITIONS.**

13 *For purposes of this title—*

14 (1) *the term “Postal Service” means the United*
15 *States Postal Service;*

16 (2) *the term “postal retail facility” means a post*
17 *office, post office branch, post office classified station,*
18 *or other facility which is operated by the Postal Serv-*
19 *ice, and the primary function of which is to provide*
20 *retail postal services;*

21 (3) *the term “mail processing facility” means a*
22 *processing and distribution center, processing and*
23 *distribution facility, network distribution center, or*
24 *other facility which is operated by the Postal Service,*

1 *and the primary function of which is to sort and*
2 *process mail;*

3 *(4) the term “district office” means the central*
4 *office of an administrative field unit with responsi-*
5 *bility for postal operations in a designated geographic*
6 *area (as defined under regulations, directives, or other*
7 *guidance of the Postal Service, as in effect on June*
8 *23, 2011);*

9 *(5) the term “area office” means the central of-*
10 *fice of an administrative field unit with responsi-*
11 *bility for postal operations in a designated geographic*
12 *area which is comprised of designated geographic*
13 *areas as referred to in paragraph (4);*

14 *(6) the term “baseline year” means the fiscal*
15 *year last ending before the date of the enactment of*
16 *this Act; and*

17 *(7) the term “Member of Congress” has the*
18 *meaning given such term by section 2106 of title 5,*
19 *United States Code.*

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

21 *(a) ESTABLISHMENT.—There shall be established, not*
22 *later than 90 days after the date of the enactment of this*
23 *Act, an independent commission to be known as the “Com-*
24 *mission on Postal Reorganization” (hereinafter in this sec-*
25 *tion referred to as the “Commission”).*

1 (b) *DUTIES.*—*The Commission shall carry out the du-*
2 *ties specified for it in this subtitle.*

3 (c) *MEMBERS.*—

4 (1) *IN GENERAL.*—*The Commission shall be com-*
5 *posed of 5 members who shall be appointed by the*
6 *President, and of whom—*

7 (A) *1 shall be appointed from among indi-*
8 *viduals recommended by the Speaker of the*
9 *House of Representatives;*

10 (B) *1 shall be appointed from among indi-*
11 *viduals recommended by the majority leader of*
12 *the Senate;*

13 (C) *1 shall be appointed from among indi-*
14 *viduals recommended by the minority leader of*
15 *the House of Representatives;*

16 (D) *1 shall be appointed from among indi-*
17 *viduals recommended by the minority leader of*
18 *the Senate; and*

19 (E) *1 shall be appointed from among indi-*
20 *viduals recommended by the Comptroller Gen-*
21 *eral.*

22 (2) *QUALIFICATIONS.*—

23 (A) *IN GENERAL.*—*Members of the Commis-*
24 *sion shall be chosen to represent the public inter-*

1 *est generally, and shall not be representatives of*
2 *specific interests using the Postal Service.*

3 (B) *INELIGIBILITY.*—*An individual may*
4 *not be appointed to serve as a member of the*
5 *Commission if such individual is a Member of*
6 *Congress or served as an employee of the Postal*
7 *Service or the Postal Regulatory Commission, or*
8 *of a labor organization representing employees of*
9 *the Postal Service or the Postal Regulatory Com-*
10 *mission, during the 3-year period ending on the*
11 *date of such appointment.*

12 (3) *POLITICAL AFFILIATION.*—*Not more than 3*
13 *members of the Commission may be of the same polit-*
14 *ical party.*

15 (d) *TERMS.*—*Each member of the Commission shall be*
16 *appointed for the life of the Commission and may be re-*
17 *moved only for cause.*

18 (e) *VACANCIES.*—*A vacancy in the Commission shall*
19 *be filled in the same manner as the original appointment.*

20 (f) *CHAIRMAN.*—*The President shall, at the time of*
21 *making appointments under subsection (c), designate one*
22 *of the members to serve as chairman of the Commission.*

23 (g) *COMPENSATION AND TRAVEL EXPENSES.*—

24 (1) *COMPENSATION.*—

1 (A) *IN GENERAL.*—*Except as provided in*
2 *subparagraph (B), each member of the Commis-*
3 *sion shall be paid at a rate equal to the daily*
4 *equivalent of \$40,000 per year for each day (in-*
5 *cluding travel time) during which the member is*
6 *engaged in the actual performance of duties vest-*
7 *ed in the Commission.*

8 (B) *EXCEPTION.*—*Any member of the Com-*
9 *mission who is a full-time officer or employee of*
10 *the United States may not receive additional*
11 *pay, allowances, or benefits by reason of such*
12 *member's service on the Commission.*

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

18 (h) *DIRECTOR.*—*The Commission shall have a Direc-*
19 *tor who shall be appointed by the Commission. The Director*
20 *shall be paid at the rate of basic pay for level IV of the*
21 *Executive Schedule under section 5315 of title 5, United*
22 *States Code. An appointment under this subsection shall*
23 *be subject to the requirements of subsection (c)(2).*

24 (i) *ADDITIONAL PERSONNEL.*—*With the approval of*
25 *the Commission, the Director may appoint and fix the pay*

1 of such additional personnel as the Director considers ap-
2 propriate. Such additional personnel may be appointed
3 without regard to the provisions of title 5, United States
4 Code, governing appointments in the competitive service,
5 and may be paid without regard to the provisions of chapter
6 51 and subchapter III of chapter 53 of such title relating
7 to classification and General Schedule pay rates, except
8 that an individual so appointed may not receive pay at
9 a rate of basic pay in excess of the rate of basic pay payable
10 to the Director. An individual appointed under this sub-
11 section shall serve at the pleasure of the Director.

12 (j) PROVISIONS RELATING TO DETAILS.—

13 (1) IN GENERAL.—Upon request of the Director,
14 the head of any Federal department or agency may
15 detail any of the personnel of such department or
16 agency to the Commission to assist the Commission in
17 carrying out its duties under this subtitle. Notwith-
18 standing any other provision of law, to provide con-
19 tinuity in the work of the Commission, such details
20 may be extended beyond 1 year at the request of the
21 Director.

22 (2) NUMERICAL LIMITATION.—Not more than $\frac{1}{3}$
23 of the personnel of the Commission may consist of the
24 number of individuals on detail from the Postal Serv-
25 ice and the Postal Regulatory Commission combined.

1 (3) *OTHER LIMITATIONS.*—A person may not be
2 detailed to the Commission from the Postal Service or
3 the Postal Regulatory Commission if such person par-
4 ticipated personally and substantially on any matter,
5 within the Postal Service or the Postal Regulatory
6 Commission, concerning the preparation of rec-
7 ommendations for closures or consolidations of postal
8 facilities under this subtitle. No employee of the Post-
9 al Service or the Postal Regulatory Commission (in-
10 cluding a detailee to the Postal Service or the Postal
11 Regulatory Commission) may—

12 (A) prepare any report concerning the effec-
13 tiveness, fitness, or efficiency of the performance,
14 on the staff of the Commission, of any person de-
15 tailed from the Postal Service or the Postal Reg-
16 ulatory Commission to such staff;

17 (B) review the preparation of such a report;

18 or

19 (C) approve or disapprove such a report.

20 (k) *OTHER AUTHORITIES.*—

21 (1) *EXPERTS AND CONSULTANTS.*—The Commis-
22 sion may procure by contract, to the extent funds are
23 available, temporary or intermittent services under
24 section 3109 of title 5, United States Code.

1 (2) *LEASING, ETC.*—*The Commission may lease*
2 *space and acquire personal property to the extent*
3 *funds are available.*

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

8 (m) *FINANCIAL REPORTING.*—

9 (1) *AUDIT AND EXPENDITURES.*—*The Commis-*
10 *sion shall be responsible for issuing annual financial*
11 *statements and for establishing and maintaining ade-*
12 *quate controls over its financial reporting.*

13 (2) *INTERNAL AUDITS.*—*The Commission shall*
14 *maintain an adequate internal audit of its financial*
15 *transactions.*

16 (3) *ANNUAL CERTIFICATION.*—*The Commission*
17 *shall obtain an annual certification for each fiscal*
18 *year from an independent, certified public accounting*
19 *firm of the accuracy of its financial statements.*

20 (4) *COMPTROLLER GENERAL.*—*The accounts and*
21 *operations of the Commission shall be audited by the*
22 *Comptroller General and reports thereon made to the*
23 *Congress to the extent and at such times as the Comp-*
24 *troller General may determine.*

1 (n) *TERMINATION.*—*The Commission shall terminate*
2 *60 days after submitting its final reports under section*
3 *104(d)(3).*

4 **SEC. 104. RECOMMENDATIONS FOR CLOSURES AND CON-**
5 **SOLIDATIONS.**

6 (a) *PLAN FOR THE CLOSURE OR CONSOLIDATION OF*
7 *POSTAL RETAIL FACILITIES.*—

8 (1) *IN GENERAL.*—*Not later than 120 days after*
9 *the date of the enactment of this Act, the Postal Serv-*
10 *ice, in consultation with the Postal Regulatory Com-*
11 *mission, shall develop and submit to the Commission*
12 *on Postal Reorganization a plan for the closure or*
13 *consolidation of such postal retail facilities as the*
14 *Postal Service considers necessary and appropriate so*
15 *that the total annual costs attributable to the oper-*
16 *ation of postal retail facilities will be, for each fiscal*
17 *year beginning at least 2 years after the date on*
18 *which the Commission transmits to Congress its final*
19 *report under subsection (d)(3)(A) relating to this sub-*
20 *section, at least \$1,000,000,000 less than the cor-*
21 *responding total annual costs for the baseline year.*

22 (2) *CONTENTS.*—*The plan shall include—*

23 (A) *a list of the postal retail facilities pro-*
24 *posed for closure or consolidation under this sub-*
25 *title;*

1 (B) a proposed schedule under which—

2 (i) closures and consolidations of postal
3 retail facilities would be carried out under
4 this subtitle; and

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

12 (C) the estimated total annual cost savings
13 attributable to the proposed closures and consoli-
14 dations described in the plan;

15 (D) the criteria and process used to develop
16 the information described in subparagraphs (A)
17 and (B);

18 (E) the methodology and assumptions used
19 to derive the estimates described in subparagraph
20 (C); and

21 (F) any changes to the processing, transpor-
22 tation, delivery, or other postal operations an-
23 ticipated as a result of the proposed closures and
24 consolidations described in the plan.

1 (3) *CONSISTENCY.*—*The methodology and as-*
2 *sumptions used to derive the cost estimates described*
3 *in paragraph (2)(C) shall be consistent with the*
4 *methodology and assumptions which would have been*
5 *used by the Postal Service if those closures and con-*
6 *solidations had instead taken effect in the baseline*
7 *year.*

8 (b) *PLAN FOR THE CLOSURE OR CONSOLIDATION OF*
9 *MAIL PROCESSING FACILITIES.*—

10 (1) *IN GENERAL.*—*Not later than 300 days after*
11 *the date of the enactment of this Act, the Postal Serv-*
12 *ice, in consultation with the Inspector General of the*
13 *United States Postal Service, shall develop and sub-*
14 *mit to the Commission on Postal Reorganization a*
15 *plan for the closure or consolidation of such mail*
16 *processing facilities as the Postal Service considers*
17 *necessary and appropriate so that—*

18 (A) *the total annual costs attributable to the*
19 *operation of mail processing facilities will be, for*
20 *each fiscal year beginning at least 2 years after*
21 *the date on which the Commission transmits to*
22 *Congress its final report under subsection*
23 *(d)(3)(A) relating to this subsection, at least*
24 *\$2,000,000,000 less than the corresponding total*
25 *annual costs for the baseline year; and*

1 (B) the Postal Service has, for fiscal years
2 beginning at least 2 years after the date on
3 which the Commission transmits to Congress its
4 final report under subsection (d)(3)(A) relating
5 to this subsection, no more than 10 percent excess
6 mail processing capacity.

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

8 (A) a list of the mail processing facilities
9 proposed for closure or consolidation under this
10 subtitle;

11 (B) a proposed schedule under which—

12 (i) closures and consolidations of mail
13 processing facilities would be carried out
14 under this subtitle; and

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

22 (C) the estimated total annual cost savings
23 attributable to the proposed closures and consoli-
24 dations described in the plan;

1 (D) the criteria and process used to develop
2 the information described in subparagraphs (A)
3 and (B);

4 (E) the methodology and assumptions used
5 to derive the estimates described in subparagraph
6 (C); and

7 (F) any changes to the processing, transpor-
8 tation, delivery, or other postal operations an-
9 ticipated as a result of the proposed closures and
10 consolidations described in the plan.

11 (3) *CONSISTENCY.*—The methodology and as-
12 sumptions used to derive the cost estimates described
13 in paragraph (2)(C) shall be consistent with the
14 methodology and assumptions which would have been
15 used by the Postal Service if those closures and con-
16 solidations had instead taken effect in the baseline
17 year.

18 (4) *EXCESS MAIL PROCESSING CAPACITY.*—The
19 Commission shall cause to be published in the Federal
20 Register notice of a proposed definition of “excess
21 mail processing capacity” for purposes of this section
22 within 120 days after the date of the enactment of
23 this Act, and shall provide a period of 30 days for
24 public comment on the proposed definition. Not later
25 than 180 days after the date of the enactment of this

1 *Act, the Commission shall issue and cause to be pub-*
2 *lished in the Federal Register a final definition of*
3 *“excess mail processing capacity” for purposes of this*
4 *section. Such definition shall include an estimate of*
5 *the total amount of excess mail processing capacity in*
6 *mail processing facilities as of the date of the enact-*
7 *ment of this Act.*

8 (5) *UNDERUTILIZED MAIL PROCESSING FACILI-*
9 *TIES.—In developing a plan under this subsection,*
10 *the Postal Service may include the estimated total*
11 *cost savings that would result from moving mail proc-*
12 *essing operations to any mail processing facility that,*
13 *as of the date of introduction of this Act—*

14 (A) *is not currently used by the Postal*
15 *Service; and*

16 (B) *is capable of processing mail to the*
17 *Postal Service’s standards.*

18 (c) *PLAN FOR THE CLOSURE OR CONSOLIDATION OF*
19 *AREA AND DISTRICT OFFICES.—*

20 (1) *IN GENERAL.—Not later than 300 days after*
21 *the date of the enactment of this Act, the Postal Serv-*
22 *ice, in consultation with the Inspector General of the*
23 *United States Postal Service, shall develop and sub-*
24 *mit to the Commission on Postal Reorganization a*
25 *plan for the closure or consolidation of such area and*

1 *district offices as the Postal Service considers nec-*
2 *essary and appropriate so that the combined total*
3 *number of area and district offices will be, for each*
4 *fiscal year beginning at least 2 years after the date*
5 *on which the Commission transmits to Congress its*
6 *final report under subsection (d)(3)(A) relating to*
7 *this subsection, at least 30 percent less than the cor-*
8 *responding combined total for the baseline year.*

9 (2) *CONTENTS.—The plan shall include—*

10 (A) *a list of the area and district offices*
11 *proposed for closure or consolidation under this*
12 *subtitle;*

13 (B) *a proposed schedule under which—*

14 (i) *closures and consolidations of area*
15 *and district offices would be carried out*
16 *under this subtitle; and*

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

1 (C) the estimated total annual cost savings
2 attributable to the proposed closures and consoli-
3 dations described in the plan;

4 (D) the criteria and process used to develop
5 the information described in subparagraphs (A)
6 and (B);

7 (E) the methodology and assumptions used
8 to derive the estimates described in subparagraph
9 (C); and

10 (F) any changes to the processing, transpor-
11 tation, delivery, or other postal operations an-
12 ticipated as a result of the proposed closures and
13 consolidations described in the plan.

14 (3) *CONSISTENCY.*—The methodology and as-
15 sumptions used to derive the cost estimates described
16 in paragraph (2)(C) shall be consistent with the
17 methodology and assumptions which would have been
18 used by the Postal Service if those closures and con-
19 solidations had instead taken effect in the baseline
20 year.

21 (d) *REVIEW AND RECOMMENDATIONS OF THE COMMIS-*
22 *SION.*—

23 (1) *INITIAL REPORTS.*—

24 (A) *IN GENERAL.*—After receiving the plan
25 of the Postal Service under subsection (a), (b), or

1 (c), the Commission on Postal Reorganization
2 shall transmit to Congress and publish in the
3 Federal Register a report under this paragraph,
4 which shall contain the Commission's findings
5 based on a review and analysis of such plan, to-
6 gether with the Commission's initial rec-
7 ommendations for closures and consolidations of
8 postal facilities, mail processing facilities, or
9 area and district offices (as the case may be).

10 (B) *EXPLANATION OF CHANGES.*—The Com-
11 mission shall explain and justify in its report
12 any recommendations made by the Commission
13 that are different from those contained in the
14 Postal Service plan to which such report per-
15 tains.

16 (C) *DEADLINES.*—A report of the Commis-
17 sion under this paragraph shall be transmitted
18 and published, in accordance with subparagraph
19 (A), within—

20 (i) if the report pertains to the plan
21 under subsection (a), 60 days after the date
22 on which the Commission receives such
23 plan; or

24 (ii) if the report pertains to the plan
25 under subsection (b) or (c), 90 days after

1 *the date on which the Commission receives*
2 *such plan.*

3 (2) *PUBLIC HEARINGS.*—

4 (A) *IN GENERAL.*—*After receiving the plan*
5 *of the Postal Service under subsection (a), (b), or*
6 *(c), the Commission on Postal Reorganization*
7 *shall conduct at least 5 public hearings on such*
8 *plan. The hearings shall be conducted in geo-*
9 *graphic areas chosen so as to reflect a broadly*
10 *representative range of needs and interests.*

11 (B) *TESTIMONY.*—*All testimony before the*
12 *Commission at a public hearing conducted under*
13 *this paragraph shall be given under oath.*

14 (C) *DEADLINES.*—*All hearings under this*
15 *paragraph shall be completed within 60 days*
16 *after the date as of which the Commission satis-*
17 *fies the requirements of paragraph (1) with re-*
18 *spect to such plan.*

19 (3) *FINAL REPORTS.*—

20 (A) *IN GENERAL.*—*After satisfying the re-*
21 *quirements of paragraph (2) with respect to the*
22 *plan of the Postal Service under subsection (a),*
23 *(b), or (c) (as the case may be), the Commission*
24 *shall transmit to Congress and publish in the*
25 *Federal Register a report under this paragraph*

1 *containing a summary of the hearings conducted*
2 *with respect to such plan, together with the Com-*
3 *mission's final recommendations for closures and*
4 *consolidations of postal facilities, mail proc-*
5 *essing facilities, or area and district offices (as*
6 *the case may be).*

7 *(B) APPROVAL.—Recommendations under*
8 *subparagraph (A) shall not be considered to be*
9 *final recommendations unless they are made*
10 *with—*

11 *(i) except as provided in clause (ii),*
12 *the concurrence of at least 4 members of the*
13 *Commission; or*

14 *(ii) to the extent that the requirements*
15 *of subsection (b)(1)(A) or (c)(1) are not met,*
16 *the concurrence of all sitting members, but*
17 *only if the shortfall (relative to the require-*
18 *ments of subsection (b)(1)(A) or (c)(1), as*
19 *the case may be) does not exceed 25 percent.*

20 *(C) CONTENTS.—A report under this para-*
21 *graph shall include—*

22 *(i) the information required by para-*
23 *graph (2) of subsection (a), (b), or (c) (as*
24 *the case may be); and*

1 (ii) a description of the operations that
2 will be affected by the closure or consolida-
3 tion and the facilities or offices which will
4 be performing or ceasing to perform such
5 operations as a result of such closure or con-
6 solidation.

7 (D) DEADLINES.—A report of the Commis-
8 sion under this paragraph shall be transmitted
9 and published, in accordance with subparagraph
10 (A), within 60 days after the date as of which
11 the Commission satisfies the requirements of
12 paragraph (2) with respect to the plan involved.

13 (e) LIMITATION RELATING TO POSTAL RETAIL FACILI-
14 TIES IDENTIFIED FOR CLOSURE OR CONSOLIDATION.—

15 (1) APPLICABILITY.—This subsection applies to
16 any plan of the Postal Service under subsection (a)
17 and any report of the Commission under subsection
18 (d) (whether initial or final) pertaining to such plan.

19 (2) LIMITATION.—Of the total number of postal
20 retail facilities recommended for closure or consolida-
21 tion (combined) under any plan or report to which
22 this subsection applies, the number of such facilities
23 that are within the K or L cost ascertainment group-
24 ing (combined) shall account for not more than 10
25 percent of such total number.

1 (3) *REFERENCES.*—*For purposes of this sub-*
2 *section—*

3 (A) *any reference to a “cost ascertainment*
4 *grouping” shall be considered to refer to a cost*
5 *ascertainment grouping as described in section*
6 *123.11 of the Postal Operations Manual (as in*
7 *effect on June 23, 2011); and*

8 (B) *any reference to a particular category*
9 *(designated by a letter) of a cost ascertainment*
10 *grouping shall be considered to refer to such cat-*
11 *egory, as described in such section 123.11 (as in*
12 *effect on the date specified in subparagraph (A)).*

13 (f) *ANNUAL REPORTS.*—

14 (1) *IN GENERAL.*—*There shall be included in the*
15 *next 5 annual reports submitted under section 2402*
16 *of title 39, United States Code, beginning with the re-*
17 *port covering any period of time occurring after the*
18 *date of enactment of this Act, the following (shown on*
19 *a State-by-State basis):*

20 (A) *In connection with closures and consoli-*
21 *dations taking effect in the year covered by the*
22 *report, the total number of individuals separated*
23 *from employment with the Postal Service, in-*
24 *cluding, if separation occurs in a year other*

1 *than the year in which the closing or consolida-*
2 *tion occurs, the year in which separation occurs.*

3 *(B) Of the total numbers under subpara-*
4 *graph (A)—*

5 *(i) the number and percentage com-*
6 *prising preference eligibles or veterans; and*

7 *(ii) the number and percentage com-*
8 *prising individuals other than preference*
9 *eligibles or veterans.*

10 *(C) Of the total numbers under subpara-*
11 *graph (A), the number and percentage reem-*
12 *ployed in a position within the general com-*
13 *muting area of the facility or office involved (in-*
14 *cluding, if reemployment occurs in a year other*
15 *than the year in which the closing or consolida-*
16 *tion occurs, the year in which reemployment oc-*
17 *curs)—*

18 *(i) with the Postal Service; or*

19 *(ii) with an employer other than the*
20 *Postal Service.*

21 *(D) The methodology and assumptions used*
22 *to derive the estimates described in subparagraph*
23 *(B).*

24 *(E) The criteria and process used to develop*
25 *the information described in subparagraph (C).*

1 (2) *DEFINITIONS.*—*For purposes of this sub-*
2 *section—*

3 (A) *the term “preference eligible” has the*
4 *meaning given such term in section 2108(3) of*
5 *title 5, United States Code; and*

6 (B) *the term “veteran” has the meaning*
7 *given such term in section 101(2) of title 38,*
8 *United States Code.*

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

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

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

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

23 (b) *CONGRESSIONAL DISAPPROVAL.*—

24 (1) *IN GENERAL.*—*The Postal Service may not*
25 *carry out any closure or consolidation recommended*

1 *by the Commission in a final report if a joint resolu-*
2 *tion disapproving the recommendations of the Com-*
3 *mission is enacted, in accordance with section 106,*
4 *before the earlier of—*

5 *(A) the end of the 30-day period beginning*
6 *on the date on which the Commission transmits*
7 *those recommendations to Congress under section*
8 *104(d)(3); or*

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

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

18 **SEC. 106. CONGRESSIONAL CONSIDERATION OF FINAL CPR**

19 **REPORTS.**

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

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

4 (2) *the matter after the resolving clause of which*
5 *is as follows: “That Congress disapproves the rec-*
6 *ommendations of the Commission on Postal Reorga-*
7 *nization, 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 retail facilities”, “mail proc-*
12 *essing facilities”, or “area and district offices” (as the*
13 *case may be);*

14 (3) *the title of which is as follows: “Joint resolu-*
15 *tion disapproving the recommendations of the Com-*
16 *mission 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, respectively.*

22 (c) *DISCHARGE.—If the committee to which a resolu-*
23 *tion described in subsection (a) is referred has not reported*
24 *such resolution (or an identical resolution) by the end of*
25 *the 20-day period beginning on the date on which the Com-*

1 mission transmits the report (to which such resolution per-
2 tains) to Congress under section 104(d)(3), such committee
3 shall, at the end of such period, be discharged from further
4 consideration of such resolution, and such resolution shall
5 be placed on the appropriate calendar of the House in-
6 volved.

7 (d) CONSIDERATION.—

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

1 *the House of Representatives and is privileged in the*
2 *Senate and is not debatable. The motion is not subject*
3 *to amendment, or to a motion to postpone, or to a*
4 *motion to proceed to the consideration of other busi-*
5 *ness. A motion to reconsider the vote by which the*
6 *motion is agreed to or disagreed to shall not be in*
7 *order. If a motion to proceed to the consideration of*
8 *the resolution is agreed to, the respective House shall*
9 *immediately proceed to consideration of the joint reso-*
10 *lution without intervening motion, order, or other*
11 *business, and the resolution shall remain the unfin-*
12 *ished business of the respective House until disposed*
13 *of.*

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

1 (3) *VOTE ON FINAL PASSAGE.*—Immediately fol-
2 lowing the conclusion of the debate on a resolution de-
3 scribed in subsection (a) and a single quorum call at
4 the conclusion of the debate if requested in accordance
5 with the rules of the appropriate House, the vote on
6 final passage of the resolution shall occur.

7 (4) *APPEALS.*—Appeals from the decisions of the
8 Chair relating to the application of the rules of the
9 Senate or the House of Representatives, as the case
10 may be, to the procedure relating to a resolution de-
11 scribed in subsection (a) shall be decided without de-
12 bate.

13 (e) *CONSIDERATION BY OTHER HOUSE.*—

14 (1) *IN GENERAL.*—If, before the passage by one
15 House of a resolution of that House described in sub-
16 section (a), that House receives from the other House
17 a resolution (described in subsection (a)) relating to
18 the same report, then the following procedures shall
19 apply:

20 (A) *The resolution of the other House shall*
21 *not be referred to a committee and may not be*
22 *considered in the House receiving it except in the*
23 *case of final passage as provided in subpara-*
24 *graph (B)(ii).*

1 (B) *With respect to the resolution described*
2 *in subsection (a) (relating to the report in ques-*
3 *tion) of the House receiving the resolution—*

4 (i) *the procedure in that House shall be*
5 *the same as if no resolution (relating to the*
6 *same report) had been received from the*
7 *other House; but*

8 (ii) *the vote on final passage shall be*
9 *on the resolution of the other House.*

10 (2) *DISPOSITION OF A RESOLUTION.—Upon dis-*
11 *position of the resolution received from the other*
12 *House, it shall no longer be in order to consider the*
13 *resolution that originated in the receiving House.*

14 (f) *RULES OF THE SENATE AND HOUSE.—This section*
15 *is enacted by Congress—*

16 (1) *as an exercise of the rulemaking power of the*
17 *Senate and House of Representatives, respectively,*
18 *and as such it is deemed a part of the rules of each*
19 *House, respectively, but applicable only with respect*
20 *to the procedure to be followed in that House in the*
21 *case of a resolution described in subsection (a), and*
22 *it supersedes other rules only to the extent that it is*
23 *inconsistent with such rules; and*

24 (2) *with full recognition of the constitutional*
25 *right of either House to change the rules (so far as re-*

1 *lating to the procedure of that House) at any time,*
2 *in the same manner, and to the same extent as in the*
3 *case of any other rule of that House.*

4 **SEC. 107. NONAPPEALABILITY OF DECISIONS.**

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

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

14 **SEC. 108. RULES OF CONSTRUCTION.**

15 *(a) CONTINUED AVAILABILITY OF AUTHORITY TO*
16 *CLOSE OR CONSOLIDATE POSTAL FACILITIES.—*

17 *(1) IN GENERAL.—Nothing in this subtitle shall*
18 *be considered to prevent the Postal Service from clos-*
19 *ing or consolidating any postal facilities, in accord-*
20 *ance with otherwise applicable provisions of law, ei-*
21 *ther before or after the implementation of any closures*
22 *or consolidations under this subtitle.*

23 *(2) COORDINATION RULE.—No appeal or deter-*
24 *mination under section 404(d) of title 39, United*
25 *States Code, or any other provision of law shall*

1 *delay, prevent, or otherwise affect any closure or con-*
2 *solidation under this subtitle.*

3 **(b) INAPPLICABILITY OF CERTAIN PROVISIONS.—**

4 **(1) IN GENERAL.—***The provisions of law identi-*
5 *fied in paragraph (2)—*

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

8 **(B)** *shall not be taken into account for pur-*
9 *poses of carrying out section 103 or 104.*

10 **(2) PROVISIONS IDENTIFIED.—***The provisions of*
11 *law under this paragraph are—*

12 **(A)** *section 101(b) of title 39, United States*
13 *Code; and*

14 **(B)** *section 404(d) of title 39, United States*
15 *Code.*

16 **SEC. 109. GAO STUDY AND REPORT.**

17 **(a) STUDY.—***Not later than 1 year after the date of*
18 *enactment of this Act, the Comptroller General of the United*
19 *States shall conduct a study on the effects, with respect to*
20 *the unemployment rate of minority communities, of the pro-*
21 *posed closures and consolidations of postal retail facilities,*
22 *mail processing facilities, and area or district offices under*
23 *this subtitle.*

24 **(b) REPORT.—***Upon completion of the study required*
25 *under subsection (a), the Comptroller General of the United*

1 *States shall submit a report to Congress regarding the find-*
2 *ings of such study.*

3 ***Subtitle B—Other Provisions***

4 ***SEC. 111. IMPLEMENTATION OF DISCRETIONARY NON-MAIL***
5 ***DELIVERY DAYS.***

6 *(a) IN GENERAL.—Section 404 is amended by insert-*
7 *ing after subsection (e) the following:*

8 *“(f)(1) The Postmaster General may, with respect to*
9 *any year for which 6-day delivery is otherwise required,*
10 *declare up to 12 non-mail delivery days. Not later than 1*
11 *month before the beginning of the year, the Postmaster Gen-*
12 *eral shall submit to the Board of Governors a report listing*
13 *the non-mail delivery days in such year.*

14 *“(2) A non-mail delivery day under this subsection*
15 *shall be a day other than—*

16 *“(A) a Sunday;*

17 *“(B) a legal public holiday listed in section*
18 *6103(a) of title 5 or any other day declared to be a*
19 *holiday by Federal statute or Executive order; or*

20 *“(C) during the 30-day period that ends on the*
21 *date of a regularly scheduled general election for Fed-*
22 *eral office.*

23 *“(3) Any day which is declared under this subsection*
24 *to be a non-mail delivery day—*

1 “(A) shall, for purposes of mail delivery and
2 such other postal operations as the Postal Service
3 may by regulation prescribe, be treated as if it were
4 a Sunday; except that

5 “(B) an employee of the Postal Service (other
6 than one who is prevented from working on such day
7 by reason of this subsection) shall be entitled to the
8 same pay and benefits for that day as if this sub-
9 section had not been enacted.

10 “(4)(A) The 6-day mail delivery requirement shall not
11 apply with respect to a week in which a non-mail delivery
12 day under this subsection occurs.

13 “(B) The authority to declare a non-mail delivery day
14 under this subsection shall be considered to be within the
15 right of the Postal Service to determine the methods, means,
16 and personnel by which postal operations are to be con-
17 ducted.

18 “(5) Not less than 6 months after the date of enactment
19 of this subsection, the Postal Service may submit a proposal
20 under section 3661 for a nationwide change in service to
21 reduce mail delivery from 6 days to 5 days each week. Not-
22 withstanding any other provision of law, the Postal Service
23 shall maintain 6-day delivery service as the standard mail
24 delivery schedule until 90 days following the rendering of

1 *an advisory opinion on 5-day delivery by the Postal Regu-*
2 *latory Commission.”.*

3 **SEC. 112. EFFICIENT AND FLEXIBLE UNIVERSAL POSTAL**
4 **SERVICE.**

5 *(a) POSTAL POLICY.—*

6 *(1) IN GENERAL.—Section 101(b) is amended to*
7 *read as follows:*

8 *“(b) The Postal Service shall provide effective and reg-*
9 *ular postal services to rural areas, communities, and small*
10 *towns where post offices are not self-sustaining.”.*

11 *(2) CONFORMING AMENDMENTS.—Clause (iii) of*
12 *section 404(d)(2)(A) is amended to read as follows:*

13 *“(iii) whether such closing or consolidation*
14 *is consistent with the policy of the Government,*
15 *as stated in section 101(b), that the Postal Serv-*
16 *ice shall provide effective and regular postal*
17 *services to rural areas, communities, and small*
18 *towns where post offices are not self-sustaining;”.*

19 *(b) GENERAL DUTY.—Paragraph (3) of section 403(b)*
20 *is amended to read as follows:*

21 *“(3) to ensure that postal patrons throughout the*
22 *Nation will, consistent with reasonable economies of*
23 *postal operations, have ready access to essential postal*
24 *services.”.*

1 (c) *PRC REVIEW OF DETERMINATIONS TO CLOSE OR*
2 *CONSOLIDATE A POST OFFICE.—*

3 (1) *DEADLINE FOR REVIEW.—Section 404(d)(5)*
4 *is amended by striking “120 days” and inserting “60*
5 *days”.*

6 (2) *EXCLUSION FROM REVIEW.—Section 404(d)*
7 *is amended by adding at the end the following:*

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

12 “(B) *For purposes of this paragraph—*

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

15 “(I) *is not owned or operated by the Postal*
16 *Service; and*

17 “(II) *in addition to its usual operations,*
18 *provides postal services to the general public*
19 *under contract with the Postal Service; and*

20 “(ii) *the term ‘qualified contract postal unit’, as*
21 *used in connection with a post office, means a con-*
22 *tract postal unit which—*

23 “(I) *begins to provide postal services to the*
24 *general public during the period—*

1 “(aa) beginning 1 year before the date
2 on which the closure or consolidation of
3 such post office is scheduled to take effect;
4 and

5 “(bb) ending on the 15th day after the
6 date on which the closure or consolidation of
7 such post office is scheduled to take effect;
8 and

9 “(II) has not, pursuant to subparagraph
10 (A), served as the basis for exempting any other
11 post office from the appeals process set forth in
12 paragraph (5).

13 “(C)(i) If the contract postal unit (which is providing
14 postal services that had been previously provided by the post
15 office that was closed) does not continue to provide postal
16 services, as required by subparagraph (B)(i)(II), for at least
17 the 2-year period beginning on the date on which such post
18 office was closed, the contract postal unit shall be subject
19 to a closure determination by the Postal Service to decide
20 whether a post office must be reopened within the area (de-
21 limited by the 2-mile radius referred to in subparagraph
22 (A)).

23 “(ii) A decision under clause (i) not to reopen a post
24 office may be appealed to the Postal Regulatory Commis-
25 sion under procedures which the Commission shall by regu-

1 *lation prescribe. Such procedures shall be based on para-*
2 *graph (5), except that, for purposes of this clause, para-*
3 *graph (5)(C) shall be applied by substituting ‘in violation*
4 *of section 101(b), leaving postal patrons without effective*
5 *and regular access to postal services’ for ‘unsupported by*
6 *substantial evidence on the record.’.”.*

7 (3) *APPLICABILITY.—The amendments made by*
8 *this subsection shall not apply with respect to any*
9 *appeal, notice of which is received by the Postal Reg-*
10 *ulatory Commission before the date of the enactment*
11 *of this Act (determined applying the rules set forth in*
12 *section 404(d)(6) of title 39, United States Code).*

13 (d) *EXPEDITED PROCEDURES.—*

14 (1) *IN GENERAL.—Section 3661 is amended by*
15 *adding at the end the following:*

16 “(d)(1) *The Commission shall issue its opinion within*
17 *90 days after the receipt of any proposal (as referred to*
18 *in subsection (b)) concerning—*

19 “(A) *the closing or consolidation of postal retail*
20 *facilities (as that term is defined in section 102(2) of*
21 *the Postal Reform Act of 2011) to a degree that will*
22 *generally affect service on a nationwide or substan-*
23 *tially nationwide basis; or*

1 “(B) an identical or substantially identical pro-
2 posal on which the Commission issued an opinion
3 within the preceding 5 years.

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

8 (2) *REGULATIONS.*—The Postal Regulatory Com-
9 mission shall prescribe any regulations necessary to
10 carry out the amendment made by paragraph (1)
11 within 90 days after the date of the enactment of this
12 Act.

13 (3) *APPLICABILITY.*—The amendment made by
14 this subsection shall apply with respect to any pro-
15 posal received by the Postal Regulatory Commission
16 on or after the earlier of—

17 (A) the 90th day after the date of the enact-
18 ment of this Act; or

19 (B) the effective date of the regulations
20 under paragraph (2).

21 **SEC. 113. ENHANCED REPORTING ON POSTAL SERVICE EF-**
22 **FICIENCY.**

23 Section 3652(a) is amended—

24 (1) in paragraph (1), by striking “and” after the
25 semicolon;

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

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

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

9 **SEC. 114. APPLICABILITY OF PROCEDURES RELATING TO**
10 **CLOSURES AND CONSOLIDATIONS.**

11 (a) *IN GENERAL.*—*Section 404(d) is amended by add-*
12 *ing after paragraph (7) (as added by section 112(c)(2)) the*
13 *following:*

14 “*(8) For purposes of this subsection, the term ‘post of-*
15 *fice’ means a post office and any other facility described*
16 *in section 102(2) of the Postal Reform Act of 2011.”.*

17 (b) *EFFECTIVE DATE.*—*The amendment made by sub-*
18 *section (a) shall be effective with respect to any closure or*
19 *consolidation, the proposed effective date of which occurs on*
20 *or after the 60th day following the date of enactment of*
21 *this Act.*

1 **TITLE II—POSTAL SERVICE FI-**
2 **NANCIAL RESPONSIBILITY**
3 **AND MANAGEMENT ASSIST-**
4 **ANCE AUTHORITY**
5 **Subtitle A—Establishment and**
6 **Organization**

7 **SEC. 201. PURPOSES.**

8 (a) *PURPOSES.*—*The purposes of this title are as fol-*
9 *lows:*

10 (1) *To eliminate budget deficits and cash short-*
11 *ages of the Postal Service through strategic financial*
12 *planning, sound budgeting, accurate revenue forecasts,*
13 *and careful spending.*

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

17 (3) *To conduct necessary investigations and*
18 *studies to determine the fiscal status and operational*
19 *efficiency of the Postal Service.*

20 (4) *To assist the Postal Service in—*

21 (A) *restructuring its organization and*
22 *workforce to bring expenses in line with dimin-*
23 *ishing revenue and generate sufficient profits for*
24 *capital investment and repayment of debt;*

1 (B) meeting all fiscal obligations to the
2 Treasury of the United States; and

3 (C) ensuring the appropriate and efficient
4 delivery of postal services.

5 (5) To provide the Postal Service with a tem-
6 porary increase in its borrowing authority to enable
7 the Postal Service to complete necessary restructuring.

8 (6) To ensure the long-term financial, fiscal, and
9 economic vitality and operational efficiency of the
10 Postal Service.

11 (b) *RESERVATION OF POWERS.*—Nothing in this title
12 may be construed—

13 (1) to relieve any obligations existing as of the
14 date of the enactment of this Act of the Postal Service
15 to the Treasury of the United States; or

16 (2) to limit the authority of Congress to exercise
17 ultimate legislative authority over the Postal Service.

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

19 (a) *ESTABLISHMENT.*—There shall be established,
20 upon the commencement of any control period, an entity
21 to be known as the “Postal Service Financial Responsibility
22 and Management Assistance Authority” (hereinafter in this
23 title referred to as the “Authority”).

24 (b) *CONTROL PERIOD.*—

25 (1) *COMMENCEMENT OF A CONTROL PERIOD.*—

1 (A) *IN GENERAL.*—*For the purposes of this*
2 *title, a control period commences whenever the*
3 *Postal Service has been in default to the Treas-*
4 *ury of the United States, with respect to any*
5 *debts, obligations, loans, bonds, notes, or other*
6 *form of borrowing, or any scheduled payments to*
7 *any fund in the Treasury of the United States,*
8 *for a period of at least 30 days.*

9 (B) *ADVISORY PERIOD.*—*For purposes of*
10 *the first control period, the Authority shall oper-*
11 *ate exclusively in an advisory period for two full*
12 *fiscal years after the commencement of the con-*
13 *trol period. At the completion of the second full*
14 *fiscal year or any year thereafter during the*
15 *length of the control period, if the Postal Serv-*
16 *ice’s annual deficit is greater than*
17 *\$2,000,000,000, the Authority shall be fully in*
18 *force according to the provisions of this title.*

19 *During an advisory period—*

20 (i) *the Authority is not authorized to*
21 *employ any staff and the Postal Service*
22 *shall designate a Level-Two Postal Service*
23 *Executive as a liaison with the members of*
24 *the Authority;*

1 (ii) any provision of this title that re-
2 quires the Authority or the Postal Service to
3 take any action shall be considered only to
4 take effect in the event the Authority comes
5 into full force and that effective date shall
6 be considered to be the date of the com-
7 mencement of the control period for the pur-
8 poses any provision not mention in this
9 subparagraph; and

10 (iii) the Postal Service shall have ac-
11 cess to the funds available under section 222
12 according to applicable provisions of this
13 Act, subject to the approval of the Postal
14 Service Board of Governors without the ap-
15 proval of the Authority.

16 (2) *TREATMENT OF AUTHORITIES AND RESPON-*
17 *SIBILITIES OF THE BOARD OF GOVERNORS, ETC. DUR-*
18 *ING A CONTROL PERIOD.—During a control period—*

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

1 (B) *the Board of Governors, and the indi-*
2 *vidual Governors, may act in an advisory capac-*
3 *ity only.*

4 (3) *TREATMENT OF CERTAIN POSTAL SERVICE*
5 *EXECUTIVES DURING A CONTROL PERIOD.—*

6 (A) *DEFINITION.—For the purposes of this*
7 *section, the term “Level-Two Postal Service Ex-*
8 *ecutive” includes the Postmaster General, the*
9 *Deputy Postmaster General, and all other offi-*
10 *cers or employees of the Postal Service in level*
11 *two of the Postal Career Executive Service (or*
12 *the equivalent).*

13 (B) *TREATMENT.—Notwithstanding any*
14 *other provision of law or employment contract,*
15 *during a control period—*

16 (i) *all Level-Two Postal Service Execu-*
17 *tives shall serve at the pleasure of the Au-*
18 *thority;*

19 (ii) *the duties and responsibilities of*
20 *all Level-Two Postal Service Executives, as*
21 *well as the terms and conditions of their*
22 *employment (including their compensation),*
23 *shall be subject to determination or redeter-*
24 *mination by the Authority;*

1 (iii) total compensation of a Level-Two
2 Postal Service Executive may not, for any
3 year in such control period, exceed the an-
4 nual rate of basic pay payable for level I of
5 the Executive Schedule under section 5312
6 of title 5, United States Code, for such year;
7 for purposes of this clause, the term “total
8 compensation” means basic pay, bonuses,
9 awards, and all other monetary compensa-
10 tion;

11 (iv) the percentage by which the rate of
12 basic pay of a Level-Two Postal Service Ex-
13 ecutive is increased during any year in
14 such control period may not exceed the per-
15 centage change in the Consumer Price Index
16 for All Urban Consumers, unadjusted for
17 seasonal variation, for the most recent 12-
18 month period available, except that, in the
19 case of a Level-Two Postal Service Execu-
20 tive who has had a significant change in job
21 responsibilities, a greater change shall be al-
22 lowable if approved by the Authority;

23 (v) apart from basic pay, a Level-Two
24 Postal Service Executive may not be af-
25 forded any bonus, award, or other monetary

1 *compensation for any fiscal year in the con-*
2 *trol period if expenditures of the Postal*
3 *Service for such fiscal year exceeded reve-*
4 *nuces of the Postal Service for such fiscal*
5 *year (determined in accordance with gen-*
6 *erally accepted accounting principles); and*

7 *(vi) no deferred compensation may be*
8 *paid, accumulated, or recognized in the case*
9 *of any Level-Two Postal Service Executive,*
10 *with respect to any year in a control pe-*
11 *riod, which is not generally paid, accumu-*
12 *lated, or recognized in the case of employees*
13 *of the United States (outside of the Postal*
14 *Service) in level I of the Executive Schedule*
15 *under section 5312 of title 5, United States*
16 *Code, with respect to such year.*

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

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

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

4 (4) *TERMINATION OF A CONTROL PERIOD.*—Sub-
5 ject to subtitle D, a control period terminates upon
6 certification by the Authority, with the concurrence of
7 the Secretary of the Treasury and the Director of the
8 Office of Personnel Management, that—

9 (A) for 2 consecutive fiscal years (occurring
10 after the date of the enactment of this Act), ex-
11 penditures of the Postal Service did not exceed
12 revenues of the Postal Service (as determined in
13 accordance with generally accepted accounting
14 principles);

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

21 (C) the Postal Service financial plan and
22 budget (as referred to in subparagraph (B)) in-
23 cludes plans—

24 (i) for the repayment of any supple-
25 mentary debt under section 222, in equal

1 *annual installments over a period of not*
2 *more than 5 years; and*

3 *(ii) to properly fund Postal Service*
4 *pensions and retiree health benefits in ac-*
5 *cordance with law.*

6 **SEC. 203. MEMBERSHIP AND QUALIFICATION REQUIRE-**
7 **MENTS.**

8 *(a) MEMBERSHIP.—*

9 *(1) IN GENERAL.—The Authority shall consist of*
10 *5 members appointed by the President who meet the*
11 *qualifications described in subsection (b), except that*
12 *the Authority may take any action under this title at*
13 *any time after the President has appointed 4 of its*
14 *members.*

15 *(2) RECOMMENDATIONS.—Of the 5 members so*
16 *appointed—*

17 *(A) 1 shall be appointed from among indi-*
18 *viduals recommended by the Speaker of the*
19 *House of Representatives;*

20 *(B) 1 shall be appointed from among indi-*
21 *viduals recommended by the majority leader of*
22 *the Senate;*

23 *(C) 1 shall be appointed from among indi-*
24 *viduals recommended by the minority leader of*
25 *the House of Representatives;*

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

4 (E) 1 shall be appointed from among indi-
5 viduals recommended by the Comptroller Gen-
6 eral.

7 (3) *POLITICAL AFFILIATION.*—No more than 3
8 members of the Authority may be of the same political
9 party.

10 (4) *CHAIR.*—The President shall designate 1 of
11 the members of the Authority as the Chair of the Au-
12 thority.

13 (5) *SENSE OF CONGRESS REGARDING DEADLINE*
14 *FOR APPOINTMENT.*—It is the sense of Congress that
15 the President should appoint the members of the Au-
16 thority as soon as practicable after the date on which
17 a control period commences, but no later than 30
18 days after such date.

19 (6) *TERM OF SERVICE.*—

20 (A) *IN GENERAL.*—Except as provided in
21 subparagraph (B), each member of the Authority
22 shall be appointed for a term of 3 years.

23 (B) *APPOINTMENT FOR TERM FOLLOWING*
24 *INITIAL TERM.*—As designated by the President
25 at the time of appointment for the term imme-

1 *diately following the initial term, of the members*
2 *appointed for the term immediately following the*
3 *initial term—*

4 *(i) 1 member shall be appointed for a*
5 *term of 1 year;*

6 *(ii) 2 members shall be appointed for*
7 *a term of 2 years; and*

8 *(iii) 2 members shall be appointed for*
9 *a term of 3 years.*

10 *(C) REMOVAL.—The President may remove*
11 *any member of the Authority only for cause.*

12 *(D) NO COMPENSATION FOR SERVICE.—*
13 *Members of the Authority shall serve without*
14 *pay, but may receive reimbursement for any rea-*
15 *sonable and necessary expenses incurred by rea-*
16 *son of service on the Authority.*

17 *(b) QUALIFICATION REQUIREMENTS.—*

18 *(1) IN GENERAL.—An individual meets the*
19 *qualifications for membership on the Authority if the*
20 *individual—*

21 *(A) has significant knowledge and expertise*
22 *in finance, management, and the organization or*
23 *operation of businesses having more than 500*
24 *employees; and*

1 (B) represents the public interest generally,
2 is not a representative of specific interests using
3 or belonging to the Postal Service, and does not
4 have any business or financial interest in any
5 enterprise in the private sector of the economy
6 engaged in the delivery of mail matter.

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

11 (A) has been an officer, employee, or private
12 contractor with the Postal Service or the Postal
13 Regulatory Commission; or

14 (B) has served as an employee or contractor
15 of a labor organization representing employees of
16 the Postal Service or the Postal Regulatory Com-
17 mission.

18 **SEC. 204. ORGANIZATION.**

19 (a) *ADOPTION OF BY-LAWS FOR CONDUCTING BUSI-*
20 *NESS.*—As soon as practicable after the appointment of its
21 members, the Authority shall adopt by-laws, rules, and pro-
22 cedures governing its activities under this title, including
23 procedures for hiring experts and consultants. Upon adop-
24 tion, such by-laws, rules, and procedures shall be submitted

1 *by the Authority to the Postmaster General, the President,*
2 *and Congress.*

3 **(b) CERTAIN ACTIVITIES REQUIRING APPROVAL OF**
4 *MAJORITY OF MEMBERS.—Under its by-laws, the Authority*
5 *may conduct its operations under such procedures as it con-*
6 *siders appropriate, except that an affirmative vote of a ma-*
7 *jority of the members of the Authority shall be required in*
8 *order for the Authority to—*

9 *(1) approve or disapprove a financial plan and*
10 *budget as described by subtitle C;*

11 *(2) implement recommendations on financial*
12 *stability and management responsibility under sec-*
13 *tion 226;*

14 *(3) take any action under authority of section*
15 *202(b)(3)(B)(i); or*

16 *(4) initiate the establishment of a new workers’*
17 *compensation system for the Postal Service in accord-*
18 *ance with section 311.*

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

20 **(a) EXECUTIVE DIRECTOR.—***The Authority shall have*
21 *an Executive Director who shall be appointed by the Chair*
22 *with the consent of the Authority. The Executive Director*
23 *shall be paid at a rate determined by the Authority, except*
24 *that such rate may not exceed the rate of basic pay payable*

1 *for level IV of the Executive Schedule under section 5315*
2 *of title 5, United States Code.*

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

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

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

1 **SEC. 206. FUNDING.**

2 (a) *IN GENERAL.*—*There are authorized to be appro-*
3 *priated, out of the Postal Service Fund, such sums as may*
4 *be necessary for the Authority. In requesting an appropria-*
5 *tion under this section for a fiscal year, the Authority shall*
6 *prepare and submit to the Congress under section 2009 of*
7 *title 39, United States Code, a budget of the Authority’s*
8 *expenses, including expenses for facilities, supplies, com-*
9 *pensation, and employee benefits not to exceed \$10,000,000.*
10 *In years in which a control period commences, the Author-*
11 *ity shall submit a budget within 30 days of the appoint-*
12 *ment of the members of the Authority.*

13 (b) *AMENDMENT TO SECTION 2009.*—*Section 2009 is*
14 *amended in the next to last sentence—*

15 (1) *by striking “, and (3)” and inserting “, (3)”;*

16 *and*

17 (2) *by striking the period and inserting “, and*

18 (4) *the Postal Service Financial Responsibility and*

19 *Management Assistance Authority requests to be ap-*

20 *propriated, out of the Postal Service Fund, under sec-*

21 *tion 206 of the Postal Reform Act of 2011.”.*

22 ***Subtitle B—Powers of the Authority***

23 **SEC. 211. POWERS.**

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

1 *thority, take any action which the Authority is authorized*
2 *by this section to take.*

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

17 **(c) GIFTS, BEQUESTS, AND DEVISES.**—*The Authority*
18 *may accept, use, and dispose of gifts, bequests, or devises*
19 *of services or property, both real and personal, for the pur-*
20 *pose of aiding or facilitating the work of the Authority.*
21 *Gifts, bequests, or devises of money and proceeds from sales*
22 *of other property received as gifts, bequests, or devises shall*
23 *be deposited in such account as the Authority may establish*
24 *and shall be available for disbursement upon order of the*
25 *Chair.*

1 (d) *ADMINISTRATIVE SUPPORT SERVICES.*—Upon the
2 request of the Authority, the Administrator of General Serv-
3 ices may provide to the Authority, on a reimbursable basis,
4 the administrative support services necessary for the Au-
5 thority to carry out its responsibilities under this title.

6 (e) *AUTHORITY TO ENTER INTO CONTRACTS.*—The
7 Executive Director may enter into such contracts as the Ex-
8 ecutive Director considers appropriate (subject to the ap-
9 proval of the Chair) to carry out the Authority’s respon-
10 sibilities under this title.

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

14 (g) *PENALTIES.*—

15 (1) *ADMINISTRATIVE DISCIPLINE.*—Any officer
16 or employee of the Postal Service who, by action or
17 inaction, fails to comply with any directive or other
18 order of the Authority under section 226(c) shall be
19 subject to appropriate administrative discipline, in-
20 cluding suspension from duty without pay or removal
21 from office, by order of either the Postmaster General
22 or the Authority.

23 (2) *REPORTING REQUIREMENT.*—Whenever an
24 officer or employee of the Postal Service takes or fails
25 to take any action which is noncompliant with any

1 *affected or aggrieved by an order or decision of the Author-*
2 *ity may, within 30 days after such order or decision be-*
3 *comes final, institute proceedings for review thereof by fil-*
4 *ing a petition in the United States Court of Appeals for*
5 *the District of Columbia Circuit. The court shall review the*
6 *order or decision in accordance with section 706 of title*
7 *5, United States Code, and chapter 158 and section 2112*
8 *of title 28, United States Code. Judicial review shall be lim-*
9 *ited to the question of whether the Authority acted in excess*
10 *of its statutory authority, and determinations of the Au-*
11 *thority with respect to the scope of its statutory authority*
12 *shall be upheld if based on a permissible construction of*
13 *the statutory authority.*

14 **(b) PROMPT APPEAL TO THE SUPREME COURT.**—*Not-*
15 *withstanding any other provision of law, review by the Su-*
16 *preme Court of the United States of a decision of the Court*
17 *of Appeals which is issued pursuant to subsection (a) may*
18 *be had only if the petition for such review is filed within*
19 *10 days after the entry of such decision.*

20 **(c) TIMING OF RELIEF.**—*No order of any court grant-*
21 *ing declaratory or injunctive relief against the Authority,*
22 *including relief permitting or requiring the obligation, bor-*
23 *rowing, or expenditure of funds, shall take effect during the*
24 *pendency of the action before such court, during the time*
25 *appeal may be taken, or (if appeal is taken) during the*

1 *period before the court has entered its final order disposing*
2 *of such action.*

3 (d) *EXPEDITED CONSIDERATION.*—*It shall be the duty*
4 *of the United States Court of Appeals for the District of*
5 *Columbia and the Supreme Court of the United States to*
6 *advance on the docket and to expedite to the greatest pos-*
7 *sible extent the disposition of any matter brought under*
8 *subsection (a).*

9 **SEC. 214. DELIVERY POINT MODERNIZATION.**

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

11 (1) *the term “delivery point” means a mailbox*
12 *or other receptacle to which mail is delivered;*

13 (2) *the term “primary mode of delivery” means*
14 *the typical method by which the Postal Service deliv-*
15 *ers letter mail to the delivery point of a postal pa-*
16 *tron;*

17 (3) *the term “door delivery” means a primary*
18 *mode of mail delivery whereby mail is placed into a*
19 *slot or receptacle at or near the postal patron’s door*
20 *or is hand delivered to a postal patron, but does not*
21 *include curbside or centralized delivery;*

22 (4) *the term “centralized delivery” means a pri-*
23 *mary mode of mail delivery whereby mail receptacles*
24 *are grouped or clustered at a single location; and*

1 (5) *the term “curbside delivery” means a pri-*
2 *mary mode of mail delivery whereby a mail recep-*
3 *tacle is situated at the edge of a roadway or curb.*

4 (b) *REDUCTION IN TOTAL NUMBER OF DELIVERY*
5 *POINTS.—The Authority shall, during the first control pe-*
6 *riod commencing under this title, take such measures as*
7 *may be necessary and appropriate so that—*

8 (1) *in each fiscal year beginning at least 2 years*
9 *after the commencement date of such first control pe-*
10 *riod—*

11 (A) *the total number of delivery points for*
12 *which door delivery is the primary mode of mail*
13 *delivery does not exceed 25 percent of the cor-*
14 *responding number for the fiscal year last ending*
15 *before such commencement date; and*

16 (B) *the total annual costs attributable to*
17 *door delivery, centralized delivery, and curbside*
18 *delivery combined will be at least \$3,500,000,000*
19 *less than the corresponding total annual costs for*
20 *the fiscal year last ending before such commence-*
21 *ment date; and*

22 (2) *in each fiscal year beginning at least 4 years*
23 *after the commencement date of such first control pe-*
24 *riod, the total number of delivery points for which*
25 *door delivery is the primary mode of mail delivery*

1 *does not exceed 10 percent of the corresponding num-*
2 *ber for the fiscal year last ending before such com-*
3 *mencement date.*

4 *In making any decision under this subsection involving the*
5 *continuation or termination of door delivery with respect*
6 *to any locality or addresses within a locality, the Authority*
7 *shall consider rates of poverty, population density, histor-*
8 *ical value, whether such locality is in a registered historic*
9 *district (as that term is defined in section 47(c)(3)(B) of*
10 *the Internal Revenue Code of 1986), whether such address*
11 *is another place on the National Register of Historic Places,*
12 *and other appropriate factors.*

13 *(c) ORDER OF PRECEDENCE.—In order to carry out*
14 *subsection (b)—*

15 *(1) in making conversions from door delivery to*
16 *other primary modes of delivery—*

17 *(A) conversion shall be to centralized deliv-*
18 *ery; except*

19 *(B) if subparagraph (A) is impractical,*
20 *conversion shall be to curbside delivery; and*

21 *(2) in the case of delivery points established after*
22 *the commencement date of the first control period*
23 *under this title—*

24 *(A) centralized delivery shall be the pri-*
25 *mary mode of delivery; except*

1 (B) if subparagraph (A) is impractical,
2 curbside delivery shall be the primary mode of
3 delivery.

4 (d) *WAIVER FOR PHYSICAL HARDSHIP.*—The Postal
5 Service shall establish and maintain a waiver program
6 under which, upon application, door delivery may be con-
7 tinued or provided in any case in which—

8 (1) centralized or curbside delivery would, but
9 for this subsection, otherwise be the primary mode of
10 delivery; and

11 (2) door delivery is necessary in order to avoid
12 causing significant physical hardship to a postal pa-
13 tron.

14 (e) *CENTRALIZED DELIVERY PLACEMENT.*—It is the
15 sense of the Congress that the Postal Service should nego-
16 tiate with State and local governments, businesses, local as-
17 sociations, and property owners to place centralized deliv-
18 ery units in locations that maximize delivery efficiency,
19 ease of use for postal patrons, and respect for private prop-
20 erty rights.

21 (f) *VOUCHER PROGRAM.*—

22 (1) *IN GENERAL.*—The Postal Service may, in
23 accordance with such standards and procedures as the
24 Postal Service shall by regulation prescribe, provide
25 for a voucher program under which—

1 (A) upon application, the Postal Service
2 may defray all or any portion of the costs associ-
3 ated with conversion from door delivery under
4 this section which would otherwise be borne by
5 postal patrons; and

6 (B) the Postal Service Competitive Products
7 Fund is made available for that purpose.

8 (2) CONFORMING AMENDMENT.—Section
9 2011(a)(2) is amended—

10 (A) in subparagraph (A), by striking “and”
11 after the semicolon;

12 (B) in subparagraph (B), by striking the
13 period and inserting “; and”; and

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

15 “(C) vouchers under the program described in
16 section 214(f)(1) of the Postal Reform Act of 2011.”.

17 (g) AUDITS.—

18 (1) IN GENERAL.—The Inspector General of the
19 United States Postal Service—

20 (A) shall conduct an annual audit to deter-
21 mine whether the Postal Service is in compliance
22 with the requirements of subsection (b); and

23 (B) shall make such recommendations as the
24 Inspector General considers appropriate to im-
25 prove the administration of such subsection.

1 (2) *SUBMISSION.*—*The audit and recommenda-*
2 *tions under paragraph (1) shall be submitted by the*
3 *Inspector General to—*

4 (A) *the Committee on Oversight and Gov-*
5 *ernment Reform of the House of Representatives;*
6 *and*

7 (B) *the Committee on Homeland Security*
8 *and Governmental Affairs of the Senate.*

9 (3) *INFORMATION.*—*Upon request, the Postal*
10 *Service shall furnish such information as the Inspec-*
11 *tor General may require in order to carry out this*
12 *subsection.*

13 (h) *SAVINGS REPORT.*—

14 (1) *IN GENERAL.*—*In the event that a reduction*
15 *in door delivery points is required under this section,*
16 *the Authority shall submit a report to Congress, not*
17 *later than 1 year after the date on which such reduc-*
18 *tions commence, describing the cost savings realized to*
19 *the date of such submission and the estimated addi-*
20 *tional cost savings anticipated as a result of such re-*
21 *ductions occurring after such submission. The report*
22 *shall include—*

23 (A) *the measures taken to achieve the real-*
24 *ized savings and the assumptions and methodolo-*

1 gives used to compute the estimated cost savings;
2 and

3 (B) information with respect to what addi-
4 tional measures might be necessary to achieve the
5 cost savings required under this section.

6 (2) *REDUCTION LIMITATION.*—Notwithstanding
7 any other provision of this Act, if the Authority deter-
8 mines that the measures described pursuant to sub-
9 paragraphs (A) and (B) of paragraph (1) are not fea-
10 sible, not cost effective, or otherwise detrimental to the
11 mail delivery policy of the Postal Service, the Author-
12 ity shall submit a report to Congress stating any leg-
13 islative changes recommended for door delivery mod-
14 ernization procedures under this section, including
15 increasing flexibility of this section’s requirements or
16 the postponement of further conversion.

17 ***Subtitle C—Establishment and En-***
18 ***forcement of Financial Plan and***
19 ***Budget for the Postal Service***

20 ***SEC. 221. DEVELOPMENT OF FINANCIAL PLAN AND BUDGET***
21 ***FOR THE POSTAL SERVICE.***

22 (a) *DEVELOPMENT OF FINANCIAL PLAN AND BUDG-*
23 *ET.*—For each fiscal year for which the Postal Service is
24 *in a control period, the Postmaster General shall develop*

1 *and submit to the Authority a financial plan and budget*
2 *for the Postal Service in accordance with this section.*

3 (b) *CONTENTS OF FINANCIAL PLAN AND BUDGET.—*

4 *A financial plan and budget for the Postal Service for a*
5 *fiscal year shall specify the budget for the Postal Service*
6 *as required by section 2009 of title 39, United States Code,*
7 *for the applicable fiscal year and the next 3 fiscal years,*
8 *in accordance with the following requirements:*

9 (1) *The financial plan and budget shall meet the*
10 *requirements described in subsection (c) to promote*
11 *the financial stability of the Postal Service.*

12 (2) *The financial plan and budget shall—*

13 (A) *include the Postal Service’s annual*
14 *budget program (under section 2009 of title 39,*
15 *United States Code) and the Postal Service’s*
16 *plan commonly referred to as its “Integrated Fi-*
17 *nancial Plan”;*

18 (B) *describe lump-sum expenditures by all*
19 *categories traditionally used by the Postal Serv-*
20 *ice;*

21 (C) *describe capital expenditures (together*
22 *with a schedule of projected capital commitments*
23 *and cash outlays of the Postal Service and pro-*
24 *posed sources of funding);*

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

3 (E) contain cash flow and liquidity fore-
4 casts for the Postal Service at such intervals as
5 the Authority may require.

6 (3) The financial plan and budget shall include
7 a statement describing methods of estimations and
8 significant assumptions.

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

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

15 (B) management initiatives to promote pro-
16 ductivity, improvement in the delivery of serv-
17 ices, or cost savings.

18 (c) *REQUIREMENTS TO PROMOTE FINANCIAL STA-*
19 *BILITY.—*

20 (1) *IN GENERAL.—*The requirements to promote
21 the financial stability of the Postal Service applicable
22 to the financial plan and budget for a fiscal year are
23 as follows:

24 (A) In each fiscal year (following the first
25 full fiscal year) in a control period, budgeted ex-

1 *penditures of the Postal Service for the fiscal*
2 *year involved may not exceed budgeted revenues*
3 *of the Postal Service for the fiscal year involved.*

4 *(B) In each fiscal year in a control period,*
5 *the Postal Service shall make continuous, sub-*
6 *stantial progress towards long-term fiscal sol-*
7 *veny and shall have substantially greater net*
8 *income than in the previous fiscal year.*

9 *(C) The Postal Service shall provide for the*
10 *orderly liquidation of any supplementary debt*
11 *under section 222.*

12 *(D) The financial plan and budget shall as-*
13 *sure the continuing long-term financial stability*
14 *of the Postal Service, as indicated by factors such*
15 *as the efficient management of the Postal Serv-*
16 *ice's workforce and the effective provision of serv-*
17 *ices by the Postal Service.*

18 *(2) APPLICATION OF SOUND BUDGETARY PRAC-*
19 *TICES.—In meeting the requirement described in*
20 *paragraph (1) with respect to a financial plan and*
21 *budget for a fiscal year, the Postal Service shall apply*
22 *sound budgetary practices, including reducing costs*
23 *and other expenditures, improving productivity, in-*
24 *creasing revenues, or a combination of such practices.*

1 (3) *ASSUMPTIONS BASED ON CURRENT LAW.*—*In*
2 *meeting the requirements described in paragraph (1)*
3 *with respect to a financial plan and budget for a fis-*
4 *cal year, the Postal Service shall base estimates of*
5 *revenues and expenditures on Federal law as in effect*
6 *at the time of the preparation of such financial plan*
7 *and budget.*

8 **SEC. 222. SUPPLEMENTARY BORROWING AUTHORITY DUR-**
9 **ING A CONTROL PERIOD.**

10 (a) *IN GENERAL.*—*Upon the commencement of a con-*
11 *trol period, subject to the approval of the Authority, the*
12 *Postal Service is authorized to borrow money and issue and*
13 *sell such obligations as may be necessary to carry out the*
14 *purposes of this title, to the same extent, in the same man-*
15 *ner, and subject to the same terms and conditions as if the*
16 *maximum amount allowable under the provisions of section*
17 *2005(a)(2) of title 39, United States Code, for the fiscal year*
18 *involved were equal to the maximum amount which (but*
19 *for this section) would otherwise be allowable under such*
20 *provisions, increased by \$10,000,000,000. The authoriza-*
21 *tion to issue obligations under this section shall extend for*
22 *a period of not more than 10 years beginning on the date*
23 *of commencement of a control period, as described in section*
24 *202(b). At the end of such a 10-year period, the Postal Serv-*
25 *ice shall dispose of real property of the Postal Service gener-*

1 *ating sufficient proceeds to repay any outstanding obliga-*
2 *tion incurred under this subsection in its entirety.*

3 (b) *EXCLUSION.—The last sentence of section*
4 *2005(a)(1) of title 39, United States Code, shall not apply*
5 *with respect to any amounts borrowed or obligations issued*
6 *or sold under authority of this section (which, but for sub-*
7 *section (a), would not otherwise have been allowable).*

8 (c) *DEPOSIT.—Any amounts received under this sec-*
9 *tion shall be deposited in the Postal Service Fund.*

10 (d) *COLLATERAL.—For the purposes of funds acquired*
11 *under subsection (a), the Postal Service shall provide an*
12 *appropriate level of collateral in the form of pledged Postal*
13 *Service property assets. For each fiscal year in which there*
14 *remain funds made available to the Postal Service under*
15 *subsection (a), the Postal Service shall dispose of real prop-*
16 *erty equal to an amount that is at least 10 percent of the*
17 *total funds obligated by the Postal Service under subsection*
18 *(a), and the proceeds of such disposal shall be used to repay*
19 *any outstanding obligation made by the Postal Service*
20 *under subsection (a) in its entirety.*

21 **SEC. 223. PROCESS FOR SUBMISSION AND APPROVAL OF FI-**
22 **NANCIAL PLAN AND BUDGET.**

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

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

4 (2) *by August 1 before the start of such fiscal*
5 *year, a final financial plan and budget under section*
6 *221 for such fiscal year.*

7 **(b) REVIEW BY AUTHORITY.**—*Upon receipt of a finan-*
8 *cial plan and budget under subsection (a) (whether prelimi-*
9 *nary or final), the Authority shall promptly review such*
10 *financial plan and budget. In conducting the review, the*
11 *Authority may request any additional information it con-*
12 *siders necessary and appropriate to carry out its duties*
13 *under this subtitle.*

14 **(c) APPROVAL OF POSTMASTER GENERAL'S FINANCIAL**
15 **PLAN AND BUDGET.**—

16 (1) **IN GENERAL.**—*If the Authority determines*
17 *that the final financial plan and budget for the fiscal*
18 *year submitted by the Postmaster General under sub-*
19 *section (a) meets the requirements of section 221—*

20 (A) *the Authority shall approve the finan-*
21 *cial plan and budget and shall provide the Post-*
22 *master General, the President, and Congress*
23 *with a notice certifying its approval; and*

24 (B) *the Postmaster General shall promptly*
25 *submit the annual budget program to the Office*

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

3 (2) *DEEMED APPROVAL AFTER 30 DAYS.—*

4 (A) *IN GENERAL.—If the Authority has not*
5 *provided the Postmaster General, the President,*
6 *and Congress with a notice certifying approval*
7 *under paragraph (1)(A) or a statement of dis-*
8 *approval under subsection (d) before the expira-*
9 *tion of the 30-day period which begins on the*
10 *date the Authority receives the financial plan*
11 *and budget from the Postmaster General under*
12 *subsection (a), the Authority shall be deemed to*
13 *have approved the financial plan and budget*
14 *and to have provided the Postmaster General, the*
15 *President, and Congress with the notice certi-*
16 *fying approval under paragraph (1)(A).*

17 (B) *EXPLANATION OF FAILURE TO RE-*
18 *SPOND.—If subparagraph (A) applies with re-*
19 *spect to a financial plan and budget, the Author-*
20 *ity shall provide the Postmaster General, the*
21 *President and Congress with an explanation for*
22 *its failure to provide the notice certifying ap-*
23 *proval or the statement of disapproval during*
24 *the 30-day period described in such subpara-*
25 *graph.*

1 (d) *DISAPPROVAL OF POSTMASTER GENERAL'S BUDG-*
2 *ET.—If the Authority determines that the final financial*
3 *plan and budget for the fiscal year submitted by the Post-*
4 *master General under subsection (a) does not meet the re-*
5 *quirements applicable under section 221, the Authority*
6 *shall disapprove the financial plan and budget, and shall*
7 *provide the Postmaster General, the President, and Con-*
8 *gress with a statement containing—*

9 (1) *the reasons for such disapproval;*

10 (2) *the amount of any shortfall in the budget or*
11 *financial plan; and*

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

16 (e) *AUTHORITY REVIEW OF POSTMASTER GENERAL'S*
17 *REVISED FINAL FINANCIAL PLAN AND BUDGET.—*

18 (1) *SUBMISSION OF POSTMASTER GENERAL'S RE-*
19 *VISIONED FINAL FINANCIAL PLAN AND BUDGET.—Not*
20 *later than 15 days after receiving the statement from*
21 *the Authority under subsection (d), the Postmaster*
22 *General shall promptly adopt a revised final finan-*
23 *cial plan and budget for the fiscal year which ad-*
24 *dresses the reasons for the Authority's disapproval*

1 *cited in the statement, and shall submit such finan-*
2 *cial plan and budget to the Authority.*

3 (2) *APPROVAL OF POSTMASTER GENERAL'S RE-*
4 *REVISED FINAL FINANCIAL PLAN AND BUDGET.—If, after*
5 *reviewing the revised final financial plan and budget*
6 *for a fiscal year submitted by the Postmaster General*
7 *under paragraph (1) in accordance with the proce-*
8 *dures described in this section, the Authority deter-*
9 *mines that the revised final financial plan and budget*
10 *meets the requirements applicable under section*
11 *221—*

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

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

20 (3) *DISAPPROVAL OF POSTMASTER GENERAL'S*
21 *REVISED FINAL FINANCIAL PLAN AND BUDGET.—*

22 (A) *IN GENERAL.—If, after reviewing the*
23 *revised final financial plan and budget for a fis-*
24 *cal year submitted by the Postmaster General*
25 *under paragraph (1) in accordance with the pro-*

1 *cedures described in this subsection, the Author-*
2 *ity determines that the revised final financial*
3 *plan and budget does not meet the applicable re-*
4 *quirements under section 221, the Authority*
5 *shall—*

6 *(i) disapprove the financial plan and*
7 *budget;*

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

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

20 *(B) SUBMISSION TO OMB.—Upon receipt of*
21 *the recommended financial plan and budget*
22 *under subparagraph (A)(iii), the Postmaster*
23 *General shall promptly submit the recommended*
24 *annual budget program to the Office of Manage-*

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

3 (4) *DEEMED APPROVAL AFTER 15 DAYS.—*

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

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

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

3 *(f) DEADLINE FOR TRANSMISSION OF FINANCIAL PLAN*
4 *AND BUDGET BY AUTHORITY.—Notwithstanding any other*
5 *provision of this section, not later than September 30th be-*
6 *fore each fiscal year which is in a control period, the Au-*
7 *thority 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 *(c);*

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 Authority*
18 *for the Postal Service for the fiscal year under sub-*
19 *section (e)(3)(A)(iii).*

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

21 *(1) PERMITTING POSTMASTER GENERAL TO SUB-*
22 *MIT REVISIONS.—The Postmaster General may sub-*
23 *mit 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.—Ex-*
3 *cept as provided in paragraph (3), the procedures de-*
4 *scribed in subsections (b), (c), (d), and (e) shall apply*
5 *with respect to a proposed revision to a financial*
6 *plan and budget in the same manner as such proce-*
7 *dures apply with respect to the original financial*
8 *plan and budget.*

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

17 **SEC. 224. RESPONSIBILITIES OF THE AUTHORITY.**

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

20 (1) *determining its overall strategies (both long-*
21 *term and short-term);*

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

1 (3) hiring, monitoring, compensating, and, when
2 necessary, replacing senior management at the level of
3 vice president and higher, as well as ensuring ade-
4 quate succession planning for these positions;

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

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

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

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

23 (8) approving the Postal Service Annual Report,
24 Annual Comprehensive Statement, and strategic
25 plans, performance plans, and performance program

1 *reports under chapter 28 of title 39, United States*
2 *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 Commis-*
8 *sion, the Treasury of the United States, and other*
9 *audit entities;*

10 *(11) ensuring adequate internal controls and se-*
11 *lecting, 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 enactment*
18 *of this Act.*

19 *(b) REVIEW OF POSTAL SERVICE PROPOSALS.—*

20 *(1) SUBMISSION OF POSTAL SERVICE PROPOSALS*
21 *TO THE AUTHORITY.—During a control period, the*
22 *Postmaster General shall submit to the Authority any*
23 *proposal that has a substantial effect on any item*
24 *listed in subsection (a).*

1 (2) *PROMPT REVIEW BY AUTHORITY.*—Upon re-
2 *ceipt 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 Authority*
11 *shall notify the Postmaster General that it ap-*
12 *proves 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 its*
18 *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 or*
3 *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 in*
12 *the preceding sentence, the Authority so notifies the*
13 *Postmaster General.*

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

16 (1) *MANDATORY PRIOR APPROVAL FOR CERTAIN*
17 *CONTRACTS AND LEASES.*—

18 (A) *IN GENERAL.*—*In the case of a contract*
19 *or lease described in subparagraph (B) which is*
20 *proposed to be entered into, renewed, modified,*
21 *or extended by the Postal Service during a con-*
22 *trol period, the Postmaster General (or the ap-*
23 *propriate officer or agent of the Postal Service)*
24 *shall submit the proposed contract or lease to the*
25 *Authority. The Authority shall review each con-*

1 *tract or lease submitted under this subpara-*
2 *graph, and the Postmaster General (or the ap-*
3 *propriate officer or agent of the Postal Service)*
4 *may not enter into the contract or lease unless*
5 *the Authority determines that the proposed con-*
6 *tract or lease is consistent with the financial*
7 *plan and budget for the fiscal year.*

8 *(B) CONTRACTS AND LEASES DESCRIBED.—*

9 *A contract or lease described in this subpara-*
10 *graph is—*

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

13 *(ii) such other type of contract or lease*
14 *as the Authority may specify for purposes of*
15 *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 that
3 is in effect during a control period.

4 Any such contract or agreement shall be sub-
5 mitted to the Authority upon the commencement
6 of a control period and at such other times as the
7 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 is
11 consistent with the financial plan and budget for
12 the fiscal year. If the Authority determines that
13 the contract is not consistent with the financial
14 plan and budget, the Authority shall take such
15 actions as are within the Authority's powers to
16 revise the contract.

17 **SEC. 225. 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 year
21 beginning in a control period, the Postmaster General shall
22 submit reports to the Authority describing the actual reve-
23 nues obtained and expenditures made by the Postal Service
24 during the quarter with its cash flows during the quarter,

1 *and comparing such actual revenues, expenditures, and*
2 *cash flows with the most recent projections for these items.*

3 **(b) ADDITIONAL INFORMATION.**—*If the Authority de-*
4 *termines, 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 con-*
8 *trol period are not consistent with the financial plan and*
9 *budget for the year, the Authority shall require the Post-*
10 *master General to provide such additional information as*
11 *the Authority determines to be necessary to explain the in-*
12 *consistency.*

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 the*
17 *Postmaster General, the President, the Secretary of*
18 *the Treasury, and Congress that the Postal Service is*
19 *at variance with the financial plan and budget un-*
20 *less—*

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 *223(g)) to correct the inconsistency which the*
3 *Authority finds reasonable and appropriate, tak-*
4 *ing into account the terms of the financial plan*
5 *and budget; and*

6 *(ii) the Postmaster General agrees to submit*
7 *the reports described in subsection (a) on a*
8 *monthly basis for such period as the Authority*
9 *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 ex-*
14 *penditures of the Postal Service during a control*
15 *period are not consistent with the financial plan*
16 *and budget for the year as approved by the Au-*
17 *thority under section 223 as a result of the terms*
18 *and conditions of any law enacted by Congress*
19 *which affects the Postal Service, the Authority*
20 *shall so notify the Postmaster General.*

21 (B) *CERTIFICATION.—In the case of an in-*
22 *consistency described in subparagraph (A), the*
23 *Authority shall certify to the Postmaster Gen-*
24 *eral, the President, the Secretary of the Treas-*
25 *ury, and Congress that the Postal Service is at*

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 expend-*
6 *itures;*

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 meeting*
15 *obligations to pay for the pensions and retirement*
16 *benefits of current and future Postal Service retirees;*

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

20 (7) *modifications of the types of services which*
21 *are delivered by entities other than the Postal Service*
22 *under alternative service delivery mechanisms;*

23 (8) *the effects of Federal Government laws and*
24 *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 the*
6 *improvement of training and performance of manage-*
7 *ment 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) during*
12 *a control period which are within the authority of the*
13 *Postal Service to adopt, not later than 90 days after*
14 *receiving the recommendations, the Postmaster Gen-*
15 *eral shall submit a statement to the Authority, the*
16 *President, and Congress which provides notice as to*
17 *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 state-*

1 *ment a written plan to implement the recommenda-*
2 *tion which includes—*

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

6 *(B) a schedule for auditing the Postal Serv-*
7 *ice’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 Service*
12 *will not adopt any recommendation submitted under*
13 *subsection (a) which the Postal Service has authority*
14 *to adopt, the Postmaster General shall include in the*
15 *statement explanations for the rejection of the rec-*
16 *ommendations.*

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

19 *(1) IN GENERAL.—If the Postmaster General no-*
20 *tifies 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 Govern-*
3 *ment Reform of the House of Representatives and the*
4 *Committee on Homeland Security and Governmental*
5 *Affairs of the Senate.*

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

11 **SEC. 227. SPECIAL RULES FOR FISCAL YEAR IN WHICH CON-**
12 **TROL PERIOD COMMENCES.**

13 (a) *ADOPTION OF TRANSITION BUDGET.*—*Notwith-*
14 *standing any provision of section 223 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 appointment*
18 *of its members, the Authority shall review the pro-*
19 *posed Integrated Financial Plan for the Postal Serv-*
20 *ice 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 Congress.*

24 (2) *Not later than 15 days after receiving the*
25 *recommendations of the Authority submitted under*

1 *paragraph (1), the Postmaster General shall promptly*
2 *adopt a revised budget for the fiscal year (in this sec-*
3 *tion referred to as the “transition budget”), and shall*
4 *submit the transition budget to the Authority, the*
5 *President, and Congress.*

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

16 *(b) FINANCIAL PLAN AND BUDGET.—*

17 *(1) DEADLINE FOR SUBMISSION.—For purposes*
18 *of section 223, the Postmaster General shall submit*
19 *the financial plan and budget for the applicable fiscal*
20 *year as soon as practicable after the commencement*
21 *of a control period (in accordance with guidelines es-*
22 *tablished by the Authority).*

23 *(2) ADOPTION BY POSTMASTER GENERAL.—In*
24 *accordance with the procedures applicable under sec-*
25 *tion 223 (including procedures providing for review*

1 *by the Authority) the Postmaster General shall adopt*
2 *the financial plan and budget for the applicable fiscal*
3 *year (including the transition budget incorporated in*
4 *the financial plan and budget).*

5 (3) *TRANSITION BUDGET AS TEMPORARY FINAN-*
6 *CIAL PLAN AND BUDGET.—Until the approval of the*
7 *financial plan and budget for the applicable fiscal*
8 *year by the Authority under this subsection, the tran-*
9 *sition budget established under subsection (a) shall*
10 *serve as the financial plan and budget adopted under*
11 *this subtitle for purposes of this Act (and any provi-*
12 *sion of law amended by this Act) for the applicable*
13 *fiscal year.*

14 **SEC. 228. ASSISTANCE IN ACHIEVING FINANCIAL STA-**
15 **BILITY, ETC.**

16 *In addition to any other actions described in this title,*
17 *the Authority may undertake cooperative efforts to assist*
18 *the Postal Service in achieving financial stability and man-*
19 *agement efficiency, including—*

20 (1) *assisting the Postal Service in avoiding de-*
21 *faults, eliminating and liquidating deficits, main-*
22 *taining sound budgetary practices, and avoiding*
23 *interruptions in the delivery of services;*

24 (2) *assisting the Postal Service in improving the*
25 *delivery of services, the training and effectiveness of*

1 *personnel of the Postal Service, and the efficiency of*
2 *management and supervision; and*

3 *(3) making recommendations to the President for*
4 *transmission to Congress on changes to this Act or*
5 *other Federal laws, or other actions of the Federal*
6 *Government, which would assist the Postal Service in*
7 *complying with an approved financial plan and*
8 *budget under subtitle B.*

9 **SEC. 229. OBTAINING REPORTS.**

10 *The Authority may require the Postmaster General, the*
11 *Chief Financial Officer of the Postal Service, and the In-*
12 *spector General of the Postal Service, to prepare and submit*
13 *such reports as the Authority considers appropriate to assist*
14 *it in carrying out its responsibilities under this title, in-*
15 *cluding submitting copies of any reports regarding reve-*
16 *nues, expenditures, budgets, costs, plans, operations, esti-*
17 *mates, and other financial or budgetary matters of the Post-*
18 *al Service.*

19 **SEC. 230. REPORTS AND COMMENTS.**

20 *(a) ANNUAL REPORTS TO CONGRESS.—Not later than*
21 *30 days after the last day of each fiscal year which is a*
22 *control year, the Authority shall submit a report to Con-*
23 *gress describing—*

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

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

7 (3) *any other activities of the Authority during*
8 *the fiscal year.*

9 (b) *REVIEW AND ANALYSIS OF PERFORMANCE AND FI-*
10 *NANCIAL ACCOUNTABILITY REPORTS.—The Authority shall*
11 *review each yearly report prepared and submitted by the*
12 *Postmaster General to the Postal Regulatory Commission*
13 *and Congress and shall submit a report to Congress ana-*
14 *lyzing the completeness and accuracy of such reports.*

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

24 (d) *REPORTS ON EFFECT OF FEDERAL LAWS ON THE*
25 *POSTAL SERVICE.—At any time during any year, the Au-*

1 *thority may submit a report to the Postmaster General, the*
2 *President, and Congress on the effect of laws enacted by*
3 *Congress on the financial plan and budget for the year and*
4 *on the financial stability and management efficiency of the*
5 *Postal Service in general.*

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

11 ***Subtitle D—Termination of a***
12 ***Control Period***

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

14 *(a) IN GENERAL.—After the completion of the require-*
15 *ments for the termination of a control period described in*
16 *section 202(b)(4), the Authority shall submit a rec-*
17 *ommendation to Congress requesting the termination of*
18 *such control period, the dissolution of the Authority, and*
19 *the reinstatement to the Board of Governors (and the indi-*
20 *vidual Governors) of the Postal Service of the authorities*
21 *and responsibilities referred to in section 202(b)(2)(A).*

22 *(b) CONGRESSIONAL APPROVAL.—*

23 *(1) IN GENERAL.—A control period shall not be*
24 *terminated unless a joint resolution approving of the*

1 *recommendation in subsection (a) is enacted, in ac-*
2 *cordance with section 232, before the earlier of—*

3 *(A) the end of the 30-day period beginning*
4 *on the date on which the Authority transmits the*
5 *recommendation to Congress under subsection*
6 *(a); or*

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

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

16 **SEC. 232. CONGRESSIONAL CONSIDERATION OF REC-**
17 **COMMENDATION.**

18 (1) *TERMS OF THE RESOLUTION.—For purposes of*
19 *this subtitle, the term “joint resolution” means only a joint*
20 *resolution which is introduced within the 10-day period be-*
21 *ginning on the date on which the recommendation referred*
22 *to in section 231(a) is received by Congress—*

23 (1) *the matter after the resolving clause of which*
24 *is as follows: “That Congress approves the rec-*
25 *ommendation of the Postal Service Financial Respon-*

1 *sibility and Management Assistance Authority, sub-*
2 *mitted by such Authority on ____.*”, the blank space
3 *being filled in with the appropriate date;*

4 (2) *the title of which is as follows: “Joint resolu-*
5 *tion approving the recommendation of Postal Service*
6 *Financial Responsibility and Management Assistance*
7 *Authority.”; and*

8 (3) *which does not have a preamble.*

9 (b) *REFERRAL.—A resolution described in subsection*
10 *(a) that is introduced in the House of Representatives or*
11 *the Senate shall be referred to the appropriate committees*
12 *of the House of Representatives or the Senate, respectively.*

13 (c) *DISCHARGE.—If the committee to which a resolu-*
14 *tion described in subsection (a) is referred has not reported*
15 *such resolution (or an identical resolution) by the end of*
16 *the 20-day period beginning on the date on which the Au-*
17 *thority transmits its recommendation to Congress under*
18 *section 231(a) such committee shall, at the end of such pe-*
19 *riod, be discharged from further consideration of such reso-*
20 *lution, and such resolution shall be placed on the appro-*
21 *priate calendar of the House involved.*

22 (d) *CONSIDERATION.—*

23 (1) *IN GENERAL.—On or after the third day*
24 *after the date on which the committee to which such*
25 *a resolution is referred has reported, or has been dis-*

1 *charged (under subsection (c)) from further consider-*
2 *ation of, such a resolution, it is in order (even though*
3 *a previous motion to the same effect has been dis-*
4 *agreed to) for any Member of the respective House to*
5 *move to proceed to the consideration of the resolution.*
6 *A Member may make the motion only on the day*
7 *after the calendar day on which the Member an-*
8 *nounces to the House concerned the Member's inten-*
9 *tion to make the motion, except that, in the case of*
10 *the House of Representatives, the motion may be*
11 *made without such prior announcement if the motion*
12 *is made by direction of the committee to which the*
13 *resolution was referred. All points of order against the*
14 *resolution (and against consideration of the resolu-*
15 *tion) are waived. The motion is highly privileged in*
16 *the House of Representatives and is privileged in the*
17 *Senate and is not debatable. The motion is not subject*
18 *to amendment, or to a motion to postpone, or to a*
19 *motion to proceed to the consideration of other busi-*
20 *ness. A motion to reconsider the vote by which the*
21 *motion is agreed to or disagreed to shall not be in*
22 *order. If a motion to proceed to the consideration of*
23 *the resolution is agreed to, the respective House shall*
24 *immediately proceed to consideration of the joint reso-*
25 *lution without intervening motion, order, or other*

1 *business, and the resolution shall remain the unfin-*
2 *ished business of the respective House until disposed*
3 *of.*

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

16 (3) *VOTE ON FINAL PASSAGE.*—*Immediately fol-*
17 *lowing the conclusion of the debate on a resolution de-*
18 *scribed in subsection (a) and a single quorum call at*
19 *the conclusion of the debate if requested in accordance*
20 *with the rules of the appropriate House, the vote on*
21 *final passage of the resolution shall occur.*

22 (4) *APPEALS.*—*Appeals from the decisions of the*
23 *Chair relating to the application of the rules of the*
24 *Senate or the House of Representatives, as the case*
25 *may be, to the procedure relating to a resolution de-*

1 *scribed in subsection (a) shall be decided without de-*
2 *bate.*

3 *(e) CONSIDERATION BY OTHER HOUSE.—*

4 *(1) IN GENERAL.—If, before the passage by one*
5 *House of a resolution of that House described in sub-*
6 *section (a), that House receives from the other House*
7 *a resolution described in subsection (a), then the fol-*
8 *lowing procedures shall apply:*

9 *(A) The resolution of the other House shall*
10 *not be referred to a committee and may not be*
11 *considered in the House receiving it except in the*
12 *case of final passage as provided in subpara-*
13 *graph (B)(ii).*

14 *(B) With respect to a resolution described in*
15 *subsection (a) of the House receiving the resolu-*
16 *tion—*

17 *(i) the procedure in that House shall be*
18 *the same as if no resolution had been re-*
19 *ceived from the other House; but*

20 *(ii) the vote on final passage shall be*
21 *on the resolution of the other House.*

22 *(2) DISPOSITION OF A RESOLUTION.—Upon dis-*
23 *position of the resolution received from the other*
24 *House, it shall no longer be in order to consider the*
25 *resolution that originated in the receiving House.*

1 (f) *RULES OF THE SENATE AND HOUSE.*—*This section*
 2 *is enacted by Congress—*

3 (1) *as an exercise of the rulemaking power of the*
 4 *Senate and House of Representatives, respectively,*
 5 *and as such it is deemed a part of the rules of each*
 6 *House, respectively, but applicable only with respect*
 7 *to the procedure to be followed in that House in the*
 8 *case of a resolution described in subsection (a), and*
 9 *it supersedes other rules only to the extent that it is*
 10 *inconsistent with such rules; and*

11 (2) *with full recognition of the constitutional*
 12 *right of either House to change the rules (so far as re-*
 13 *lating to the procedure of that House) at any time,*
 14 *in the same manner, and to the same extent as in the*
 15 *case of any other rule of that House.*

16 **TITLE III—POSTAL SERVICE**
 17 **WORKFORCE**

18 **Subtitle A—General Provisions**

19 **SEC. 301. MODIFICATIONS RELATING TO DETERMINATION**
 20 **OF PAY COMPARABILITY.**

21 (a) *POSTAL POLICY.*—*The first sentence of section*
 22 *101(c) is amended—*

23 (1) *by inserting “total” before “rates and types*
 24 *of compensation”;* and

25 (2) *by inserting “entire” before “private sector”.*

1 (b) *EMPLOYMENT POLICY.*—*The second sentence of sec-*
2 *tion 1003(a) is amended—*

3 (1) *by inserting “total” before “compensation*
4 *and benefits” each place it appears; and*

5 (2) *by inserting “entire” before “private sector”.*

6 (c) *CONSIDERATIONS.*—*For purposes of the amend-*
7 *ments made by this section, any determination of “total*
8 *rates and types of compensation” or “total compensation*
9 *and benefits” shall, at a minimum, take into account pay,*
10 *health benefits, retirement benefits, life insurance benefits,*
11 *leave, holidays, and continuity and stability of employ-*
12 *ment.*

13 **SEC. 302. LIMITATION ON POSTAL CONTRIBUTIONS UNDER**
14 **FEGLI AND FEHBP.**

15 Section 1003 is amended by adding at the end the fol-
16 *lowing:*

17 “(e)(1) *At least 1 month before the start of each fiscal*
18 *year as described in paragraph (2), the Postmaster General*
19 *shall transmit to the Postal Regulatory Commission certifi-*
20 *cation (together with such supporting documentation as the*
21 *Postal Regulatory Commission may require) that contribu-*
22 *tions of the Postal Service for such fiscal year will not ex-*
23 *ceed—*

1 “(A) in the case of life insurance under chapter
2 87 of title 5, the Government contributions deter-
3 mined under section 8708 of such title; and

4 “(B) in the case of health insurance under chap-
5 ter 89 of title 5, the Government contributions deter-
6 mined under 8906 of such title.

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

8 “(A) except as provided in subparagraph (B),
9 each fiscal year beginning after September 30, 2013;
10 and

11 “(B) in the case of officers and employees of the
12 Postal Service covered by a collective bargaining
13 agreement which is in effect on the date of the enact-
14 ment of this subsection—

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

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

20 “(3)(A) If, after reasonable notice and opportunity for
21 hearing is afforded to the Postal Service, the Postal Regu-
22 latory Commission finds that the contributions of the Postal
23 Service for a fiscal year will exceed or are exceeding the
24 limitation specified in subparagraph (A) or (B) of para-
25 graph (1), the Commission shall order that the Postal Serv-

1 *ice take such action as the Commission considers necessary*
2 *to achieve full and immediate compliance with the applica-*
3 *ble limitation or limitations.*

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

7 “(C) Nothing in this paragraph shall be considered to
8 permit the issuance of an order requiring reduction of con-
9 tributions below the level specified by the provision of law
10 cited in subparagraph (A) or (B) of paragraph (1), as ap-
11 plicable.”.

12 **SEC. 303. REPEAL OF PROVISION RELATING TO OVERALL**
13 **VALUE OF FRINGE BENEFITS.**

14 *The last sentence of section 1005(f) is repealed.*

15 **SEC. 304. APPLICABILITY OF REDUCTION-IN-FORCE PROCE-**
16 **DURES.**

17 *Section 1206 is amended by adding at the end the fol-*
18 *lowing:*

19 “(d) *Collective-bargaining agreements between the*
20 *Postal Service and bargaining representatives recognized*
21 *under section 1203, ratified after the date of enactment of*
22 *this subsection, shall contain no provision restricting the*
23 *applicability of reduction-in-force procedures under title 5*
24 *with respect to members of the applicable bargaining unit.*

1 “(e) Any collective-bargaining agreement between the
2 Postal Service and the bargaining representatives recog-
3 nized under section 1203 ratified before the date of enact-
4 ment of this Act that contain any provision violating sub-
5 section (d) shall be renegotiated with a new collective-bar-
6 gaining agreement to be ratified or imposed through an ar-
7 bitration decision under section 1207 within 9 months after
8 such date of enactment.

9 “(f)(1) If a collective-bargaining agreement between
10 the Postal Service and bargaining representatives recog-
11 nized under section 1203, ratified after the date of enact-
12 ment of this subsection, includes reduction-in-force proce-
13 dures which can be applied in lieu of reduction-in-force pro-
14 cedures under title 5, the Postal Service may, in its discre-
15 tion, apply with respect to members of the applicable bar-
16 gaining unit—

17 “(A) the alternative procedures (or, if 2 or more
18 are agreed to, 1 of the alternative procedures); or

19 “(B) the reduction-in-force procedures under title
20 5.

21 “(2) In no event may, if procedures for the resolution
22 of a dispute or impasse arising in the negotiation of a col-
23 lective-bargaining agreement (whether through binding ar-
24 bitration or otherwise) are invoked under this chapter, the
25 award or other resolution reached under such procedures

1 *provide for the elimination of, or the substitution of any*
2 *alternative procedures in lieu of, reduction-in-force proce-*
3 *dures under title 5.”.*

4 **SEC. 305. MODIFICATIONS RELATING TO COLLECTIVE BAR-**
5 **GAINING.**

6 *Section 1207 is amended by striking subsections (c)*
7 *and (d) and inserting the following:*

8 *“(c)(1) If no agreement is reached within 30 days after*
9 *the appointment of a mediator under subsection (b), or if*
10 *the parties decide upon arbitration before the expiration of*
11 *the 30-day period, an arbitration board shall be established*
12 *consisting of 1 member selected by the Postal Service (from*
13 *the list under paragraph (2)), 1 member selected by the bar-*
14 *gaining representative of the employees (from the list under*
15 *paragraph (2)), and the mediator appointed under sub-*
16 *section (b).*

17 *“(2) Upon receiving a request from either of the parties*
18 *referred to in paragraph (1), the Director of the Federal*
19 *Mediation and Conciliation Service shall provide a list of*
20 *not less than 9 individuals who are well qualified to serve*
21 *as neutral arbitrators. Each person listed shall be an arbi-*
22 *trator of nationwide reputation and professional nature, a*
23 *member of the National Academy of Arbitrators, and an*
24 *individual whom the Director has determined to be willing*
25 *and available to serve. If, within 7 days after the list is*

1 *provided, either of the parties has not selected an individual*
2 *from the list, the Director shall make the selection within*
3 *3 days.*

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

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

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

20 “(6) *No later than 3 days after the submission of the*
21 *final offer packages under paragraph (5), the arbitration*
22 *board shall select 1 of those packages as its tentative award,*
23 *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(c) 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 on*
11 *clear and convincing evidence presented during the hearing*
12 *under paragraph (3), that neither final offer package satis-*
13 *fies the conditions set forth in subparagraph (A), the board*
14 *shall by majority vote—*

15 “(I) *select the package that best meets such con-*
16 *ditions; 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 to*
24 *replace the tentative award selected under paragraph (6)*
25 *or rendered under paragraph (7) (as the case may be). If*

1 *no agreement on a substitute award is reached within 10*
2 *days after the date on which the tentative award is so se-*
3 *lected or rendered, the tentative award shall become final.*

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

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

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

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

23 “(d) *In the case of a bargaining unit whose recognized*
24 *collective-bargaining representative does not have an agree-*
25 *ment with the Postal Service, if the parties fail to reach*

1 *agreement within 90 days after the commencement of collec-*
2 *tive bargaining, a mediator shall be appointed in accord-*
3 *ance with the provisions of subsection (b), unless the parties*
4 *have previously agreed to another procedure for a binding*
5 *resolution of their differences. If the parties fail to reach*
6 *agreement within 180 days after the commencement of col-*
7 *lective bargaining, an arbitration board shall be established*
8 *to provide conclusive and binding arbitration in accordance*
9 *with the provisions of subsection (c).”.*

10 **SEC. 306. ONE-TIME TRANSFER OF NET SURPLUS POSTAL**
11 **RETIREMENT CONTRIBUTIONS.**

12 (a) *TRANSFER REQUIREMENT.*—*Not later than 2*
13 *weeks after the date of enactment of this Act, there shall*
14 *be appropriated to the Postal Service Fund, from the Postal*
15 *Service Federal Employee Retirement System account with-*
16 *in the Civil Service Retirement and Disability Fund, an*
17 *amount equal to the absolute value of the amount computed*
18 *as of September 30, 2010, under section 8423(b)(1)(B) of*
19 *title 5, United States Code, less the sum of—*

20 (1) *the Postal supplemental liability, calculated*
21 *as of September 30, 2010, under section 8348(h) of*
22 *title 5, United States Code; and*

23 (2) *any contribution required by section 8423 of*
24 *such title that the Postal Service has not made during*
25 *fiscal years 2011 or 2012, as determined by the Office*

1 of Personnel Management no later than one week
2 after the date of enactment of this Act

3 (b) *LIMITATIONS ON USE.*—The amount transferred to
4 the Postal Service Fund under this section—

5 (1) may be used for such purposes as the Postal
6 Service considers appropriate; except that

7 (2) if any amounts so transferred remain in the
8 Postal Service Fund after September 30, 2015, such
9 amounts shall be used—

10 (A) first, to satisfy any supplemental liabil-
11 ity computed under section 8423(b)(1)(B) of title
12 5, United States Code;

13 (B) second, to satisfy any supplemental li-
14 ability computed under section 8348(h) of title 5,
15 United States Code; and

16 (C) third, to satisfy any obligations of the
17 Postal Service under section 2005 of title 39,
18 United States Code.

19 (c) *DEFINITIONS.*—For purposes of this section—

20 (1) the term “Civil Service Retirement and Dis-
21 ability Fund” refers to the fund under section 8348
22 of title 5, United States Code; and

23 (2) the term “Postal Service Fund” refers to the
24 fund under section 2003 of title 39, United States
25 Code.

1 (d) *SENSE OF CONGRESS.*—*It is the sense of Congress*
2 *that the Postal Service should use any funds under sub-*
3 *section (b)(1) for separation incentives for Postal employees.*

4 ***Subtitle B—Postal Service Workers’***
5 ***Compensation Reform***

6 ***SEC. 311. POSTAL SERVICE WORKERS’ COMPENSATION RE-***
7 ***FORM.***

8 (a) *IN GENERAL.*—*Effective 12 months after the trig-*
9 *gering date of this section (as defined in subsection (e)(2)),*
10 *section 1005 is amended by striking subsection (c) and in-*
11 *serting the following:*

12 “(c)(1) *For purposes of this subsection—*

13 “(A) *the term ‘postal employee’ means an officer*
14 *or employee of the Postal Service or the former Post*
15 *Office Department;*

16 “(B) *the term ‘retirement age’ has the meaning*
17 *given such term under section 216(l)(1) of the Social*
18 *Security Act; and*

19 “(C) *the term ‘appropriate committees of Con-*
20 *gress’ means—*

21 “(i) *the Committee on Oversight and Gov-*
22 *ernment Reform of the House of Representatives;*
23 *and*

24 “(ii) *the Committee on Homeland Security*
25 *and Governmental Affairs of the Senate.*

1 “(2) *The Postal Service shall design and administer*
2 *a program for the payment of benefits for the disability or*
3 *death of an individual resulting from personal injury sus-*
4 *tained while in the performance of such individual’s duties*
5 *as a postal employee.*

6 “(3) *The program under this subsection—*

7 “(A) *shall be designed by the Postal Service in*
8 *consultation with appropriate employee representa-*
9 *tives;*

10 “(B) *shall not provide for any amount payable*
11 *to a disabled postal employee to be augmented on the*
12 *basis of number of dependents; and*

13 “(C) *shall include provisions for automatic tran-*
14 *sition, upon attainment of retirement age, to benefits*
15 *involving, coordinated with, or otherwise determined*
16 *by reference to retirement benefits.”.*

17 (b) *RECOMMENDATIONS.—Not later than 6 months*
18 *after the triggering date—*

19 (1) *the Office of Personnel Management shall*
20 *submit to the appropriate committees of Congress rec-*
21 *ommendations for any legislation or administrative*
22 *actions which the Office considers necessary to carry*
23 *out the purposes of this section with respect to any*
24 *matter within the jurisdiction of the Office, including*

1 *any amendments which may be necessary with respect*
2 *to chapter 87 or 89 of title 5, United States Code; and*

3 *(2) the Postal Service shall submit to the appro-*
4 *prate committees of Congress recommendations for*
5 *any legislation which the Postal Service considers*
6 *necessary to carry out the purposes of this section*
7 *with respect to any matter within the jurisdiction of*
8 *the Postal Service.*

9 *(c) NOTIFICATION REQUIREMENTS.—Not later than 9*
10 *months after the triggering date, the Postal Service shall*
11 *submit to the appropriate committees of Congress and shall*
12 *cause to be published in the Federal Register a description*
13 *of the program proposed by the Postal Service for imple-*
14 *mentation under section 1005(c) of title 39, United States*
15 *Code, as amended by subsection (a). Included in the notifi-*
16 *cation provided under the preceding sentence shall be—*

17 *(1) a detailed statement of the benefits to be of-*
18 *fered and the persons eligible to receive those benefits;*

19 *(2) provisions to ensure an orderly transition to*
20 *the system proposed to be implemented; and*

21 *(3) such other information as the Postal Service*
22 *considers appropriate.*

23 *(d) COMMENCEMENT DATE.—The program under sec-*
24 *tion 1005(c) of title 39, United States Code, as amended*
25 *by this section—*

1 (1) shall begin to operate on such date as the
2 Postmaster General shall determine, except that such
3 date shall be a date occurring—

4 (A) not earlier than 12 months after the
5 triggering date; and

6 (B) not later than 24 months after the trig-
7 gering date; and

8 (2) shall apply with respect to amounts payable
9 for periods beginning on or after the date on which
10 the program begins to operate, irrespective of date of
11 the disability or death to which such amounts relate.

12 (e) *CONDITION PRECEDENT.*—

13 (1) *IN GENERAL.*—The preceding provisions of
14 this section shall not become effective until the date on
15 which a Postal Service Financial Responsibility and
16 Management Assistance Authority (established under
17 section 202)—

18 (A) makes a written determination that
19 conditions warrant their implementation; and

20 (B) submits such written determination to
21 the Postal Service, the Office of Personnel Man-
22 agement, and the appropriate committees of Con-
23 gress (within the meaning of the amendment
24 made by subsection (a)).

1 (2) *TRIGGERING DATE*.—For purposes of this
2 section, the term “triggering date of this section” or
3 “triggering date” means the date described in para-
4 graph (1).

5 ***TITLE IV—POSTAL SERVICE***
6 ***REVENUE***

7 ***SEC. 401. ADEQUACY, EFFICIENCY, AND FAIRNESS OF POST-***
8 ***AL RATES.***

9 (a) *IN GENERAL*.—Section 3622(d) is amended—

10 (1) *in paragraph (1)*—

11 (A) *by redesignating subparagraphs (B)*
12 *through (E) as subparagraph (D) through (G),*
13 *respectively; and*

14 (B) *by inserting after subparagraph (A) the*
15 *following:*

16 “(B) *subject to the limitation under sub-*
17 *paragraph (A), establish postal rates to fulfill the*
18 *requirement that each market-dominant class,*
19 *product, and type of mail service (except for an*
20 *experimental product or service) bear the direct*
21 *and indirect postal costs attributable to such*
22 *class, product, or type through reliably identified*
23 *causal relationships plus that portion of all other*
24 *costs of the Postal Service reasonably assignable*
25 *to such class, product, or type;*

1 “(C) establish postal rates for each group of
2 functionally equivalent agreements between the
3 Postal Service and users of the mail that—

4 “(i) cover attributable cost; and

5 “(ii) improve the net financial position
6 of the Postal Service;

7 for purposes of this subparagraph, a group of
8 functionally equivalent agreements shall consist
9 of all service agreements that are functionally
10 equivalent to each other within the same market-
11 dominant product, but shall not include agree-
12 ments within an experimental product;”;

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

14 “(4) PRC STUDY.—

15 “(A) IN GENERAL.—Within 90 days after
16 the end of the first fiscal year beginning after the
17 date of enactment of the Postal Reform Act of
18 2011, the Postal Regulatory Commission shall
19 complete a study to determine the quantitative
20 impact of the Postal Service’s excess capacity on
21 the direct and indirect postal costs attributable
22 to any class that bears less than 100 percent of
23 its costs attributable (as described in paragraph
24 (1)(B)), according to the most recent annual de-

1 *termination of the Postal Regulatory Commis-*
2 *sion under section 3653.*

3 “(B) *REQUIREMENTS.*—*The study required*
4 *under subparagraph (A) shall—*

5 “(i) *be conducted pursuant to regula-*
6 *tions that the Postal Regulatory Commis-*
7 *sion shall prescribe within 90 days after the*
8 *date of enactment of the Postal Reform Act*
9 *of 2011, taking into account existing regula-*
10 *tions for proceedings to improve the quality,*
11 *accuracy, or completeness of ratemaking in-*
12 *formation under section 3652(e)(2) in effect*
13 *on such date; and*

14 “(ii) *for any year in which any class*
15 *of mail bears less than 100 percent of its*
16 *costs attributable (as described in para-*
17 *graph (1)(B)), be updated annually by the*
18 *Postal Service and included in its annual*
19 *report to the Commission under section*
20 *3652, using such methodologies as the Com-*
21 *mission shall by regulation prescribe.*

22 “(5) *ADDITIONAL RATES.*—*Starting not earlier*
23 *than 12 months and not later than 18 months after*
24 *the date on which the first study described in para-*
25 *graph (4) is completed, and at least once in each sub-*

1 *sequent 12-month period, the Postal Service shall es-*
2 *tablish postal rates for each loss-making class of mail*
3 *to eliminate such losses (other than those caused by*
4 *the Postal Service’s excess capacity) by exhausting all*
5 *unused rate authority as well as maximizing incen-*
6 *tives to reduce costs and increase efficiency, subject to*
7 *the following:*

8 *“(A) The term ‘loss-making’, as used in this*
9 *paragraph with respect to a class of mail, means*
10 *a class of mail that bears less than 100 percent*
11 *of its costs attributable (as described in para-*
12 *graph (1)(B)), according to the most recent an-*
13 *annual determination of the Postal Regulatory*
14 *Commission under section 3653, adjusted to ac-*
15 *count for the quantitative effect of excess capac-*
16 *ity on the costs attributable of the class (as de-*
17 *scribed in paragraph (1)(C)).*

18 *“(B) Unused rate authority shall be annu-*
19 *ally increased by 2 percent for each class of mail*
20 *that bears less than 90 percent of its costs attrib-*
21 *utable (as described in paragraph (1)(B)), ac-*
22 *ording to the most recent annual determination*
23 *of the Postal Regulatory Commission under sec-*
24 *tion 3653, adjusted to account for the quan-*
25 *titative effect of excess capacity on the costs at-*

1 *tributable of the class (as described in paragraph*
2 *(1)(C)), with such increase in unused rate au-*
3 *thority to take effect 30 days after the date that*
4 *the Commission issues such determination.”.*

5 **(b) CONFORMING AMENDMENT.**—*Subparagraph (A) of*
6 *section 3622(c)(10) is amended to read as follows:*

7 *“(A) improve the net financial position of*
8 *the Postal Service through reducing Postal Serv-*
9 *ice costs or increasing the overall contribution to*
10 *the institutional costs of the Postal Service;*
11 *and”.*

12 **(c) EXCEPTION.**—*Section 3622(d) is amended by add-*
13 *ing after paragraph (5) (as added by subsection (a)(2)) the*
14 *following:*

15 **“(6) EXCEPTION.**—*The requirements of para-*
16 *graph (1)(B) shall not apply to a market-dominant*
17 *product for which a substantial portion of the prod-*
18 *uct’s mail volume consists of inbound international*
19 *mail with terminal dues rates determined by the Uni-*
20 *versal Postal Union (and not by bilateral agreements*
21 *or other arrangements).”.*

22 **SEC. 402. REPEAL OF RATE PREFERENCES FOR QUALIFIED**
23 **POLITICAL COMMITTEES.**

24 *Subsection (e) of section 3626 is repealed.*

1 **SEC. 403. RATE PREFERENCES FOR NONPROFIT ADVER-**
2 **TISING.**

3 (a) *PROVISIONS RELATING TO FORMER SECTION*
4 *4358(f).—Section 3626(a)(5) is amended by adding at the*
5 *end the following: “Notwithstanding any other provision of*
6 *this paragraph, the percentage specified in the preceding*
7 *sentence shall be increased by an additional 2 percentage*
8 *points as of the first day of each calendar year beginning*
9 *at least 3 years after the date of the enactment of the Postal*
10 *Reform Act of 2011, until such percentage reaches 80 per-*
11 *cent.”.*

12 (b) *PROVISIONS RELATING TO FORMER SECTION 4452*
13 (b) *AND (c).—Section 3626(a)(6) is amended by inserting*
14 *after subparagraph (C) the following (as a flush left sen-*
15 *tence):*

16 *“Notwithstanding any other provision of this paragraph,*
17 *the percentage specified in subparagraph (A) shall be in-*
18 *creased by an additional 2 percentage points as of the first*
19 *day of each calendar year beginning at least 3 years after*
20 *the date of the enactment of the Postal Reform Act of 2011,*
21 *until such percentage reaches 80 percent.”.*

22 **SEC. 404. STREAMLINED REVIEW OF QUALIFYING SERVICE**
23 **AGREEMENTS FOR COMPETITIVE PRODUCTS.**

24 *Section 3633 is amended by adding at the end the fol-*
25 *lowing:*

1 “(4) *RATES FOR STREAMLINED REVIEW.*—*In the*
2 *case of rates not of general applicability for competi-*
3 *tive products that the Postmaster General considers*
4 *eligible for streamlined review under section 3633(c),*
5 *the Postmaster General shall cause each agreement to*
6 *be filed with the Postal Regulatory Commission by*
7 *such date, on or before the effective date of any new*
8 *rate, as the Postmaster General considered appro-*
9 *priate.*”.

10 **SEC. 406. TRANSPARENCY AND ACCOUNTABILITY FOR**
11 **SERVICE AGREEMENTS.**

12 *Section 3653 is amended—*

13 (1) *by redesignating subsections (c) through (e)*
14 *as subsections (d) through (f), respectively; and*

15 (2) *by inserting after subsection (b) the fol-*
16 *lowing:*

17 “(c) *Each annual written determination of the Com-*
18 *mission under section 3653 shall include the following writ-*
19 *ten determinations:*

20 “(1) *Whether each product covered its costs, and*
21 *if it did not, the determination shall state that such*
22 *product is in noncompliance under section 3653(c).*

23 “(2) *For each group of functionally equivalent*
24 *agreements between the Postal Service and users of*
25 *the mail, whether it fulfilled requirements to—*

1 “(A) cover attributable costs; and

2 “(B) improve the net financial position of
3 the Postal Service.

4 “(3) Any group of functionally equivalent agree-
5 ments (as referred to in subparagraph (B)) not meet-
6 ing subparagraphs (A) and (B) of paragraph (2)
7 shall be determined to be in noncompliance under this
8 subsection.

9 “(4) For purposes of this subsection, a group of
10 functionally equivalent agreements (as referred to in
11 paragraph (2)) shall consist of all service agreements
12 that are functionally equivalent to each other within
13 the same market-dominant or competitive product,
14 but shall not include agreements within an experi-
15 mental product.”.

16 **SEC. 407. NONPOSTAL SERVICES.**

17 (a) **NONPOSTAL SERVICES.**—

18 (1) **IN GENERAL.**—Part IV is amended by add-
19 ing after chapter 36 the following:

20 **“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.

1 **“§ 3701. Purpose**

2 *“This chapter is intended to enable the Postal Service*
3 *to increase its net revenues through specific nonpostal prod-*
4 *ucts and services that are expressly authorized by this chap-*
5 *ter. Postal Service revenues and expenses under this chapter*
6 *shall be funded through the Postal Service Fund.*

7 **“§ 3702. Definitions**

8 *“As used in this chapter—*

9 *“(1) the term ‘nonpostal services’ is limited to*
10 *services offered by the Postal Service that are ex-*
11 *pressly authorized by this chapter and are not postal*
12 *products or services;*

13 *“(2) the term ‘Postal Service advertising pro-*
14 *gram’ means a program, managed by the Postal Serv-*
15 *ice, by which the Postal Service receives revenues from*
16 *entities which advertise at Postal Service facilities*
17 *and on Postal Service vehicles;*

18 *“(3) the term ‘Postal Service program for State*
19 *governments’ means a program, managed by the Post-*
20 *al Service, by which the Postal Service receives rev-*
21 *enue from State governments (including their agen-*
22 *cies) for providing services on their behalf at Postal*
23 *Service facilities;*

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

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

1 **“§ 3703. Postal Service advertising program**

2 *“Notwithstanding any other provision of this title, the*
3 *Postal Service may establish and manage a program that*
4 *allows entities to advertise at Postal Service facilities and*
5 *on Postal Service vehicles. Such a program shall be subject*
6 *to the following requirements:*

7 *“(1) The Postal Service shall at all times ensure*
8 *advertising it permits is consistent with the integrity*
9 *of the Postal Service.*

10 *“(2) Any advertising program is required to*
11 *cover a minimum of 200 percent of its attributable*
12 *costs in each year.*

13 *“(3) All advertising expenditures and revenues*
14 *are subject to annual compliance determination (in-*
15 *cluding remedies for noncompliance) applicable to*
16 *nonpostal products.*

17 *“(4) Total advertising expenditures and revenues*
18 *must be disclosed in Postal Service annual reports.*

19 **“§ 3704. Postal Service program for State governments**

20 *“(a) IN GENERAL.—Notwithstanding any other provi-*
21 *sion of this title, the Postal Service may establish a pro-*
22 *gram to provide services for agencies of State governments*
23 *within the United States, but only if such services—*

24 *“(1) shall provide enhanced value to the public,*
25 *such as by lowering the cost or raising the quality of*

1 *such services or by making such services more acces-*
2 *sible;*

3 *“(2) do not interfere with or detract from the*
4 *value of postal services, including—*

5 *“(A) the cost and efficiency of postal serv-*
6 *ices; and*

7 *“(B) access to postal retail service, such as*
8 *customer waiting time and access to parking;*
9 *and*

10 *“(3) provide a reasonable contribution to the in-*
11 *stitutional costs of the Postal Service, defined as re-*
12 *imbursement for each service and to each agency cov-*
13 *ering at least 150 percent of the attributable costs of*
14 *such service in each year.*

15 *“(b) PUBLIC NOTICE.—At least 90 days before offering*
16 *any services under this section, the Postal Service shall*
17 *make each agreement with State agencies readily available*
18 *to the public on its website, including a business plan that*
19 *describes the specific services to be provided, the enhanced*
20 *value to the public, terms of reimbursement, the estimated*
21 *annual reimbursement to the Postal Service, and the esti-*
22 *mated percentage of attributable Postal Service costs that*
23 *will be covered by reimbursement (with documentation to*
24 *support these estimates). The Postal Service shall solicit*
25 *public comment for at least 30 days, with comments posted*

1 *on its website, followed by its written response posted on*
2 *its website at least 30 days before offering such services.*

3 “(c) *APPROVAL REQUIRED.*—*The Governors of the*
4 *Postal Service shall approve the provision of services under*
5 *this section by a recorded vote, with at least $\frac{2}{3}$ of its mem-*
6 *bership voting for approval, with the vote publicly disclosed*
7 *on the Postal Service website.*

8 “(d) *CLASSIFICATION OF SERVICES.*—*All services for*
9 *a given agency provided under this section shall be classi-*
10 *fied as a separate activity subject to the requirements of*
11 *annual reporting under section 3706. Such reporting shall*
12 *also include information on the quality of service and re-*
13 *lated information to demonstrate that it satisfied the re-*
14 *quirements of subsection (a). Information provided under*
15 *this section shall be according to requirements that the Post-*
16 *al Regulatory Commission shall by regulation prescribe.*

17 “(e) *DEFINITIONS.*—*For the purpose of this section—*

18 “(1) *the term ‘State’ includes the District of Co-*
19 *lumbia, the Commonwealth of Puerto Rico, the*
20 *United States Virgin Islands, Guam, American*
21 *Samoa, the Commonwealth of the Northern Mariana*
22 *Islands, and any other territory or possession of the*
23 *United States; and*

24 “(2) *the term ‘United States’, when used in a*
25 *geographical sense, means the States.*

1 **“§ 3705. Postal Service program for other government**
 2 **agencies**

3 “(a) *IN GENERAL.*—*The Postal Service may establish*
 4 *a program to provide property and services for other gov-*
 5 *ernment agencies within the meaning of section 411, but*
 6 *only if such program provides a reasonable contribution to*
 7 *the institutional costs of the Postal Service, defined as reim-*
 8 *bursement by each agency that covers at least 100 percent*
 9 *of the attributable costs of all property and service provided*
 10 *by the Postal Service in a each year to such agency.*

11 “(b) *CLASSIFICATION OF SERVICES.*—*For each agency,*
 12 *all property and services provided by the Postal Service*
 13 *under this section shall be classified as a separate activity*
 14 *subject to the requirements of annual reporting under sec-*
 15 *tion 3706. Information provided under this section shall be*
 16 *according to requirements that the Postal Regulatory Com-*
 17 *mission shall by regulation prescribe.*

18 **“§ 3706. Transparency and accountability for non-**
 19 **postal services**

20 “(a) *ANNUAL REPORTS TO THE COMMISSION.*—

21 “(1) *IN GENERAL.*—*The Postal Service shall, no*
 22 *later than 90 days after the end of each year, prepare*
 23 *and submit to the Postal Regulatory Commission a*
 24 *report (together with such nonpublic annex to the re-*
 25 *port as the Commission may require under subsection*
 26 *(b)) which shall analyze costs, revenues, rates, and*

1 *quality of service for this chapter, using such meth-*
2 *odologies as the Commission shall by regulation pre-*
3 *scribe, and in sufficient detail to demonstrate compli-*
4 *ance with all applicable requirements of this chapter.*

5 “(2) *AUDITS.*—*The Inspector General shall regu-*
6 *larly audit the data collection systems and procedures*
7 *utilized in collecting information and preparing such*
8 *report. The results of any such audit shall be sub-*
9 *mitted to the Postal Service and the Postal Regu-*
10 *latory Commission.*

11 “(b) *SUPPORTING MATTER.*—*The Postal Regulatory*
12 *Commission shall have access, in accordance with such reg-*
13 *ulations as the Commission shall prescribe, to the working*
14 *papers and any other supporting matter of the Postal Serv-*
15 *ice and the Inspector General in connection with any infor-*
16 *mation submitted under this section.*

17 “(c) *CONTENT AND FORM OF REPORTS.*—

18 “(1) *IN GENERAL.*—*The Postal Regulatory Com-*
19 *mission shall, by regulation, prescribe the content and*
20 *form of the public reports (and any nonpublic annex*
21 *and supporting matter relating to the report) to be*
22 *provided by the Postal Service under this section.*
23 *Such reports shall be included with the annual com-*
24 *pliance determination reported under section 3653. In*

1 *carrying out this subsection, the Commission shall*
2 *give due consideration to—*

3 *“(A) providing the public with timely, ade-*
4 *quate information to assess compliance;*

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

8 *“(C) protecting the confidentiality of infor-*
9 *mation that is commercially sensitive or is ex-*
10 *empt from public disclosure under section 552(b)*
11 *of title 5.*

12 *“(2) REVISED REQUIREMENTS.—The Commis-*
13 *sion may, on its own motion or on request of any in-*
14 *terested party, initiate proceedings (to be conducted*
15 *in accordance with regulations that the Commission*
16 *shall prescribe) to improve the quality, accuracy, or*
17 *completeness of Postal Service data required by the*
18 *Commission under this subsection whenever it shall*
19 *appear that—*

20 *“(A) the attribution of costs or revenues to*
21 *property or services under this chapter has be-*
22 *come significantly inaccurate or can be signifi-*
23 *cantly improved;*

24 *“(B) the quality of service data provided to*
25 *the Commission for annual reports under this*

1 *chapter has become significantly inaccurate or*
2 *can be significantly improved; or*

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

6 “(d) *CONFIDENTIAL INFORMATION.—*

7 “(1) *IN GENERAL.—If the Postal Service deter-*
8 *mines that any document or portion of a document,*
9 *or other matter, which it provides to the Postal Regu-*
10 *latory Commission in a nonpublic annex under this*
11 *section contains information which is described in*
12 *section 410(c) of this title, or exempt from public dis-*
13 *closure under section 552(b) of title 5, the Postal*
14 *Service shall, at the time of providing such matter to*
15 *the Commission, notify the Commission of its deter-*
16 *mination, in writing, and describe with particularity*
17 *the documents (or portions of documents) or other*
18 *matter for which confidentiality is sought and the*
19 *reasons therefor.*

20 “(2) *TREATMENT.—Any information or other*
21 *matter described in paragraph (1) to which the Com-*
22 *mission gains access under this section shall be sub-*
23 *ject to paragraphs (2) and (3) of section 504(g) in the*
24 *same way as if the Commission had received notifica-*

1 *tion with respect to such matter under section*
2 *504(g)(1).*

3 “(e) *ANNUAL COMPLIANCE DETERMINATION.*—

4 “(1) *OPPORTUNITY FOR PUBLIC COMMENT.*—

5 *After receiving the reports required under subsection*
6 *(a) for any year, the Postal Regulatory Commission*
7 *shall promptly provide an opportunity for comment*
8 *on such reports by any interested party, and an offi-*
9 *cer of the Commission who shall be required to rep-*
10 *resent the interests of the general public.*

11 “(2) *DETERMINATION OF COMPLIANCE OR NON-*

12 *COMPLIANCE.*—*Not later than 90 days after receiving*
13 *the submissions required under subsection (a) with re-*
14 *spect to a year, the Postal Regulatory Commission*
15 *shall make a written determination as to whether any*
16 *nonpostal activities during such year were or were*
17 *not in compliance with applicable provisions of this*
18 *chapter (or regulations promulgated under this chap-*
19 *ter). The Postal Regulatory Commission shall issue a*
20 *determination of noncompliance if the requirements*
21 *for coverage of attributable costs are not met. If, with*
22 *respect to a year, no instance of noncompliance is*
23 *found to have occurred in such year, the written de-*
24 *termination shall be to that effect.*

1 “(3) *NONCOMPLIANCE.*—*If, for a year, a timely*
2 *written determination of noncompliance is made*
3 *under this chapter, the Postal Regulatory Commission*
4 *shall take appropriate action. If the requirements for*
5 *coverage of attributable costs specified by this chapter*
6 *are not met, the Commission shall, within 60 days*
7 *after the determination, prescribe remedial action to*
8 *restore compliance as soon as practicable, which shall*
9 *also include the full restoration of revenue shortfalls*
10 *during the following fiscal year. The Commission*
11 *may order the Postal Service to discontinue a non-*
12 *postal service under section 3703 or 3704 that persist-*
13 *ently fails to meet cost coverage requirements.*

14 “(4) *ANY DELIBERATE NONCOMPLIANCE.*—*In ad-*
15 *dition, in cases of deliberate noncompliance by the*
16 *Postal Service with the requirements of this chapter,*
17 *the Postal Regulatory Commission may order, based*
18 *on the nature, circumstances, extent, and seriousness*
19 *of the noncompliance, a fine (in the amount specified*
20 *by the Commission in its order) for each incidence of*
21 *noncompliance. All receipts from fines imposed under*
22 *this subsection shall be deposited in the general fund*
23 *of the Treasury of the United States.”.*

1 (2) *CLERICAL AMENDMENT.*—*The table of chap-*
 2 *ters at the beginning of part IV is amended by adding*
 3 *after the item relating to chapter 36 the following:*

 “**37. Nonpostal Services** **3701**”.

4 (b) *CONFORMING AMENDMENTS.*—

5 (1) *SECTION 404(e).*—*Section 404(e) is amended*
 6 *by adding at the end the following:*

7 “(6) *Nothing in this section shall be considered to pre-*
 8 *vent the Postal Service from establishing nonpostal products*
 9 *and services that are expressly authorized by chapter 37.*”.

10 (2) *SECTION 411.*—*The last sentence of section*
 11 *411 is amended by striking “including*
 12 *reimbursability” and inserting “including*
 13 *reimbursability within the limitations of chapter 37.*”.

14 (3) *TREATMENT OF EXISTING NONPOSTAL SERV-*
 15 *ICES.*—*All nonpostal services continued pursuant to*
 16 *section 404(e) of title 39, United States Code, shall be*
 17 *considered to be expressly authorized by chapter 37 of*
 18 *such title (as added by subsection (a)(1)) and shall be*
 19 *subject to the requirements of such chapter.*

20 **SEC. 408. REIMBURSEMENT OF ALASKA BYPASS MAIL**
 21 **COSTS.**

22 (a) *COST ESTIMATES BY POSTAL REGULATORY COM-*
 23 *MISSION.*—*Section 3651(b) is amended—*

24 (1) *by redesignating paragraph (2) as para-*
 25 *graph (3); and*

1 (2) *by inserting after paragraph (1) the fol-*
2 *lowing:*

3 “(2) *ALASKA BYPASS MAIL COSTS.—In addition*
4 *to the information required under subsection (a), each*
5 *report under this section shall also include, with re-*
6 *spect to the period covered by such report, an estimate*
7 *of the costs incurred by the Postal Service in pro-*
8 *viding Alaska bypass mail service under section*
9 *5402.”.*

10 **(b) REIMBURSEMENTS.—**

11 (1) *IN GENERAL.—Chapter 54 is amended by*
12 *adding at the end the following:*

13 **“§ 5404. Reimbursement of Alaska bypass mail costs**

14 “(a) *IN GENERAL.—The State of Alaska, on an annual*
15 *basis, shall make a payment to the Postal Service to reim-*
16 *burse the Postal Service for its costs in providing Alaska*
17 *bypass mail service under section 5402 of this title.*

18 “(b) *DATE OF FIRST PAYMENT.—The State of Alaska*
19 *shall make its first payment under subsection (a) on or be-*
20 *fore the last day of the first fiscal year of the State of Alaska*
21 *beginning after the date of enactment of this section.*

22 “(c) *PAYMENT AMOUNTS.—*

23 “(1) *DETERMINATION OF AMOUNTS.—The*
24 *amount of a payment under subsection (a) shall be*
25 *determined based on the most recent cost estimate pre-*

1 *pared by the Postal Regulatory Commission under*
2 *section 3651(b)(2) of this title (in this subsection re-*
3 *ferred to as the ‘cost estimate’).*

4 *“(2) FIRST PAYMENT.—The first payment under*
5 *subsection (a) shall be in an amount equal to 20 per-*
6 *cent of the cost estimate.*

7 *“(3) SUBSEQUENT PAYMENTS.—Each subsequent*
8 *payment under subsection (a) shall be in an amount*
9 *equal to a percentage of the cost estimate determined*
10 *by adding 20 percent to the percentage due in the*
11 *prior year, except that no payment shall exceed 100*
12 *percent of the cost estimate.*

13 *“(d) NOTICE OF PAYMENT AMOUNTS.—Not later than*
14 *30 days after the date of issuance of a cost estimate by the*
15 *Postal Regulatory Commission under section 3651(b)(2) of*
16 *this title, the Postal Service shall furnish the State of Alaska*
17 *with written notice of the amount of the next payment due*
18 *under subsection (a).*

19 *“(e) DEPOSIT OF PAYMENTS.—Not later than the last*
20 *day of the fiscal year of the State of Alaska in which notice*
21 *of a payment is provided under subsection (d)—*

22 *“(1) the State of Alaska shall transmit the pay-*
23 *ment to the Postal Service; and*

24 *“(2) the Postal Service shall deposit the payment*
25 *in the Postal Service Fund.”.*

1 (2) *CLERICAL AMENDMENT.*—*The table of sec-*
 2 *tions at the beginning of chapter 54 is amended by*
 3 *adding at the end the following:*

“5404. Reimbursement of Alaska bypass mail costs.”.

4 **SEC. 409. APPROPRIATIONS MODERNIZATION.**

5 (a) *IN GENERAL.*—*Section 2401 is amended by strik-*
 6 *ing subsections (b) through (d).*

7 (b) *EFFECTIVE DATE.*—*The amendment made by sub-*
 8 *section (a) shall be effective with respect to fiscal years be-*
 9 *ginning after the date of enactment of this Act.*

10 **SEC. 410. RETIREE HEALTH CARE BENEFIT PAYMENT DE-**
 11 **FERRAL.**

12 *Section 8909a of title 5, United States Code, is amend-*
 13 *ed—*

14 (1) *in the section heading, by striking “Ben-*
 15 *efit” and inserting “Benefits”;*

16 (2) *in subsection (d)(3)(A)(v), by striking*
 17 *“\$5,500,000,000” and inserting “\$1,000,000,000”;*

18 (3) *in subsection (d)(3)(A)(ix), by striking*
 19 *“\$5,700,000,000” and inserting “\$7,950,000,000”;*
 20 *and*

21 (4) *in subsection (d)(3)(A)(x), by striking*
 22 *“\$5,800,000,000” and inserting “\$8,050,000,000”.*

1 **TITLE V—POSTAL CONTRACTING**
 2 **REFORM**

3 **SEC. 501. CONTRACTING PROVISIONS.**

4 (a) *IN GENERAL.*—Part I is amended by adding at
 5 the end the following:

6 **“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.

7 **“§ 701. Definitions**

8 “In this chapter—

9 “(1) the term ‘contracting officer’ means an em-
 10 ployee of a covered postal entity who has authority to
 11 enter into a postal contract;

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

13 “(A) the Postal Service; or

14 “(B) the Postal Regulatory Commission;

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

17 “(A) in the case of the Postal Service, the
 18 Postmaster General; or

19 “(B) in the case of the Postal Regulatory
 20 Commission, the Chairman of the Postal Regu-
 21 latory Commission;

22 “(4) the term ‘postal contract’ means—

1 “(A) *in the case of the Postal Service, any*
2 *contract (including any agreement or memo-*
3 *randum of understanding) entered into by the*
4 *Postal Service for the procurement of goods or*
5 *services; or*

6 “(B) *in the case of the Postal Regulatory*
7 *Commission, any contract (including any agree-*
8 *ment or memorandum of understanding) in an*
9 *amount exceeding the simplified acquisition*
10 *threshold (as defined in section 134 of title 41*
11 *and adjusted under section 1908 of such title)*
12 *entered into by the Postal Regulatory Commis-*
13 *sion for the procurement of goods or services; and*

14 “(5) *the term ‘senior procurement executive’*
15 *means the senior procurement executive of a covered*
16 *postal entity.*

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

18 “(a) *ESTABLISHMENT AND DESIGNATION.—*

19 “(1) *There is established in each covered postal*
20 *entity an advocate for competition.*

21 “(2) *The head of each covered postal entity shall*
22 *designate for the covered postal entity 1 or more offi-*
23 *cers or employees (other than the senior procurement*
24 *executive) to serve as the advocate for competition.*

1 “(b) *RESPONSIBILITIES.*—*The advocate for competi-*
2 *tion of a covered postal entity shall—*

3 “(1) *be responsible for promoting—*

4 “(A) *the contracting out of functions of the*
5 *covered postal entity that the private sector can*
6 *perform equally well or better, and at lower cost;*
7 *and*

8 “(B) *competition to the maximum extent*
9 *practicable consistent with obtaining best value*
10 *by promoting the acquisition of commercial*
11 *items and challenging barriers to competition;*

12 “(2) *review the procurement activities of the cov-*
13 *ered postal entity; and*

14 “(3) *prepare and transmit the annual report re-*
15 *quired under subsection (c).*

16 “(c) *ANNUAL REPORT.*—

17 “(1) *PREPARATION.*—*The advocate for competi-*
18 *tion of a covered postal entity shall prepare an an-*
19 *nual report describing the following:*

20 “(A) *The activities of the advocate under*
21 *this section.*

22 “(B) *Initiatives required to promote con-*
23 *tracting out and competition.*

24 “(C) *Barriers to contracting out and com-*
25 *petition.*

1 “(D) *In the case of the report prepared by*
2 *the competition advocate of the Postal Service,*
3 *the number of waivers made by the Postal Serv-*
4 *ice under section 704(c).*

5 “(2) *TRANSMISSION.—The report under this sub-*
6 *section shall be transmitted—*

7 “(A) *to Congress;*

8 “(B) *to the head of the postal entity;*

9 “(C) *to the senior procurement executive of*
10 *the entity;*

11 “(D) *in the case of the competition advocate*
12 *of the Postal Service, to each member of the Post-*
13 *al Service Board of Governors; and*

14 “(E) *in the case of the competition advocate*
15 *of the Postal Regulatory Commission, to each of*
16 *the Commissioners of the Commission.*

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

18 “(a) *IN GENERAL.—*

19 “(1) *POLICY.—Not later than 60 days after the*
20 *date of enactment of this chapter, the head of each*
21 *covered postal entity shall issue a policy on con-*
22 *tracting officer delegations of authority for postal con-*
23 *tracts for the covered postal entity.*

24 “(2) *CONTENTS.—The policy issued under para-*
25 *graph (1) shall require that—*

1 *competitive purchase request for any noncompetitive*
2 *award for any contract (including any agreement or*
3 *memorandum of understanding) entered into by the*
4 *Postal Regulatory Commission for the procurement of*
5 *goods and services, in an amount of \$20,000 or more,*
6 *including the rationale supporting the noncompetitive*
7 *award, publicly available on the website of the Postal*
8 *Regulatory Commission—*

9 *“(A) not later than 14 days after the date*
10 *of the award of the noncompetitive contract; or*

11 *“(B) not later than 30 days after the date*
12 *of the award of the noncompetitive contract, if*
13 *the basis for the award was a compelling busi-*
14 *ness interest.*

15 *“(2) POSTAL SERVICE.—The Postal Service shall*
16 *make the noncompetitive purchase request for any*
17 *noncompetitive award of a postal contract in an*
18 *amount of \$250,000 or more, including the rationale*
19 *supporting the noncompetitive award, publicly avail-*
20 *able on the website of the Postal Service—*

21 *“(A) not later than 14 days after the date*
22 *of the award; or*

23 *“(B) not later than 30 days after the date*
24 *of the award, if the basis for the award was a*
25 *compelling business interest.*

1 “(3) *ADJUSTMENTS TO THE POSTING THRESH-*
2 *OLD FOR THE POSTAL SERVICE.—*

3 “(A) *REVIEW AND DETERMINATION.—Not*
4 *later than January 31 of each year, the Postal*
5 *Service shall—*

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

8 “(ii) *based on any change in the Con-*
9 *sumer Price Index for all-urban consumers*
10 *of the Department of Labor, determine*
11 *whether an adjustment to the threshold shall*
12 *be made.*

13 “(B) *AMOUNT OF ADJUSTMENTS.—An ad-*
14 *justment under subparagraph (A) shall be made*
15 *in increments of \$5,000. If the Postal Service de-*
16 *termines that a change in the Consumer Price*
17 *Index for a year would require an adjustment in*
18 *an amount that is less than \$5,000, the Postal*
19 *Service may not make an adjustment to the*
20 *threshold for the year.*

21 “(4) *EFFECTIVE DATE.—This subsection shall*
22 *apply to any noncompetitive contract awarded on or*
23 *after the date that is 90 days after the date of enact-*
24 *ment of this chapter.*

25 “(b) *PUBLIC AVAILABILITY.—*

1 “(1) *IN GENERAL.*—Subject to paragraph (2), the
2 information required to be made publicly available by
3 a covered postal entity under subsection (a) shall be
4 readily accessible on the website of the covered postal
5 entity.

6 “(2) *PROTECTION OF PROPRIETARY INFORMA-*
7 *TION.*—A covered postal entity shall—

8 “(A) carefully screen any description of the
9 rationale supporting a noncompetitive award re-
10 quired to be made publicly available under sub-
11 section (a) to determine whether the description
12 includes proprietary data (including any ref-
13 erence or citation to the proprietary data) or se-
14 curity-related information; and

15 “(B) remove any proprietary data or secu-
16 rity-related information before making publicly
17 available a description of the rationale sup-
18 porting a noncompetitive award.

19 “(c) *WAIVERS.*—

20 “(1) *WAIVER PERMITTED.*—If the Postal Service
21 determines that making a noncompetitive purchase
22 request for a postal contract of the Postal Service pub-
23 licly available would risk placing the Postal Service
24 at a competitive disadvantage relative to a private
25 sector competitor, the senior procurement executive, in

1 *consultation with the advocate for competition of the*
2 *Postal Service, may waive the requirements under*
3 *subsection (a).*

4 “(2) *FORM AND CONTENT OF WAIVER.—*

5 “(A) *FORM.—A waiver under paragraph*
6 *(1) shall be in the form of a written determina-*
7 *tion placed in the file of the contract to which*
8 *the noncompetitive purchase agreement relates.*

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

11 “(i) *a description of the risk associated*
12 *with making the noncompetitive purchase*
13 *request publicly available; and*

14 “(ii) *a statement that redaction of sen-*
15 *sitive information in the noncompetitive*
16 *purchase request would not be sufficient to*
17 *protect the Postal Service from being placed*
18 *at a competitive disadvantage relative to a*
19 *private sector competitor.*

20 “(3) *DELEGATION OF WAIVER AUTHORITY.—The*
21 *Postal Service may not delegate the authority to ap-*
22 *prove a waiver under paragraph (1) to any employee*
23 *having less authority than the senior procurement ex-*
24 *ecutive.*

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

2 *“If a contracting officer identifies any ethical issues*
3 *relating to a proposed contract and submits those issues and*
4 *that proposed contract to the designated ethics official for*
5 *the covered postal entity before the awarding of that con-*
6 *tract, that ethics official shall—*

7 *“(1) review the proposed contract; and*

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

10 **“§ 706. Ethical restrictions on participation in certain**
11 **contracting activity**

12 *“(a) DEFINITIONS.—In this section—*

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

14 *“(A) a contracting officer; or*

15 *“(B) any employee of a covered postal enti-*
16 *ty whose decision making affects a postal con-*
17 *tract as determined by regulations prescribed by*
18 *the head of a covered postal entity;*

19 *“(2) the term ‘final conviction’ means a convic-*
20 *tion, whether entered on a verdict or plea, including*
21 *a plea of nolo contendere, for which a sentence has*
22 *been imposed; and*

23 *“(3) the term ‘covered relationship’ means a cov-*
24 *ered relationship described in section 2635.502(b)(1)*
25 *of title 5, Code of Federal Regulations, or any suc-*
26 *cessor thereto.*

1 “(b) *IN GENERAL.*—

2 “(1) *REGULATIONS.*—*The head of each covered*
3 *postal entity shall prescribe regulations that—*

4 “(A) *require a covered employee to include*
5 *in the file of any noncompetitive purchase re-*
6 *quest for a noncompetitive postal contract a*
7 *written certification that—*

8 “(i) *discloses any covered relationship*
9 *of the covered employee; and*

10 “(ii) *states that the covered employee*
11 *will not take any action with respect to the*
12 *noncompetitive purchase request that affects*
13 *the financial interests of a friend, relative,*
14 *or person with whom the covered employee*
15 *is affiliated in a nongovernmental capacity,*
16 *or otherwise gives rise to an appearance of*
17 *the use of public office for private gain, as*
18 *described in section 2635.702 of title 5,*
19 *Code of Federal Regulations, or any suc-*
20 *cessor thereto;*

21 “(B) *require a contracting officer to consult*
22 *with the ethics counsel for the covered postal en-*
23 *tity regarding any disclosure made by a covered*
24 *employee under subparagraph (A)(i), to deter-*
25 *mine whether participation by the covered em-*

1 *ployee in the noncompetitive purchase request*
2 *would give rise to a violation of part 2635 of*
3 *title 5, Code of Federal Regulations (commonly*
4 *referred to as the Standards of Ethical Conduct*
5 *for Employees of the Executive Branch), or any*
6 *successor thereto;*

7 *“(C) require the ethics counsel for a covered*
8 *postal entity to review any disclosure made by*
9 *a contracting officer under subparagraph (A)(i)*
10 *to determine whether participation by the con-*
11 *tracting officer in the noncompetitive purchase*
12 *request would give rise to a violation of part*
13 *2635 of title 5, Code of Federal Regulations*
14 *(commonly referred to as the Standards of Eth-*
15 *ical Conduct for Employees of the Executive*
16 *Branch), or any successor thereto;*

17 *“(D) under subsections (d) and (e) of sec-*
18 *tion 2635.502 of title 5, Code of Federal Regula-*
19 *tions, or any successor thereto, require the ethics*
20 *counsel for a covered postal entity to—*

21 *“(i) authorize a covered employee that*
22 *makes a disclosure under subparagraph*
23 *(A)(i) to participate in the noncompetitive*
24 *postal contract; or*

1 “(ii) disqualify a covered employee
2 that makes a disclosure under subparagraph
3 (A)(i) from participating in the non-
4 competitive postal contract;

5 “(E) require a contractor to timely disclose
6 to the contracting officer in a bid, solicitation,
7 award, or performance of a postal contract any
8 conflict of interest with a covered employee; and

9 “(F) include authority for the head of the
10 covered postal entity to grant a waiver or other-
11 wise mitigate any organizational or personal
12 conflict of interest, if the head of the covered
13 postal entity determines that the waiver or miti-
14 gation is in the best interests of the covered post-
15 al entity.

16 “(2) POSTING OF WAIVERS.—Not later than 30
17 days after the head of a covered postal entity grants
18 a waiver described in paragraph (1)(F), the head of
19 the covered postal entity shall make the waiver pub-
20 licly available on the website of the covered postal en-
21 tity.

22 “(c) CONTRACT VOIDANCE AND RECOVERY.—

23 “(1) UNLAWFUL CONDUCT.—In any case in
24 which there is a final conviction for a violation of
25 any provision of chapter 11 of title 18 relating to a

1 *postal contract, the head of a covered postal entity*
2 *may—*

3 *“(A) void that contract; and*

4 *“(B) recover the amounts expended and*
5 *property transferred by the covered postal entity*
6 *under that contract.*

7 *“(2) OBTAINING OR DISCLOSING PROCUREMENT*
8 *INFORMATION.—*

9 *“(A) IN GENERAL.—In any case in which a*
10 *contractor under a postal contract fails to timely*
11 *disclose a conflict of interest to the appropriate*
12 *contracting officer as required under the regula-*
13 *tions promulgated under subsection (b)(1)(E),*
14 *the head of a covered postal entity may—*

15 *“(i) void that contract; and*

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

19 *“(B) CONVICTION OR ADMINISTRATIVE DE-*
20 *TERMINATION.—A case described under subpara-*
21 *graph (A) is any case in which—*

22 *“(i) there is a final conviction for an*
23 *offense punishable under section 2105 of*
24 *title 41; or*

1 “(ii) the head of a covered postal entity
2 determines, based upon a preponderance of
3 the evidence, that the contractor or someone
4 acting for the contractor has engaged in
5 conduct constituting an offense punishable
6 under section 2105 of such title.”.

7 (b) *CLERICAL AMENDMENT.*—The table of chapters at
8 the beginning of part I is amended by adding at the end
9 the following:

 “7. *Contracting Provisions* 701”.

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

11 Section 7101(8) of title 41, United States Code, is
12 amended—

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

15 (2) by striking the period at the end of subpara-
16 graph (D) and inserting “; and”; and

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

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

20 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS; REF-**
21 **ERENCES.**

22 **(a) SHORT TITLE.**—This Act may be cited as
23 **the “Postal Reform Act of 2012”.**

24 **(b) TABLE OF CONTENTS.**—The table of con-
25 **tents of 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.**
- Sec. 109. GAO study and report.**

Subtitle B—Other Provisions

- Sec. 111. Implementation of discretionary non-mail delivery days.**
- Sec. 112. Efficient and flexible universal postal service.**
- Sec. 113. Enhanced reporting on Postal Service efficiency.**
- Sec. 114. Applicability of procedures relating to closures and consolidations.**

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.**
- Sec. 214. Delivery point modernization.**

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. Supplementary borrowing authority during a control period.**
- Sec. 223. Process for submission and approval of financial plan and budget.**
- Sec. 224. Responsibilities of the Authority.**
- Sec. 225. Effect of finding noncompliance with financial plan and budget.**
- Sec. 226. Recommendations regarding financial stability, etc.**

- Sec. 227. Special rules for fiscal year in which control period commences.**
Sec. 228. Assistance in achieving financial stability, etc.
Sec. 229. Obtaining reports.
Sec. 230. Reports and comments.

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. Applicability of reduction-in-force procedures.
Sec. 305. Modifications relating to collective bargaining.
Sec. 306. One-time transfer of net surplus postal retirement contributions.

Subtitle B—Postal Service Workers' Compensation Reform

- Sec. 311. Postal Service workers' compensation reform.**

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.
Sec. 408. Reimbursement of Alaska bypass mail costs.
Sec. 409. Appropriations modernization.
Sec. 410. Retiree health care benefit payment deferral.

TITLE V—POSTAL CONTRACTING REFORM

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

1 **(c) REFERENCES.—Except as otherwise ex-**
 2 **pressly provided, whenever in this Act an**
 3 **amendment or repeal is expressed in terms of**
 4 **an amendment to, or repeal of, a section or**
 5 **other provision, the reference shall be consid-**

1 ered to be made to a section or other provi-
2 sion of title 39, United States Code.

3 **TITLE I—POSTAL SERVICE**
4 **MODERNIZATION**

5 **Subtitle A—Commission on Postal**
6 **Reorganization**

7 SEC. 101. SHORT TITLE.

8 **This subtitle may be cited as the “Commis-**
9 **sion on Postal Reorganization Act” or the**
10 **“CPR Act”.**

11 SEC. 102. DEFINITIONS.

12 **For purposes of this title—**

13 **(1) the term “Postal Service” means**
14 **the United States Postal Service;**

15 **(2) the term “postal retail facility”**
16 **means a post office, post office branch,**
17 **post office classified station, or other fa-**
18 **cility which is operated by the Postal**
19 **Service, and the primary function of**
20 **which is to provide retail postal services;**

21 **(3) the term “mail processing facility”**
22 **means a processing and distribution cen-**
23 **ter, processing and distribution facility,**
24 **network distribution center, or other fa-**
25 **cility which is operated by the Postal**

1 **Service, and the primary function of**
2 **which is to sort and process mail;**

3 **(4) the term “district office” means**
4 **the central office of an administrative**
5 **field unit with responsibility for postal**
6 **operations in a designated geographic**
7 **area (as defined under regulations, direc-**
8 **tives, or other guidance of the Postal**
9 **Service, as in effect on June 23, 2011);**

10 **(5) the term “area office” means the**
11 **central office of an administrative field**
12 **unit with responsibility for postal oper-**
13 **ations in a designated geographic area**
14 **which is comprised of designated geo-**
15 **graphic areas as referred to in paragraph**
16 **(4);**

17 **(6) the term “baseline year” means**
18 **the fiscal year last ending before the date**
19 **of the enactment of this Act; and**

20 **(7) the term “Member of Congress”**
21 **has the meaning given such term by sec-**
22 **tion 2106 of title 5, United States Code.**

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

24 **(a) ESTABLISHMENT.—There shall be estab-**
25 **lished, not later than 90 days after the date**

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

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

7 (c) MEMBERS.—

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

12 (A) 1 shall be appointed from
13 among individuals recommended by
14 the Speaker of the House of Rep-
15 resentatives;

16 (B) 1 shall be appointed from
17 among individuals recommended by
18 the majority leader of the Senate;

19 (C) 1 shall be appointed from
20 among individuals recommended by
21 the minority leader of the House of
22 Representatives;

23 (D) 1 shall be appointed from
24 among individuals recommended by
25 the minority leader of the Senate; and

1 **(E) 1 shall be appointed from**
2 **among individuals recommended by**
3 **the Comptroller General.**

4 **(2) QUALIFICATIONS.—**

5 **(A) IN GENERAL.—Members of the**
6 **Commission shall be chosen to rep-**
7 **resent the public interest generally,**
8 **and shall not be representatives of**
9 **specific interests using the Postal**
10 **Service.**

11 **(B) INELIGIBILITY.—An individual**
12 **may not be appointed to serve as a**
13 **member of the Commission if such in-**
14 **dividual is a Member of Congress or**
15 **served as an employee of the Postal**
16 **Service or the Postal Regulatory**
17 **Commission, or of a labor organiza-**
18 **tion representing employees of the**
19 **Postal Service or the Postal Regu-**
20 **latory Commission, during the 3-year**
21 **period ending on the date of such ap-**
22 **pointment.**

23 **(3) POLITICAL AFFILIATION.—Not more**
24 **than 3 members of the Commission may**
25 **be of the same political party.**

1 **(d) TERMS.—**Each member of the Commis-
2 sion shall be appointed for the life of the Com-
3 mission and may be removed only for cause.

4 **(e) VACANCIES.—**A vacancy in the Commis-
5 sion shall be filled in the same manner as the
6 original appointment.

7 **(f) CHAIRMAN.—**The President shall, at the
8 time of making appointments under sub-
9 section (c), designate one of the members to
10 serve as chairman of the Commission.

11 **(g) COMPENSATION AND TRAVEL EXPENSES.—**

12 **(1) COMPENSATION.—**

13 **(A) IN GENERAL.—**Except as pro-
14 vided in subparagraph (B), each
15 member of the Commission shall be
16 paid at a rate equal to the daily
17 equivalent of \$40,000 per year for
18 each day (including travel time) dur-
19 ing which the member is engaged in
20 the actual performance of duties vest-
21 ed in the Commission.

22 **(B) EXCEPTION.—**Any member of
23 the Commission who is a full-time of-
24 ficer or employee of the United States
25 may not receive additional pay, al-

1 lowances, or benefits by reason of
2 such member's service on the Com-
3 mission.

4 (2) TRAVEL EXPENSES.—Each member
5 shall receive travel expenses, including
6 per diem in lieu of subsistence, in accord-
7 ance with applicable provisions of sub-
8 chapter I of chapter 57 of title 5, United
9 States Code.

10 (h) DIRECTOR.—The Commission shall
11 have a Director who shall be appointed by the
12 Commission. The Director shall be paid at the
13 rate of basic pay for level IV of the Executive
14 Schedule under section 5315 of title 5, United
15 States Code. An appointment under this sub-
16 section shall be subject to the requirements of
17 subsection (c)(2).

18 (i) ADDITIONAL PERSONNEL.—With the ap-
19 proval of the Commission, the Director may
20 appoint and fix the pay of such additional
21 personnel as the Director considers appro-
22 priate. Such additional personnel may be ap-
23 pointed without regard to the provisions of
24 title 5, United States Code, governing appoint-
25 ments in the competitive service, and may be

1 paid without regard to the provisions of chap-
2 ter 51 and subchapter III of chapter 53 of such
3 title relating to classification and General
4 Schedule pay rates, except that an individual
5 so appointed may not receive pay at a rate of
6 basic pay in excess of the rate of basic pay
7 payable to the Director. An individual ap-
8 pointed under this subsection shall serve at
9 the pleasure of the Director.

10 (j) PROVISIONS RELATING TO DETAILS.—

11 (1) IN GENERAL.—Upon request of the
12 Director, the head of any Federal depart-
13 ment or agency may detail any of the per-
14 sonnel of such department or agency to
15 the Commission to assist the Commission
16 in carrying out its duties under this sub-
17 title. Notwithstanding any other provi-
18 sion of law, to provide continuity in the
19 work of the Commission, such details
20 may be extended beyond 1 year at the re-
21 quest of the Director.

22 (2) NUMERICAL LIMITATION.—Not more
23 than $\frac{1}{3}$ of the personnel of the Commis-
24 sion may consist of the number of indi-
25 viduals on detail from the Postal Service

1 **and the Postal Regulatory Commission**
2 **combined.**

3 **(3) OTHER LIMITATIONS.—A person may**
4 **not be detailed to the Commission from**
5 **the Postal Service or the Postal Regu-**
6 **latory Commission if such person partici-**
7 **pated personally and substantially on**
8 **any matter, within the Postal Service or**
9 **the Postal Regulatory Commission, con-**
10 **cerning the preparation of recommenda-**
11 **tions for closures or consolidations of**
12 **postal facilities under this subtitle. No**
13 **employee of the Postal Service or the**
14 **Postal Regulatory Commission (including**
15 **a detailee to the Postal Service or the**
16 **Postal Regulatory Commission) may—**

17 **(A) prepare any report con-**
18 **cerning the effectiveness, fitness, or**
19 **efficiency of the performance, on the**
20 **staff of the Commission, of any per-**
21 **son detailed from the Postal Service**
22 **or the Postal Regulatory Commission**
23 **to such staff;**

24 **(B) review the preparation of**
25 **such a report; or**

1 **(C) approve or disapprove such a**
2 **report.**

3 **(k) OTHER AUTHORITIES.—**

4 **(1) EXPERTS AND CONSULTANTS.—The**
5 **Commission may procure by contract, to**
6 **the extent funds are available, temporary**
7 **or intermittent services under section**
8 **3109 of title 5, United States Code.**

9 **(2) LEASING, ETC.—The Commission**
10 **may lease space and acquire personal**
11 **property to the extent funds are avail-**
12 **able.**

13 **(l) AUTHORIZATION OF APPROPRIATIONS.—In**
14 **order to carry out this section, there are au-**
15 **thorized to be appropriated out of the Postal**
16 **Service Fund \$20,000,000, which funds shall**
17 **remain available until expended.**

18 **(m) FINANCIAL REPORTING.—**

19 **(1) AUDIT AND EXPENDITURES.—The**
20 **Commission shall be responsible for**
21 **issuing annual financial statements and**
22 **for establishing and maintaining ade-**
23 **quate controls over its financial report-**
24 **ing.**

1 **(2) INTERNAL AUDITS.—The Commis-**
2 **sion shall maintain an adequate internal**
3 **audit of its financial transactions.**

4 **(3) ANNUAL CERTIFICATION.—The Com-**
5 **mission shall obtain an annual certifi-**
6 **cation for each fiscal year from an inde-**
7 **pendent, certified public accounting firm**
8 **of the accuracy of its financial state-**
9 **ments.**

10 **(4) COMPTROLLER GENERAL.—The ac-**
11 **counts and operations of the Commission**
12 **shall be audited by the Comptroller Gen-**
13 **eral and reports thereon made to the**
14 **Congress to the extent and at such times**
15 **as the Comptroller General may deter-**
16 **mine.**

17 **(n) TERMINATION.—The Commission shall**
18 **terminate 60 days after submitting its final re-**
19 **ports under section 104(d)(3).**

20 **SEC. 104. RECOMMENDATIONS FOR CLOSURES AND CON-**
21 **SOLIDATIONS.**

22 **(a) PLAN FOR THE CLOSURE OR CONSOLIDA-**
23 **TION OF POSTAL RETAIL FACILITIES.—**

24 **(1) IN GENERAL.—Not later than 120**
25 **days after the date of the enactment of**

1 **this Act, the Postal Service, in consulta-**
2 **tion with the Postal Regulatory Commis-**
3 **sion, shall develop and submit to the**
4 **Commission on Postal Reorganization a**
5 **plan for the closure or consolidation of**
6 **such postal retail facilities as the Postal**
7 **Service considers necessary and appro-**
8 **priate so that the total annual costs at-**
9 **tributable to the operation of postal re-**
10 **tail facilities will be, for each fiscal year**
11 **beginning at least 2 years after the date**
12 **on which the Commission transmits to**
13 **Congress its final report under sub-**
14 **section (d)(3)(A) relating to this sub-**
15 **section, at least \$1,000,000,000 less than**
16 **the corresponding total annual costs for**
17 **the baseline year.**

18 **(2) CONTENTS.—The plan shall in-**
19 **clude—**

20 **(A) a list of the postal retail facili-**
21 **ties proposed for closure or consoli-**
22 **dation under this subtitle;**

23 **(B) a proposed schedule under**
24 **which—**

1 **(i) closures and consolidations**
2 **of postal retail facilities would be**
3 **carried out under this subtitle;**
4 **and**

5 **(ii) all closures and consolida-**
6 **tions of postal retail facilities**
7 **under this subtitle would be com-**
8 **pleted by not later than 2 years**
9 **after the date on which the Com-**
10 **mission transmits to Congress its**
11 **final report under subsection**
12 **(d)(3)(A) relating to such plan;**

13 **(C) the estimated total annual**
14 **cost savings attributable to the pro-**
15 **posed closures and consolidations de-**
16 **scribed in the plan;**

17 **(D) the criteria and process used**
18 **to develop the information described**
19 **in subparagraphs (A) and (B);**

20 **(E) the methodology and assump-**
21 **tions used to derive the estimates de-**
22 **scribed in subparagraph (C); and**

23 **(F) any changes to the processing,**
24 **transportation, delivery, or other**
25 **postal operations anticipated as a re-**

1 **sult of the proposed closures and con-**
2 **solidations described in the plan.**

3 **(3) CONSISTENCY.—The methodology**
4 **and assumptions used to derive the cost**
5 **estimates described in paragraph (2)(C)**
6 **shall be consistent with the methodology**
7 **and assumptions which would have been**
8 **used by the Postal Service if those clo-**
9 **sure and consolidations had instead**
10 **taken effect in the baseline year.**

11 **(b) PLAN FOR THE CLOSURE OR CONSOLIDA-**
12 **TION OF MAIL PROCESSING FACILITIES.—**

13 **(1) IN GENERAL.—Not later than 300**
14 **days after the date of the enactment of**
15 **this Act, the Postal Service, in consulta-**
16 **tion with the Inspector General of the**
17 **United States Postal Service, shall de-**
18 **velop and submit to the Commission on**
19 **Postal Reorganization a plan for the clo-**
20 **sure or consolidation of such mail proc-**
21 **essing facilities as the Postal Service con-**
22 **siders necessary and appropriate so**
23 **that—**

24 **(A) the total annual costs attrib-**
25 **utable to the operation of mail proc-**

1 **essing facilities will be, for each fiscal**
2 **year beginning at least 2 years after**
3 **the date on which the Commission**
4 **transmits to Congress its final report**
5 **under subsection (d)(3)(A) relating to**
6 **this subsection, at least \$2,000,000,000**
7 **less than the corresponding total an-**
8 **nual costs for the baseline year; and**

9 **(B) the Postal Service has, for fis-**
10 **cal years beginning at least 2 years**
11 **after the date on which the Commis-**
12 **sion transmits to Congress its final**
13 **report under subsection (d)(3)(A) re-**
14 **lating to this subsection, no more**
15 **than 10 percent excess mail proc-**
16 **essing capacity.**

17 **(2) CONTENTS.—The plan shall in-**
18 **clude—**

19 **(A) a list of the mail processing**
20 **facilities proposed for closure or con-**
21 **solidation under this subtitle;**

22 **(B) a proposed schedule under**
23 **which—**

24 **(i) closures and consolidations**
25 **of mail processing facilities would**

1 **be carried out under this subtitle;**
2 **and**

3 **(ii) all closures and consolida-**
4 **tions of mail processing facilities**
5 **under this subtitle would be com-**
6 **pleted by not later than 2 years**
7 **after the date on which the Com-**
8 **mission transmits to Congress its**
9 **final report under subsection**
10 **(d)(3)(A) relating to such plan;**

11 **(C) the estimated total annual**
12 **cost savings attributable to the pro-**
13 **posed closures and consolidations de-**
14 **scribed in the plan;**

15 **(D) the criteria and process used**
16 **to develop the information described**
17 **in subparagraphs (A) and (B);**

18 **(E) the methodology and assump-**
19 **tions used to derive the estimates de-**
20 **scribed in subparagraph (C); and**

21 **(F) any changes to the processing,**
22 **transportation, delivery, or other**
23 **postal operations anticipated as a re-**
24 **sult of the proposed closures and con-**
25 **solidations described in the plan.**

1 **(3) CONSISTENCY.**—The methodology
2 and assumptions used to derive the cost
3 estimates described in paragraph (2)(C)
4 shall be consistent with the methodology
5 and assumptions which would have been
6 used by the Postal Service if those clo-
7 sures and consolidations had instead
8 taken effect in the baseline year.

9 **(4) EXCESS MAIL PROCESSING CAPAC-**
10 **ITY.**—The Commission shall cause to be
11 published in the Federal Register notice
12 of a proposed definition of “excess mail
13 processing capacity” for purposes of this
14 section within 120 days after the date of
15 the enactment of this Act, and shall pro-
16 vide a period of 30 days for public com-
17 ment on the proposed definition. Not
18 later than 180 days after the date of the
19 enactment of this Act, the Commission
20 shall issue and cause to be published in
21 the Federal Register a final definition of
22 “excess mail processing capacity” for pur-
23 poses of this section. Such definition
24 shall include an estimate of the total
25 amount of excess mail processing capac-

1 **ity in mail processing facilities as of the**
2 **date of the enactment of this Act.**

3 **(5) UNDERUTILIZED MAIL PROCESSING**
4 **FACILITIES.—In developing a plan under**
5 **this subsection, the Postal Service may**
6 **include the estimated total cost savings**
7 **that would result from moving mail proc-**
8 **essing operations to any mail processing**
9 **facility that, as of the date of introduc-**
10 **tion of this Act—**

11 **(A) is not currently used by the**
12 **Postal Service; and**

13 **(B) is capable of processing mail**
14 **to the Postal Service’s standards.**

15 **(c) PLAN FOR THE CLOSURE OR CONSOLIDA-**
16 **TION OF AREA AND DISTRICT OFFICES.—**

17 **(1) IN GENERAL.—Not later than 300**
18 **days after the date of the enactment of**
19 **this Act, the Postal Service, in consulta-**
20 **tion with the Inspector General of the**
21 **United States Postal Service, shall de-**
22 **velop and submit to the Commission on**
23 **Postal Reorganization a plan for the clo-**
24 **sure or consolidation of such area and**
25 **district offices as the Postal Service con-**

1 **siders necessary and appropriate so that**
2 **the combined total number of area and**
3 **district offices will be, for each fiscal**
4 **year beginning at least 2 years after the**
5 **date on which the Commission transmits**
6 **to Congress its final report under sub-**
7 **section (d)(3)(A) relating to this sub-**
8 **section, at least 30 percent less than the**
9 **corresponding combined total for the**
10 **baseline year.**

11 **(2) CONTENTS.—The plan shall in-**
12 **clude—**

13 **(A) a list of the area and district**
14 **offices proposed for closure or con-**
15 **solidation under this subtitle;**

16 **(B) a proposed schedule under**
17 **which—**

18 **(i) closures and consolidations**
19 **of area and district offices would**
20 **be carried out under this subtitle;**
21 **and**

22 **(ii) all closures and consolida-**
23 **tions of area and district offices**
24 **under this subtitle would be com-**
25 **pleted by not later than 2 years**

1 **after the date on which the Com-**
2 **mission transmits to Congress its**
3 **final report under subsection**
4 **(d)(3)(A) relating to such plan;**

5 **(C) the estimated total annual**
6 **cost savings attributable to the pro-**
7 **posed closures and consolidations de-**
8 **scribed in the plan;**

9 **(D) the criteria and process used**
10 **to develop the information described**
11 **in subparagraphs (A) and (B);**

12 **(E) the methodology and assump-**
13 **tions used to derive the estimates de-**
14 **scribed in subparagraph (C); and**

15 **(F) any changes to the processing,**
16 **transportation, delivery, or other**
17 **postal operations anticipated as a re-**
18 **sult of the proposed closures and con-**
19 **solidations described in the plan.**

20 **(3) CONSISTENCY.—The methodology**
21 **and assumptions used to derive the cost**
22 **estimates described in paragraph (2)(C)**
23 **shall be consistent with the methodology**
24 **and assumptions which would have been**
25 **used by the Postal Service if those clo-**

1 **asures and consolidations had instead**
2 **taken effect in the baseline year.**

3 **(d) REVIEW AND RECOMMENDATIONS OF THE**
4 **COMMISSION.—**

5 **(1) INITIAL REPORTS.—**

6 **(A) IN GENERAL.—After receiving**
7 **the plan of the Postal Service under**
8 **subsection (a), (b), or (c), the Commis-**
9 **sion on Postal Reorganization shall**
10 **transmit to Congress and publish in**
11 **the Federal Register a report under**
12 **this paragraph, which shall contain**
13 **the Commission's findings based on a**
14 **review and analysis of such plan, to-**
15 **gether with the Commission's initial**
16 **recommendations for closures and**
17 **consolidations of postal facilities,**
18 **mail processing facilities, or area and**
19 **district offices (as the case may be).**

20 **(B) EXPLANATION OF CHANGES.—**

21 **The Commission shall explain and**
22 **justify in its report any recommenda-**
23 **tions made by the Commission that**
24 **are different from those contained in**

1 **the Postal Service plan to which such**
2 **report pertains.**

3 **(C) DEADLINES.—A report of the**
4 **Commission under this paragraph**
5 **shall be transmitted and published, in**
6 **accordance with subparagraph (A),**
7 **within—**

8 **(i) if the report pertains to the**
9 **plan under subsection (a), 60 days**
10 **after the date on which the Com-**
11 **mission receives such plan; or**

12 **(ii) if the report pertains to**
13 **the plan under subsection (b) or**
14 **(c), 90 days after the date on**
15 **which the Commission receives**
16 **such plan.**

17 **(2) PUBLIC HEARINGS.—**

18 **(A) IN GENERAL.—After receiving**
19 **the plan of the Postal Service under**
20 **subsection (a), (b), or (c), the Commis-**
21 **sion on Postal Reorganization shall**
22 **conduct at least 5 public hearings on**
23 **such plan. The hearings shall be con-**
24 **ducted in geographic areas chosen so**

1 as to reflect a broadly representative
2 range of needs and interests.

3 (B) TESTIMONY.—All testimony be-
4 fore the Commission at a public hear-
5 ing conducted under this paragraph
6 shall be given under oath.

7 (C) DEADLINES.—All hearings
8 under this paragraph shall be com-
9 pleted within 60 days after the date
10 as of which the Commission satisfies
11 the requirements of paragraph (1)
12 with respect to such plan.

13 (3) FINAL REPORTS.—

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

1 **solidations of postal facilities, mail**
2 **processing facilities, or area and dis-**
3 **trict offices (as the case may be).**

4 **(B) APPROVAL.—Recommendations**
5 **under subparagraph (A) shall not be**
6 **considered to be final recommenda-**
7 **tions unless they are made with—**

8 **(i) except as provided in**
9 **clause (ii), the concurrence of at**
10 **least 4 members of the Commis-**
11 **sion; or**

12 **(ii) to the extent that the re-**
13 **quirements of subsection (b)(1)(A)**
14 **or (c)(1) are not met, the concur-**
15 **rence of all sitting members, but**
16 **only if the shortfall (relative to**
17 **the requirements of subsection**
18 **(b)(1)(A) or (c)(1), as the case may**
19 **be) does not exceed 25 percent.**

20 **(C) CONTENTS.—A report under**
21 **this paragraph shall include—**

22 **(i) the information required**
23 **by paragraph (2) of subsection (a),**
24 **(b), or (c) (as the case may be);**
25 **and**

1 (ii) a description of the oper-
2 ations that will be affected by the
3 closure or consolidation and the
4 facilities or offices which will be
5 performing or ceasing to perform
6 such operations as a result of
7 such closure or consolidation.

8 (D) DEADLINES.—A report of the
9 Commission under this paragraph
10 shall be transmitted and published, in
11 accordance with subparagraph (A),
12 within 60 days after the date as of
13 which the Commission satisfies the
14 requirements of paragraph (2) with
15 respect to the plan involved.

16 (e) LIMITATION RELATING TO POSTAL RETAIL
17 FACILITIES IDENTIFIED FOR CLOSURE OR CON-
18 SOLIDATION.—

19 (1) APPLICABILITY.—This subsection
20 applies to any plan of the Postal Service
21 under subsection (a) and any report of
22 the Commission under subsection (d)
23 (whether initial or final) pertaining to
24 such plan.

1 **(2) LIMITATION.—**Of the total number
2 of postal retail facilities recommended
3 for closure or consolidation (combined)
4 under any plan or report to which this
5 subsection applies, the number of such
6 facilities that are within the K or L cost
7 ascertainment grouping (combined) shall
8 account for not more than 10 percent of
9 such total number.

10 **(3) REFERENCES.—**For purposes of this
11 subsection—

12 **(A)** any reference to a “cost ascer-
13 tainment grouping” shall be consid-
14 ered to refer to a cost ascertainment
15 grouping as described in section
16 123.11 of the Postal Operations Man-
17 ual (as in effect on June 23, 2011); and

18 **(B)** any reference to a particular
19 category (designated by a letter) of a
20 cost ascertainment grouping shall be
21 considered to refer to such category,
22 as described in such section 123.11
23 (as in effect on the date specified in
24 subparagraph (A)).

25 **(f) ANNUAL REPORTS.—**

1 **(1) IN GENERAL.—**There shall be in-
2 **cluded in the next 5 annual reports sub-**
3 **mitted under section 2402 of title 39,**
4 **United States Code, beginning with the**
5 **report covering any period of time occur-**
6 **ring after the date of enactment of this**
7 **Act, the following (shown on a State-by-**
8 **State basis):**

9 **(A) In connection with closures**
10 **and consolidations taking effect in**
11 **the year covered by the report, the**
12 **total number of individuals separated**
13 **from employment with the Postal**
14 **Service, including, if separation oc-**
15 **currs in a year other than the year in**
16 **which the closing or consolidation oc-**
17 **currs, the year in which separation oc-**
18 **currs.**

19 **(B) Of the total numbers under**
20 **subparagraph (A)—**

21 **(i) the number and percentage**
22 **comprising preference eligibles or**
23 **veterans; and**

24 **(ii) the number and percent-**
25 **age comprising individuals other**

1 **than preference eligibles or vet-**
2 **erans.**

3 **(C) Of the total numbers under**
4 **subparagraph (A), the number and**
5 **percentage reemployed in a position**
6 **within the general commuting area of**
7 **the facility or office involved (includ-**
8 **ing, if reemployment occurs in a year**
9 **other than the year in which the clos-**
10 **ing or consolidation occurs, the year**
11 **in which reemployment occurs)—**

12 **(i) with the Postal Service; or**

13 **(ii) with an employer other**
14 **than the Postal Service.**

15 **(D) The methodology and assump-**
16 **tions used to derive the estimates de-**
17 **scribed in subparagraph (B).**

18 **(E) The criteria and process used**
19 **to develop the information described**
20 **in subparagraph (C).**

21 **(2) DEFINITIONS.—For purposes of this**
22 **subsection—**

23 **(A) the term “preference eligible”**
24 **has the meaning given such term in**

1 **section 2108(3) of title 5, United**
2 **States Code; and**

3 **(B) the term “veteran” has the**
4 **meaning given such term in section**
5 **101(2) of title 38, United States Code.**

6 **SEC. 105. IMPLEMENTATION OF CLOSURES AND CONSOLI-**
7 **DATIONS.**

8 **(a) IN GENERAL.—Subject to subsection (b),**
9 **the Postal Service shall—**

10 **(1) close or consolidate (as the case**
11 **may be) the facilities and offices rec-**
12 **ommended by the Commission in each of**
13 **its final reports under section 104(d)(3);**
14 **and**

15 **(2) carry out those closures and con-**
16 **solidations in accordance with the time-**
17 **table recommended by the Commission in**
18 **such report, except that in no event shall**
19 **any such closure or consolidation be com-**
20 **pleted later than 2 years after the date on**
21 **which such report is submitted to Con-**
22 **gress.**

23 **(b) CONGRESSIONAL DISAPPROVAL.—**

24 **(1) IN GENERAL.—The Postal Service**
25 **may not carry out any closure or consoli-**

1 **dition recommended by the Commission**
2 **in a final report if a joint resolution dis-**
3 **approving the recommendations of the**
4 **Commission is enacted, in accordance**
5 **with section 106, before the earlier of—**

6 **(A) the end of the 45-day period**
7 **beginning on the date on which the**
8 **Commission transmits those rec-**
9 **ommendations to Congress under sec-**
10 **tion 104(d)(3); or**

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

14 **(2) DAYS OF SESSION.—For purposes of**
15 **paragraph (1) and section 106, a day on**
16 **which either House of Congress is not in**
17 **session because of an adjournment of**
18 **more than 3 days to a day certain shall be**
19 **excluded in the computation of a period.**

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

22 **(a) TERMS OF THE RESOLUTION.—For pur-**
23 **poses of this subtitle, the term “joint resolu-**
24 **tion”, as used with respect to a report under**

1 **section 104(d)(3), means only a joint resolu-**
2 **tion—**

3 **(1) which has no preamble;**

4 **(2) the title of which is as follows:**
5 **“Joint resolution disapproving the rec-**
6 **ommendations of the Commission on**
7 **Postal Reorganization.”;**

8 **(3) the matter after the resolving**
9 **clause of which is as follows: “That Con-**
10 **gress disapproves the recommendations**
11 **of the Commission on Postal Reorganiza-**
12 **tion, submitted by such Commission on**
13 **____, and pertaining to the closure or con-**
14 **solidation of ____.”, the first blank space**
15 **being filled in with the appropriate date**
16 **and the second blank space being filled**
17 **in with “postal retail facilities”, “mail**
18 **processing facilities”, or “area and dis-**
19 **trict offices” (as the case may be); and**

20 **(4) which is introduced in accordance**
21 **with subsection (b).**

22 **(b) INTRODUCTION.—After a House of Con-**
23 **gress receives a report under section**
24 **104(d)(3), the majority leader of that House**
25 **(or a designee thereof) shall introduce (by re-**

1 **quest, if appropriate) a joint resolution with**
2 **respect to such report within—**

3 **(1) in the case of the House of Rep-**
4 **resentatives, 3 legislative days; and**

5 **(2) in the case of the Senate, 3 session**
6 **days.**

7 **(c) CONSIDERATION IN THE HOUSE OF REP-**
8 **RESENTATIVES.—**

9 **(1) DISCHARGE.—Any committee of the**
10 **House of Representatives to which a joint**
11 **resolution described in subsection (a) is**
12 **referred shall report it to the House,**
13 **without amendment, not later than the**
14 **10th legislative day after the date of its**
15 **introduction. If a committee fails to re-**
16 **port the joint resolution within that pe-**
17 **riod, it shall be in order to move that the**
18 **House discharge such committee from**
19 **further consideration of the joint resolu-**
20 **tion. Such a motion shall be in order only**
21 **at a time designated by the Speaker in**
22 **the legislative schedule within 3 legisla-**
23 **tive days after the day on which the pro-**
24 **ponent announces to the House an inten-**
25 **tion to offer the motion. Notice may not**

1 **be given on an anticipatory basis. Such a**
2 **motion shall not be in order after the**
3 **House has disposed of a motion to dis-**
4 **charge such joint resolution. The pre-**
5 **vious question shall be considered as or-**
6 **dered on the motion to its adoption with-**
7 **out intervening motion, except 20 min-**
8 **utes of debate equally divided and con-**
9 **trolled by the proponent and an oppo-**
10 **nent. If such a motion is adopted, the**
11 **House shall proceed immediately to con-**
12 **sider the joint resolution in accordance**
13 **with paragraph (3). A motion to recon-**
14 **sider the vote by which the motion is dis-**
15 **posed of shall not be in order.**

16 **(2) PROCEEDING TO CONSIDERATION.—**
17 **After the last committee authorized to**
18 **consider the joint resolution reports it to**
19 **the House or has been discharged (other**
20 **than by motion pursuant to paragraph**
21 **(1)) from its consideration, it shall be in**
22 **order to move to proceed to consider that**
23 **joint resolution in the House. Such a mo-**
24 **tion shall be in order only at a time des-**
25 **ignated by the Speaker in the legislative**

1 **schedule within 3 legislative days after**
2 **the day on which the proponent an-**
3 **nounces to the House an intention to**
4 **offer the motion. Notice may not be given**
5 **on an anticipatory basis. Such a motion**
6 **shall not be in order after the House has**
7 **disposed of a motion to proceed with re-**
8 **spect to that transmittal of recommenda-**
9 **tions. The previous question shall be con-**
10 **sidered as ordered on the motion to its**
11 **adoption without intervening motion. A**
12 **motion to reconsider the vote by which**
13 **the motion is disposed of shall not be in**
14 **order.**

15 **(3) CONSIDERATION.—The joint resolu-**
16 **tion shall be considered as read. All**
17 **points of order against a joint resolution**
18 **and against its consideration are waived.**
19 **The previous question shall be consid-**
20 **ered as ordered on a joint resolution to**
21 **its passage without intervening motion,**
22 **except 5 hours of debate equally divided**
23 **and controlled by the proponent and an**
24 **opponent and 1 motion to limit debate on**
25 **the joint resolution. A motion to recon-**

1 sider the vote on passage of the joint res-
2 olution shall not be in order.

3 (4) **POST SINE DIE.**—If the House has
4 adopted a concurrent resolution pro-
5 viding for adjournment sine die at the
6 end of a Congress, a motion to discharge
7 under paragraph (1) or a motion to pro-
8 ceed under paragraph (2) shall be in
9 order, as applicable.

10 **(d) CONSIDERATION IN THE SENATE.**—

11 (1) **DISCHARGE.**—If the committee of
12 the Senate to which a joint resolution de-
13 scribed in subsection (a) is referred has
14 not reported such joint resolution within
15 10 session days, such committee shall be
16 discharged from further consideration of
17 such joint resolution, and such joint reso-
18 lution shall be placed on the appropriate
19 calendar.

20 (2) **PROCEEDING TO CONSIDERATION.**—
21 On or after the 3rd session day after the
22 date on which the committee to which
23 such a joint resolution is referred has re-
24 ported, or has been discharged from fur-
25 ther consideration of, such joint resolu-

1 **tion, it is in order (even though a pre-**
2 **vious motion to the same effect has been**
3 **disagreed to) for any Member of the Sen-**
4 **ate to move to proceed to the consider-**
5 **ation of the joint resolution. A Member**
6 **may make the motion only on the day**
7 **after the calendar day on which the Mem-**
8 **ber announces the Member's intention to**
9 **make the motion. All points of order**
10 **against the joint resolution (and against**
11 **consideration of the joint resolution) are**
12 **waived. The motion is privileged and is**
13 **not debatable. The motion is not subject**
14 **to amendment, or to a motion to post-**
15 **pone, or to a motion to proceed to the**
16 **consideration of other business. A motion**
17 **to reconsider the vote by which the mo-**
18 **tion is agreed to or disagreed to shall not**
19 **be in order. If a motion to proceed to the**
20 **consideration of the joint resolution is**
21 **agreed to, the Senate shall immediately**
22 **proceed to consideration of the joint res-**
23 **olution without intervening motion,**
24 **order, or other business, and the joint**

1 resolution shall remain the unfinished
2 business of the Senate until disposed of.

3 (3) **DEBATE.**—Debate on the joint reso-
4 lution and on all debatable motions and
5 appeals in connection therewith shall be
6 limited to not more than 8 hours, which
7 shall be divided equally between those fa-
8 voring and those opposing the joint reso-
9 lution. An amendment to the joint resolu-
10 tion is not in order. A motion further to
11 limit debate is in order and not debat-
12 able. A motion to postpone, or a motion
13 to proceed to the consideration of other
14 business, or a motion to recommit the
15 joint resolution is not in order. A motion
16 to reconsider the vote by which the joint
17 resolution is agreed to or disagreed to is
18 not in order.

19 (4) **VOTE ON FINAL PASSAGE.**—Imme-
20 diately following the conclusion of debate
21 on a joint resolution described in sub-
22 section (a) and a single quorum call at
23 the conclusion of the debate, if requested,
24 the vote on final passage of the joint reso-
25 lution shall occur.

1 **(5) APPEALS.—**Appeals from the deci-
2 sions of the Chair relating to the applica-
3 tion of the rules of the Senate to the pro-
4 cedure relating to a joint resolution de-
5 scribed in subsection (a) shall be decided
6 without debate.

7 **(e) AMENDMENTS PROHIBITED.—**No amend-
8 ment to, or motion to strike a provision from,
9 a joint resolution considered under this sec-
10 tion shall be in order in either the Senate or
11 the House of Representatives.

12 **(f) CONSIDERATION BY OTHER HOUSE.—**

13 **(1) IN GENERAL.—**If, before the passage
14 by 1 House of a joint resolution of that
15 House described in subsection (a), that
16 House receives from the other House
17 such a joint resolution with respect to
18 the same recommendations, the following
19 procedures shall apply:

20 **(A) NO COMMITTEE REFERRAL.—**The
21 joint resolution of the other House
22 shall not be referred to a committee.

23 **(B) JOINT RESOLUTION PROCE-**
24 **DURE.—**With respect to a joint resolu-
25 tion described in subsection (a) of the

1 **House receiving the joint resolution,**
2 **the procedure in that House shall be**
3 **the same as if no joint resolution had**
4 **been received from the other House,**
5 **but the vote on final passage shall be**
6 **on the joint resolution of the other**
7 **House.**

8 **(2) NO CONSIDERATION.—Upon disposi-**
9 **tion of the joint resolution received from**
10 **the other House, it shall no longer be in**
11 **order to consider the joint resolution that**
12 **originated in the receiving House under**
13 **these procedures.**

14 **(3) EXCEPTION.—This subsection shall**
15 **not apply to the House of Representatives**
16 **if the joint resolution received from the**
17 **Senate is a revenue measure.**

18 **(g) RULES OF THE SENATE AND HOUSE.—This**
19 **section is enacted by Congress—**

20 **(1) as an exercise of the rulemaking**
21 **power of the Senate and House of Rep-**
22 **resentatives, respectively, and as such it**
23 **is deemed a part of the rules of each**
24 **House, respectively, but applicable only**
25 **with respect to the procedure to be fol-**

1 **lowed in that House in the case of a joint**
2 **resolution described in this section, and**
3 **it supersedes other rules only to the ex-**
4 **tent that it is inconsistent with such**
5 **rules; and**

6 **(2) with full recognition of the con-**
7 **stitutional right of either House to**
8 **change the rules (so far as relating to the**
9 **procedure of that House) at any time, in**
10 **the same manner, and to the same extent**
11 **as in the case of any other rule of that**
12 **House.**

13 **SEC. 107. NONAPPEALABILITY OF DECISIONS.**

14 **(a) TO PRC.—The closing or consolidation**
15 **of any facility or office under this subtitle**
16 **may not be appealed to the Postal Regulatory**
17 **Commission under section 404(d) or any other**
18 **provision of title 39, United States Code, or be**
19 **the subject of an advisory opinion issued by**
20 **the Postal Regulatory Commission under sec-**
21 **tion 3661 of such title.**

22 **(b) JUDICIAL REVIEW.—No process, report,**
23 **recommendation, or other action of the Com-**
24 **mission on Postal Reorganization shall be**
25 **subject to judicial review.**

1 SEC. 108. RULES OF CONSTRUCTION.

2 (a) CONTINUED AVAILABILITY OF AUTHORITY
3 TO CLOSE OR CONSOLIDATE POSTAL FACILI-
4 TIES.—

5 (1) IN GENERAL.—Nothing in this sub-
6 title shall be considered to prevent the
7 Postal Service from closing or consoli-
8 dating any postal facilities, in accordance
9 with otherwise applicable provisions of
10 law, either before or after the implemen-
11 tation of any closures or consolidations
12 under this subtitle.

13 (2) COORDINATION RULE.—No appeal or
14 determination under section 404(d) of
15 title 39, United States Code, or any other
16 provision of law shall delay, prevent, or
17 otherwise affect any closure or consolida-
18 tion under this subtitle.

19 (b) INAPPLICABILITY OF CERTAIN PROVI-
20 SIONS.—

21 (1) IN GENERAL.—The provisions of
22 law identified in paragraph (2)—

23 (A) shall not apply to any closure
24 or consolidation carried out under
25 this subtitle; and

1 **(B) shall not be taken into ac-**
2 **count for purposes of carrying out**
3 **section 103 or 104.**

4 **(2) PROVISIONS IDENTIFIED.—The provi-**
5 **sions of law under this paragraph are—**

6 **(A) section 101(b) of title 39,**
7 **United States Code; and**

8 **(B) section 404(d) of title 39,**
9 **United States Code.**

10 **SEC. 109. GAO STUDY AND REPORT.**

11 **(a) STUDY.—Not later than 1 year after the**
12 **date of enactment of this Act, the Comptroller**
13 **General of the United States shall conduct a**
14 **study on the effects, with respect to the unem-**
15 **ployment rate of minority communities, of the**
16 **proposed closures and consolidations of post-**
17 **al retail facilities, mail processing facilities,**
18 **and area or district offices under this subtitle.**

19 **(b) REPORT.—Upon completion of the**
20 **study required under subsection (a), the**
21 **Comptroller General of the United States**
22 **shall submit a report to Congress regarding**
23 **the findings of such study.**

1 **Subtitle B—Other Provisions**

2 **SEC. 111. IMPLEMENTATION OF DISCRETIONARY NON-MAIL**
3 **DELIVERY DAYS.**

4 **(a) IN GENERAL.—Section 404 is amended**
5 **by inserting after subsection (e) the following:**

6 **“(f)(1) The Postmaster General may, with**
7 **respect to any year for which 6-day delivery**
8 **is otherwise required, declare up to 12 non-**
9 **mail delivery days. Not later than 1 month be-**
10 **fore the beginning of the year, the Postmaster**
11 **General shall submit to the Board of Gov-**
12 **ernors a report listing the non-mail delivery**
13 **days in such year.**

14 **“(2) A non-mail delivery day under this**
15 **subsection shall be a day other than—**

16 **“(A) a Sunday;**

17 **“(B) a legal public holiday listed in**
18 **section 6103(a) of title 5 or any other day**
19 **declared to be a holiday by Federal stat-**
20 **ute or Executive order; or**

21 **“(C) during the 30-day period that**
22 **ends on the date of a regularly scheduled**
23 **general election for Federal office.**

24 **“(3) Any day which is declared under this**
25 **subsection to be a non-mail delivery day—**

1 **“(A) shall, for purposes of mail deliv-**
2 **ery and such other postal operations as**
3 **the Postal Service may by regulation pre-**
4 **scribe, be treated as if it were a Sunday;**
5 **except that**

6 **“(B) an employee of the Postal Serv-**
7 **ice (other than one who is prevented**
8 **from working on such day by reason of**
9 **this subsection) shall be entitled to the**
10 **same pay and benefits for that day as if**
11 **this subsection had not been enacted.**

12 **“(4)(A) The 6-day mail delivery require-**
13 **ment shall not apply with respect to a week**
14 **in which a non-mail delivery day under this**
15 **subsection occurs.**

16 **“(B) The authority to declare a non-mail**
17 **delivery day under this subsection shall be**
18 **considered to be within the right of the Postal**
19 **Service to determine the methods, means, and**
20 **personnel by which postal operations are to**
21 **be conducted.**

22 **“(5) Not less than 6 months after the date**
23 **of enactment of this subsection, the Postal**
24 **Service may submit a proposal under section**
25 **3661 for a nationwide change in service to re-**

1 **duce mail delivery from 6 days to 5 days each**
2 **week. Notwithstanding any other provision of**
3 **law, the Postal Service shall maintain 6-day**
4 **delivery service as the standard mail delivery**
5 **schedule until 90 days following the ren-**
6 **dering of an advisory opinion on 5-day deliv-**
7 **ery by the Postal Regulatory Commission.”.**

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

10 **(a) POSTAL POLICY.—**

11 **(1) IN GENERAL.—Section 101(b) is**
12 **amended to read as follows:**

13 **“(b) The Postal Service shall provide effec-**
14 **tive and regular postal services to rural areas,**
15 **communities, and small towns where post of-**
16 **fices are not self-sustaining.”.**

17 **(2) CONFORMING AMENDMENTS.—Clause**
18 **(iii) of section 404(d)(2)(A) is amended to**
19 **read as follows:**

20 **“(iii) whether such closing or con-**
21 **solidation is consistent with the pol-**
22 **icy of the Government, as stated in**
23 **section 101(b), that the Postal Service**
24 **shall provide effective and regular**
25 **postal services to rural areas, commu-**

1 nities, and small towns where post of-
2 fices are not self-sustaining;”.

3 **(b) GENERAL DUTY.—**Paragraph (3) of sec-
4 tion 403(b) is amended to read as follows:

5 “(3) to ensure that postal patrons
6 throughout the Nation will, consistent
7 with reasonable economies of postal op-
8 erations, have ready access to essential
9 postal services.”.

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

12 **(1) DEADLINE FOR REVIEW.—**Section
13 404(d)(5) is amended by striking “120
14 days” and inserting “60 days”.

15 **(2) EXCLUSION FROM REVIEW.—**Section
16 404(d) is amended by adding at the end
17 the following:

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

23 “(B) For purposes of this paragraph—

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

4 “(I) is not owned or operated by
5 the Postal Service; and

6 “(II) in addition to its usual oper-
7 ations, provides postal services to the
8 general public under contract with
9 the Postal Service; and

10 “(ii) the term ‘qualified contract post-
11 al unit’, as used in connection with a post
12 office, means a contract postal unit
13 which—

14 “(I) begins to provide postal serv-
15 ices to the general public during the
16 period—

17 “(aa) beginning 1 year before
18 the date on which the closure or
19 consolidation of such post office
20 is scheduled to take effect; and

21 “(bb) ending on the 15th day
22 after the date on which the clo-
23 sure or consolidation of such post
24 office is scheduled to take effect;
25 and

1 “(II) has not, pursuant to subpara-
2 graph (A), served as the basis for ex-
3 empting any other post office from
4 the appeals process set forth in para-
5 graph (5).

6 “(C)(i) If the contract postal unit (which is
7 providing postal services that had been pre-
8 viously provided by the post office that was
9 closed) does not continue to provide postal
10 services, as required by subparagraph
11 (B)(i)(II), for at least the 2-year period begin-
12 ning on the date on which such post office
13 was closed, the contract postal unit shall be
14 subject to a closure determination by the
15 Postal Service to decide whether a post office
16 must be reopened within the area (delimited
17 by the 2-mile radius referred to in subpara-
18 graph (A)).

19 “(ii) A decision under clause (i) not to re-
20 open a post office may be appealed to the
21 Postal Regulatory Commission under proce-
22 dures which the Commission shall by regula-
23 tion prescribe. Such procedures shall be
24 based on paragraph (5), except that, for pur-
25 poses of this clause, paragraph (5)(C) shall be

1 applied by substituting ‘in violation of section
2 101(b), leaving postal patrons without effec-
3 tive and regular access to postal services’ for
4 ‘unsupported by substantial evidence on the
5 record’.”.

6 **(3) APPLICABILITY.**—The amendments
7 made by this subsection shall not apply
8 with respect to any appeal, notice of
9 which is received by the Postal Regu-
10 latory Commission before the date of the
11 enactment of this Act (determined apply-
12 ing the rules set forth in section 404(d)(6)
13 of title 39, United States Code).

14 **(d) EXPEDITED PROCEDURES.**—

15 **(1) IN GENERAL.**—Section 3661 is
16 amended by adding at the end the fol-
17 lowing:

18 **“(d)(1) The Commission shall issue its**
19 **opinion within 90 days after the receipt of any**
20 **proposal (as referred to in subsection (b)) con-**
21 **cerning—**

22 **“(A) the closing or consolidation of**
23 **postal retail facilities (as that term is de-**
24 **finied in section 102(2) of the Postal Re-**
25 **form Act of 2012) to a degree that will**

1 **generally affect service on a nationwide**
2 **or substantially nationwide basis; or**

3 **“(B) an identical or substantially**
4 **identical proposal on which the Commis-**
5 **sion issued an opinion within the pre-**
6 **ceding 5 years.**

7 **“(2) If necessary in order to comply with**
8 **the 90-day requirement under paragraph (1),**
9 **the Commission may apply expedited proce-**
10 **dures which the Commission shall by regula-**
11 **tion prescribe.”.**

12 **(2) REGULATIONS.—The Postal Regu-**
13 **latory Commission shall prescribe any**
14 **regulations necessary to carry out the**
15 **amendment made by paragraph (1) with-**
16 **in 90 days after the date of the enactment**
17 **of this Act.**

18 **(3) APPLICABILITY.—The amendment**
19 **made by this subsection shall apply with**
20 **respect to any proposal received by the**
21 **Postal Regulatory Commission on or**
22 **after the earlier of—**

23 **(A) the 90th day after the date of**
24 **the enactment of this Act; or**

1 **(B) the effective date of the regu-**
2 **lations under paragraph (2).**

3 **SEC. 113. ENHANCED REPORTING ON POSTAL SERVICE EF-**
4 **FICIENCY.**

5 **Section 3652(a) is amended—**

6 **(1) in paragraph (1), by striking “and”**
7 **after the semicolon;**

8 **(2) in paragraph (2), by striking the**
9 **period at the end and inserting “; and”;**
10 **and**

11 **(3) by adding after paragraph (2) the**
12 **following:**

13 **“(3) which shall provide the overall**
14 **change in Postal Service productivity**
15 **and the resulting effect of such change**
16 **on overall Postal Service costs during**
17 **such year, using such methodologies as**
18 **the Commission shall by regulation pre-**
19 **scribe.”.**

20 **SEC. 114. APPLICABILITY OF PROCEDURES RELATING TO**
21 **CLOSURES AND CONSOLIDATIONS.**

22 **(a) IN GENERAL.—Section 404(d) is amend-**
23 **ed by adding after paragraph (7) (as added by**
24 **section 112(c)(2)) the following:**

1 “(8) For purposes of this subsection, the
2 term ‘post office’ means a post office and any
3 other facility described in section 102(2) of
4 the Postal Reform Act of 2012.”.

5 (b) EFFECTIVE DATE.—The amendment
6 made by subsection (a) shall be effective with
7 respect to any closure or consolidation, the
8 proposed effective date of which occurs on or
9 after the 60th day following the date of enact-
10 ment of this Act.

11 **TITLE II—POSTAL SERVICE FI-**
12 **NANCIAL RESPONSIBILITY**
13 **AND MANAGEMENT ASSIST-**
14 **ANCE AUTHORITY**

15 **Subtitle A—Establishment and**
16 **Organization**

17 **SEC. 201. PURPOSES.**

18 (a) PURPOSES.—The purposes of this title
19 are as follows:

20 (1) To eliminate budget deficits and
21 cash shortages of the Postal Service
22 through strategic financial planning,
23 sound budgeting, accurate revenue fore-
24 casts, and careful spending.

1 **(2) To ensure the universal service**
2 **mandate detailed in section 101 of title**
3 **39, United States Code, is maintained**
4 **during a period of fiscal emergency.**

5 **(3) To conduct necessary investiga-**
6 **tions and studies to determine the fiscal**
7 **status and operational efficiency of the**
8 **Postal Service.**

9 **(4) To assist the Postal Service in—**

10 **(A) restructuring its organization**
11 **and workforce to bring expenses in**
12 **line with diminishing revenue and**
13 **generate sufficient profits for capital**
14 **investment and repayment of debt;**

15 **(B) meeting all fiscal obligations**
16 **to the Treasury of the United States;**
17 **and**

18 **(C) ensuring the appropriate and**
19 **efficient delivery of postal services.**

20 **(5) To provide the Postal Service with**
21 **a temporary increase in its borrowing au-**
22 **thority to enable the Postal Service to**
23 **complete necessary restructuring.**

1 **(6) To ensure the long-term financial,**
2 **fiscal, and economic vitality and oper-**
3 **ational efficiency of the Postal Service.**

4 **(b) RESERVATION OF POWERS.—Nothing in**
5 **this title may be construed—**

6 **(1) to relieve any obligations existing**
7 **as of the date of the enactment of this Act**
8 **of the Postal Service to the Treasury of**
9 **the United States; or**

10 **(2) to limit the authority of Congress**
11 **to exercise ultimate legislative authority**
12 **over the Postal Service.**

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

14 **(a) ESTABLISHMENT.—There shall be estab-**
15 **lished, upon the commencement of any con-**
16 **trol period, an entity to be known as the**
17 **“Postal Service Financial Responsibility and**
18 **Management Assistance Authority” (herein-**
19 **after in this title referred to as the “Author-**
20 **ity”).**

21 **(b) CONTROL PERIOD.—**

22 **(1) COMMENCEMENT OF A CONTROL PE-**
23 **RIOD.—**

24 **(A) IN GENERAL.—For the purposes**
25 **of this title, a control period com-**

1 mences whenever the Postal Service
2 has been in default to the Treasury of
3 the United States, with respect to any
4 debts, obligations, loans, bonds, notes,
5 or other form of borrowing, or any
6 scheduled payments to any fund in
7 the Treasury of the United States, for
8 a period of at least 30 days.

9 (B) **ADVISORY PERIOD.**—For pur-
10 poses of the first control period, the
11 Authority shall operate exclusively in
12 an advisory period for two full fiscal
13 years after the commencement of the
14 control period. At the completion of
15 the second full fiscal year or any year
16 thereafter during the length of the
17 control period, if the Postal Service’s
18 annual deficit is greater than
19 \$2,000,000,000, the Authority shall be
20 fully in force according to the provi-
21 sions of this title. During an advisory
22 period—

23 (i) the Authority is not au-
24 thorized to employ any staff and
25 the Postal Service shall designate

1 **a Level-Two Postal Service Execu-**
2 **tive as a liaison with the members**
3 **of the Authority;**

4 (ii) any provision of this title
5 that requires the Authority or the
6 Postal Service to take any action
7 shall be considered only to take
8 effect in the event the Authority
9 comes into full force and that ef-
10 fective date shall be considered to
11 be the date of the commencement
12 of the control period for the pur-
13 poses any provision not mention
14 in this subparagraph; and

15 (iii) the Postal Service shall
16 have access to the funds available
17 under section 222 according to
18 applicable provisions of this Act,
19 subject to the approval of the
20 Postal Service Board of Gov-
21 ernors without the approval of
22 the Authority.

23 **(2) TREATMENT OF AUTHORITIES AND RE-**
24 **SPONSIBILITIES OF THE BOARD OF GOV-**

1 **ERNORS, ETC. DURING A CONTROL PERIOD.—**

2 **During a control period—**

3 **(A) all authorities and respon-**
4 **sibilities of the Board of Governors,**
5 **and the individual Governors, of the**
6 **Postal Service under title 39, United**
7 **States Code, and any other provision**
8 **of law shall be assumed by the Au-**
9 **thority; and**

10 **(B) the Board of Governors, and**
11 **the individual Governors, may act in**
12 **an advisory capacity only.**

13 **(3) TREATMENT OF CERTAIN POSTAL**
14 **SERVICE EXECUTIVES DURING A CONTROL PE-**
15 **RIOD.—**

16 **(A) DEFINITION.—For the purposes**
17 **of this section, the term “Level-Two**
18 **Postal Service Executive” includes**
19 **the Postmaster General, the Deputy**
20 **Postmaster General, and all other of-**
21 **ficers or employees of the Postal**
22 **Service in level two of the Postal Ca-**
23 **reer Executive Service (or the equiva-**
24 **lent).**

1 **(B) TREATMENT.—Notwithstanding**
2 **any other provision of law or employ-**
3 **ment contract, during a control pe-**
4 **riod—**

5 **(i) all Level-Two Postal Serv-**
6 **ice Executives shall serve at the**
7 **pleasure of the Authority;**

8 **(ii) the duties and responsibil-**
9 **ities of all Level-Two Postal Serv-**
10 **ice Executives, as well as the**
11 **terms and conditions of their em-**
12 **ployment (including their com-**
13 **pen-sation), shall be subject to de-**
14 **termination or redetermination**
15 **by the Authority;**

16 **(iii) total compensation of a**
17 **Level-Two Postal Service Execu-**
18 **tive may not, for any year in such**
19 **control period, exceed the annual**
20 **rate of basic pay payable for level**
21 **I of the Executive Schedule under**
22 **section 5312 of title 5, United**
23 **States Code, for such year; for**
24 **purposes of this clause, the term**
25 **“total compensation” means basic**

1 **pay, bonuses, awards, and all**
2 **other monetary compensation;**

3 **(iv) the percentage by which**
4 **the rate of basic pay of a Level-**
5 **Two Postal Service Executive is**
6 **increased during any year in such**
7 **control period may not exceed the**
8 **percentage change in the Con-**
9 **sumer Price Index for All Urban**
10 **Consumers, unadjusted for sea-**
11 **sonal variation, for the most re-**
12 **cent 12-month period available,**
13 **except that, in the case of a Level-**
14 **Two Postal Service Executive**
15 **who has had a significant change**
16 **in job responsibilities, a greater**
17 **change shall be allowable if ap-**
18 **proved by the Authority;**

19 **(v) apart from basic pay, a**
20 **Level-Two Postal Service Execu-**
21 **tive may not be afforded any**
22 **bonus, award, or other monetary**
23 **compensation for any fiscal year**
24 **in the control period if expendi-**
25 **tures of the Postal Service for**

1 such fiscal year exceeded reve-
2 nues of the Postal Service for
3 such fiscal year (determined in
4 accordance with generally accept-
5 ed accounting principles); and

6 (vi) no deferred compensation
7 may be paid, accumulated, or rec-
8 ognized in the case of any Level-
9 Two Postal Service Executive,
10 with respect to any year in a con-
11 trol period, which is not generally
12 paid, accumulated, or recognized
13 in the case of employees of the
14 United States (outside of the Post-
15 al Service) in level I of the Execu-
16 tive Schedule under section 5312
17 of title 5, United States Code,
18 with respect to such year.

19 (C) BONUS AUTHORITY.—Section
20 3686 of title 39, United States Code,
21 shall, during the period beginning on
22 the commencement date of the con-
23 trol period and ending on the termi-
24 nation date of the control period—

1 **(i) be suspended with respect**
2 **to all Level-Two Postal Service**
3 **Executives; but**

4 **(ii) remain in effect for all**
5 **other officers and employees of**
6 **the Postal Service otherwise cov-**
7 **ered by this section.**

8 **(4) TERMINATION OF A CONTROL PE-**
9 **RIOD.—A control period terminates upon**
10 **certification by the Authority, with the**
11 **concurrence of the Secretary of the**
12 **Treasury and the Director of the Office of**
13 **Personnel Management, that—**

14 **(A) for 2 consecutive fiscal years**
15 **(occurring after the date of the enact-**
16 **ment of this Act), expenditures of the**
17 **Postal Service did not exceed reve-**
18 **nues of the Postal Service (as deter-**
19 **mined in accordance with generally**
20 **accepted accounting principles);**

21 **(B) the Authority has approved a**
22 **Postal Service financial plan and**
23 **budget that shows expenditures of**
24 **the Postal Service not exceeding rev-**
25 **enues of the Postal Service (as so de-**

1 **terminated) for the fiscal year to which**
2 **such budget pertains and each of the**
3 **next 3 fiscal years; and**

4 **(C) the Postal Service financial**
5 **plan and budget (as referred to in**
6 **subparagraph (B)) includes plans—**

7 **(i) for the repayment of any**
8 **supplementary debt under section**
9 **222, in equal annual installments**
10 **over a period of not more than 5**
11 **years; and**

12 **(ii) to properly fund Postal**
13 **Service pensions and retiree**
14 **health benefits in accordance**
15 **with law.**

16 **SEC. 203. MEMBERSHIP AND QUALIFICATION REQUIRE-**
17 **MENTS.**

18 **(a) MEMBERSHIP.—**

19 **(1) IN GENERAL.—The Authority shall**
20 **consist of 5 members appointed by the**
21 **President who meet the qualifications de-**
22 **scribed in subsection (b), except that the**
23 **Authority may take any action under this**
24 **title at any time after the President has**
25 **appointed 4 of its members.**

1 **(2) RECOMMENDATIONS.—Of the 5 mem-**
2 **bers so appointed—**

3 **(A) 1 shall be appointed from**
4 **among individuals recommended by**
5 **the Speaker of the House of Rep-**
6 **resentatives;**

7 **(B) 1 shall be appointed from**
8 **among individuals recommended by**
9 **the majority leader of the Senate;**

10 **(C) 1 shall be appointed from**
11 **among individuals recommended by**
12 **the minority leader of the House of**
13 **Representatives;**

14 **(D) 1 shall be appointed from**
15 **among individuals recommended by**
16 **the minority leader of the Senate; and**

17 **(E) 1 shall be appointed from**
18 **among individuals recommended by**
19 **the Comptroller General.**

20 **(3) POLITICAL AFFILIATION.—No more**
21 **than 3 members of the Authority may be**
22 **of the same political party.**

23 **(4) CHAIR.—The President shall des-**
24 **ignate 1 of the members of the Authority**
25 **as the Chair of the Authority.**

1 **(5) SENSE OF CONGRESS REGARDING**
2 **DEADLINE FOR APPOINTMENT.—It is the**
3 **sense of Congress that the President**
4 **should appoint the members of the Au-**
5 **thority as soon as practicable after the**
6 **date on which a control period com-**
7 **mences, but no later than 30 days after**
8 **such date.**

9 **(6) TERM OF SERVICE.—**

10 **(A) IN GENERAL.—Except as pro-**
11 **vided in subparagraph (B), each**
12 **member of the Authority shall be ap-**
13 **pointed for a term of 3 years.**

14 **(B) APPOINTMENT FOR TERM FOL-**
15 **LOWING INITIAL TERM.—As designated**
16 **by the President at the time of ap-**
17 **pointment for the term immediately**
18 **following the initial term, of the mem-**
19 **bers appointed for the term imme-**
20 **diately following the initial term—**

21 **(i) 1 member shall be ap-**
22 **pointed for a term of 1 year;**

23 **(ii) 2 members shall be ap-**
24 **pointed for a term of 2 years; and**

1 **(iii) 2 members shall be ap-**
2 **pointed for a term of 3 years.**

3 **(C) REMOVAL.—The President may**
4 **remove any member of the Authority**
5 **only for cause.**

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

12 **(b) QUALIFICATION REQUIREMENTS.—**

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

16 **(A) has significant knowledge and**
17 **expertise in finance, management,**
18 **and the organization or operation of**
19 **businesses having more than 500 em-**
20 **ployees; and**

21 **(B) represents the public interest**
22 **generally, is not a representative of**
23 **specific interests using or belonging**
24 **to the Postal Service, and does not**
25 **have any business or financial inter-**

1 est in any enterprise in the private
2 sector of the economy engaged in the
3 delivery of mail matter.

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

9 (A) has been an officer, employee,
10 or private contractor with the Postal
11 Service or the Postal Regulatory
12 Commission; or

13 (B) has served as an employee or
14 contractor of a labor organization
15 representing employees of the Postal
16 Service or the Postal Regulatory
17 Commission.

18 **SEC. 204. ORGANIZATION.**

19 (a) **ADOPTION OF BY-LAWS FOR CONDUCTING**
20 **BUSINESS.**—As soon as practicable after the
21 **appointment of its members, the Authority**
22 **shall adopt by-laws, rules, and procedures**
23 **governing its activities under this title, in-**
24 **cluding procedures for hiring experts and**
25 **consultants. Upon adoption, such by-laws,**

1 rules, and procedures shall be submitted by
2 the Authority to the Postmaster General, the
3 President, and Congress.

4 (b) CERTAIN ACTIVITIES REQUIRING AP-
5 PROVAL OF MAJORITY OF MEMBERS.—Under its
6 by-laws, the Authority may conduct its oper-
7 ations under such procedures as it considers
8 appropriate, except that an affirmative vote
9 of a majority of the members of the Authority
10 shall be required in order for the Authority
11 to—

12 (1) approve or disapprove a financial
13 plan and budget as described by subtitle
14 C;

15 (2) implement recommendations on fi-
16 nancial stability and management re-
17 sponsibility under section 226;

18 (3) take any action under authority of
19 section 202(b)(3)(B)(i); or

20 (4) initiate the establishment of a new
21 workers' compensation system for the
22 Postal Service in accordance with section
23 311.

1 SEC. 205. EXECUTIVE DIRECTOR AND STAFF.

2 (a) EXECUTIVE DIRECTOR.—The Authority
3 shall have an Executive Director who shall be
4 appointed by the Chair with the consent of
5 the Authority. The Executive Director shall be
6 paid at a rate determined by the Authority,
7 except that such rate may not exceed the rate
8 of basic pay payable for level IV of the Execu-
9 tive Schedule under section 5315 of title 5,
10 United States Code.

11 (b) STAFF.—With the approval of the Au-
12 thority, the Executive Director may appoint
13 and fix the pay of such additional personnel
14 as the Executive Director considers appro-
15 priate, except that no individual appointed by
16 the Executive Director may be paid at a rate
17 greater than the rate of pay for the Executive
18 Director. Personnel appointed under this sub-
19 section shall serve at the pleasure of the Exec-
20 utive Director.

21 (c) INAPPLICABILITY OF CERTAIN CIVIL SERV-
22 ICE LAWS.—The Executive Director and staff of
23 the Authority may be appointed without re-
24 gard to the provisions of title 5, United States
25 Code, governing appointments in the competi-
26 tive service, and paid without regard to the

1 provisions of chapter 51 and subchapter III of
2 chapter 53 of such title relating to classifica-
3 tion and General Schedule pay rates.

4 (d) **STAFF OF FEDERAL AGENCIES.**—Upon re-
5 quest of the Chair, the head of any Federal de-
6 partment or agency may detail, on a reim-
7 bursable or nonreimbursable basis, any of the
8 personnel of such department or agency to
9 the Authority to assist it in carrying out its
10 duties under this title.

11 **SEC. 206. FUNDING.**

12 (a) **IN GENERAL.**—There are authorized to
13 be appropriated, out of the Postal Service
14 Fund, such sums as may be necessary for the
15 Authority. In requesting an appropriation
16 under this section for a fiscal year, the Au-
17 thority shall prepare and submit to the Con-
18 gress under section 2009 of title 39, United
19 States Code, a budget of the Authority's ex-
20 penses, including expenses for facilities, sup-
21 plies, compensation, and employee benefits
22 not to exceed \$10,000,000. In years in which a
23 control period commences, the Authority
24 shall submit a budget within 30 days of the
25 appointment of the members of the Authority.

1 **(b) AMENDMENT TO SECTION 2009.—Section**
2 **2009 is amended in the next to last sentence—**

3 **(1) by striking “, and (3)” and insert-**
4 **ing “, (3)”;** and

5 **(2) by striking the period and insert-**
6 **ing “, and (4) the Postal Service Financial**
7 **Responsibility and Management Assist-**
8 **ance Authority requests to be appro-**
9 **priated, out of the Postal Service Fund,**
10 **under section 206 of the Postal Reform**
11 **Act of 2012.”.**

12 **Subtitle B—Powers of the**
13 **Authority**

14 **SEC. 211. POWERS.**

15 **(a) POWERS OF MEMBERS AND AGENTS.—Any**
16 **member or agent of the Authority may, if au-**
17 **thorized by the Authority, take any action**
18 **which the Authority is authorized by this sec-**
19 **tion to take.**

20 **(b) OBTAINING OFFICIAL DATA FROM THE**
21 **POSTAL SERVICE.—Notwithstanding any other**
22 **provision of law, the Authority may secure**
23 **copies of such records, documents, informa-**
24 **tion, or data from any entity of the Postal**
25 **Service necessary to enable the Authority to**

1 carry out its responsibilities under this title.
2 At the request of the Authority, the Authority
3 shall be granted direct access to such infor-
4 mation systems, records, documents, informa-
5 tion, or data as will enable the Authority to
6 carry out its responsibilities under this title.
7 The head of the relevant entity of the Postal
8 Service shall provide the Authority with such
9 information and assistance (including grant-
10 ing the Authority direct access to automated
11 or other information systems) as the Author-
12 ity requires under this subsection.

13 (c) GIFTS, BEQUESTS, AND DEVISES.—The
14 Authority may accept, use, and dispose of
15 gifts, bequests, or devises of services or prop-
16 erty, both real and personal, for the purpose
17 of aiding or facilitating the work of the Au-
18 thority. Gifts, bequests, or devises of money
19 and proceeds from sales of other property re-
20 ceived as gifts, bequests, or devises shall be
21 deposited in such account as the Authority
22 may establish and shall be available for dis-
23 bursement upon order of the Chair.

24 (d) ADMINISTRATIVE SUPPORT SERVICES.—
25 Upon the request of the Authority, the Admin-

1 **istrator of General Services may provide to**
2 **the Authority, on a reimbursable basis, the**
3 **administrative support services necessary for**
4 **the Authority to carry out its responsibilities**
5 **under this title.**

6 **(e) AUTHORITY TO ENTER INTO CON-**
7 **TRACTS.—The Executive Director may enter**
8 **into such contracts as the Executive Director**
9 **considers appropriate (subject to the ap-**
10 **proval of the Chair) to carry out the**
11 **Authority’s responsibilities under this title.**

12 **(f) CIVIL ACTIONS TO ENFORCE POWERS.—**
13 **The Authority may seek judicial enforcement**
14 **of its authority to carry out its responsibil-**
15 **ities under this title.**

16 **(g) PENALTIES.—**

17 **(1) ADMINISTRATIVE DISCIPLINE.—Any**
18 **officer or employee of the Postal Service**
19 **who, by action or inaction, fails to com-**
20 **ply with any directive or other order of**
21 **the Authority under section 226(c) shall**
22 **be subject to appropriate administrative**
23 **discipline, including suspension from**
24 **duty without pay or removal from office,**

1 **by order of either the Postmaster General**
2 **or the Authority.**

3 **(2) REPORTING REQUIREMENT.—When-**
4 **ever an officer or employee of the Postal**
5 **Service takes or fails to take any action**
6 **which is noncompliant with any directive**
7 **or other order of the Authority under**
8 **section 226(c), the Postmaster General**
9 **shall immediately report to the Authority**
10 **all pertinent facts, together with a state-**
11 **ment of any actions taken by the Post-**
12 **master General or proposed by the Post-**
13 **master General to be taken under para-**
14 **graph (1).**

15 **(h) SENSE OF CONGRESS.—It is the sense of**
16 **Congress that, in making determinations that**
17 **affect prior collective bargaining agreements**
18 **and prior agreements on workforce reduc-**
19 **tion, any rightsizing effort within the Postal**
20 **Service that results in a decrease in the num-**
21 **ber of postal employees should ensure that**
22 **such employees can receive their full pen-**
23 **sions, are fully compensated, and that the col-**
24 **lective bargaining agreements and prior**
25 **agreements on workforce reduction that they**

1 entered into with Postal Service management
2 are fully honored.

3 SEC. 212. EXEMPTION FROM LIABILITY FOR CLAIMS.

4 The Authority and its members may not
5 be liable for any obligation of or claim against
6 the Postal Service resulting from actions
7 taken to carry out this title.

8 SEC. 213. TREATMENT OF ACTIONS ARISING UNDER THIS
9 TITLE.

10 (a) JURISDICTION ESTABLISHED IN UNITED
11 STATES COURT OF APPEALS FOR THE DISTRICT OF
12 COLUMBIA CIRCUIT.—A person (including the
13 Postal Service) adversely affected or ag-
14 grieved by an order or decision of the Author-
15 ity may, within 30 days after such order or de-
16 cision becomes final, institute proceedings for
17 review thereof by filing a petition in the
18 United States Court of Appeals for the Dis-
19 trict of Columbia Circuit. The court shall re-
20 view the order or decision in accordance with
21 section 706 of title 5, United States Code, and
22 chapter 158 and section 2112 of title 28,
23 United States Code. Judicial review shall be
24 limited to the question of whether the Author-
25 ity acted in excess of its statutory authority,

1 and determinations of the Authority with re-
2 spect to the scope of its statutory authority
3 shall be upheld if based on a permissible con-
4 struction of the statutory authority.

5 (b) **PROMPT APPEAL TO THE SUPREME**
6 **COURT.**—Notwithstanding any other provision
7 of law, review by the Supreme Court of the
8 United States of a decision of the Court of Ap-
9 peals which is issued pursuant to subsection
10 (a) may be had only if the petition for such re-
11 view is filed within 10 days after the entry of
12 such decision.

13 (c) **TIMING OF RELIEF.**—No order of any
14 court granting declaratory or injunctive relief
15 against the Authority, including relief permit-
16 ting or requiring the obligation, borrowing, or
17 expenditure of funds, shall take effect during
18 the pendency of the action before such court,
19 during the time appeal may be taken, or (if
20 appeal is taken) during the period before the
21 court has entered its final order disposing of
22 such action.

23 (d) **EXPEDITED CONSIDERATION.**—It shall be
24 the duty of the United States Court of Appeals
25 for the District of Columbia and the Supreme

1 **Court of the United States to advance on the**
2 **docket and to expedite to the greatest pos-**
3 **sible extent the disposition of any matter**
4 **brought under subsection (a).**

5 **SEC. 214. DELIVERY POINT MODERNIZATION.**

6 **(a) DEFINITIONS.—For purposes of this sec-**
7 **tion—**

8 **(1) the term “delivery point” means a**
9 **mailbox or other receptacle to which**
10 **mail is delivered;**

11 **(2) the term “primary mode of deliv-**
12 **ery” means the typical method by which**
13 **the Postal Service delivers letter mail to**
14 **the delivery point of a postal patron;**

15 **(3) the term “door delivery” means a**
16 **primary mode of mail delivery whereby**
17 **mail is placed into a slot or receptacle at**
18 **or near the postal patron’s door or is**
19 **hand delivered to a postal patron, but**
20 **does not include curbside or centralized**
21 **delivery;**

22 **(4) the term “centralized delivery”**
23 **means a primary mode of mail delivery**
24 **whereby mail receptacles are grouped or**
25 **clustered at a single location; and**

1 **(5) the term “curbside delivery”**
2 **means a primary mode of mail delivery**
3 **whereby a mail receptacle is situated at**
4 **the edge of a roadway or curb.**

5 **(b) REDUCTION IN TOTAL NUMBER OF DELIV-**
6 **ERY POINTS.—The Authority shall, during the**
7 **first control period commencing under this**
8 **title, take such measures as may be necessary**
9 **and appropriate so that—**

10 **(1) in each fiscal year beginning at**
11 **least 2 years after the commencement**
12 **date of such first control period—**

13 **(A) the total number of delivery**
14 **points for which door delivery is the**
15 **primary mode of mail delivery does**
16 **not exceed 25 percent of the cor-**
17 **responding number for the fiscal year**
18 **last ending before such commence-**
19 **ment date; and**

20 **(B) the total annual costs attrib-**
21 **utable to door delivery, centralized**
22 **delivery, and curbside delivery com-**
23 **bined will be at least \$3,500,000,000**
24 **less than the corresponding total an-**
25 **ual costs for the fiscal year last end-**

1 **ing before such commencement date;**
2 **and**

3 **(2) in each fiscal year beginning at**
4 **least 4 years after the commencement**
5 **date of such first control period, the total**
6 **number of delivery points for which door**
7 **delivery is the primary mode of mail de-**
8 **livery does not exceed 10 percent of the**
9 **corresponding number for the fiscal year**
10 **last ending before such commencement**
11 **date.**

12 **In making any decision under this subsection**
13 **involving the continuation or termination of**
14 **door delivery with respect to any locality or**
15 **addresses within a locality, the Authority**
16 **shall consider rates of poverty, population**
17 **density, historical value, whether such local-**
18 **ity is in a registered historic district (as that**
19 **term is defined in section 47(c)(3)(B) of the In-**
20 **ternal Revenue Code of 1986), whether such**
21 **address is another place on the National Reg-**
22 **ister of Historic Places, and other appropriate**
23 **factors.**

24 **(c) ORDER OF PRECEDENCE.—In order to**
25 **carry out subsection (b)—**

1 **(1) in making conversions from door**
2 **delivery to other primary modes of deliv-**
3 **ery—**

4 **(A) conversion shall be to central-**
5 **ized delivery; except**

6 **(B) if subparagraph (A) is imprac-**
7 **tical, conversion shall be to curbside**
8 **delivery; and**

9 **(2) in the case of delivery points es-**
10 **tablished after the commencement date**
11 **of the first control period under this**
12 **title—**

13 **(A) centralized delivery shall be**
14 **the primary mode of delivery; except**

15 **(B) if subparagraph (A) is imprac-**
16 **tical, curbside delivery shall be the**
17 **primary mode of delivery.**

18 **(d) WAIVER FOR PHYSICAL HARDSHIP.—The**
19 **Postal Service shall establish and maintain a**
20 **waiver program under which, upon applica-**
21 **tion, door delivery may be continued or pro-**
22 **vided in any case in which—**

23 **(1) centralized or curbside delivery**
24 **would, but for this subsection, otherwise**
25 **be the primary mode of delivery; and**

1 **(2) door delivery is necessary in order**
2 **to avoid causing significant physical**
3 **hardship to a postal patron.**

4 **(e) CENTRALIZED DELIVERY PLACEMENT.—It**
5 **is the sense of the Congress that the Postal**
6 **Service should negotiate with State and local**
7 **governments, businesses, local associations,**
8 **and property owners to place centralized de-**
9 **livery units in locations that maximize deliv-**
10 **ery efficiency, ease of use for postal patrons,**
11 **and respect for private property rights.**

12 **(f) VOUCHER PROGRAM.—**

13 **(1) IN GENERAL.—The Postal Service**
14 **may, in accordance with such standards**
15 **and procedures as the Postal Service**
16 **shall by regulation prescribe, provide for**
17 **a voucher program under which—**

18 **(A) upon application, the Postal**
19 **Service may defray all or any portion**
20 **of the costs associated with conver-**
21 **sion from door delivery under this**
22 **section which would otherwise be**
23 **borne by postal patrons; and**

1 **(B) the Postal Service Competi-**
2 **tive Products Fund is made available**
3 **for that purpose.**

4 **(2) CONFORMING AMENDMENT.—Section**
5 **2011(a)(2) is amended—**

6 **(A) in subparagraph (A), by strik-**
7 **ing “and” after the semicolon;**

8 **(B) in subparagraph (B), by strik-**
9 **ing the period and inserting “; and”;**
10 **and**

11 **(C) by adding at the end the fol-**
12 **lowing:**

13 **“(C) vouchers under the program de-**
14 **scribed in section 214(f)(1) of the Postal**
15 **Reform Act of 2012.”.**

16 **(g) AUDITS.—**

17 **(1) IN GENERAL.—The Inspector Gen-**
18 **eral of the United States Postal Service—**

19 **(A) shall conduct an annual audit**
20 **to determine whether the Postal**
21 **Service is in compliance with the re-**
22 **quirements of subsection (b); and**

23 **(B) shall make such recommenda-**
24 **tions as the Inspector General con-**

1 **siders appropriate to improve the ad-**
2 **ministration of such subsection.**

3 **(2) SUBMISSION.—The audit and rec-**
4 **ommendations under paragraph (1) shall**
5 **be submitted by the Inspector General**
6 **to—**

7 **(A) the Committee on Oversight**
8 **and Government Reform of the House**
9 **of Representatives; and**

10 **(B) the Committee on Homeland**
11 **Security and Governmental Affairs of**
12 **the Senate.**

13 **(3) INFORMATION.—Upon request, the**
14 **Postal Service shall furnish such infor-**
15 **mation as the Inspector General may re-**
16 **quire in order to carry out this sub-**
17 **section.**

18 **(h) SAVINGS REPORT.—**

19 **(1) IN GENERAL.—In the event that a**
20 **reduction in door delivery points is re-**
21 **quired under this section, the Authority**
22 **shall submit a report to Congress, not**
23 **later than 1 year after the date on which**
24 **such reductions commence, describing**
25 **the cost savings realized to the date of**

1 such submission and the estimated addi-
2 tional cost savings anticipated as a result
3 of such reductions occurring after such
4 submission. The report shall include—

5 (A) the measures taken to achieve
6 the realized savings and the assump-
7 tions and methodologies used to com-
8 pute the estimated cost savings; and

9 (B) information with respect to
10 what additional measures might be
11 necessary to achieve the cost savings
12 required under this section.

13 (2) REDUCTION LIMITATION.—Notwith-
14 standing any other provision of this Act,
15 if the Authority determines that the
16 measures described pursuant to subpara-
17 graphs (A) and (B) of paragraph (1) are
18 not feasible, not cost effective, or other-
19 wise detrimental to the mail delivery pol-
20 icy of the Postal Service, the Authority
21 shall submit a report to Congress stating
22 any legislative changes recommended for
23 door delivery modernization procedures
24 under this section, including increasing
25 flexibility of this section's requirements

1 or the postponement of further conver-
2 sion.

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

6 SEC. 221. DEVELOPMENT OF FINANCIAL PLAN AND BUDG-
7 ET FOR THE POSTAL SERVICE.

8 (a) DEVELOPMENT OF FINANCIAL PLAN AND
9 BUDGET.—For each fiscal year for which the
10 Postal Service is in a control period, the Post-
11 master General shall develop and submit to
12 the Authority a financial plan and budget for
13 the Postal Service in accordance with this
14 section.

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

23 (1) The financial plan and budget
24 shall meet the requirements described in

1 subsection (c) to promote the financial
2 stability of the Postal Service.

3 (2) The financial plan and budget
4 shall—

5 (A) include the Postal Service’s
6 annual budget program (under sec-
7 tion 2009 of title 39, United States
8 Code) and the Postal Service’s plan
9 commonly referred to as its “Inte-
10 grated Financial Plan”;

11 (B) describe lump-sum expendi-
12 tures by all categories traditionally
13 used by the Postal Service;

14 (C) describe capital expenditures
15 (together with a schedule of projected
16 capital commitments and cash out-
17 lays of the Postal Service and pro-
18 posed sources of funding);

19 (D) contain estimates of overall
20 debt (both outstanding and antici-
21 pated to be issued); and

22 (E) contain cash flow and liquid-
23 ity forecasts for the Postal Service at
24 such intervals as the Authority may
25 require.

1 **(3) The financial plan and budget**
2 **shall include a statement describing**
3 **methods of estimations and significant**
4 **assumptions.**

5 **(4) The financial plan and budget**
6 **shall include any other provisions and**
7 **shall meet such other criteria as the Au-**
8 **thority considers appropriate to meet the**
9 **purposes of this title, including provi-**
10 **sions for—**

11 **(A) changes in personnel policies**
12 **and levels for each component of the**
13 **Postal Service; and**

14 **(B) management initiatives to**
15 **promote productivity, improvement**
16 **in the delivery of services, or cost**
17 **savings.**

18 **(c) REQUIREMENTS TO PROMOTE FINANCIAL**
19 **STABILITY.—**

20 **(1) IN GENERAL.—The requirements to**
21 **promote the financial stability of the**
22 **Postal Service applicable to the financial**
23 **plan and budget for a fiscal year are as**
24 **follows:**

1 **(A) In each fiscal year (following**
2 **the first full fiscal year) in a control**
3 **period, budgeted expenditures of the**
4 **Postal Service for the fiscal year in-**
5 **volved may not exceed budgeted reve-**
6 **nues of the Postal Service for the fis-**
7 **cal year involved.**

8 **(B) In each fiscal year in a control**
9 **period, the Postal Service shall make**
10 **continuous, substantial progress to-**
11 **wards long-term fiscal solvency and**
12 **shall have substantially greater net**
13 **income than in the previous fiscal**
14 **year.**

15 **(C) The Postal Service shall pro-**
16 **vide for the orderly liquidation of any**
17 **supplementary debt under section**
18 **222.**

19 **(D) The financial plan and budget**
20 **shall assure the continuing long-term**
21 **financial stability of the Postal Serv-**
22 **ice, as indicated by factors such as**
23 **the efficient management of the Post-**
24 **al Service's workforce and the effec-**

1 authorized to borrow money and issue and
2 sell such obligations as may be necessary to
3 carry out the purposes of this title, to the
4 same extent, in the same manner, and subject
5 to the same terms and conditions as if the
6 maximum amount allowable under the provi-
7 sions of section 2005(a)(2) of title 39, United
8 States Code, for the fiscal year involved were
9 equal to the maximum amount which (but for
10 this section) would otherwise be allowable
11 under such provisions, increased by
12 \$10,000,000,000. The authorization to issue ob-
13 ligations under this section shall extend for a
14 period of not more than 10 years beginning on
15 the date of commencement of a control pe-
16 riod, as described in section 202(b). At the end
17 of such a 10-year period, the Postal Service
18 shall dispose of real property of the Postal
19 Service generating sufficient proceeds to
20 repay any outstanding obligation incurred
21 under this subsection in its entirety.

22 (b) EXCLUSION.—The last sentence of sec-
23 tion 2005(a)(1) of title 39, United States Code,
24 shall not apply with respect to any amounts
25 borrowed or obligations issued or sold under

1 authority of this section (which, but for sub-
2 section (a), would not otherwise have been al-
3 lowable).

4 (c) DEPOSIT.—Any amounts received under
5 this section shall be deposited in the Postal
6 Service Fund.

7 (d) COLLATERAL.—For the purposes of
8 funds acquired under subsection (a), the Post-
9 al Service shall provide an appropriate level
10 of collateral in the form of pledged Postal
11 Service property assets. For each fiscal year
12 in which there remain funds made available
13 to the Postal Service under subsection (a), the
14 Postal Service shall dispose of real property
15 equal to an amount that is at least 10 percent
16 of the total funds obligated by the Postal
17 Service under subsection (a), and the pro-
18 ceeds of such disposal shall be used to repay
19 any outstanding obligation made by the Post-
20 al Service under subsection (a) in its entirety.

21 SEC. 223. PROCESS FOR SUBMISSION AND APPROVAL OF FI-
22 NANCIAL PLAN AND BUDGET.

23 (a) IN GENERAL.—For each fiscal year for
24 which the Postal Service is in a control pe-

1 riod, the Postmaster General shall submit to
2 the Authority—

3 (1) by February 1 before the start of
4 such fiscal year, a preliminary financial
5 plan and budget under section 221 for
6 such fiscal year; and

7 (2) by August 1 before the start of
8 such fiscal year, a final financial plan
9 and budget under section 221 for such fis-
10 cal year.

11 (b) REVIEW BY AUTHORITY.—Upon receipt
12 of a financial plan and budget under sub-
13 section (a) (whether preliminary or final), the
14 Authority shall promptly review such finan-
15 cial plan and budget. In conducting the re-
16 view, the Authority may request any addi-
17 tional information it considers necessary and
18 appropriate to carry out its duties under this
19 subtitle.

20 (c) APPROVAL OF POSTMASTER GENERAL'S
21 FINANCIAL PLAN AND BUDGET.—

22 (1) IN GENERAL.—If the Authority de-
23 termines that the final financial plan and
24 budget for the fiscal year submitted by
25 the Postmaster General under subsection

1 **(a) meets the requirements of section**
2 **221—**

3 **(A) the Authority shall approve**
4 **the financial plan and budget and**
5 **shall provide the Postmaster General,**
6 **the President, and Congress with a**
7 **notice certifying its approval; and**

8 **(B) the Postmaster General shall**
9 **promptly submit the annual budget**
10 **program to the Office of Management**
11 **and Budget pursuant to section 2009**
12 **of title 39, United States Code.**

13 **(2) DEEMED APPROVAL AFTER 30 DAYS.—**

14 **(A) IN GENERAL.—If the Authority**
15 **has not provided the Postmaster Gen-**
16 **eral, the President, and Congress**
17 **with a notice certifying approval**
18 **under paragraph (1)(A) or a state-**
19 **ment of disapproval under subsection**
20 **(d) before the expiration of the 30-day**
21 **period which begins on the date the**
22 **Authority receives the financial plan**
23 **and budget from the Postmaster Gen-**
24 **eral under subsection (a), the Author-**
25 **ity shall be deemed to have approved**

1 **the financial plan and budget and to**
2 **have provided the Postmaster Gen-**
3 **eral, the President, and Congress**
4 **with the notice certifying approval**
5 **under paragraph (1)(A).**

6 **(B) EXPLANATION OF FAILURE TO RE-**
7 **SPOND.—If subparagraph (A) applies**
8 **with respect to a financial plan and**
9 **budget, the Authority shall provide**
10 **the Postmaster General, the Presi-**
11 **dent and Congress with an expla-**
12 **nation for its failure to provide the**
13 **notice certifying approval or the**
14 **statement of disapproval during the**
15 **30-day period described in such sub-**
16 **paragraph.**

17 **(d) DISAPPROVAL OF POSTMASTER GEN-**
18 **ERAL’S BUDGET.—If the Authority determines**
19 **that the final financial plan and budget for**
20 **the fiscal year submitted by the Postmaster**
21 **General under subsection (a) does not meet**
22 **the requirements applicable under section**
23 **221, the Authority shall disapprove the finan-**
24 **cial plan and budget, and shall provide the**

1 **Postmaster General, the President, and Con-**
2 **gress with a statement containing—**

3 **(1) the reasons for such disapproval;**

4 **(2) the amount of any shortfall in the**
5 **budget or financial plan; and**

6 **(3) any recommendations for revi-**
7 **sions to the budget the Authority con-**
8 **siders appropriate to ensure that the**
9 **budget is consistent with the financial**
10 **plan and budget.**

11 **(e) AUTHORITY REVIEW OF POSTMASTER**
12 **GENERAL'S REVISED FINAL FINANCIAL PLAN AND**
13 **BUDGET.—**

14 **(1) SUBMISSION OF POSTMASTER GEN-**
15 **ERAL'S REVISED FINAL FINANCIAL PLAN AND**
16 **BUDGET.—Not later than 15 days after re-**
17 **ceiving the statement from the Authority**
18 **under subsection (d), the Postmaster**
19 **General shall promptly adopt a revised**
20 **final financial plan and budget for the**
21 **fiscal year which addresses the reasons**
22 **for the Authority's disapproval cited in**
23 **the statement, and shall submit such fi-**
24 **ancial plan and budget to the Authority.**

1 **(2) APPROVAL OF POSTMASTER GEN-**
2 **ERAL’S REVISED FINAL FINANCIAL PLAN AND**
3 **BUDGET.—If, after reviewing the revised**
4 **final financial plan and budget for a fis-**
5 **cal year submitted by the Postmaster**
6 **General under paragraph (1) in accord-**
7 **ance with the procedures described in**
8 **this section, the Authority determines**
9 **that the revised final financial plan and**
10 **budget meets the requirements applica-**
11 **ble under section 221—**

12 **(A) the Authority shall approve**
13 **the financial plan and budget and**
14 **shall provide the Postmaster General,**
15 **the President, and Congress with a**
16 **notice certifying its approval; and**

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

22 **(3) DISAPPROVAL OF POSTMASTER GEN-**
23 **ERAL’S REVISED FINAL FINANCIAL PLAN AND**
24 **BUDGET.—**

1 **(A) IN GENERAL.—If, after review-**
2 **ing the revised final financial plan**
3 **and budget for a fiscal year sub-**
4 **mitted by the Postmaster General**
5 **under paragraph (1) in accordance**
6 **with the procedures described in this**
7 **subsection, the Authority determines**
8 **that the revised final financial plan**
9 **and budget does not meet the appli-**
10 **cable requirements under section 221,**
11 **the Authority shall—**

12 **(i) disapprove the financial**
13 **plan and budget;**

14 **(ii) provide the Postmaster**
15 **General, the President, and Con-**
16 **gress with a statement containing**
17 **the reasons for such disapproval**
18 **and describing the amount of any**
19 **shortfall in the financial plan and**
20 **budget; and**

21 **(iii) approve and recommend**
22 **a financial plan and budget for**
23 **the Postal Service which meets**
24 **the applicable requirements**
25 **under section 221, and submit**

1 **such financial plan and budget to**
2 **the Postmaster General, the**
3 **President, and Congress.**

4 **(B) SUBMISSION TO OMB.—Upon re-**
5 **ceipt of the recommended financial**
6 **plan and budget under subparagraph**
7 **(A)(iii), the Postmaster General shall**
8 **promptly submit the recommended**
9 **annual budget program to the Office**
10 **of Management and Budget pursuant**
11 **to section 2009 of title 39, United**
12 **States Code.**

13 **(4) DEEMED APPROVAL AFTER 15 DAYS.—**

14 **(A) IN GENERAL.—If the Authority**
15 **has not provided the Postmaster Gen-**
16 **eral, the President, and Congress**
17 **with a notice certifying approval**
18 **under paragraph (2)(A) or a state-**
19 **ment of disapproval under paragraph**
20 **(3) before the expiration of the 15-day**
21 **period which begins on the date the**
22 **Authority receives the revised final**
23 **financial plan and budget submitted**
24 **by the Postmaster General under**
25 **paragraph (1), the Authority shall be**

1 deemed to have approved the revised
2 final financial plan and budget and to
3 have provided the Postmaster Gen-
4 eral, the President, and Congress
5 with the notice certifying approval
6 described in paragraph (2)(A).

7 **(B) EXPLANATION OF FAILURE TO RE-**
8 **SPOND.—If subparagraph (A) applies**
9 **with respect to a financial plan and**
10 **budget, the Authority shall provide**
11 **the Postmaster General, the Presi-**
12 **dent and Congress with an expla-**
13 **nation for its failure to provide the**
14 **notice certifying approval or the**
15 **statement of disapproval during the**
16 **15-day period described in such sub-**
17 **paragraph.**

18 **(f) DEADLINE FOR TRANSMISSION OF FINAN-**
19 **CIAL PLAN AND BUDGET BY AUTHORITY.—Not-**
20 **withstanding any other provision of this sec-**
21 **tion, not later than September 30th before**
22 **each fiscal year which is in a control period,**
23 **the Authority shall—**

24 **(1) provide Congress with a notice**
25 **certifying its approval of the Postmaster**

1 **General's initial financial plan and budg-**
2 **et for the fiscal year under subsection (c);**

3 **(2) provide Congress with a notice**
4 **certifying its approval of the Postmaster**
5 **General's revised final financial plan and**
6 **budget for the fiscal year under sub-**
7 **section (e)(2); or**

8 **(3) submit to Congress an approved**
9 **and recommended financial plan and**
10 **budget of the Authority for the Postal**
11 **Service for the fiscal year under sub-**
12 **section (e)(3)(A)(iii).**

13 **(g) REVISIONS TO FINANCIAL PLAN AND**
14 **BUDGET.—**

15 **(1) PERMITTING POSTMASTER GENERAL**
16 **TO SUBMIT REVISIONS.—The Postmaster**
17 **General may submit proposed revisions**
18 **to the financial plan and budget for a**
19 **control period to the Authority at any**
20 **time during the year.**

21 **(2) PROCESS FOR REVIEW, APPROVAL,**
22 **DISAPPROVAL, AND POSTMASTER GENERAL**
23 **ACTION.—Except as provided in para-**
24 **graph (3), the procedures described in**
25 **subsections (b), (c), (d), and (e) shall**

1 **apply with respect to a proposed revision**
2 **to a financial plan and budget in the**
3 **same manner as such procedures apply**
4 **with respect to the original financial plan**
5 **and budget.**

6 **(3) EXCEPTION FOR REVISIONS NOT AF-**
7 **FECTING SPENDING.—To the extent that a**
8 **proposed revision to a financial plan and**
9 **budget adopted by the Postmaster Gen-**
10 **eral pursuant to this subsection does not**
11 **increase the amount of spending with re-**
12 **spect to any account of the Postal Serv-**
13 **ice, the revision shall become effective**
14 **upon the Authority’s approval of such re-**
15 **vision.**

16 **SEC. 224. RESPONSIBILITIES OF THE AUTHORITY.**

17 **(a) IN GENERAL.—The Authority shall di-**
18 **rect the exercise of the powers of the Postal**
19 **Service, including—**

20 **(1) determining its overall strategies**
21 **(both long-term and short-term);**

22 **(2) determining its organizational**
23 **structure, particularly for senior manage-**
24 **ment at the level of vice president and**
25 **higher;**

1 **(3) hiring, monitoring, compensating,**
2 **and, when necessary, replacing senior**
3 **management at the level of vice president**
4 **and higher, as well as ensuring adequate**
5 **succession planning for these positions;**

6 **(4) approving major policies, particu-**
7 **larly those that have an important effect**
8 **on the Postal Service's financial position**
9 **and the provision of universal postal**
10 **service;**

11 **(5) approving corporate budgets, fi-**
12 **nancial and capital plans, operational**
13 **and service performance standards and**
14 **targets, human resources strategies, col-**
15 **lective bargaining strategies, negotiation**
16 **parameters, and collective bargaining**
17 **agreements, and the compensation struc-**
18 **ture for nonbargaining employees;**

19 **(6) approving substantial capital**
20 **projects and any substantial disposition**
21 **of capital assets, such as surplus prop-**
22 **erty;**

23 **(7) approving changes in rates and**
24 **classifications, new products and serv-**
25 **ices, policy regarding other substantial**

1 matters before the Postal Regulatory
2 Commission, and any appeals of its deci-
3 sions or orders to the Federal courts;

4 (8) approving the Postal Service An-
5 nual Report, Annual Comprehensive
6 Statement, and strategic plans, perform-
7 ance plans, and performance program re-
8 ports under chapter 28 of title 39, United
9 States Code;

10 (9) formulating and communicating
11 organizational policy and positions on
12 legislative and other public policy mat-
13 ters to Congress and the public;

14 (10) ensuring organizational respon-
15 siveness to oversight by Congress, the
16 Postal Regulatory Commission, the Treas-
17 ury of the United States, and other audit
18 entities;

19 (11) ensuring adequate internal con-
20 trols and selecting, monitoring, and com-
21 pensating an independent public ac-
22 counting firm to conduct an annual audit
23 of the Postal Service; and

24 (12) carrying out any responsibility,
25 not otherwise listed in this subsection,

1 that was the responsibility of the Board
2 of Governors at any time during the 5-
3 year period ending on the date of the en-
4 actment of this Act.

5 **(b) REVIEW OF POSTAL SERVICE PRO-**
6 **POSALS.—**

7 **(1) SUBMISSION OF POSTAL SERVICE PRO-**
8 **POSALS TO THE AUTHORITY.—**During a con-
9 **trol period, the Postmaster General shall**
10 **submit to the Authority any proposal that**
11 **has a substantial effect on any item listed**
12 **in subsection (a).**

13 **(2) PROMPT REVIEW BY AUTHORITY.—**
14 **Upon receipt of a proposal from the Post-**
15 **master General under paragraph (1), the**
16 **Authority shall promptly review the pro-**
17 **posal to determine whether it is con-**
18 **sistent with the applicable financial plan**
19 **and budget approved under this title.**

20 **(3) ACTIONS BY AUTHORITY.—**

21 **(A) APPROVAL.—**If the Authority
22 **determines that a proposal is con-**
23 **sistent with the applicable financial**
24 **plan and budget, the Authority shall**

1 **notify the Postmaster General that it**
2 **approves the proposal.**

3 **(B) FINDING OF INCONSISTENCY.—If**
4 **the Authority determines that a pro-**
5 **posal is significantly inconsistent**
6 **with the applicable financial plan**
7 **and budget, the Authority shall—**

8 **(i) notify the Postmaster Gen-**
9 **eral of its finding;**

10 **(ii) provide the Postmaster**
11 **General with an explanation of**
12 **the reasons for its finding; and**

13 **(iii) to the extent the Author-**
14 **ity considers appropriate, provide**
15 **the Postmaster General with rec-**
16 **ommendations for modifications**
17 **to the proposal.**

18 **(4) DEEMED APPROVAL.—If the Author-**
19 **ity does not notify the Postmaster Gen-**
20 **eral that it approves or disapproves a**
21 **proposal submitted under this subsection**
22 **during the 7-day period which begins on**
23 **the date the Postmaster General submits**
24 **the proposal to the Authority, the Author-**
25 **ity shall be deemed to have approved the**

1 **proposal in accordance with paragraph**
2 **(3)(A). At the option of the Authority, the**
3 **previous sentence shall be applied as if**
4 **the reference in such sentence to “7-day**
5 **period” were a reference to “14-day pe-**
6 **riod” if, during the 7-day period referred**
7 **to in the preceding sentence, the Author-**
8 **ity so notifies the Postmaster General.**

9 **(c) EFFECT OF APPROVED FINANCIAL PLAN**
10 **AND BUDGET ON CONTRACTS AND LEASES.—**

11 **(1) MANDATORY PRIOR APPROVAL FOR**
12 **CERTAIN CONTRACTS AND LEASES.—**

13 **(A) IN GENERAL.—In the case of a**
14 **contract or lease described in sub-**
15 **paragraph (B) which is proposed to**
16 **be entered into, renewed, modified,**
17 **or extended by the Postal Service**
18 **during a control period, the Post-**
19 **master General (or the appropriate**
20 **officer or agent of the Postal Service)**
21 **shall submit the proposed contract or**
22 **lease to the Authority. The Authority**
23 **shall review each contract or lease**
24 **submitted under this subparagraph,**
25 **and the Postmaster General (or the**

1 **appropriate officer or agent of the**
2 **Postal Service) may not enter into the**
3 **contract or lease unless the Authority**
4 **determines that the proposed con-**
5 **tract or lease is consistent with the fi-**
6 **nancial plan and budget for the fiscal**
7 **year.**

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

11 **(i) a labor contract entered**
12 **into through collective bar-**
13 **gaining; or**

14 **(ii) such other type of con-**
15 **tract or lease as the Authority**
16 **may specify for purposes of this**
17 **subparagraph.**

18 **(2) AUTHORITY TO REVIEW OTHER CON-**
19 **TRACTS AFTER EXECUTION.—**

20 **(A) IN GENERAL.—In addition to**
21 **the prior approval of certain con-**
22 **tracts and leases, the Postal Service**
23 **shall submit to the Authority—**

24 **(i) any Level-Two Post Career**
25 **Executive Service employee con-**

1 tract that is in effect during a
2 control period; and

3 (ii) any collective bargaining
4 agreement entered into by the
5 Postal Service that is in effect
6 during a control period.

7 Any such contract or agreement shall
8 be submitted to the Authority upon
9 the commencement of a control pe-
10 riod and at such other times as the
11 Authority may require.

12 **(B) REVIEW BY AUTHORITY.—**The
13 Authority shall review each contract
14 submitted under subparagraph (A) to
15 determine if the contract is con-
16 sistent with the financial plan and
17 budget for the fiscal year. If the Au-
18 thority determines that the contract
19 is not consistent with the financial
20 plan and budget, the Authority shall
21 take such actions as are within the
22 Authority's powers to revise the con-
23 tract.

1 SEC. 225. EFFECT OF FINDING NONCOMPLIANCE WITH FI-
2 NANCIAL PLAN AND BUDGET.

3 (a) SUBMISSION OF REPORTS.—Not later
4 than 30 days after the expiration of each
5 quarter of each fiscal year beginning in a con-
6 trol period, the Postmaster General shall sub-
7 mit reports to the Authority describing the ac-
8 tual revenues obtained and expenditures
9 made by the Postal Service during the quar-
10 ter with its cash flows during the quarter, and
11 comparing such actual revenues, expendi-
12 tures, and cash flows with the most recent
13 projections for these items.

14 (b) ADDITIONAL INFORMATION.—If the Au-
15 thority determines, based on reports sub-
16 mitted by the Postmaster General under sub-
17 section (a), independent audits, or such other
18 information as the Authority may obtain, that
19 the revenues or expenditures of the Postal
20 Service during a control period are not con-
21 sistent with the financial plan and budget for
22 the year, the Authority shall require the Post-
23 master General to provide such additional in-
24 formation as the Authority determines to be
25 necessary to explain the inconsistency.

26 (c) CERTIFICATION OF VARIANCE.—

1 **(1) IN GENERAL.—**After requiring the
2 **Postmaster General to provide additional**
3 **information under subsection (b), the Au-**
4 **thority shall certify to the Postmaster**
5 **General, the President, the Secretary of**
6 **the Treasury, and Congress that the Post-**
7 **al Service is at variance with the finan-**
8 **cial plan and budget unless—**

9 **(A) the additional information**
10 **provides an explanation for the in-**
11 **consistency which the Authority finds**
12 **reasonable and appropriate; or**

13 **(B)(i) the Postal Service adopts or**
14 **implements remedial action (includ-**
15 **ing revising the financial plan and**
16 **budget pursuant to section 223(g)) to**
17 **correct the inconsistency which the**
18 **Authority finds reasonable and ap-**
19 **propriate, taking into account the**
20 **terms of the financial plan and budg-**
21 **et; and**

22 **(ii) the Postmaster General agrees**
23 **to submit the reports described in**
24 **subsection (a) on a monthly basis for**

1 such period as the Authority may re-
2 quire.

3 **(2) SPECIAL RULE FOR INCONSISTENCIES**
4 **ATTRIBUTABLE TO ACTS OF CONGRESS.—**

5 **(A) DETERMINATION BY AUTHOR-**
6 **ITY.—If the Authority determines that**
7 **the revenues or expenditures of the**
8 **Postal Service during a control pe-**
9 **riod are not consistent with the fi-**
10 **nanical plan and budget for the year**
11 **as approved by the Authority under**
12 **section 223 as a result of the terms**
13 **and conditions of any law enacted by**
14 **Congress which affects the Postal**
15 **Service, the Authority shall so notify**
16 **the Postmaster General.**

17 **(B) CERTIFICATION.—In the case of**
18 **an inconsistency described in sub-**
19 **paragraph (A), the Authority shall**
20 **certify to the Postmaster General, the**
21 **President, the Secretary of the Treas-**
22 **ury, and Congress that the Postal**
23 **Service is at variance with the finan-**
24 **cial plan and budget unless the Postal**
25 **Service adopts or implements reme-**

1 ery efficiency of the Postal Service, including
2 recommendations relating to—

3 (1) the management of the Postal
4 Service’s financial affairs, including cash
5 forecasting, information technology, plac-
6 ing controls on expenditures for per-
7 sonnel, reducing benefit costs, reforming
8 procurement practices, and placing other
9 controls on expenditures;

10 (2) the relationship between the Post-
11 al Service and other entities of the Fed-
12 eral Government;

13 (3) the structural relationship of sub-
14 divisions within the Postal Service;

15 (4) the modification of existing rev-
16 enue structures, or the establishment of
17 additional revenue structures;

18 (5) the establishment of alternatives
19 for meeting obligations to pay for the
20 pensions and retirement benefits of cur-
21 rent and future Postal Service retirees;

22 (6) modifications of services which
23 are the responsibility of and are deliv-
24 ered by the Postal Service;

1 **(7) modifications of the types of serv-**
2 **ices which are delivered by entities other**
3 **than the Postal Service under alternative**
4 **service delivery mechanisms;**

5 **(8) the effects of Federal Government**
6 **laws and court orders on the operations**
7 **of the Postal Service;**

8 **(9) the increased use of a personnel**
9 **system for employees of the Postal Serv-**
10 **ice which is based upon employee per-**
11 **formance standards; and**

12 **(10) the improvement of personnel**
13 **training and proficiency, the adjustment**
14 **of staffing levels, and the improvement of**
15 **training and performance of management**
16 **and supervisory personnel.**

17 **(b) RESPONSE TO RECOMMENDATIONS FOR**
18 **ACTIONS WITHIN AUTHORITY OF POSTAL SERV-**
19 **ICE.—**

20 **(1) IN GENERAL.—In the case of any**
21 **recommendations submitted under sub-**
22 **section (a) during a control period which**
23 **are within the authority of the Postal**
24 **Service to adopt, not later than 90 days**
25 **after receiving the recommendations, the**

1 **Postmaster General shall submit a state-**
2 **ment to the Authority, the President, and**
3 **Congress which provides notice as to**
4 **whether the Postal Service will adopt the**
5 **recommendations.**

6 **(2) IMPLEMENTATION PLAN REQUIRED**
7 **FOR ADOPTED RECOMMENDATIONS.—If the**
8 **Postmaster General notifies the Author-**
9 **ity and Congress under paragraph (1)**
10 **that the Postal Service will adopt any of**
11 **the recommendations submitted under**
12 **subsection (a), the Postmaster General**
13 **shall include in the statement a written**
14 **plan to implement the recommendation**
15 **which includes—**

16 **(A) specific performance meas-**
17 **ures to determine the extent to which**
18 **the Postal Service has adopted the**
19 **recommendation; and**

20 **(B) a schedule for auditing the**
21 **Postal Service’s compliance with the**
22 **plan.**

23 **(3) EXPLANATIONS REQUIRED FOR REC-**
24 **COMMENDATIONS NOT ADOPTED.—If the Post-**
25 **master General notifies the Authority,**

1 **the President, and Congress under para-**
2 **graph (1) that the Postal Service will not**
3 **adopt any recommendation submitted**
4 **under subsection (a) which the Postal**
5 **Service has authority to adopt, the Post-**
6 **master General shall include in the state-**
7 **ment explanations for the rejection of the**
8 **recommendations.**

9 **(c) IMPLEMENTATION OF REJECTED REC-**
10 **COMMENDATIONS BY AUTHORITY.—**

11 **(1) IN GENERAL.—If the Postmaster**
12 **General notifies the Authority, the Presi-**
13 **dent, and Congress under subsection**
14 **(b)(1) that the Postal Service will not**
15 **adopt any recommendation submitted**
16 **under subsection (a) which the Postal**
17 **Service has authority to adopt, the Au-**
18 **thority may by a majority vote of its**
19 **members take such action concerning the**
20 **recommendation as it deems appropriate,**
21 **after consulting with the Committee on**
22 **Oversight and Government Reform of the**
23 **House of Representatives and the Com-**
24 **mittee on Homeland Security and Gov-**
25 **ernmental Affairs of the Senate.**

1 **(2) EFFECTIVE DATE.—This subsection**
2 **shall apply with respect to recommenda-**
3 **tions of the Authority made after the ex-**
4 **piration of the 6-month period which be-**
5 **gins on the date of the commencement of**
6 **a control period.**

7 **SEC. 227. SPECIAL RULES FOR FISCAL YEAR IN WHICH**
8 **CONTROL PERIOD COMMENCES.**

9 **(a) ADOPTION OF TRANSITION BUDGET.—Not-**
10 **withstanding any provision of section 223 to**
11 **the contrary, in the case of a fiscal year in**
12 **which a control period commences, the fol-**
13 **lowing rules shall apply:**

14 **(1) Not later than 45 days after the**
15 **appointment of its members, the Author-**
16 **ity shall review the proposed Integrated**
17 **Financial Plan for the Postal Service for**
18 **such fiscal year and shall submit any rec-**
19 **ommendations for modifications to such**
20 **plan to promote the financial stability of**
21 **the Postal Service to the Postmaster Gen-**
22 **eral, the President, and Congress.**

23 **(2) Not later than 15 days after re-**
24 **ceiving the recommendations of the Au-**
25 **thority submitted under paragraph (1),**

1 the Postmaster General shall promptly
2 adopt a revised budget for the fiscal year
3 (in this section referred to as the “transi-
4 tion budget”), and shall submit the tran-
5 sition budget to the Authority, the Presi-
6 dent, and Congress.

7 (3) Not later than 15 days after re-
8 ceiving the transition budget from the
9 Postmaster General under paragraph (2),
10 the Authority shall submit a report to the
11 Postmaster General, the President, and
12 Congress analyzing the budget (taking
13 into account any items or provisions dis-
14 approved by the Postmaster General) and
15 shall include in the report such rec-
16 ommendations for revisions to the transi-
17 tion budget as the Authority considers
18 appropriate to promote the financial sta-
19 bility of the Postal Service during the fis-
20 cal year.

21 **(b) FINANCIAL PLAN AND BUDGET.—**

22 (1) **DEADLINE FOR SUBMISSION.—**For
23 purposes of section 223, the Postmaster
24 General shall submit the financial plan
25 and budget for the applicable fiscal year

1 as soon as practicable after the com-
2 mencement of a control period (in ac-
3 cordance with guidelines established by
4 the Authority).

5 (2) **ADOPTION BY POSTMASTER GEN-**
6 **ERAL.—In accordance with the proce-**
7 **dures applicable under section 223 (in-**
8 **cluding procedures providing for review**
9 **by the Authority) the Postmaster General**
10 **shall adopt the financial plan and budget**
11 **for the applicable fiscal year (including**
12 **the transition budget incorporated in the**
13 **financial plan and budget).**

14 (3) **TRANSITION BUDGET AS TEMPORARY**
15 **FINANCIAL PLAN AND BUDGET.—Until the**
16 **approval of the financial plan and budget**
17 **for the applicable fiscal year by the Au-**
18 **thority under this subsection, the transi-**
19 **tion budget established under subsection**
20 **(a) shall serve as the financial plan and**
21 **budget adopted under this subtitle for**
22 **purposes of this Act (and any provision of**
23 **law amended by this Act) for the applica-**
24 **ble fiscal year.**

1 SEC. 228. ASSISTANCE IN ACHIEVING FINANCIAL STA-
2 BILITY, ETC.

3 In addition to any other actions described
4 in this title, the Authority may undertake co-
5 operative efforts to assist the Postal Service
6 in achieving financial stability and manage-
7 ment efficiency, including—

8 (1) assisting the Postal Service in
9 avoiding defaults, eliminating and liqui-
10 dating deficits, maintaining sound budg-
11 etary practices, and avoiding interrup-
12 tions in the delivery of services;

13 (2) assisting the Postal Service in im-
14 proving the delivery of services, the
15 training and effectiveness of personnel of
16 the Postal Service, and the efficiency of
17 management and supervision; and

18 (3) making recommendations to the
19 President for transmission to Congress
20 on changes to this Act or other Federal
21 laws, or other actions of the Federal Gov-
22 ernment, which would assist the Postal
23 Service in complying with an approved
24 financial plan and budget under subtitle
25 B.

1 **SEC. 229. OBTAINING REPORTS.**

2 **The Authority may require the Post-**
3 **master General, the Chief Financial Officer of**
4 **the Postal Service, and the Inspector General**
5 **of the Postal Service, to prepare and submit**
6 **such reports as the Authority considers ap-**
7 **propriate to assist it in carrying out its re-**
8 **sponsibilities under this title, including sub-**
9 **mitting copies of any reports regarding reve-**
10 **nues, expenditures, budgets, costs, plans, op-**
11 **erations, estimates, and other financial or**
12 **budgetary matters of the Postal Service.**

13 **SEC. 230. REPORTS AND COMMENTS.**

14 **(a) ANNUAL REPORTS TO CONGRESS.—Not**
15 **later than 30 days after the last day of each**
16 **fiscal year which is a control year, the Au-**
17 **thority shall submit a report to Congress de-**
18 **scribing—**

19 **(1) the progress made by the Postal**
20 **Service in meeting the objectives of this**
21 **title during the fiscal year;**

22 **(2) the assistance provided by the Au-**
23 **thority to the Postal Service in meeting**
24 **the purposes of this title for the fiscal**
25 **year; and**

1 **(3) any other activities of the Author-**
2 **ity during the fiscal year.**

3 **(b) REVIEW AND ANALYSIS OF PERFORMANCE**
4 **AND FINANCIAL ACCOUNTABILITY REPORTS.—The**
5 **Authority shall review each yearly report pre-**
6 **pared and submitted by the Postmaster Gen-**
7 **eral to the Postal Regulatory Commission and**
8 **Congress and shall submit a report to Con-**
9 **gress analyzing the completeness and accu-**
10 **racy of such reports.**

11 **(c) COMMENTS REGARDING ACTIVITIES OF**
12 **POSTAL SERVICE.—At any time during a con-**
13 **trol period, the Authority may submit a report**
14 **to Congress describing any action taken by**
15 **the Postal Service (or any failure to act by the**
16 **Postal Service) which the Authority deter-**
17 **mines will adversely affect the Postal Serv-**
18 **ice’s ability to comply with an approved fi-**
19 **nancial plan and budget under subtitle B or**
20 **will otherwise have a significant adverse im-**
21 **pact on the best interests of the Postal Serv-**
22 **ice.**

23 **(d) REPORTS ON EFFECT OF FEDERAL LAWS**
24 **ON THE POSTAL SERVICE.—At any time during**
25 **any year, the Authority may submit a report**

1 to the Postmaster General, the President, and
2 Congress on the effect of laws enacted by Con-
3 gress on the financial plan and budget for the
4 year and on the financial stability and man-
5 agement efficiency of the Postal Service in
6 general.

7 (e) MAKING REPORTS PUBLICLY AVAIL-
8 ABLE.—The Authority shall make any report
9 submitted under this section available to the
10 public, except to the extent that the Authority
11 determines that the report contains confiden-
12 tial material.

13 TITLE III—POSTAL SERVICE 14 WORKFORCE

15 Subtitle A—General Provisions

16 SEC. 301. MODIFICATIONS RELATING TO DETERMINATION
17 OF PAY COMPARABILITY.

18 (a) POSTAL POLICY.—The first sentence of
19 section 101(c) is amended—

20 (1) by inserting “total” before “rates
21 and types of compensation”; and

22 (2) by inserting “entire” before “pri-
23 vate sector”.

24 (b) EMPLOYMENT POLICY.—The second sen-
25 tence of section 1003(a) is amended—

1 “(A) in the case of life insurance
2 under chapter 87 of title 5, the Govern-
3 ment contributions determined under
4 section 8708 of such title; and

5 “(B) in the case of health insurance
6 under chapter 89 of title 5, the Govern-
7 ment contributions determined under
8 8906 of such title.

9 “(2) This subsection applies with respect
10 to—

11 “(A) except as provided in subpara-
12 graph (B), each fiscal year beginning
13 after September 30, 2013; and

14 “(B) in the case of officers and em-
15 ployees of the Postal Service covered by
16 a collective bargaining agreement which
17 is in effect on the date of the enactment
18 of this subsection—

19 “(i) each fiscal year beginning
20 after the expiration date of such
21 agreement, including

22 “(ii) for the fiscal year in which
23 such expiration date occurs, any por-
24 tion of such fiscal year remaining
25 after such expiration date.

1 **“(3)(A) If, after reasonable notice and op-**
2 **portunity for hearing is afforded to the Postal**
3 **Service, the Postal Regulatory Commission**
4 **finds that the contributions of the Postal**
5 **Service for a fiscal year will exceed or are ex-**
6 **ceeding the limitation specified in subpara-**
7 **graph (A) or (B) of paragraph (1), the Commis-**
8 **sion shall order that the Postal Service take**
9 **such action as the Commission considers nec-**
10 **essary to achieve full and immediate compli-**
11 **ance with the applicable limitation or limita-**
12 **tions.**

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

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

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

3 **The last sentence of section 1005(f) is re-**
4 **pealed.**

5 SEC. 304. APPLICABILITY OF REDUCTION-IN-FORCE PROCE-
6 DURES.

7 **Section 1206 is amended by adding at the**
8 **end the following:**

9 **“(d) Collective-bargaining agreements be-**
10 **tween the Postal Service and bargaining rep-**
11 **resentatives recognized under section 1203,**
12 **ratified after the date of enactment of this**
13 **subsection, shall contain no provision re-**
14 **stricting the applicability of reduction-in-**
15 **force procedures under title 5 with respect to**
16 **members of the applicable bargaining unit.**

17 **“(e) Any collective-bargaining agreement**
18 **between the Postal Service and the bar-**
19 **gaining representatives recognized under sec-**
20 **tion 1203 ratified before the date of enact-**
21 **ment of this Act that contain any provision**
22 **violating subsection (d) shall be renegotiated**
23 **with a new collective-bargaining agreement**
24 **to be ratified or imposed through an arbitra-**
25 **tion decision under section 1207 within 9**
26 **months after such date of enactment.**

1 “(f)(1) If a collective-bargaining agree-
2 ment between the Postal Service and bar-
3 gaining representatives recognized under sec-
4 tion 1203, ratified after the date of enactment
5 of this subsection, includes reduction-in-force
6 procedures which can be applied in lieu of re-
7 duction-in-force procedures under title 5, the
8 Postal Service may, in its discretion, apply
9 with respect to members of the applicable
10 bargaining unit—

11 “(A) the alternative procedures (or, if
12 2 or more are agreed to, 1 of the alter-
13 native procedures); or

14 “(B) the reduction-in-force proce-
15 dures under title 5.

16 “(2) In no event may, if procedures for the
17 resolution of a dispute or impasse arising in
18 the negotiation of a collective-bargaining
19 agreement (whether through binding arbitra-
20 tion or otherwise) are invoked under this
21 chapter, the award or other resolution
22 reached under such procedures provide for
23 the elimination of, or the substitution of any
24 alternative procedures in lieu of, reduction-
25 in-force procedures under title 5.”.

1 SEC. 305. MODIFICATIONS RELATING TO COLLECTIVE BAR-
2 GAINING.

3 Section 1207 is amended by striking sub-
4 sections (c) and (d) and inserting the fol-
5 lowing:

6 “(c)(1) If no agreement is reached within
7 30 days after the appointment of a mediator
8 under subsection (b), or if the parties decide
9 upon arbitration before the expiration of the
10 30-day period, an arbitration board shall be
11 established consisting of 1 member selected
12 by the Postal Service (from the list under
13 paragraph (2)), 1 member selected by the bar-
14 gaining representative of the employees (from
15 the list under paragraph (2)), and the medi-
16 ator appointed under subsection (b).

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

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

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

14 “(4) No more than 7 days after the hearing
15 is concluded, each party shall submit to the
16 arbitration board 2 offer packages, each of
17 which packages shall specify the terms of a
18 proposed final agreement.

19 “(5) If no agreement is reached within 7
20 days after the last day date for the submission
21 of an offer package under paragraph (4), each
22 party shall submit to the arbitration board a
23 single final offer package specifying the terms
24 of a proposed final agreement.

1 **“(6) No later than 3 days after the submis-**
2 **sion of the final offer packages under para-**
3 **graph (5), the arbitration board shall select 1**
4 **of those packages as its tentative award, sub-**
5 **ject to paragraph (7).**

6 **“(7)(A) The arbitration board may not se-**
7 **lect a final offer package under paragraph (6)**
8 **unless it satisfies each of the following:**

9 **“(i) The offer complies with the re-**
10 **quirements of sections 101(c) and 1003(a).**

11 **“(ii) The offer takes into account the**
12 **current financial condition of the Postal**
13 **Service.**

14 **“(iii) The offer takes into account the**
15 **long-term financial condition of the Post-**
16 **al Service.**

17 **“(B)(i) If the board unanimously deter-**
18 **mines, based on clear and convincing evi-**
19 **dence presented during the hearing under**
20 **paragraph (3), that neither final offer package**
21 **satisfies the conditions set forth in subpara-**
22 **graph (A), the board shall by majority vote—**

23 **“(I) select the package that best meets**
24 **such conditions; and**

1 **“(II) modify the package so selected**
2 **to the minimum extent necessary to sat-**
3 **isfy such conditions.**

4 **“(ii) If modification (as described in sub-**
5 **paragraph (B)(i)(II)) is necessary, the board**
6 **shall have an additional 7 days to render its**
7 **tentative award under this subparagraph.**

8 **“(8) The parties may negotiate a sub-**
9 **stitute award to replace the tentative award**
10 **selected under paragraph (6) or rendered**
11 **under paragraph (7) (as the case may be). If**
12 **no agreement on a substitute award is**
13 **reached within 10 days after the date on**
14 **which the tentative award is so selected or**
15 **rendered, the tentative award shall become**
16 **final.**

17 **“(9) The arbitration board shall review**
18 **any substitute award negotiated under para-**
19 **graph (8) to determine if it satisfies the condi-**
20 **tions set forth in paragraph (7)(A). If the arbi-**
21 **tration board, by a unanimous vote taken**
22 **within 3 days after the date on which the**
23 **agreement on the substitute award is reached**
24 **under paragraph (8), determines that the sub-**
25 **stitute award does not satisfy such condi-**

1 tions, the tentative award shall become final.
2 In the absence of a vote, as described in the
3 preceding sentence, the substitute agreement
4 shall become final.

5 “(10) If, under paragraph (5), neither
6 party submits a final offer package by the last
7 day allowable under such paragraph, the ar-
8 bitration board shall develop and issue a final
9 award no later than 20 days after such last
10 day.

11 “(11) A final award or agreement under
12 this subsection shall be conclusive and bind-
13 ing upon the parties.

14 “(12) Costs of the arbitration board and
15 mediation shall be shared equally by the Post-
16 al Service and the bargaining representative.

17 “(d) In the case of a bargaining unit whose
18 recognized collective-bargaining representa-
19 tive does not have an agreement with the
20 Postal Service, if the parties fail to reach
21 agreement within 90 days after the com-
22 mencement of collective bargaining, a medi-
23 ator shall be appointed in accordance with
24 the provisions of subsection (b), unless the
25 parties have previously agreed to another

1 procedure for a binding resolution of their
2 differences. If the parties fail to reach agree-
3 ment within 180 days after the commence-
4 ment of collective bargaining, an arbitration
5 board shall be established to provide conclu-
6 sive and binding arbitration in accordance
7 with the provisions of subsection (c).”.

8 SEC. 306. ONE-TIME TRANSFER OF NET SURPLUS POSTAL
9 RETIREMENT CONTRIBUTIONS.

10 (a) **TRANSFER REQUIREMENT.**—Not later
11 than 2 weeks after the date of enactment of
12 this Act, there shall be appropriated to the
13 Postal Service Fund, from the Postal Service
14 Federal Employee Retirement System ac-
15 count within the Civil Service Retirement and
16 Disability Fund, an amount equal to the abso-
17 lute value of the amount computed as of Sep-
18 tember 30, 2010, under section 8423(b)(1)(B) of
19 title 5, United States Code, less the sum of—

20 (1) the Postal supplemental liability,
21 calculated as of September 30, 2010,
22 under section 8348(h) of title 5, United
23 States Code; and

24 (2) any contribution required by sec-
25 tion 8423 of such title that the Postal

1 **Service has not made during fiscal years**
2 **2011 or 2012, as determined by the Office**
3 **of Personnel Management no later than**
4 **one week after the date of enactment of**
5 **this Act**

6 **(b) LIMITATIONS ON USE.—The amount**
7 **transferred to the Postal Service Fund under**
8 **this section—**

9 **(1) may be used for such purposes as**
10 **the Postal Service considers appropriate;**
11 **except that**

12 **(2) if any amounts so transferred re-**
13 **main in the Postal Service Fund after**
14 **September 30, 2015, such amounts shall**
15 **be used—**

16 **(A) first, to satisfy any supple-**
17 **mental liability computed under sec-**
18 **tion 8423(b)(1)(B) of title 5, United**
19 **States Code;**

20 **(B) second, to satisfy any supple-**
21 **mental liability computed under sec-**
22 **tion 8348(h) of title 5, United States**
23 **Code; and**

24 **(C) third, to satisfy any obliga-**
25 **tions of the Postal Service under sec-**

1 **tion 2005 of title 39, United States**
2 **Code.**

3 **(c) DEFINITIONS.—For purposes of this sec-**
4 **tion—**

5 **(1) the term “Civil Service Retirement**
6 **and Disability Fund” refers to the fund**
7 **under section 8348 of title 5, United**
8 **States Code; and**

9 **(2) the term “Postal Service Fund” re-**
10 **fers to the fund under section 2003 of**
11 **title 39, United States Code.**

12 **(d) SENSE OF CONGRESS.—It is the sense of**
13 **Congress that the Postal Service should use**
14 **any funds under subsection (b)(1) for separa-**
15 **tion incentives for Postal employees.**

16 **Subtitle B—Postal Service Workers’**
17 **Compensation Reform**

18 **SEC. 311. POSTAL SERVICE WORKERS’ COMPENSATION RE-**
19 **FORM.**

20 **(a) IN GENERAL.—Effective 12 months after**
21 **the triggering date of this section (as defined**
22 **in subsection (e)(2)), section 1005 is amended**
23 **by striking subsection (c) and inserting the**
24 **following:**

25 **“(c)(1) For purposes of this subsection—**

1 **“(A) the term ‘postal employee’ means**
2 **an officer or employee of the Postal Serv-**
3 **ice or the former Post Office Department;**

4 **“(B) the term ‘retirement age’ has the**
5 **meaning given such term under section**
6 **216(l)(1) of the Social Security Act; and**

7 **“(C) the term ‘appropriate committees**
8 **of Congress’ means—**

9 **“(i) the Committee on Oversight**
10 **and Government Reform of the House**
11 **of Representatives; and**

12 **“(ii) the Committee on Homeland**
13 **Security and Governmental Affairs of**
14 **the Senate.**

15 **“(2) The Postal Service shall design and**
16 **administer a program for the payment of ben-**
17 **efits for the disability or death of an indi-**
18 **vidual resulting from personal injury sus-**
19 **tained while in the performance of such indi-**
20 **vidual’s duties as a postal employee.**

21 **“(3) The program under this subsection—**

22 **“(A) shall be designed by the Postal**
23 **Service in consultation with appropriate**
24 **employee representatives;**

1 “(B) shall not provide for any amount
2 payable to a disabled postal employee to
3 be augmented on the basis of number of
4 dependents; and

5 “(C) shall include provisions for auto-
6 matic transition, upon attainment of re-
7 tirement age, to benefits involving, co-
8 ordinated with, or otherwise determined
9 by reference to retirement benefits.”.

10 (b) **RECOMMENDATIONS.**—Not later than 6
11 months after the triggering date—

12 (1) the Office of Personnel Manage-
13 ment shall submit to the appropriate
14 committees of Congress recommenda-
15 tions for any legislation or administrative
16 actions which the Office considers nec-
17 essary to carry out the purposes of this
18 section with respect to any matter within
19 the jurisdiction of the Office, including
20 any amendments which may be necessary
21 with respect to chapter 87 or 89 of title 5,
22 United States Code; and

23 (2) the Postal Service shall submit to
24 the appropriate committees of Congress
25 recommendations for any legislation

1 **which the Postal Service considers nec-**
2 **essary to carry out the purposes of this**
3 **section with respect to any matter within**
4 **the jurisdiction of the Postal Service.**

5 **(c) NOTIFICATION REQUIREMENTS.—Not**
6 **later than 9 months after the triggering date,**
7 **the Postal Service shall submit to the appro-**
8 **priate committees of Congress and shall cause**
9 **to be published in the Federal Register a de-**
10 **scription of the program proposed by the**
11 **Postal Service for implementation under sec-**
12 **tion 1005(c) of title 39, United States Code, as**
13 **amended by subsection (a). Included in the**
14 **notification provided under the preceding**
15 **sentence shall be—**

16 **(1) a detailed statement of the bene-**
17 **fits to be offered and the persons eligible**
18 **to receive those benefits;**

19 **(2) provisions to ensure an orderly**
20 **transition to the system proposed to be**
21 **implemented; and**

22 **(3) such other information as the**
23 **Postal Service considers appropriate.**

1 **(d) COMMENCEMENT DATE.—**The program
2 under section 1005(c) of title 39, United States
3 Code, as amended by this section—

4 **(1) shall begin to operate on such**
5 **date as the Postmaster General shall de-**
6 **termine, except that such date shall be a**
7 **date occurring—**

8 **(A) not earlier than 12 months**
9 **after the triggering date; and**

10 **(B) not later than 24 months after**
11 **the triggering date; and**

12 **(2) shall apply with respect to**
13 **amounts payable for periods beginning**
14 **on or after the date on which the pro-**
15 **gram begins to operate, irrespective of**
16 **date of the disability or death to which**
17 **such amounts relate.**

18 **(e) CONDITION PRECEDENT.—**

19 **(1) IN GENERAL.—**The preceding provi-
20 **sions of this section shall not become ef-**
21 **fective until the date on which a Postal**
22 **Service Financial Responsibility and**
23 **Management Assistance Authority (estab-**
24 **lished under section 202)—**

1 **(B) by inserting after subpara-**
2 **graph (A) the following:**

3 **“(B) subject to the limitation**
4 **under subparagraph (A), establish**
5 **postal rates to fulfill the requirement**
6 **that each market-dominant class,**
7 **product, and type of mail service (ex-**
8 **cept for an experimental product or**
9 **service) bear the direct and indirect**
10 **postal costs attributable to such class,**
11 **product, or type through reliably**
12 **identified causal relationships plus**
13 **that portion of all other costs of the**
14 **Postal Service reasonably assignable**
15 **to such class, product, or type;**

16 **“(C) establish postal rates for**
17 **each group of functionally equivalent**
18 **agreements between the Postal Serv-**
19 **ice and users of the mail that—**

20 **“(i) cover attributable cost;**
21 **and**

22 **“(ii) improve the net financial**
23 **position of the Postal Service;**
24 **for purposes of this subparagraph, a**
25 **group of functionally equivalent**

1 **agreements shall consist of all service**
2 **agreements that are functionally**
3 **equivalent to each other within the**
4 **same market-dominant product, but**
5 **shall not include agreements within**
6 **an experimental product;”;** and

7 **(2) by adding at the end the fol-**
8 **lowing:**

9 **“(4) PRC STUDY.—**

10 **“(A) IN GENERAL.—Within 90 days**
11 **after the end of the first fiscal year**
12 **beginning after the date of enactment**
13 **of the Postal Reform Act of 2012, the**
14 **Postal Regulatory Commission shall**
15 **complete a study to determine the**
16 **quantitative impact of the Postal**
17 **Service’s excess capacity on the di-**
18 **rect and indirect postal costs attrib-**
19 **utable to any class that bears less**
20 **than 100 percent of its costs attrib-**
21 **utable (as described in paragraph**
22 **(1)(B)), according to the most recent**
23 **annual determination of the Postal**
24 **Regulatory Commission under sec-**
25 **tion 3653.**

1 **“(B) REQUIREMENTS.—The study**
2 **required under subparagraph (A)**
3 **shall—**

4 **“(i) be conducted pursuant to**
5 **regulations that the Postal Regu-**
6 **latory Commission shall prescribe**
7 **within 90 days after the date of**
8 **enactment of the Postal Reform**
9 **Act of 2012, taking into account**
10 **existing regulations for pro-**
11 **ceedings to improve the quality,**
12 **accuracy, or completeness of rate-**
13 **making information under section**
14 **3652(e)(2) in effect on such date;**
15 **and**

16 **“(ii) for any year in which any**
17 **class of mail bears less than 100**
18 **percent of its costs attributable**
19 **(as described in paragraph**
20 **(1)(B)), be updated annually by**
21 **the Postal Service and included**
22 **in its annual report to the Com-**
23 **mission under section 3652, using**
24 **such methodologies as the Com-**

1 mission shall by regulation pre-
2 scribe.

3 “(5) **ADDITIONAL RATES.**—Starting not
4 earlier than 12 months and not later than
5 18 months after the date on which the
6 first study described in paragraph (4) is
7 completed, and at least once in each sub-
8 sequent 12-month period, the Postal Serv-
9 ice shall establish postal rates for each
10 loss-making class of mail to eliminate
11 such losses (other than those caused by
12 the Postal Service’s excess capacity) by
13 exhausting all unused rate authority as
14 well as maximizing incentives to reduce
15 costs and increase efficiency, subject to
16 the following:

17 “(A) The term ‘loss-making’, as
18 used in this paragraph with respect
19 to a class of mail, means a class of
20 mail that bears less than 100 percent
21 of its costs attributable (as described
22 in paragraph (1)(B)), according to the
23 most recent annual determination of
24 the Postal Regulatory Commission
25 under section 3653, adjusted to ac-

1 count for the quantitative effect of
2 excess capacity on the costs attrib-
3 utable of the class (as described in
4 paragraph (1)(C)).

5 “(B) Unused rate authority shall
6 be annually increased by 2 percent
7 for each class of mail that bears less
8 than 90 percent of its costs attrib-
9 utable (as described in paragraph
10 (1)(B)), according to the most recent
11 annual determination of the Postal
12 Regulatory Commission under sec-
13 tion 3653, adjusted to account for the
14 quantitative effect of excess capacity
15 on the costs attributable of the class
16 (as described in paragraph (1)(C)),
17 with such increase in unused rate au-
18 thority to take effect 30 days after the
19 date that the Commission issues such
20 determination.”.

21 (b) CONFORMING AMENDMENT.—Subpara-
22 graph (A) of section 3622(c)(10) is amended to
23 read as follows:

24 “(A) improve the net financial po-
25 sition of the Postal Service through

1 **reducing Postal Service costs or in-**
2 **creasing the overall contribution to**
3 **the institutional costs of the Postal**
4 **Service; and”.**

5 **(c) EXCEPTION.—Section 3622(d) is amend-**
6 **ed by adding after paragraph (5) (as added by**
7 **subsection (a)(2)) the following:**

8 **“(6) EXCEPTION.—The requirements of**
9 **paragraph (1)(B) shall not apply to a mar-**
10 **ket-dominant product for which a sub-**
11 **stantial portion of the product’s mail vol-**
12 **ume consists of inbound international**
13 **mail with terminal dues rates determined**
14 **by the Universal Postal Union (and not**
15 **by bilateral agreements or other arrange-**
16 **ments).”.**

17 **SEC. 402. REPEAL OF RATE PREFERENCES FOR QUALIFIED**
18 **POLITICAL COMMITTEES.**

19 **Subsection (e) of section 3626 is repealed.**

20 **SEC. 403. RATE PREFERENCES FOR NONPROFIT ADVER-**
21 **TISING.**

22 **(a) PROVISIONS RELATING TO FORMER SEC-**
23 **TION 4358(f).—Section 3626(a)(5) is amended**
24 **by adding at the end the following: “Notwith-**
25 **standing any other provision of this para-**

1 **graph, the percentage specified in the pre-**
2 **ceding sentence shall be increased by an addi-**
3 **tional 2 percentage points as of the first day**
4 **of each calendar year beginning at least 3**
5 **years after the date of the enactment of the**
6 **Postal Reform Act of 2012, until such percent-**
7 **age reaches 80 percent.”.**

8 **(b) PROVISIONS RELATING TO FORMER SEC-**
9 **TION 4452 (b) AND (c).—Section 3626(a)(6) is**
10 **amended by inserting after subparagraph (C)**
11 **the following (as a flush left sentence):**

12 **“Notwithstanding any other provision of this**
13 **paragraph, the percentage specified in sub-**
14 **paragraph (A) shall be increased by an addi-**
15 **tional 2 percentage points as of the first day**
16 **of each calendar year beginning at least 3**
17 **years after the date of the enactment of the**
18 **Postal Reform Act of 2012, until such percent-**
19 **age reaches 80 percent.”.**

20 **SEC. 404. STREAMLINED REVIEW OF QUALIFYING SERVICE**
21 **AGREEMENTS FOR COMPETITIVE PRODUCTS.**

22 **Section 3633 is amended by adding at the**
23 **end the following:**

24 **“(c) STREAMLINED REVIEW.—Within 90 days**
25 **after the date of the enactment of this sub-**

1 section, after notice and opportunity for pub-
2 lic comment, the Postal Regulatory Commis-
3 sion shall promulgate (and may from time to
4 time thereafter revise) regulations for stream-
5 lined after-the-fact review of new agreements
6 between the Postal Service and users of the
7 mail that provide rates not of general applica-
8 bility for competitive products, and are func-
9 tionally equivalent to existing agreements
10 that have collectively covered attributable
11 costs and collectively improved the net finan-
12 cial position of the Postal Service. Stream-
13 lined review will be concluded within 5 work-
14 ing days after the agreement is filed with the
15 Commission and shall be limited to approval
16 or disapproval of the agreement as a whole
17 based on the Commission's determination of
18 its functional equivalence. Agreements not
19 approved may be resubmitted without preju-
20 dice under section 3632(b)(3).”

21 SEC. 405. SUBMISSION OF SERVICE AGREEMENTS FOR
22 STREAMLINED REVIEW.

23 Section 3632(b) is amended—

24 (1) by redesignating paragraph (4) as
25 paragraph (5); and

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

3 “(4) **RATES FOR STREAMLINED REVIEW.—**
4 **In the case of rates not of general appli-**
5 **cability for competitive products that the**
6 **Postmaster General considers eligible for**
7 **streamlined review under section 3633(c),**
8 **the Postmaster General shall cause each**
9 **agreement to be filed with the Postal**
10 **Regulatory Commission by such date, on**
11 **or before the effective date of any new**
12 **rate, as the Postmaster General consid-**
13 **ered appropriate.”.**

14 **SEC. 406. TRANSPARENCY AND ACCOUNTABILITY FOR**
15 **SERVICE AGREEMENTS.**

16 **Section 3653 is amended—**

17 (1) by redesignating subsections (c)
18 through (e) as subsections (d) through (f),
19 respectively; and

20 (2) by inserting after subsection (b)
21 the following:

22 “(c) **Each annual written determination of**
23 **the Commission under section 3653 shall in-**
24 **clude the following written determinations:**

1 **“(1) Whether each product covered its**
2 **costs, and if it did not, the determination**
3 **shall state that such product is in non-**
4 **compliance under section 3653(c).**

5 **“(2) For each group of functionally**
6 **equivalent agreements between the Post-**
7 **al Service and users of the mail, whether**
8 **it fulfilled requirements to—**

9 **“(A) cover attributable costs; and**

10 **“(B) improve the net financial po-**
11 **sition of the Postal Service.**

12 **“(3) Any group of functionally equiva-**
13 **lent agreements (as referred to in sub-**
14 **paragraph (B)) not meeting subpara-**
15 **graphs (A) and (B) of paragraph (2) shall**
16 **be determined to be in noncompliance**
17 **under this subsection.**

18 **“(4) For purposes of this subsection, a**
19 **group of functionally equivalent agree-**
20 **ments (as referred to in paragraph (2))**
21 **shall consist of all service agreements**
22 **that are functionally equivalent to each**
23 **other within the same market-dominant**
24 **or competitive product, but shall not in-**

1 **clude agreements within an experimental**
2 **product.”.**

3 **SEC. 407. NONPOSTAL SERVICES.**

4 **(a) NONPOSTAL SERVICES.—**

5 **(1) IN GENERAL.—Part IV is amended**
6 **by adding after chapter 36 the following:**

7 **“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.

8 **“§ 3701. Purpose**

9 **“This chapter is intended to enable the**
10 **Postal Service to increase its net revenues**
11 **through specific nonpostal products and serv-**
12 **ices that are expressly authorized by this**
13 **chapter. Postal Service revenues and ex-**
14 **penses under this chapter shall be funded**
15 **through the Postal Service Fund.**

16 **“§ 3702. Definitions**

17 **“As used in this chapter—**

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

1 “(2) the term ‘Postal Service adver-
2 tising program’ means a program, man-
3 aged by the Postal Service, by which the
4 Postal Service receives revenues from en-
5 tities which advertise at Postal Service
6 facilities and on Postal Service vehicles;

7 “(3) the term ‘Postal Service program
8 for State governments’ means a program,
9 managed by the Postal Service, by which
10 the Postal Service receives revenue from
11 State governments (including their agen-
12 cies) for providing services on their be-
13 half at Postal Service facilities;

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

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

19 **“§ 3703. Postal Service advertising program**

20 **“Notwithstanding any other provision of**
21 **this title, the Postal Service may establish and**
22 **manage a program that allows entities to ad-**
23 **vertise at Postal Service facilities and on**
24 **Postal Service vehicles. Such a program shall**
25 **be subject to the following requirements:**

1 “(1) The Postal Service shall at all
2 times ensure advertising it permits is
3 consistent with the integrity of the Postal
4 Service.

5 “(2) Any advertising program is re-
6 quired to cover a minimum of 200 per-
7 cent of its attributable costs in each year.

8 “(3) All advertising expenditures and
9 revenues are subject to annual compli-
10 ance determination (including remedies
11 for noncompliance) applicable to non-
12 postal products.

13 “(4) Total advertising expenditures
14 and revenues must be disclosed in Postal
15 Service annual reports.

16 “§ 3704. Postal Service program for State govern-
17 ments

18 “(a) IN GENERAL.—Notwithstanding any
19 other provision of this title, the Postal Service
20 may establish a program to provide services
21 for agencies of State governments within the
22 United States, but only if such services—

23 “(1) shall provide enhanced value to
24 the public, such as by lowering the cost

1 **or raising the quality of such services or**
2 **by making such services more accessible;**

3 **“(2) do not interfere with or detract**
4 **from the value of postal services, includ-**
5 **ing—**

6 **“(A) the cost and efficiency of**
7 **postal services; and**

8 **“(B) access to postal retail serv-**
9 **ice, such as customer waiting time**
10 **and access to parking; and**

11 **“(3) provide a reasonable contribu-**
12 **tion to the institutional costs of the Post-**
13 **al Service, defined as reimbursement for**
14 **each service and to each agency covering**
15 **at least 150 percent of the attributable**
16 **costs of such service in each year.**

17 **“(b) PUBLIC NOTICE.—At least 90 days be-**
18 **fore offering any services under this section,**
19 **the Postal Service shall make each agreement**
20 **with State agencies readily available to the**
21 **public on its website, including a business**
22 **plan that describes the specific services to be**
23 **provided, the enhanced value to the public,**
24 **terms of reimbursement, the estimated an-**
25 **nual reimbursement to the Postal Service,**

1 and the estimated percentage of attributable
2 Postal Service costs that will be covered by
3 reimbursement (with documentation to sup-
4 port these estimates). The Postal Service shall
5 solicit public comment for at least 30 days,
6 with comments posted on its website, fol-
7 lowed by its written response posted on its
8 website at least 30 days before offering such
9 services.

10 “(c) APPROVAL REQUIRED.—The Governors
11 of the Postal Service shall approve the provi-
12 sion of services under this section by a re-
13 corded vote, with at least $\frac{2}{3}$ of its membership
14 voting for approval, with the vote publicly
15 disclosed on the Postal Service website.

16 “(d) CLASSIFICATION OF SERVICES.—All
17 services for a given agency provided under
18 this section shall be classified as a separate
19 activity subject to the requirements of annual
20 reporting under section 3706. Such reporting
21 shall also include information on the quality
22 of service and related information to dem-
23 onstrate that it satisfied the requirements of
24 subsection (a). Information provided under
25 this section shall be according to require-

1 ments that the Postal Regulatory Commission
2 shall by regulation prescribe.

3 “(e) **DEFINITIONS.**—For the purpose of this
4 section—

5 “(1) the term ‘State’ includes the Dis-
6 trict of Columbia, the Commonwealth of
7 Puerto Rico, the United States Virgin Is-
8 lands, Guam, American Samoa, the Com-
9 monwealth of the Northern Mariana Is-
10 lands, and any other territory or posses-
11 sion of the United States; and

12 “(2) the term ‘United States’, when
13 used in a geographical sense, means the
14 States.

15 “§ 3705. Postal Service program for other government
16 agencies

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

1 vided by the Postal Service in a each year to
2 such agency.

3 “(b) CLASSIFICATION OF SERVICES.—For
4 each agency, all property and services pro-
5 vided by the Postal Service under this section
6 shall be classified as a separate activity sub-
7 ject to the requirements of annual reporting
8 under section 3706. Information provided
9 under this section shall be according to re-
10 quirements that the Postal Regulatory Com-
11 mission shall by regulation prescribe.

12 “§ 3706. Transparency and accountability for non-
13 postal services

14 “(a) ANNUAL REPORTS TO THE COMMIS-
15 SION.—

16 “(1) IN GENERAL.—The Postal Service
17 shall, no later than 90 days after the end
18 of each year, prepare and submit to the
19 Postal Regulatory Commission a report
20 (together with such nonpublic annex to
21 the report as the Commission may re-
22 quire under subsection (b)) which shall
23 analyze costs, revenues, rates, and qual-
24 ity of service for this chapter, using such
25 methodologies as the Commission shall

1 by regulation prescribe, and in sufficient
2 detail to demonstrate compliance with all
3 applicable requirements of this chapter.

4 “(2) AUDITS.—The Inspector General
5 shall regularly audit the data collection
6 systems and procedures utilized in col-
7 lecting information and preparing such
8 report. The results of any such audit
9 shall be submitted to the Postal Service
10 and the Postal Regulatory Commission.

11 “(b) SUPPORTING MATTER.—The Postal Reg-
12 ulatory Commission shall have access, in ac-
13 cordance with such regulations as the Com-
14 mission shall prescribe, to the working papers
15 and any other supporting matter of the Postal
16 Service and the Inspector General in connec-
17 tion with any information submitted under
18 this section.

19 “(c) CONTENT AND FORM OF REPORTS.—

20 “(1) IN GENERAL.—The Postal Regu-
21 latory Commission shall, by regulation,
22 prescribe the content and form of the
23 public reports (and any nonpublic annex
24 and supporting matter relating to the re-
25 port) to be provided by the Postal Service

1 under this section. Such reports shall be
2 included with the annual compliance de-
3 termination reported under section 3653.
4 In carrying out this subsection, the Com-
5 mission shall give due consideration to—

6 “(A) providing the public with
7 timely, adequate information to as-
8 sess compliance;

9 “(B) avoiding unnecessary or un-
10 warranted administrative effort and
11 expense on the part of the Postal
12 Service; and

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

18 “(2) REVISED REQUIREMENTS.—The
19 Commission may, on its own motion or on
20 request of any interested party, initiate
21 proceedings (to be conducted in accord-
22 ance with regulations that the Commis-
23 sion shall prescribe) to improve the qual-
24 ity, accuracy, or completeness of Postal
25 Service data required by the Commission

1 under this subsection whenever it shall
2 appear that—

3 “(A) the attribution of costs or
4 revenues to property or services
5 under this chapter has become sig-
6 nificantly inaccurate or can be sig-
7 nificantly improved;

8 “(B) the quality of service data
9 provided to the Commission for an-
10 nual reports under this chapter has
11 become significantly inaccurate or
12 can be significantly improved; or

13 “(C) such revisions are, in the
14 judgment of the Commission, other-
15 wise necessitated by the public inter-
16 est.

17 “(d) CONFIDENTIAL INFORMATION.—

18 “(1) IN GENERAL.—If the Postal Service
19 determines that any document or portion
20 of a document, or other matter, which it
21 provides to the Postal Regulatory Com-
22 mission in a nonpublic annex under this
23 section contains information which is de-
24 scribed in section 410(c) of this title, or
25 exempt from public disclosure under sec-

1 **tion 552(b) of title 5, the Postal Service**
2 **shall, at the time of providing such mat-**
3 **ter to the Commission, notify the Com-**
4 **mission of its determination, in writing,**
5 **and describe with particularity the docu-**
6 **ments (or portions of documents) or**
7 **other matter for which confidentiality is**
8 **sought and the reasons therefor.**

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

17 **“(e) ANNUAL COMPLIANCE DETERMINA-**
18 **TION.—**

19 **“(1) OPPORTUNITY FOR PUBLIC COM-**
20 **MENT.—After receiving the reports re-**
21 **quired under subsection (a) for any year,**
22 **the Postal Regulatory Commission shall**
23 **promptly provide an opportunity for**
24 **comment on such reports by any inter-**
25 **ested party, and an officer of the Com-**

1 mission who shall be required to rep-
2 resent the interests of the general public.

3 “(2) DETERMINATION OF COMPLIANCE OR
4 NONCOMPLIANCE.—Not later than 90 days
5 after receiving the submissions required
6 under subsection (a) with respect to a
7 year, the Postal Regulatory Commission
8 shall make a written determination as to
9 whether any nonpostal activities during
10 such year were or were not in compli-
11 ance with applicable provisions of this
12 chapter (or regulations promulgated
13 under this chapter). The Postal Regu-
14 latory Commission shall issue a deter-
15 mination of noncompliance if the require-
16 ments for coverage of attributable costs
17 are not met. If, with respect to a year, no
18 instance of noncompliance is found to
19 have occurred in such year, the written
20 determination shall be to that effect.

21 “(3) NONCOMPLIANCE.—If, for a year, a
22 timely written determination of non-
23 compliance is made under this chapter,
24 the Postal Regulatory Commission shall
25 take appropriate action. If the require-

1 **ments for coverage of attributable costs**
2 **specified by this chapter are not met, the**
3 **Commission shall, within 60 days after**
4 **the determination, prescribe remedial ac-**
5 **tion to restore compliance as soon as**
6 **practicable, which shall also include the**
7 **full restoration of revenue shortfalls dur-**
8 **ing the following fiscal year. The Com-**
9 **mission may order the Postal Service to**
10 **discontinue a nonpostal service under**
11 **section 3703 or 3704 that persistently fails**
12 **to meet cost coverage requirements.**

13 **“(4) ANY DELIBERATE NONCOMPLI-**
14 **ANCE.—In addition, in cases of deliberate**
15 **noncompliance by the Postal Service**
16 **with the requirements of this chapter,**
17 **the Postal Regulatory Commission may**
18 **order, based on the nature, cir-**
19 **cumstances, extent, and seriousness of**
20 **the noncompliance, a fine (in the amount**
21 **specified by the Commission in its order)**
22 **for each incidence of noncompliance. All**
23 **receipts from fines imposed under this**
24 **subsection shall be deposited in the gen-**

1 eral fund of the Treasury of the United
2 States.”.

3 (2) **CLERICAL AMENDMENT.**—The table
4 of chapters at the beginning of part IV is
5 amended by adding after the item relat-
6 ing to chapter 36 the following:

 “37. Nonpostal Services 3701”.

7 (b) **CONFORMING AMENDMENTS.**—

8 (1) **SECTION 404(e).**—Section 404(e) is
9 amended by adding at the end the fol-
10 lowing:

11 “(6) Nothing in this section shall be con-
12 sidered to prevent the Postal Service from es-
13 tablishing nonpostal products and services
14 that are expressly authorized by chapter 37.”.

15 (2) **SECTION 411.**—The last sentence of
16 section 411 is amended by striking “in-
17 cluding reimbursability” and inserting
18 “including reimbursability within the
19 limitations of chapter 37”.

20 (3) **TREATMENT OF EXISTING NONPOSTAL**
21 **SERVICES.**—All nonpostal services contin-
22 ued pursuant to section 404(e) of title 39,
23 United States Code, shall be considered
24 to be expressly authorized by chapter 37
25 of such title (as added by subsection

1 **(a)(1)) and shall be subject to the require-**
2 **ments of such chapter.**

3 **SEC. 408. REIMBURSEMENT OF ALASKA BYPASS MAIL**
4 **COSTS.**

5 **(a) COST ESTIMATES BY POSTAL REGULATORY**
6 **COMMISSION.—Section 3651(b) is amended—**

7 **(1) by redesignating paragraph (2) as**
8 **paragraph (3); and**

9 **(2) by inserting after paragraph (1)**
10 **the following:**

11 **“(2) ALASKA BYPASS MAIL COSTS.—In ad-**
12 **dition to the information required under**
13 **subsection (a), each report under this**
14 **section shall also include, with respect to**
15 **the period covered by such report, an es-**
16 **timate of the costs incurred by the Postal**
17 **Service in providing Alaska bypass mail**
18 **service under section 5402.”.**

19 **(b) REIMBURSEMENTS.—**

20 **(1) IN GENERAL.—Chapter 54 is amend-**
21 **ed by adding at the end the following:**

22 **“§ 5404. Reimbursement of Alaska bypass mail costs**

23 **“(a) IN GENERAL.—The State of Alaska, on**
24 **an annual basis, shall make a payment to the**
25 **Postal Service to reimburse the Postal Service**

1 for its costs in providing Alaska bypass mail
2 service under section 5402 of this title.

3 “(b) DATE OF FIRST PAYMENT.—The State of
4 Alaska shall make its first payment under
5 subsection (a) on or before the last day of the
6 first fiscal year of the State of Alaska begin-
7 ning after the date of enactment of this sec-
8 tion.

9 “(c) PAYMENT AMOUNTS.—

10 “(1) DETERMINATION OF AMOUNTS.—The
11 amount of a payment under subsection
12 (a) shall be determined based on the most
13 recent cost estimate prepared by the
14 Postal Regulatory Commission under sec-
15 tion 3651(b)(2) of this title (in this sub-
16 section referred to as the ‘cost estimate’).

17 “(2) FIRST PAYMENT.—The first pay-
18 ment under subsection (a) shall be in an
19 amount equal to 20 percent of the cost es-
20 timate.

21 “(3) SUBSEQUENT PAYMENTS.—Each
22 subsequent payment under subsection (a)
23 shall be in an amount equal to a percent-
24 age of the cost estimate determined by
25 adding 20 percent to the percentage due

1 **in the prior year, except that no payment**
2 **shall exceed 100 percent of the cost esti-**
3 **mate.**

4 **“(d) NOTICE OF PAYMENT AMOUNTS.—Not**
5 **later than 30 days after the date of issuance**
6 **of a cost estimate by the Postal Regulatory**
7 **Commission under section 3651(b)(2) of this**
8 **title, the Postal Service shall furnish the State**
9 **of Alaska with written notice of the amount**
10 **of the next payment due under subsection (a).**

11 **“(e) DEPOSIT OF PAYMENTS.—Not later than**
12 **the last day of the fiscal year of the State of**
13 **Alaska in which notice of a payment is pro-**
14 **vided under subsection (d)—**

15 **“(1) the State of Alaska shall transmit**
16 **the payment to the Postal Service; and**

17 **“(2) the Postal Service shall deposit**
18 **the payment in the Postal Service Fund.”.**

19 **(2) CLERICAL AMENDMENT.—The table**
20 **of sections at the beginning of chapter 54**
21 **is amended by adding at the end the fol-**
22 **lowing:**

“5404. Reimbursement of Alaska bypass mail costs.”.

23 **SEC. 409. APPROPRIATIONS MODERNIZATION.**

24 **(a) IN GENERAL.—Section 2401 is amended**
25 **by striking subsections (b) through (d).**

1 **“CHAPTER 7—CONTRACTING PROVISIONS**

“Sec.

“701. Definitions.

“702. Advocate for competition.

“703. Delegation of contracting authority.

“704. Posting of noncompetitive purchase requests for non-competitive contracts.

“705. Review of ethical issues.

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

2 **“§ 701. Definitions**

3 **“In this chapter—**

4 **“(1) the term ‘contracting officer’**
5 **means an employee of a covered postal**
6 **entity who has authority to enter into a**
7 **postal contract;**

8 **“(2) the term ‘covered postal entity’**
9 **means—**

10 **“(A) the Postal Service; or**

11 **“(B) the Postal Regulatory Com-**
12 **mission;**

13 **“(3) the term ‘head of a covered postal**
14 **entity’ means—**

15 **“(A) in the case of the Postal Serv-**
16 **ice, the Postmaster General; or**

17 **“(B) in the case of the Postal Reg-**
18 **ulatory Commission, the Chairman of**
19 **the Postal Regulatory Commission;**

20 **“(4) the term ‘postal contract’**
21 **means—**

1 “(A) in the case of the Postal Serv-
2 ice, any contract (including any
3 agreement or memorandum of under-
4 standing) entered into by the Postal
5 Service for the procurement of goods
6 or services; or

7 “(B) in the case of the Postal Reg-
8 ulatory Commission, any contract (in-
9 cluding any agreement or memo-
10 randum of understanding) in an
11 amount exceeding the simplified ac-
12 quisition threshold (as defined in sec-
13 tion 134 of title 41 and adjusted under
14 section 1908 of such title) entered
15 into by the Postal Regulatory Com-
16 mission for the procurement of goods
17 or services; and

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

21 “§ 702. Advocate for competition

22 “(a) ESTABLISHMENT AND DESIGNATION.—

23 “(1) There is established in each cov-
24 ered postal entity an advocate for com-
25 petition.

1 **“(2) The head of each covered postal**
2 **entity shall designate for the covered**
3 **postal entity 1 or more officers or em-**
4 **ployees (other than the senior procure-**
5 **ment executive) to serve as the advocate**
6 **for competition.**

7 **“(b) RESPONSIBILITIES.—The advocate for**
8 **competition of a covered postal entity shall—**

9 **“(1) be responsible for promoting—**

10 **“(A) the contracting out of func-**
11 **tions of the covered postal entity that**
12 **the private sector can perform equal-**
13 **ly well or better, and at lower cost;**
14 **and**

15 **“(B) competition to the maximum**
16 **extent practicable consistent with ob-**
17 **taining best value by promoting the**
18 **acquisition of commercial items and**
19 **challenging barriers to competition;**

20 **“(2) review the procurement activities**
21 **of the covered postal entity; and**

22 **“(3) prepare and transmit the annual**
23 **report required under subsection (c).**

24 **“(c) ANNUAL REPORT.—**

1 **“(1) PREPARATION.—The advocate for**
2 **competition of a covered postal entity**
3 **shall prepare an annual report describ-**
4 **ing the following:**

5 **“(A) The activities of the advocate**
6 **under this section.**

7 **“(B) Initiatives required to pro-**
8 **mote contracting out and competi-**
9 **tion.**

10 **“(C) Barriers to contracting out**
11 **and competition.**

12 **“(D) In the case of the report pre-**
13 **pared by the competition advocate of**
14 **the Postal Service, the number of**
15 **waivers made by the Postal Service**
16 **under section 704(c).**

17 **“(2) TRANSMISSION.—The report under**
18 **this subsection shall be transmitted—**

19 **“(A) to Congress;**

20 **“(B) to the head of the postal enti-**
21 **ty;**

22 **“(C) to the senior procurement ex-**
23 **ecutive of the entity;**

24 **“(D) in the case of the competition**
25 **advocate of the Postal Service, to**

1 each member of the Postal Service
2 Board of Governors; and

3 “(E) in the case of the competition
4 advocate of the Postal Regulatory
5 Commission, to each of the Commis-
6 sioners of the Commission.

7 “§ 703. Delegation of contracting authority

8 “(a) IN GENERAL.—

9 “(1) POLICY.—Not later than 60 days
10 after the date of enactment of this chap-
11 ter, the head of each covered postal enti-
12 ty shall issue a policy on contracting offi-
13 cer delegations of authority for postal
14 contracts for the covered postal entity.

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

17 “(A) notwithstanding any delega-
18 tion of authority with respect to post-
19 al contracts, the ultimate responsi-
20 bility and accountability for the
21 award and administration of postal
22 contracts resides with the senior pro-
23 curement executive; and

24 “(B) a contracting officer shall
25 maintain an awareness of and en-

1 **gagement in the activities being per-**
2 **formed on postal contracts of which**
3 **that officer has cognizance, notwith-**
4 **standing any delegation of authority**
5 **that may have been executed.**

6 **“(b) POSTING OF DELEGATIONS.—**

7 **“(1) IN GENERAL.—The head of each**
8 **covered postal entity shall make any del-**
9 **egation of authority for postal contracts**
10 **outside the functional contracting unit**
11 **readily available and accessible on the**
12 **website of the covered postal entity.**

13 **“(2) EFFECTIVE DATE.—This paragraph**
14 **shall apply to any delegation of authority**
15 **made on or after 30 days after the date of**
16 **enactment of this chapter.**

17 **“§ 704. Posting of noncompetitive purchase requests**
18 **for noncompetitive contracts**

19 **“(a) POSTING REQUIRED.—**

20 **“(1) POSTAL REGULATORY COMMIS-**
21 **SION.—The Postal Regulatory Commission**
22 **shall make the noncompetitive purchase**
23 **request for any noncompetitive award for**
24 **any contract (including any agreement or**
25 **memorandum of understanding) entered**

1 into by the Postal Regulatory Commis-
2 sion for the procurement of goods and
3 services, in an amount of \$20,000 or more,
4 including the rationale supporting the
5 noncompetitive award, publicly available
6 on the website of the Postal Regulatory
7 Commission—

8 “(A) not later than 14 days after
9 the date of the award of the non-
10 competitive contract; or

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

16 “(2) **POSTAL SERVICE.**—The Postal
17 Service shall make the noncompetitive
18 purchase request for any noncompetitive
19 award of a postal contract in an amount
20 of \$250,000 or more, including the ration-
21 ale supporting the noncompetitive award,
22 publicly available on the website of the
23 Postal Service—

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

1 **“(B) not later than 30 days after**
2 **the date of the award, if the basis for**
3 **the award was a compelling business**
4 **interest.**

5 **“(3) ADJUSTMENTS TO THE POSTING**
6 **THRESHOLD FOR THE POSTAL SERVICE.—**

7 **“(A) REVIEW AND DETERMINATION.—**
8 **Not later than January 31 of each**
9 **year, the Postal Service shall—**

10 **“(i) review the \$250,000**
11 **threshold established under para-**
12 **graph (2); and**

13 **“(ii) based on any change in**
14 **the Consumer Price Index for all-**
15 **urban consumers of the Depart-**
16 **ment of Labor, determine wheth-**
17 **er an adjustment to the threshold**
18 **shall be made.**

19 **“(B) AMOUNT OF ADJUSTMENTS.—An**
20 **adjustment under subparagraph (A)**
21 **shall be made in increments of \$5,000.**
22 **If the Postal Service determines that**
23 **a change in the Consumer Price**
24 **Index for a year would require an ad-**
25 **justment in an amount that is less**

1 **than \$5,000, the Postal Service may**
2 **not make an adjustment to the**
3 **threshold for the year.**

4 **“(4) EFFECTIVE DATE.—This subsection**
5 **shall apply to any noncompetitive con-**
6 **tract awarded on or after the date that is**
7 **90 days after the date of enactment of**
8 **this chapter.**

9 **“(b) PUBLIC AVAILABILITY.—**

10 **“(1) IN GENERAL.—Subject to para-**
11 **graph (2), the information required to be**
12 **made publicly available by a covered**
13 **postal entity under subsection (a) shall**
14 **be readily accessible on the website of**
15 **the covered postal entity.**

16 **“(2) PROTECTION OF PROPRIETARY IN-**
17 **FORMATION.—A covered postal entity**
18 **shall—**

19 **“(A) carefully screen any descrip-**
20 **tion of the rationale supporting a**
21 **noncompetitive award required to be**
22 **made publicly available under sub-**
23 **section (a) to determine whether the**
24 **description includes proprietary data**
25 **(including any reference or citation**

1 to the proprietary data) or security-
2 related information; and

3 “(B) remove any proprietary data
4 or security-related information before
5 making publicly available a descrip-
6 tion of the rationale supporting a
7 noncompetitive award.

8 “(c) WAIVERS.—

9 “(1) WAIVER PERMITTED.—If the Postal
10 Service determines that making a non-
11 competitive purchase request for a postal
12 contract of the Postal Service publicly
13 available would risk placing the Postal
14 Service at a competitive disadvantage
15 relative to a private sector competitor,
16 the senior procurement executive, in con-
17 sultation with the advocate for competi-
18 tion of the Postal Service, may waive the
19 requirements under subsection (a).

20 “(2) FORM AND CONTENT OF WAIVER.—

21 “(A) FORM.—A waiver under para-
22 graph (1) shall be in the form of a
23 written determination placed in the
24 file of the contract to which the non-

1 competitive purchase agreement re-
2 lates.

3 “(B) CONTENT.—A waiver under
4 paragraph (1) shall include—

5 “(i) a description of the risk
6 associated with making the non-
7 competitive purchase request
8 publicly available; and

9 “(ii) a statement that redac-
10 tion of sensitive information in
11 the noncompetitive purchase re-
12 quest would not be sufficient to
13 protect the Postal Service from
14 being placed at a competitive dis-
15 advantage relative to a private
16 sector competitor.

17 “(3) DELEGATION OF WAIVER AUTHOR-
18 ITY.—The Postal Service may not delegate
19 the authority to approve a waiver under
20 paragraph (1) to any employee having
21 less authority than the senior procure-
22 ment executive.

23 “§ 705. Review of ethical issues

24 “If a contracting officer identifies any eth-
25 ical issues relating to a proposed contract and

1 submits those issues and that proposed con-
2 tract to the designated ethics official for the
3 covered postal entity before the awarding of
4 that contract, that ethics official shall—

5 “(1) review the proposed contract;
6 and

7 “(2) advise the contracting officer on
8 the appropriate resolution of ethical
9 issues.

10 “§ 706. Ethical restrictions on participation in certain
11 contracting activity

12 “(a) DEFINITIONS.—In this section—

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

15 “(A) a contracting officer; or

16 “(B) any employee of a covered
17 postal entity whose decision making
18 affects a postal contract as deter-
19 mined by regulations prescribed by
20 the head of a covered postal entity;

21 “(2) the term ‘final conviction’ means
22 a conviction, whether entered on a ver-
23 dict or plea, including a plea of nolo
24 contendere, for which a sentence has
25 been imposed; and

1 **“(3) the term ‘covered relationship’**
2 **means a covered relationship described**
3 **in section 2635.502(b)(1) of title 5, Code of**
4 **Federal Regulations, or any successor**
5 **thereto.**

6 **“(b) IN GENERAL.—**

7 **“(1) REGULATIONS.—The head of each**
8 **covered postal entity shall prescribe reg-**
9 **ulations that—**

10 **“(A) require a covered employee**
11 **to include in the file of any non-**
12 **competitive purchase request for a**
13 **noncompetitive postal contract a**
14 **written certification that—**

15 **“(i) discloses any covered rela-**
16 **tionship of the covered employee;**
17 **and**

18 **“(ii) states that the covered**
19 **employee will not take any action**
20 **with respect to the noncompeti-**
21 **tive purchase request that affects**
22 **the financial interests of a friend,**
23 **relative, or person with whom the**
24 **covered employee is affiliated in a**
25 **nongovernmental capacity, or**

1 otherwise gives rise to an appear-
2 ance of the use of public office for
3 private gain, as described in sec-
4 tion 2635.702 of title 5, Code of
5 Federal Regulations, or any suc-
6 cessor thereto;

7 “(B) require a contracting officer
8 to consult with the ethics counsel for
9 the covered postal entity regarding
10 any disclosure made by a covered em-
11 ployee under subparagraph (A)(i), to
12 determine whether participation by
13 the covered employee in the non-
14 competitive purchase request would
15 give rise to a violation of part 2635 of
16 title 5, Code of Federal Regulations
17 (commonly referred to as the Stand-
18 ards of Ethical Conduct for Employ-
19 ees of the Executive Branch), or any
20 successor thereto;

21 “(C) require the ethics counsel for
22 a covered postal entity to review any
23 disclosure made by a contracting offi-
24 cer under subparagraph (A)(i) to de-
25 termine whether participation by the

1 **contracting officer in the non-**
2 **competitive purchase request would**
3 **give rise to a violation of part 2635 of**
4 **title 5, Code of Federal Regulations**
5 **(commonly referred to as the Stand-**
6 **ards of Ethical Conduct for Employ-**
7 **ees of the Executive Branch), or any**
8 **successor thereto;**

9 **“(D) under subsections (d) and (e)**
10 **of section 2635.502 of title 5, Code of**
11 **Federal Regulations, or any successor**
12 **thereto, require the ethics counsel for**
13 **a covered postal entity to—**

14 **“(i) authorize a covered em-**
15 **ployee that makes a disclosure**
16 **under subparagraph (A)(i) to par-**
17 **ticipate in the noncompetitive**
18 **postal contract; or**

19 **“(ii) disqualify a covered em-**
20 **ployee that makes a disclosure**
21 **under subparagraph (A)(i) from**
22 **participating in the noncompeti-**
23 **tive postal contract;**

24 **“(E) require a contractor to time-**
25 **ly disclose to the contracting officer**

1 in a bid, solicitation, award, or per-
2 formance of a postal contract any
3 conflict of interest with a covered em-
4 ployee; and

5 “(F) include authority for the
6 head of the covered postal entity to
7 grant a waiver or otherwise mitigate
8 any organizational or personal con-
9 flict of interest, if the head of the cov-
10 ered postal entity determines that the
11 waiver or mitigation is in the best in-
12 terests of the covered postal entity.

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

20 “(c) CONTRACT VOIDANCE AND RECOVERY.—

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

1 “(A) void that contract; and

2 “(B) recover the amounts ex-
3 pended and property transferred by
4 the covered postal entity under that
5 contract.

6 “(2) OBTAINING OR DISCLOSING PRO-
7 CUREMENT INFORMATION.—

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

16 “(i) void that contract; and

17 “(ii) recover the amounts ex-
18 pended and property transferred
19 by the covered postal entity
20 under that contract.

21 “(B) CONVICTION OR ADMINISTRA-
22 TIVE DETERMINATION.—A case de-
23 scribed under subparagraph (A) is
24 any case in which—

1 “(i) there is a final conviction
2 for an offense punishable under
3 section 2105 of title 41; or

4 “(ii) the head of a covered
5 postal entity determines, based
6 upon a preponderance of the evi-
7 dence, that the contractor or
8 someone acting for the contractor
9 has engaged in conduct consti-
10 tuting an offense punishable
11 under section 2105 of such title.”.

12 **(b) CLERICAL AMENDMENT.**—The table of
13 chapters at the beginning of part I is amended
14 by adding at the end the following:

“7. Contracting Provisions 701”.

15 SEC. 502. TECHNICAL AMENDMENT TO DEFINITION.

16 Section 7101(8) of title 41, United States
17 Code, is amended—

18 (1) by striking “and” at the end of
19 subparagraph (C);

20 (2) by striking the period at the end
21 of subparagraph (D) and inserting “;
22 and”; and

23 (3) by adding at the end the fol-
24 lowing:

1 **“(E) the United States Postal**
2 **Service and the Postal Regulatory**
3 **Commission.”.**

Union Calendar No. 291

112TH CONGRESS
2^D SESSION

H. R. 2309

[Report No. 112-363, Parts I and II]

A BILL

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

MARCH 29, 2012

Reported from the Committee on Rules with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed