

Public Law 94-421
94th Congress

An Act

To amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes.

Sept. 24, 1976
[H.R. 8603]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Postal Reorganization Act Amendments of 1976".

SEC. 2. (a) Section 2401(b) of title 39, United States Code, is amended by striking out paragraph (3).

(b) Section 2401 of title 39, United States Code, is amended by adding at the end thereof the following new subsections:

"(d) (1) There is authorized to be appropriated to the Postal Service for fiscal year 1976 and for the period beginning July 1, 1976, and ending September 30, 1976, the amount of \$500,000,000 to be applied against the accumulated operating indebtedness of the Postal Service as of September 30, 1976.

"(2) There is authorized to be appropriated to the Postal Service for fiscal year 1977 the amount of \$500,000,000 to be applied against the accumulated operating indebtedness of the Postal Service as of September 30, 1977.

"(e) During the period beginning on the date of the appropriation of the funds under subsection (d) (1) and ending on the date on which the Commission on Postal Service is required to transmit the final report required under section 7(f) (1) of the Postal Reorganization Act Amendments of 1976 to the President and each House of Congress, the Postal Service shall not—

"(1) have in effect any permanent or temporary rate of postage or fee for postal services exceeding the rates and fees in effect on the date of enactment of the Postal Reorganization Act Amendments of 1976;

"(2) provide levels and types of postal services which are less than the levels and types of services provided on July 1, 1976;

"(3) close any post office where 35 or more families regularly receive their mail and which was providing service on July 1, 1976; or

"(4) close any post office where fewer than 35 families receive their mail and which was providing service on July 1, 1976, unless the Postal Service receives the written consent of at least 60 percent of the regular patrons of such office who are at least 18 years of age.

"(f) During the period beginning on the date of the appropriation of the funds under subsection (d) (1) and ending on the date on which the Commission on Postal Service is required to transmit the final report required under section 7(f) (1) of the Postal Reorganization Act Amendments of 1976 to the President and each House of Congress, the Postal Service shall provide door delivery or curbside delivery to all permanent residential addresses (other than apartment building addresses) to which service is begun on or after the date of enactment of the Postal Reorganization Act Amendments of 1976.

"(g) The Postal Service shall present to the Committees on Post Office and Civil Service and the Committees on Appropriations of the

Postal
Reorganization
Act Amendments
of 1976.
39 USC 101 note.
Appropriation
authorization.

Budget,
presentation to
congressional
committees.

39 USC 2009. Senate and the House of Representatives, at the same time it submits its annual budget under section 2009 of this title, sufficient copies of the budget of the Postal Service for the fiscal year for which funds are requested to be appropriated, and a comprehensive statement relating to the following matters:

39 USC 101. “(1) the plans, policies, and procedures of the Postal Service designed to comply with all of the provisions of section 101 of this title;

“(2) postal operations generally, including data on the speed and reliability of service provided for the various classes of mail and types of mail service, mail volume, productivity, trends in postal operations, and analyses of the impact of internal and external factors upon the Postal Service;

“(3) a listing of the total expenditures and obligations incurred by the Postal Service for the most recent fiscal year for which information is available, an estimate of the total expenditures and obligations to be incurred by the Postal Service during the fiscal year for which funds are requested to be appropriated, and the means by which these estimated expenses will be financed; and

“(4) such other matters as the committees may determine necessary to ensure that the Congress is fully and currently consulted and informed on postal operations, plans, and policies.

Testimony before congressional committees.

Not later than March 15 of each year, the Postal Service shall appear before the Committees on Post Office and Civil Service of the Senate and the House of Representatives to submit information which any such committee considers necessary to determine the amount of funds to be appropriated for the operation of the Postal Service, and to present testimony and respond to questions with respect to such budget and statement. Each such committee shall take such action as it considers appropriate and shall advise the Postal Service of such action.

“(h) The failure of the President to request the appropriation of any part of the funds authorized by this section may not be deemed a failure of appropriations. The failure of the President to request the appropriation of any part of the funds authorized by this section shall not relieve the Postal Service from the responsibility to comply with the provisions of subsections (e) and (f) of this section.

39 USC 3601 et seq.

“(i) The rates established under chapter 36 of this title for zoned-rated parcels formerly entered under former chapter 67 of this title shall not be more than 10 percent less than the rates for such mail would be if the funds authorized under subsection (b) and (d) of this section were not appropriated.”

(c) Section 2003 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

“(f) Notwithstanding any other provision of this section, any amounts appropriated to the Postal Service under subsection (d) of section 2401 of this title and deposited into the Fund shall be expended by the Postal Service only for the purposes provided in such subsection.”

Ante, p. 1303.

Postal Rate Commission.

SEC. 3. (a) Section 3601 of title 39, United States Code, is amended to read as follows:

“§ 3601. Establishment

Membership.

“(a) The Postal Rate Commission is an independent establishment of the executive branch of the Government of the United States. The

Commission is composed of 5 Commissioners, appointed by the President, by and with the advice and consent of the Senate. The Commissioners shall be chosen on the basis of their professional qualifications and may be removed by the President only for cause. Not more than 3 of the Commissioners may be adherents of the same political party.

“(b) A Commissioner may continue to serve after the expiration of his term until his successor has qualified, except that a Commissioner may not so continue to serve for more than 1 year after the date upon which his term otherwise would expire under section 3602 of this title.

Term.

39 USC 3602.

“(c) One of the Commissioners shall be designated as Chairman by, and shall serve in the position of Chairman at the pleasure of, the President.

“(d) The Commissioners shall by majority vote designate a Vice Chairman of the Commission. The Vice Chairman shall act as Chairman of the Commission in the absence of the Chairman.”

(b) The provisions of section 3601(a) of title 39, United States Code, as amended by subsection (a) of this section, shall not apply with respect to any Commissioner of the Postal Rate Commission holding office on the date of the enactment of this Act, except that such provisions shall apply to any appointment of such a Commissioner occurring after the date of the enactment of this Act.

39 USC 3601
note.

SEC. 4. Section 3604 of title 39, United States Code, is amended to read as follows:

“§ 3604. Administration

“(a) The Chairman of the Postal Rate Commission shall be the principal executive officer of the Commission. The Chairman shall exercise or direct the exercise of all the executive and administrative functions of the Commission, including functions of the Commission with respect to (1) the appointment of personnel employed under the Commission, except that the appointment of heads of major administrative units under the Commission shall require the approval of a majority of the members of the Commission, (2) the supervision of the personnel employed under the Commission and the distribution of business among them and among the Commissioners, and (3) the use and expenditure of funds.

“(b) In carrying out any of his functions under this section, the Chairman shall be governed by the general policies of the Commission.

“(c) The Chairman may obtain such facilities and supplies as may be necessary to permit the Commission to carry out its functions. Any officer or employee appointed under this section shall be paid at rates of compensation and shall be entitled to programs offering employee benefits established under chapter 10 or chapter 12 of this title, as appropriate.

39 USC 1001 *et seq.*, 1201 *et seq.*
Budget, submittal
to Commission.

“(d) (1) The Commission shall periodically prepare and submit to the Postal Service a budget of the Commission's expenses, including, but not limited to, expenses for facilities, supplies, compensation, and employee benefits. The budget shall be considered approved—

“(A) as submitted if the Governors fail to act in accordance with subparagraph (B) of this paragraph; or

“(B) as adjusted if the Governors holding office, by unanimous written decision, adjust the total amount of money requested in the budget.

Subparagraph (B) shall not be construed to authorize the Governors to adjust any item included within the budget.

"(2) Expenses incurred under any budget approved under paragraph (1) of this subsection shall be paid out of the Postal Service fund established under section 2003 of this title.

39 USC 2003.

39 USC 410,

1001 *et seq.*

Recommended decisions.

"(e) The provisions of section 410 and chapter 10 of this title shall apply to the Commission, as appropriate."

SEC. 5. (a) Section 3624 of title 39, United States Code, is amended by redesignating subsection (c) as subsection (d) and by inserting immediately after subsection (b) the following new subsection:

39 USC 3622.

"(c) (1) Except as provided by paragraph (2) of this subsection, in any case in which the Postal Service makes a request under section 3622 of this title for a recommended decision by the Commission on changes in a rate or rates of postage or in a fee or fees for postal services the Commission shall transmit its recommended decision to the Governors under subsection (d) of this section no later than 10 months after receiving any such request from the Postal Service.

Extension.

"(2) In any case in which the Commission determines that the Postal Service has unreasonably delayed consideration of a request made by the Postal Service under section 3622 by failing to respond within a reasonable time to any lawful order of the Commission, the Commission may extend the 10-month period described in paragraph (1) of this subsection by one day for each day of such delay."

39 USC 3624 note.

(b) The amendment made by subsection (a) of this section shall not apply to any action or proceeding with respect to the recommended decision of the Postal Rate Commission relating to proposed changes in rates of postage, and in fees for postal services, requested on September 18, 1975, by the United States Postal Service in a request which bears, or which at any time has been included under, Postal Rate Commission Docket Number R76-1.

SEC. 6. (a) Section 3641 of title 39, United States Code, is amended to read as follows:

"§ 3641. Temporary changes in rates and classes

Supra.

"(a) In any case in which the Postal Rate Commission fails to transmit a recommended decision on a change in rates of postage or in fees for postal services to the Governors in accordance with section 3624(c) of this title, the Postal Service may establish temporary changes in rates of postage and in fees for postal services in accordance with the proposed changes under consideration by the Commission. Such temporary changes may take effect upon such date as the Postal Service may determine, except that such temporary changes may take effect only after 10 days' notice in the Federal Register.

Publication in Federal Register.

"(b) Any temporary rate or fee established by the Postal Service under subsection (a) of this section shall be in accordance with the policies of this title and shall not exceed such amount as may be necessary for sufficient revenues to assure that the total estimated income, including appropriations, of the Postal Service shall, to the extent practicable, be equal to the total estimated costs of the Postal Service.

"(c) Notwithstanding the provisions of subsection (b) of this section, the Postal Service may not establish any temporary rate for a class of mail or any temporary fee for a postal service which is more than the permanent rate or fee requested for such class or postal service by the Postal Service under section 3622 of this title.

"(d) Any temporary change in rates of postage or in fees for postal services made by the Postal Service under this section shall remain in effect no longer than 150 days after the date on which the Commis-

sion transmits its recommended decision to the Governors under section 3624(d) of this title, unless such temporary change is terminated by the Governors before the expiration of such period.

39 USC 3624.

“(e) If the Postal Rate Commission does not transmit to the Governors within 90 days after the Postal Service has submitted, or within 30 days after the Postal Service has resubmitted, to the Commission a request for a recommended decision on a change in the mail classification schedule (after such schedule is established under section 3623 of this title), the Postal Service, upon 10 days’ notice in the Federal Register, may place into effect temporary changes in the mail classification schedule in accordance with proposed changes under consideration by the Commission. Any temporary change shall be effective for a period ending not later than 30 days after the Commission has transmitted its recommended decision to the Governors.

Publication in Federal Register.

39 USC 3623.

“(f) If, under section 3628 of this title, a court orders a matter returned to the Commission for further consideration, the Postal Service, with the consent of the Commission, may place into effect temporary changes in rates of postage, and fees for postal services, or in the mail classification schedule.”

39 USC 3628.

(b) (1) The amendment made by subsection (a) of this section shall not apply to any action or proceeding with respect to the recommended decision of the Postal Rate Commission relating to proposed changes in rates of postage and in fees for postal services requested on September 18, 1975, by the United States Postal Service in a request which bears, or which at any time has been included under, Postal Rate Commission Docket Number R76-1.

39 USC 3641 note.

(2) The provisions of section 3641 of title 39, United States Code, as such provisions were in effect on the day before the date of the enactment of this Act, shall apply to any temporary rate or fee established by the Postal Service pursuant to its request to the Postal Rate Commission, dated September 18, 1975, for a recommended decision, bearing Docket Number R76-1.

SEC. 7. (a) (1) There is hereby established the Commission on Postal Service (hereinafter in this section referred to as the “Commission”). The Commission shall be composed of 7 members, to be selected as follows:

Commission on Postal Service. Establishment. 39 USC 3661 note. Membership.

(A) 3 appointed by the President of the United States, of whom one shall be appointed as chairman;

(B) 2 appointed by the President pro tempore of the Senate, of whom one shall be an individual who is a member of the work force of the United States Postal Service; and

(C) 2 appointed by the Speaker of the House of Representatives, of whom one shall be an individual who is a member of the work force of the United States Postal Service.

The Postmaster General of the United States and the Chairman of the Postal Rate Commission shall serve as ex officio members of the Commission, without the right to vote.

(2) The members of the Commission shall be appointed within 15 days following the date of the enactment of this Act. In the event that all of the members of the Commission have not been appointed at the close of such 15-day period, a majority of the members appointed to the Commission shall constitute a quorum for the conduct of business by the Commission.

(3) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

Vacancies.

Study,
recommendation.

(b) The Commission shall identify and study the problems facing the United States Postal Service and recommend actions to be taken to resolve those problems. The Commission shall not be limited to any particular subject areas for consideration but the Commission—

Public service,
costs and
revenue.

(1) shall identify and study the public service aspects of the United States Postal Service, shall recommend to what extent and by what means such aspects may be defined and costs thereof reasonably estimated, and shall, insofar as practicable, identify any difference between—

39 USC 101
et seq.

(A) the costs that the Postal Service should reasonably be expected to incur in providing postal services in accordance with the policies of title 39, United States Code, and

(B) the revenues that the Postal Service may reasonably be expected to receive from rates and fees for postal services, with due consideration to the fact that demands for postal services may be reflected by changes in the levels of such rates and fees;

(2) shall determine the extent to which the public service aspects of the Postal Service shall be supported by appropriations and shall recommend a plan for such appropriations with due consideration being given to—

(A) the economic and social benefits of the postal system to the user and recipient of the mail,

(B) the relative economic ability of the users of various classes of mail to absorb the costs of the postal system,

(C) the extent to which the costs of maintaining a system which would provide a reasonable degree of regular postal services to the entire public without regard to individual usage, and the degree to which such costs should be borne by the public generally rather than by mail users in particular,

(D) the relative economic and social benefits of other uses of private and public funds, and

(E) the need of the Postal Service for adequate and dependable funding and for systematic planning and rate-making to provide efficient and economical postal services in accordance with the policies of title 39, United States Code;

(3) shall study the desirability and feasibility of—

Ratemaking.

(A) the ratemaking procedures established under title 39, United States Code, particularly the functions and responsibilities of the Postal Rate Commission, and shall develop recommendations for more expeditious and economical procedures that are responsive to the needs of the Postal Service and the public, including, if the Commission recommends the abolition of the Postal Rate Commission, a method of assuring that changes in postal rates shall be reviewed independently outside the Postal Service,

(B) a system in which changes in postal rates shall not exceed changes in consumer prices unless greater changes in such rates are approved by a body independent of the Postal Service,

(C) the ratemaking criteria established by section 3622(b) of title 39, United States Code, and

(D) a statutory requirement for cost attributions to particular classes of mail or types of mail service;

Service levels,
review.

(4) shall review the appropriateness of current and future service levels and the extent to which, if any, such levels should be supported by appropriations; and

(5) shall review the long range impact of new electronic fund transfers and communication techniques, the effect of such transfers and techniques on mail volumes and revenues of the Postal Service, and the feasibility of the Postal Service operating such systems.

Electronic fund transfers and communication techniques, impact review.

(c)(1) For purposes of carrying out its functions under this section, the Commission may sit and act at such times and places and receive such evidence and testimony as it considers advisable.

(2) The Commission may secure directly from any department or agency of the United States information and assistance necessary to carry out its duties under this section. Each department or agency is authorized and directed, to the extent permitted by law and within the limits of available funds, to furnish information and assistance to the Commission.

(3) When so authorized by the Commission, any member or agent of the Commission may take any action which the Commission is authorized to take by this section.

(4) All meetings, hearings, conferences, or other proceedings of the Commission shall be open to the chairmen of the appropriate committees of the Congress or their designees and reasonable notice of such meetings or hearings shall be given to such chairmen or their designees.

Proceedings, notice to congressional committee chairmen.

(d)(1) Except as provided in paragraph (2), members of the Commission each shall receive as compensation the daily equivalent of the annual rate of basic pay in effect for Grade GS-18 for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Commission.

Compensation.

5 USC 5332 note.

(2) Members of the Commission who are full-time officers or employees of the United States shall receive no additional pay on account of their service on the Commission.

(3) While away from their homes or regular places of business in the performance of service for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

Travel expenses.

(e) The Commission may appoint and fix the compensation of such personnel as it considers advisable without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and such personnel may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at a rate not to exceed the maximum rate authorized by the General Schedule. The Commission may procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for the maximum rate authorized by the General Schedule.

Compensation.

5 USC 5101 *et seq.*, 5332 *et seq.* Experts and consultants.

(f)(1) The Commission shall transmit to the President and to each House of the Congress a final report containing a detailed statement of its findings and recommendations, together with any individual views, on or before March 15, 1977.

Report, transmittal to President and Congress.

(2) The Commission shall not be required to obtain the clearance of any Federal agency before the transmittal of its report.

(g) The Commission shall cease to exist 60 days after the transmission of its final report under subsection (f) of this section and all offices and employment under it shall then expire.

Expiration date.

Appropriation
authorization.

(h) There are authorized to be appropriated to the Postal Service Fund established under section 2003 of title 39, United States Code, without fiscal year limitation, such sums as may be necessary to carry out the provisions of this section. Expenses incurred by the Commission shall be paid out of the Postal Service Fund.

SEC. 8. Section 3623(b) of title 39, United States Code, is amended by striking out "Postal Service" the second place it appears therein and inserting in lieu thereof "Governors".

Post offices,
closing or
consolidation.
Notice.

SEC. 9. (a) Section 404 of title 39, United States Code, is amended by inserting "(a)" immediately before "Without" and by adding at the end thereof the following new subsection:

"(b) (1) The Postal Service, prior to making a determination under subsection (a) (3) of this section as to the necessity for the closing or consolidation of any post office, shall provide adequate notice of its intention to close or consolidate such post office at least 60 days prior to the proposed date of such closing or consolidation to persons served by such post office to ensure that such persons will have an opportunity to present their views.

"(2) The Postal Service, in making a determination whether or not to close or consolidate a post office, shall consider—

"(A) the effect of such closing or consolidation on the community served by such post office;

"(B) the effect of such closing or consolidation on employees of the Postal Service employed at such office;

"(C) whether such closing or consolidation is consistent with the policy of the Government, as stated in section 101(b) of this title, that the Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining;

"(D) the economic savings to the Postal Service resulting from such closing or consolidation; and

"(E) such other factors as the Postal Service determines are necessary.

"(3) Any determination of the Postal Service to close or consolidate a post office shall be in writing and shall include the findings of the Postal Service with respect to the considerations required to be made under paragraph (2) of this subsection. Such determination and finding shall be made available to persons served by such post office.

"(4) The Postal Service shall take no action to close or consolidate a post office until 60 days after its written determination is made available to persons served by such post office.

Appeal.

"(5) A determination of the Postal Service to close or consolidate any post office may be appealed by any person served by such office to the Postal Rate Commission within 30 days after such determination is made available to such person under paragraph (3). The Commission shall review such determination on the basis of the record before the Postal Service in the making of such determination. The Commission shall make a determination based upon such review no later than 120 days after receiving any appeal under this paragraph. The Commission shall set aside any determination, findings, and conclusions found to be—

Review.

"(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law;

"(B) without observance of procedure required by law; or

"(C) unsupported by substantial evidence on the record.

The Commission may affirm the determination of the Postal Service or order that the entire matter be returned for further consideration, but the Commission may not modify the determination of the Postal Service. The Commission may suspend the effectiveness of the determination of the Postal Service until the final disposition of the appeal. The provisions of section 556, section 557, and chapter 7 of title 5 shall not apply to any review carried out by the Commission under this paragraph."

5 USC 556, 557,
701 *et seq.*

(b) The amendments made by subsection (a) of this section shall take effect on the day after the date on which the Commission on Postal Service transmits its final report under section 7(f)(1) of this Act.

Effective date.
39 USC 404 note.

SEC. 10. Section 3622(b) of title 39, United States Code, is amended by striking out "and" at the end of paragraph (7), by redesignating paragraph (8) as paragraph (9), and by inserting immediately after paragraph (7) the following new paragraph:

Rates and fees.

"(8) the educational, cultural, scientific, and informational value to the recipient of mail matter; and".

SEC. 11. Section 3626 of title 39, United States Code, is amended by inserting "(a)" immediately before "If the rates" and by adding at the end thereof the following new subsections:

Reduced rates.

"(b) (1) For the purposes of this title, the term 'periodical publications', as used in former section 4351 of this title, includes (A) any catalog or other course listing, including mail announcements of legal texts which are part of post-bar admission education issued by any institution of higher education or by a nonprofit organization engaged in continuing legal education; and (B) any looseleaf page or report (including any index, instruction for filing, table, or sectional identifier which is an integral part of such report) which is designed as part of a looseleaf reporting service concerning developments in the law or public policy.

Definitions.

"(2) Any material described in paragraph (1) of this subsection shall qualify to be entered and mailed as second class mail in accordance with the applicable provisions of former section 4352 through former section 4357 of this title.

"(3) For purposes of this subsection, the term 'institution of higher education' has the meaning given it by section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

"(c) In the administration of this section, one conservation publication published by an agency of a State which is responsible for management and conservation of the fish or wildlife resources of such State shall be considered a publication of a qualified nonprofit organization which qualifies for rates of postage under former section 4358(d) of this title.

"(d) (1) For purposes of this title, the term 'agricultural', as used in former sections 4358(j)(2), 4452(d), and 4554(b)(1)(B) of this title, includes the art or science of cultivating land, harvesting crops or marine resources, or raising of livestock.

"(2) In the administration of this section, and for purposes of former sections 4358(j)(2), 4452(d), and 4554(b)(1)(B) of this title, agricultural organizations or associations shall include any organization or association which collects and disseminates information or materials relating to agricultural pursuits."

Books and films.

SEC. 12. Section 3683 of title 39, United States Code, is amended by inserting "(a)" immediately before "Notwithstanding any other provision" and by adding at the end thereof the following new subsection:

39 USC 4554.

"(b) The rates for mail matter specified in former section 4554(a) (1) or 4554(b) (2) (A) of this title, when mailed from a publisher or a distributor to a school, college, university, or library, shall be the rate currently in effect for such mail matter under the provisions of former section 4554(b) (1) of this title."

Approved September 24, 1976.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 94-391 (Comm. on Post Office and Civil Service) and No. 94-1444 (Comm. of Conference).

SENATE REPORT No. 94-966 (Comm. on Post Office and Civil Service).

CONGRESSIONAL RECORD:

Vol. 121 (1975): Sept. 29, Oct. 30, considered and passed House.

Vol. 122 (1976): Aug. 10, 23, 24, considered and passed Senate, amended.

Aug. 31, Senate agreed to conference report.

Sept. 10, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS:

Vol. 12, No. 39 (1976): Sept. 24, Presidential statement.