

One Hundred Tenth Congress
of the
United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Thursday,
the third day of January, two thousand and eight*

An Act

To amend section 5402 of title 39, United States Code, to modify the authority relating to United States Postal Service air transportation contracts, and for other purposes.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Air Carriage of International Mail Act”.

SEC. 2. AIR CARRIAGE OF INTERNATIONAL MAIL.

(a) CONTRACTING AUTHORITY.—Section 5402 of title 39, United States Code, is amended by striking subsections (b) and (c) and inserting the following:

“(b) INTERNATIONAL MAIL.—

“(1) IN GENERAL.—

“(A) Except as otherwise provided in this subsection, the Postal Service may contract for the transportation of mail by aircraft between any of the points in foreign air transportation only with certificated air carriers. A contract may be awarded to a certificated air carrier to transport mail by air between any of the points in foreign air transportation that the Secretary of Transportation has authorized the carrier to serve either directly or through a code-share relationship with one or more foreign air carriers.

“(B) If the Postal Service has sought offers or proposals from certificated air carriers to transport mail in foreign air transportation between points, or pairs of points within a geographic region or regions, and has not received offers or proposals that meet Postal Service requirements at a fair and reasonable price from at least 2 such carriers, the Postal Service may seek offers or proposals from foreign air carriers. Where service in foreign air transportation meeting the Postal Service’s requirements is unavailable at a fair and reasonable price from at least 2 certificated air carriers, either directly or through a code-share relationship with one or more foreign air carriers, the Postal Service may contract with foreign air carriers to provide the service sought if, when the Postal Service seeks offers or proposals from foreign air carriers, it also seeks an offer or proposal to provide that service from any certificated air carrier providing service between those points, or pairs of points within a geographic region or regions,

on the same terms and conditions that are being sought from foreign air carriers.

“(C) For purposes of this subsection, the Postal Service shall use a methodology for determining fair and reasonable prices for the Postal Service designated region or regions developed in consultation with, and with the concurrence of, certificated air carriers representing at least 51 percent of available ton miles in the markets of interest.

“(D) For purposes of this subsection, ceiling prices determined pursuant to the methodology used under subparagraph (C) shall be presumed to be fair and reasonable if they do not exceed the ceiling prices derived from—

“(i) a weighted average based on market rate data furnished by the International Air Transport Association or a subsidiary unit thereof; or

“(ii) if such data are not available from those sources, such other neutral, regularly updated set of weighted average market rates as the Postal Service, with the concurrence of certificated air carriers representing at least 51 percent of available ton miles in the markets of interest, may designate.

“(E) If, for purposes of subparagraph (D)(ii), concurrence cannot be attained, then the most recently available market rate data described in this subparagraph shall continue to apply for the relevant market or markets.

“(2) CONTRACT PROCESS.—The Postal Service shall contract for foreign air transportation as set forth in paragraph (1) through an open procurement process that will provide—

“(A) potential offerors with timely notice of business opportunities in sufficient detail to allow them to make a proposal;

“(B) requirements, proposed terms and conditions, and evaluation criteria to potential offerors; and

“(C) an opportunity for unsuccessful offerors to receive prompt feedback upon request.

“(3) EMERGENCY OR UNANTICIPATED CONDITIONS; INADEQUATE LIFT SPACE.—The Postal Service may enter into contracts to transport mail by air in foreign air transportation with a certificated air carrier or a foreign air carrier without complying with the requirements of paragraphs (b)(1) and (2) if—

“(A) emergency or unanticipated conditions exist that make it impractical for the Postal Service to comply with such requirements; or

“(B) its demand for lift exceeds the space available to it under existing contracts and—

“(i) there is insufficient time available to seek additional lift using procedures that comply with those requirements without compromising the Postal Service’s service commitments to its own customers; and

“(ii) the Postal Service first offers any certificated air carrier holding a contract to carry mail between the relevant points the opportunity to carry such excess volumes under the terms of its existing contract.

“(c) GOOD FAITH EFFORT REQUIRED.—The Postal Service and potential offerors shall put a good-faith effort into resolving disputes concerning the award of contracts made under subsection (b).”.

(b) CONFORMING AMENDMENTS TO TITLE 49.—

(1) Section 41901(a) is amended by striking “39.” and inserting “39, and in foreign air transportation under section 5402(b) and (c) of title 39.”.

(2) Section 41901(b)(1) is amended by striking “in foreign air transportation or”.

(3) Section 41902 is amended—

(A) by striking “in foreign air transportation or” in subsection (a);

(B) by striking subsection (b) and inserting the following:

“(b) STATEMENTS ON PLACES AND SCHEDULES.—Every air carrier shall file with the United States Postal Service a statement showing—

“(1) the places between which the carrier is authorized to transport mail in Alaska;

“(2) every schedule of aircraft regularly operated by the carrier between places described in paragraph (1) and every change in each schedule; and

“(3) for each schedule, the places served by the carrier and the time of arrival at, and departure from, each such place.”;

(C) by striking “subsection (b)(3)” each place it appears in subsections (c)(1) and (d) and inserting “subsection (b)(2)”;

(D) by striking subsections (e) and (f).

(4) Section 41903 is amended by striking “in foreign air transportation or” each place it appears.

(5) Section 41904 is amended—

(A) by striking “**to or in foreign countries**” in the section heading;

(B) by striking “to or in a foreign country” and inserting “between two points outside the United States”; and

(C) by inserting after “transportation.” the following: “Nothing in this section shall affect the authority of the Postal Service to make arrangements with noncitizens for the carriage of mail in foreign air transportation under subsections 5402(b) and (c) of title 39.”.

(6) Section 41910 is amended by striking the first sentence and inserting “The United States Postal Service may weigh mail transported by aircraft between places in Alaska and make statistical and administrative computations necessary in the interest of mail service.”.

(7) Chapter 419 is amended—

(A) by striking sections 41905, 41907, 41908, and 41911; and

(B) redesignating sections 41906, 41909, 41910, and 49112 as sections 41905, 41906, 41907, and 41908, respectively.

(8) The chapter analysis for chapter 419 is amended by redesignating the items relating to sections 41906, 41909, 41910, and 49112 as relating to sections 41905, 41906, 41907, and 41908, respectively.

(9) Section 101(f) of title 39, United States Code, is amended by striking “mail and shall make a fair and equitable distribution of mail business to carriers providing similar modes

of transportation services to the Postal Service.” and inserting “mail.”.

(10) Subsections (b) and (c) of section 3401 of title 39, United States Code, are amended—

(A) by striking “at rates fixed and determined by the Secretary of Transportation in accordance with section 41901 of title 49” and inserting “or, for carriage of mail in foreign air transportation, other air carriers, air taxi operators or foreign air carriers as permitted by section 5402 of this title”;

(B) by striking “at rates not to exceed those so fixed and determined for scheduled United States air carriers”;

(C) by striking “scheduled” each place it appears and inserting “certificated”; and

(D) by striking the last sentence in each such subsection.

(11) Section 5402(a) of title 39, United States Code, is amended—

(A) by inserting “‘foreign air carrier’.” after “‘interstate air transportation’,” in paragraph (2);

(B) by redesignating paragraphs (7) through (23) as paragraphs (8) through (24) and inserting after paragraph (6) the following:

“(7) the term ‘certificated air carrier’ means an air carrier that holds a certificate of public convenience and necessity issued under section 41102(a) of title 49;”;

(C) by redesignating paragraphs (9) through (24), as redesignated, as paragraphs (10) through (25), respectively, and inserting after paragraph (8) the following:

“(9) the term ‘code-share relationship’ means a relationship pursuant to which any certificated air carrier or foreign air carrier’s designation code is used to identify a flight operated by another air carrier or foreign air carrier;”;

(D) by inserting “foreign air carrier,” after “terms” in paragraph (2).

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2008.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*