

114TH CONGRESS
1ST SESSION

S. 2051

To improve, sustain, and transform the United States Postal Service.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 2015

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

A BILL

To improve, sustain, and transform the United States Postal Service.

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.**

4 This Act may be cited as the “Improving Postal Op-
5 erations, Service, and Transparency Act of 2015”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Definitions.

Sec. 4. Universal service obligation and guiding principles.

TITLE I—POSTAL SERVICE WORKFORCE

Sec. 101. Postal specific assumptions.

Sec. 102. Postal Service Health Benefits Program.

- Sec. 103. Restructuring of payments for retiree health benefits.
- Sec. 104. Annual Federal Employees Retirement System and Civil Service Retirement System assessments.
- Sec. 105. Right of appeal to Merit Systems Protection Board.
- Sec. 106. Labor disputes.
- Sec. 107. Supervisory and other managerial organizations.
- Sec. 108. Addressing the morale of Postal Service employees.

TITLE II—POSTAL OPERATIONS

- Sec. 201. Long-term solvency plan; annual financial plan and budget.
- Sec. 202. Plant closings and consolidations.
- Sec. 203. Post office closings, consolidations, and restructuring.
- Sec. 204. Area and district office structure.
- Sec. 205. Service standards and performance ratings.
- Sec. 206. Conversion of door delivery points.
- Sec. 207. Fleet maintenance reporting and alternative fuel and emerging technologies demonstration program.
- Sec. 208. Multi-broker lease of Postal Service facilities.
- Sec. 209. Capitol Complex post offices.

TITLE III—POSTAL SERVICE REVENUE AND INNOVATION

- Sec. 301. Rates.
- Sec. 302. Postal costing system.
- Sec. 303. Nonpostal services.
- Sec. 304. Shipping of wine, beer, and distilled spirits.
- Sec. 305. Chief Innovation Officer; innovation strategy.
- Sec. 306. Strategic Advisory Commission on Postal Service Solvency, Service, and Innovation.

TITLE IV—POSTAL SERVICE CUSTOMER SERVICE, TRANSPARENCY, AND REGULATION

- Sec. 401. Customer service study and report.
- Sec. 402. Postal Service results and terms.
- Sec. 403. Annual report on United States mailing industry.
- Sec. 404. Postal Regulatory Commission.
- Sec. 405. Inspector General of the United States Postal Service and the Postal Regulatory Commission.
- Sec. 406. GAO report on fragmentation, overlap, and duplication in Federal programs and activities.
- Sec. 407. Postal services for market-dominant products.
- Sec. 408. Postal Inspection Service Mail Covers program.
- Sec. 409. Contract disputes.
- Sec. 410. Contracting provisions.

TITLE V—FEDERAL EMPLOYEES' COMPENSATION ACT

- Sec. 501. Short title; references.
- Sec. 502. Federal workers compensation reforms for retirement-age employees.
- Sec. 503. Augmented compensation for dependents.
- Sec. 504. Schedule compensation payments.
- Sec. 505. Vocational rehabilitation.
- Sec. 506. Reporting requirements.
- Sec. 507. Disability management review; independent medical examinations.
- Sec. 508. Waiting period.

Sec. 509. Election of benefits.
 Sec. 510. Sanction for noncooperation with field nurses.
 Sec. 511. Subrogation of continuation of pay.
 Sec. 512. Integrity and compliance.
 Sec. 513. Amount of compensation.
 Sec. 514. Terrorism injuries; zones of armed conflict.
 Sec. 515. Technical and conforming amendments.
 Sec. 516. Regulations.
 Sec. 517. Effective date.

1 **SEC. 3. DEFINITIONS.**

2 In this Act, the following definitions shall apply:

3 (1) COMMISSION.—The term “Commission”
 4 means the Postal Regulatory Commission.

5 (2) POSTAL SERVICE.—The term “Postal Serv-
 6 ice” means the United States Postal Service.

7 **SEC. 4. UNIVERSAL SERVICE OBLIGATION AND GUIDING**
 8 **PRINCIPLES.**

9 Not later than 1 year after the date of enactment
 10 of this Act, the Commission shall submit to Congress a
 11 report on the universal service obligation of the Postal
 12 Service that—

13 (1) takes into account—

14 (A) the report of the Commission entitled
 15 “Universal Postal Service and the Postal Mo-
 16 nopoly”, submitted to the President and Con-
 17 gress on December 19, 2008, in accordance
 18 with section 702 of the Postal Accountability
 19 and Enhancement Act (39 U.S.C. 501 note);
 20 and

1 (B) the changing nature of communica-
 2 tions, including the dramatic changes in e-com-
 3 merce and the global marketplace; and

4 (2) includes recommendations on better defin-
 5 ing the universal service obligation of the Postal
 6 Service to help keep the Postal Service relevant in
 7 the digital age.

8 **TITLE I—POSTAL SERVICE** 9 **WORKFORCE**

10 **SEC. 101. POSTAL SPECIFIC ASSUMPTIONS.**

11 (a) DEFINITION.—In this section, the term “agency”
 12 has the meaning given the term “Executive agency” under
 13 section 105 of title 5, United States Code.

14 (b) USE OF POSTAL SPECIFIC ASSUMPTIONS.—The
 15 head of each agency shall ensure that the agency uses cri-
 16 teria specific to employees of the Postal Service (including
 17 demographic factors and appropriate economic assump-
 18 tions regarding wage and salary trends specific to the em-
 19 ployees) in calculating any liability of the Postal Service,
 20 including retiree health benefits, retirement annuity, and
 21 workers’ compensation liabilities.

22 (c) TRANSPARENCY.—In any report submitted to
 23 Congress, the Postal Service, or an agency relating to the
 24 valuation of assets and liabilities of funds or accounts
 25 maintained for purposes of providing health care or retire-

1 ment annuities to employees the Postal Service, the Office
 2 of Personnel Management, the Department of Labor, and
 3 any other relevant agency shall—

4 (1) identify the persons responsible for pre-
 5 paring the report;

6 (2) certify that such persons meet the profes-
 7 sional qualifications established by the governing
 8 body of the relevant profession or industry; and

9 (3) adhere to the professional standards of
 10 practice established by the governing body of the ac-
 11 tual industry.

12 **SEC. 102. POSTAL SERVICE HEALTH BENEFITS PROGRAM.**

13 (a) ESTABLISHMENT.—

14 (1) IN GENERAL.—Chapter 89 of title 5, United
 15 States Code, is amended by inserting after section
 16 8903b the following:

17 **“§ 8903c. Postal Service Health Benefits Program**

18 **“(a) DEFINITIONS.—In this section—**

19 **“(1) the term ‘initial contract year’ means the**
 20 **contract year beginning in January of the first full**
 21 **year that begins not less than 7 months after the**
 22 **date of enactment of this section;**

23 **“(2) the term ‘initial participating carrier’**
 24 **means a carrier that enters into a contract with the**

1 Office to participate in the Postal Service Health
2 Benefits Program during the initial contract year;

3 “(3) the term ‘Medicare eligible individual’
4 means an individual who—

5 “(A) is entitled to Medicare part A, but ex-
6 cluding an individual who is eligible to enroll
7 under such part under section 1818 of the So-
8 cial Security Act (42 U.S.C. 1395i–2); and

9 “(B) is eligible to enroll in Medicare part
10 B;

11 “(4) the term ‘Medicare part A’ means the
12 Medicare program for hospital insurance benefits
13 under part A of title XVIII of the Social Security
14 Act (42 U.S.C. 1395c et seq.);

15 “(5) the term ‘Medicare part B’ means the
16 Medicare program for supplementary medical insur-
17 ance benefits under part B of title XVIII of the So-
18 cial Security Act (42 U.S.C. 1395j et seq.);

19 “(6) the term ‘Medicare part D’ means the
20 Medicare insurance program established under part
21 D of title XVIII of the Social Security Act (42
22 U.S.C. 1395w–101 et seq.);

23 “(7) the term ‘Office’ means the Office of Per-
24 sonnel Management;

1 “(8) the term ‘Postal Service’ means the United
2 States Postal Service;

3 “(9) the term ‘Postal Service annuitant’ means
4 an annuitant enrolled in a health benefits plan under
5 this chapter whose Government contribution is paid
6 by the Postal Service or the Postal Service Retiree
7 Health Benefits Fund under section 8906(g)(2);

8 “(10) the term ‘Postal Service employee’ means
9 an employee of the Postal Service enrolled in a
10 health benefits plan under this chapter;

11 “(11) the term ‘Postal Service Health Benefits
12 Program’ means the program of health benefits
13 plans established under subsection (c) within the
14 Federal Employees Health Benefits Program under
15 this chapter;

16 “(12) the term ‘Postal Service Medicare eligible
17 annuitant’ means an individual who—

18 “(A) is a Postal Service annuitant; and

19 “(B) is a Medicare eligible individual;

20 “(13) the term ‘PSHBP plan’ means a health
21 benefits plan offered under the Postal Service
22 Health Benefits Program; and

23 “(14) the term ‘qualified carrier’ means a car-
24 rier for which the total enrollment in the plans pro-
25 vided under this chapter includes, in the contract

1 year beginning in January of the year before the ini-
 2 tial contract year, a combined total of 5,000 or more
 3 enrollees who are—

4 “(A) Postal Service employees; or

5 “(B) Postal Service annuitants.

6 “(b) APPLICATION OF SECTION.—The requirements
 7 under this section shall—

8 “(1) apply to the initial contract year, and each
 9 contract year thereafter; and

10 “(2) supersede other provisions of this chapter
 11 to the extent of any specific inconsistency, as deter-
 12 mined by the Office.

13 “(c) ESTABLISHMENT OF THE POSTAL SERVICE
 14 HEALTH BENEFITS PROGRAM.—

15 “(1) IN GENERAL.—The Office shall establish
 16 the Postal Service Health Benefits Program, which
 17 shall—

18 “(A) consist of health benefit plans offered
 19 under this chapter;

20 “(B) include plans offered by—

21 “(i) each qualified carrier; and

22 “(ii) any other carrier determined ap-
 23 propriate by the Office;

1 “(C) be available for participation by all
 2 Postal Service employees, in accordance with
 3 subsection (d);

4 “(D) be available for participation by all
 5 Postal Service annuitants, in accordance with
 6 subsection (d);

7 “(E) not be available for participation by
 8 an individual who is not a Postal Service em-
 9 ployee or Postal Service annuitant (except as a
 10 family member of such an employee or annu-
 11 itant); and

12 “(F) be implemented and administered by
 13 the Office.

14 “(2) SEPARATE POSTAL SERVICE RISK POOL.—
 15 The Office shall ensure that each PSHBP plan in-
 16 cludes rates, one for enrollment as an individual, one
 17 for enrollment for self plus one, and one for enroll-
 18 ment for self and family within each option in the
 19 PSHBP plan, that reasonably and equitably reflect
 20 the cost of benefits provided to a risk pool consisting
 21 solely of Postal Service employees and Postal Service
 22 annuitants (and family members of such employees
 23 and annuitants), taking into specific account the re-
 24 duction in benefits cost for the PSHBP plan due to
 25 the Medicare enrollment requirements under sub-

1 section (e) and any savings or subsidies resulting
 2 from subsection (f).

3 “(3) ACTUARIALLY EQUIVALENT COVERAGE.—

4 The Office shall ensure that each carrier partici-
 5 pating in the Postal Service Health Benefits Pro-
 6 gram provides coverage under the PSHBP plans of-
 7 fered by the carrier that is actuarially equivalent, as
 8 determined by the Director of the Office, to the cov-
 9 erage that the carrier provides under the health ben-
 10 efits plans offered by the carrier under the Federal
 11 Employee Health Benefits Program that are not
 12 PSHBP plans.

13 “(4) APPLICABILITY OF FEDERAL EMPLOYEE

14 HEALTH BENEFITS PROGRAM REQUIREMENTS.—Ex-
 15 cept as otherwise set forth in this section, all provi-
 16 sions of this chapter applicable to health benefit
 17 plans offered by a carrier under section 8903 or
 18 8903a shall apply to PSHBP plans.

19 “(d) ELECTION OF COVERAGE.—

20 “(1) IN GENERAL.—Except as provided in para-
 21 graphs (2) and (3), each Postal Service employee
 22 and Postal Service annuitant who elects to receive
 23 health benefits coverage under this chapter—

24 “(A) shall be subject to the requirements
 25 under this section; and

1 “(B) may only enroll in a PSHBP plan.

2 “(2) ANNUITANTS.—A Postal Service annuitant
3 shall not be subject to this section if the Postal
4 Service annuitant—

5 “(A) is enrolled in a health benefits plan
6 under this chapter for the contract year before
7 the initial contract year that is not a health
8 benefits plan offered by an initial participating
9 carrier, unless the Postal Service annuitant vol-
10 untarily enrolls in a PSHBP plan; or

11 “(B) resides in a geographic area for
12 which there is not a PSHBP plan in which the
13 Postal Service annuitant may enroll.

14 “(3) EMPLOYEES.—A Postal Service employee
15 who is enrolled in a health benefits plan under this
16 chapter for the contract year before the initial con-
17 tract year that is not a health benefits plan offered
18 by an initial participating carrier shall not be subject
19 to the requirements under this section, except that—

20 “(A) if the Postal Service employee
21 changes enrollment to a different health bene-
22 fits plan under this chapter after the start of
23 the initial contract year, the Postal Service em-
24 ployee may only enroll in a PSHBP plan; and

1 “(B) upon becoming a Postal Service an-
 2 nuitant, if the Postal Service employee elects to
 3 continue coverage under this chapter, the Post-
 4 al Service employee shall enroll in a PSHBP
 5 plan during the first open season available after
 6 the Postal Service employee becomes a Postal
 7 Service annuitant.

8 “(e) REQUIREMENT OF MEDICARE ENROLLMENT.—

9 “(1) POSTAL SERVICE MEDICARE ELIGIBLE AN-
 10 NUITANTS.—A Postal Service Medicare eligible an-
 11 nuitant subject to this section may not continue cov-
 12 erage under the Postal Service Health Benefits Pro-
 13 gram unless the Postal Service Medicare eligible an-
 14 nuitant enrolls in Medicare part A, Medicare part B,
 15 and Medicare part D (as part of a prescription drug
 16 plan described in subsection (f)).

17 “(2) MEDICARE ELIGIBLE FAMILY MEMBERS.—

18 If a family member of a Postal Service annuitant
 19 who is subject to this section is a Medicare eligible
 20 individual, the family member may not be covered
 21 under the Postal Service Health Benefits Program
 22 as a family member of the Postal Service annuitant
 23 unless the family member enrolls in Medicare part
 24 A, Medicare part B, and Medicare part D (as part

1 of a prescription drug plan described in subsection
2 (f)).

3 “(f) MEDICARE PART D PRESCRIPTION DRUG BENE-
4 FITS.—The Office shall require each PSHBP plan to pro-
5 vide prescription drug benefits for Postal Service annu-
6 itants and family members who are eligible for Medicare
7 part D through a prescription drug plan offered under a
8 waiver under section 1860D–22 of the Social Security Act
9 (42 U.S.C. 1395w–132).

10 “(g) POSTAL SERVICE CONTRIBUTION.—

11 “(1) IN GENERAL.—Subject to subsection (i),
12 for purposes of applying section 8906(b) to the
13 Postal Service, the weighted average shall be cal-
14 culated in accordance with paragraph (2).

15 “(2) WEIGHTED AVERAGE CALCULATION.—Not
16 later than October 1 of each year, the Office shall
17 determine the weighted average of the rates estab-
18 lished pursuant to subsection (c)(2) for PSHBP
19 plans that will be in effect during the following con-
20 tract year with respect to—

21 “(A) enrollments for self only;

22 “(B) enrollments for self plus one; and

23 “(C) enrollments for self and family.

24 “(h) RESERVES.—

25 “(1) SEPARATE RESERVES.—

1 “(A) IN GENERAL.—The Office shall en-
 2 sure that each PSHBP plan maintains separate
 3 reserves (including a separate contingency re-
 4 serve) with respect to the enrollees in the
 5 PSHBP plan in accordance with section 8909.

6 “(B) REFERENCES.—For purposes of the
 7 Postal Service Health Benefits Program, each
 8 reference to ‘the Government’ in section 8909
 9 shall be deemed to be a reference to the Postal
 10 Service.

11 “(C) AMOUNTS TO BE CREDITED.—The re-
 12 serves (including the separate contingency re-
 13 serve) maintained by each PSHBP plan shall
 14 be credited with a proportionate amount of the
 15 funds in the existing reserves for health benefits
 16 plans offered by an initial participating carrier.

17 “(2) DISCONTINUATION OF PSHBP PLAN.—In
 18 applying section 8909(e) relating to a PSHBP plan
 19 that is discontinued, the Office shall credit the sepa-
 20 rate Postal Service contingency reserve maintained
 21 under paragraph (1) for that plan only to the sepa-
 22 rate Postal Service contingency reserves of the
 23 PSHBP plans continuing under this chapter.

24 “(i) NO EFFECT ON EXISTING LAW.—Nothing in
 25 this section shall be construed as affecting section 1005(f)

1 of title 39 regarding variations, additions, or substitutions
2 to the provisions of this chapter.”.

3 (2) TECHNICAL AND CONFORMING AMEND-
4 MENTS.—

5 (A) Section 8903(1) of title 5, United
6 States Code, is amended by striking “two levels
7 of benefits” and inserting “2 levels of benefits
8 for enrollees under this chapter generally and 2
9 levels of benefits for enrollees under the Postal
10 Service Health Benefits Program established
11 under section 8903c”.

12 (B) The table of sections for chapter 89 of
13 title 5, United States Code, is amended by in-
14 serting after the item relating to section 8903b
15 the following:

“8903c. Postal Service Health Benefits Program.”.

16 (b) SPECIAL ENROLLMENT PERIOD FOR POSTAL
17 SERVICE MEDICARE ELIGIBLE ANNUITANTS AND MEDI-
18 CARE ELIGIBLE FAMILY MEMBERS OF POSTAL SERVICE
19 ANNUITANTS.—

20 (1) SPECIAL ENROLLMENT PERIOD.—Section
21 1837 of the Social Security Act (42 U.S.C. 1395p)
22 is amended by adding at the end the following new
23 subsection:

24 “(m)(1)(A) In the case of any individual who is sub-
25 ject to the enrollment requirement of section 8903c(e) of

1 title 5, United States Code, who has elected not to enroll
2 (or to be deemed enrolled) during the individual’s initial
3 enrollment period, there shall be a special enrollment pe-
4 riod described in subparagraph (B).

5 “(B) The special enrollment period described in this
6 subparagraph is the 6-month period, beginning on August
7 1 of the year before the initial contract year and ending
8 on January 31 of the initial contract year.

9 “(2)(A) In the case of any individual who—

10 “(i) was initially not subject to the enrollment
11 requirement of section 8903c(e) of title 5, United
12 States Code;

13 “(ii) is eligible to enroll in a plan under chapter
14 89 of title 5, United States Code, because of an in-
15 voluntary loss of health care coverage;

16 “(iii) upon the involuntary loss of health care
17 coverage, becomes subject to the enrollment require-
18 ment of section 8903c(e) of title 5, United States
19 Code, because of enrollment in a PSHBP plan; and

20 “(iv) has elected not to enroll (or to be deemed
21 enrolled) during the individual’s initial enrollment
22 period,

23 there shall be a special enrollment period described in sub-
24 paragraph (B).

1 “(B) The special enrollment period described in this
 2 subparagraph is the period of time equivalent to the period
 3 of time in which the individual has the ability to enroll
 4 in a PSHBP plan due to the involuntary loss of health
 5 care coverage, pursuant to chapter 89 of title 5, United
 6 States Code, and its implementing regulations.

7 “(C) For purposes of this subsection, the term
 8 ‘PSHBP plan’ has the meaning under section 8903c(a)
 9 of title 5, United States Code.

10 “(3) In the case of an individual who enrolls during
 11 the special enrollment period provided under paragraphs
 12 (1) and (2), the coverage period under this part shall begin
 13 on the first day of the month in which the individual en-
 14 rolls.”.

15 (2) WAIVER OF INCREASE OF PREMIUM.—Sec-
 16 tion 1839(b) of the Social Security Act (42 U.S.C.
 17 1395r(b)) is amended by striking “(i)(4) or (l)” and
 18 inserting “(i)(4), (l), or (m)”.

19 **SEC. 103. RESTRUCTURING OF PAYMENTS FOR RETIREE**
 20 **HEALTH BENEFITS.**

21 (a) CONTRIBUTIONS.—Section 8906(g)(2) of title 5,
 22 United States Code, is amended—

23 (1) by inserting “(i)” after “(2)(A)”;

24 (2) in subparagraph (A)—

1 (A) in clause (i), as so designated, by
 2 striking “shall through September 30, 2016, be
 3 paid” and all that follows and inserting “shall
 4 be paid as provided in clause (ii).”; and

5 (B) by adding at the end the following:

6 “(ii) With respect to the Government contributions
 7 required to be paid under clause (i)—

8 “(I) the portion of the contributions that is
 9 equal to the amount of the net claims costs under
 10 the enrollment of the individuals described in clause
 11 (i) shall be paid from the Postal Service Retiree
 12 Health Benefits Fund up to the amount contained
 13 in the Fund; and

14 “(II) any remaining amount shall be paid by
 15 the United States Postal Service.”; and

16 (3) by adding at the end the following:

17 “(C) For purposes of this paragraph, the amount of
 18 the net claims costs under the enrollment of an individual
 19 described in subparagraph (A)(i) shall be the amount, as
 20 determined by the Office over any particular period of
 21 time, that is the difference between—

22 “(i) the sum of—

23 “(I) the costs incurred by a carrier in pro-
 24 viding health services to, paying for health serv-
 25 ices provided to, or reimbursing expenses for

1 health services provided to, the individual and
 2 any other person covered under the enrollment
 3 of the individual; and

4 “(II) an amount of indirect expenses rea-
 5 sonably allocable to the provision, payment, or
 6 reimbursement described in subclause (I), as
 7 determined by the Office; and

8 “(ii) the amount withheld from the annuity of
 9 the individual or otherwise paid by the individual
 10 under this section.”.

11 (b) POSTAL SERVICE RETIREE HEALTH BENEFITS
 12 FUND.—Section 8909a of title 5, United States Code, is
 13 amended—

14 (1) in subsection (d)—

15 (A) in paragraph (1), by striking “required
 16 under section 8906(g)(2)(A)” and inserting
 17 “required to be paid from the Postal Service
 18 Retiree Health Benefits Fund under section
 19 8906(g)(2)(A)(ii)(I)”;

20 (B) by striking paragraph (2) and insert-
 21 ing the following:

22 “(2)(A) Not later than June 30, 2017, the Office
 23 shall compute, and by June 30 of each succeeding year,
 24 the Office shall recompute, a schedule including a series
 25 of annual installments which provide for the liquidation

1 of the amount described under subparagraph (B) (regard-
 2 less of whether the amount is a liability or surplus) by
 3 September 30, 2056, including interest at the rate used
 4 in the computations under this subsection.

5 “(B) The amount described in this subparagraph is
 6 the amount, as of the date on which the applicable com-
 7 putation or recomputation under subparagraph (A) is
 8 made, that is equal to the difference between—

9 “(i) 80 percent of the Postal Service actuarial
 10 liability as of September 30 of the preceding fiscal
 11 year; and

12 “(ii) the value of the assets of the Postal Serv-
 13 ice Retiree Health Benefits Fund as of September
 14 30 of the preceding fiscal year.”;

15 (C) in paragraph (3)—

16 (i) in subparagraph (A)—

17 (I) in clause (iii), by adding
 18 “and” at the end;

19 (II) in clause (iv), by striking the
 20 semicolon at the end and inserting a
 21 period; and

22 (III) by striking clauses (v)
 23 through (x); and

24 (ii) in subparagraph (B)(ii)—

1 (I) by inserting “subject to para-
 2 graph (7),” before “any annual in-
 3 stallment”; and

4 (II) by striking “paragraph
 5 (2)(B)” and inserting “paragraph
 6 (2)”;

7 (D) by amending paragraph (4) to read as
 8 follows:

9 “(4) Computations under this subsection shall be
 10 based on—

11 “(A) economic and actuarial methods and as-
 12 sumptions consistent with the methods and assump-
 13 tions used in determining the Postal surplus or sup-
 14 plemental liability under section 8348(h); and

15 “(B) any other methods and assumptions, in-
 16 cluding a health care cost trend rate, that the Direc-
 17 tor of the Office determines to be appropriate.”; and

18 (E) by adding at the end the following:

19 “(7)(A)(i) There is established in the Treasury a
 20 fund to be known as the ‘Postal Service Investment Ac-
 21 count’ (in this paragraph referred to as the ‘Account’).

22 “(ii) The Secretary of the Treasury shall invest
 23 amounts in the Account in a manner similar to how
 24 amounts in the Thrift Savings Fund are invested and in
 25 accordance with guidance from the Thrift Savings Board.

1 “(B) If the amount described under paragraph
2 (2)(B) for a fiscal year is a liability, the United States
3 Postal Service may, in lieu of paying an annual install-
4 ment under paragraph (3)(B)(ii), deposit in the Account
5 an amount equal to the amount of the annual installment.

6 “(C)(i)(I) Before September 30 of the tenth fiscal
7 year after the fiscal year during which the United States
8 Postal Service makes a deposit under subparagraph (B)
9 in lieu of paying an annual installment under paragraph
10 (3)(B)(ii), upon request by the United States Postal Serv-
11 ice or if determined appropriate by the Secretary of the
12 Treasury, the Secretary of the Treasury shall transfer
13 from the amounts in the Account attributable to the earn-
14 ings on the deposit to the Postal Service Retiree Health
15 Benefits Fund an amount equal to the amount of such
16 annual installment.

17 “(II) If a transfer has not been made under subclause
18 (I) relating to a deposit under subparagraph (B) in lieu
19 of paying an annual installment under paragraph
20 (3)(B)(ii) before September 30 of the tenth fiscal year
21 after the fiscal year during which the United States Postal
22 Service makes the deposit, effective on such September 30,
23 the Secretary of the Treasury shall transfer from the
24 amounts in the Account attributable to the earnings on
25 the deposit to the Postal Service Retiree Health Benefits

1 Fund an amount equal to the amount of such annual in-
 2 stallment.

3 “(ii) If, on the date a transfer is required under
 4 clause (i)(II), the amount in the Account attributable to
 5 the earnings on the applicable deposit is less than the
 6 amount required to be transferred under clause (i)(II)—

7 “(I) the Secretary of the Treasury shall trans-
 8 fer to the Postal Service Retiree Health Benefits
 9 Fund the amounts in the Account attributable to the
 10 earnings on the applicable deposit; and

11 “(II) the United States Postal Service—

12 “(aa) may request that the Secretary of
 13 the Treasury transfer to the Postal Service Re-
 14 tiree Health Benefits Fund from the amounts
 15 in the Account attributable to the applicable de-
 16 posit an amount equal to the difference between
 17 the amount transferred under subclause (I) and
 18 the amount of the applicable annual install-
 19 ment; and

20 “(bb) if the United States Postal Service
 21 does not request a transfer under item (aa),
 22 shall pay into the Postal Service Retiree Health
 23 Benefits Fund an amount equal to the dif-
 24 ference between the amount transferred under

1 subclause (I) and the amount of the applicable
2 annual installment.

3 “(iii) After a transfer under clause (i) and a transfer
4 or payment under clause (ii), if applicable, any remaining
5 amounts in the Account that are attributable to the appli-
6 cable deposit and earnings on the deposit—

7 “(I) shall be used by the United States Postal
8 Service to repay any obligation issued under section
9 2005(a) of title 39;

10 “(II) to the extent amounts remain after repay-
11 ments under subclause (I), shall be transferred by
12 the United States Postal Service to the Civil Service
13 Retirement and Disability Fund for the purpose of
14 reducing any supplemental liability under section
15 8348(h); and

16 “(III) to the extent amounts remain after re-
17 payments under subclause (I) and transfers under
18 subclause (II), may be used by the United States
19 Postal Service for the operation of the United States
20 Postal Service.

21 “(8) In this subsection, the term ‘Postal Service actu-
22 arial liability’ means the difference between—

23 “(A) the net present value of future payments
24 required to be paid from the Postal Service Retiree
25 Health Benefits Fund under section

1 8906(g)(2)(A)(ii)(I) for current and future United
2 States Postal Service annuitants; and

3 “(B) the net present value as computed under
4 paragraph (1) attributable to the future service of
5 United States Postal Service employees.

6 “(9) For purposes of computing an amount under
7 paragraph (1) or (8)(A), section 8906(g)(2)(A)(ii)(I) shall
8 be applied as though ‘up to the amount contained in the
9 Fund’ were struck.”; and

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

11 “(e) Subsections (a) through (d) of this section shall
12 be subject to section 102 of the Improving Postal Oper-
13 ations, Service, and Transparency Act of 2015.”.

14 (c) CANCELLATION OF CERTAIN UNPAID OBLIGA-
15 TIONS OF THE POSTAL SERVICE.—Any obligation of the
16 Postal Service under section 8909a(d)(3)(A) of title 5,
17 United States Code, as in effect on the day before the date
18 of enactment of this Act, that remains unpaid as of such
19 date of enactment is cancelled.

20 (d) TECHNICAL AND CONFORMING AMENDMENT.—
21 The heading of section 8909a of title 5, United States
22 Code, is amended by striking “**Benefit**” and inserting
23 “**Benefits**”.

1 **SEC. 104. ANNUAL FEDERAL EMPLOYEES RETIREMENT SYS-**
 2 **TEM AND CIVIL SERVICE RETIREMENT SYS-**
 3 **TEM ASSESSMENTS.**

4 (a) USE OF POSTAL-SPECIFIC ASSUMPTIONS IN NOR-
 5 MAL COST CALCULATION.—

6 (1) IN GENERAL.—Section 8423(a) of title 5,
 7 United States Code, is amended—

8 (A) in paragraph (1), by inserting “other
 9 than the United States Postal Service” after
 10 “Each employing agency”; and

11 (B) by adding at the end the following:

12 “(5)(A) The United States Postal Service shall
 13 contribute to the Fund an amount equal to the prod-
 14 uct of—

15 “(i) the normal-cost percentage, as deter-
 16 mined for employees of the United States Post-
 17 al Service under subparagraph (B), multiplied
 18 by

19 “(ii) the aggregate amount of basic pay
 20 payable by the United States Postal Service, for
 21 the period involved, to employees of the United
 22 States Postal Service.

23 “(B)(i) In determining the normal-cost percent-
 24 age for employees of the United States Postal Serv-
 25 ice, the Office shall use—

1 “(I) demographic factors specific to the
2 employees; and

3 “(II) appropriate economic assumptions,
4 consistent with recommendations from an inde-
5 pendent entity, regarding wage and salary
6 trends specific to the employees.

7 “(ii) The United States Postal Service shall
8 provide any data or projections the Office requires
9 in order to determine the normal-cost percentage for
10 employees of the United States Postal Service con-
11 sistent with clause (i).

12 “(iii) Notwithstanding paragraph (2), in deter-
13 mining the normal-cost percentage to be applied for
14 employees of the United States Postal Service, the
15 Office shall take into account amounts provided
16 under section 8422.

17 “(iv) The Office shall review the determination
18 of the normal-cost percentage for employees of the
19 United States Postal Service and make such adjust-
20 ments as the Office determines are necessary—

21 “(I) upon request of the United States
22 Postal Service, but no more frequently than
23 once each fiscal year; and

24 “(II) at any additional times, as the Office
25 considers appropriate.”.

1 (2) INITIAL DETERMINATION.—Not later than
 2 180 days after the date on which the Office receives
 3 the appropriate data or projections from the Postal
 4 Service under clause (ii) of section 8423(a)(5)(B) of
 5 title 5, United States Code, as added by paragraph
 6 (1), the Office shall determine the normal-cost per-
 7 centage for employees of the Postal Service in ac-
 8 cordance with the requirements under such section
 9 8423(a)(5)(B).

10 (3) APPLICABILITY.—On and after the date on
 11 which the Office determines the normal-cost percent-
 12 age under paragraph (2), the contributions of the
 13 Postal Service to the Civil Service Retirement and
 14 Disability Fund relating to employees covered under
 15 chapter 84 of title 5, United States Code, shall be
 16 determined in accordance with paragraph (5) of sec-
 17 tion 8423(a) of title 5, United States Code, as added
 18 by paragraph (1).

19 (b) POSTAL FUNDING SURPLUS OR LIABILITY.—

20 (1) TREATMENT OF POSTAL FUNDING SUR-
 21 PLUS.—Section 8423(b) of title 5, United States
 22 Code, is amended—

23 (A) in paragraph (2)—

24 (i) by striking “or (1)(B)”; and

1 (ii) by inserting “and the amount of
2 any supplemental liability computed under
3 paragraph (1)(B) shall be amortized in 40
4 equal annual installments” after “annual
5 installments”;

6 (B) by redesignating paragraph (5) as
7 paragraph (6); and

8 (C) by inserting after paragraph (4) the
9 following:

10 “(5)(A) In this paragraph, the term ‘postal
11 funding surplus’ means the amount by which the
12 amount of supplemental liability computed under
13 paragraph (1)(B) is less than zero.

14 “(B) After the date on which the Office deter-
15 mines under paragraph (7)(C) the amount of supple-
16 mental liability computed under paragraph (1)(B) as
17 of the close of the fiscal year ending on September
18 30, 2013, not later than the date on which the Post-
19 master General makes a request under subpara-
20 graph (C) of this paragraph, and if the amount de-
21 termined under paragraph (7)(C) is less than zero,
22 the Postmaster General may request that some or
23 all of the amount of the postal funding surplus, not
24 to exceed \$6,000,000,000, be returned to the United
25 States Postal Service, and not later than 10 days

1 after the request, the Director shall transfer to the
2 United States Postal Service from the Fund an
3 amount equal to the portion of the postal funding
4 surplus requested, for use in accordance with sub-
5 paragraph (E)(i).

6 “(C)(i) Subject to clause (ii), after the date on
7 which the Office computes the amount of supple-
8 mental liability under paragraph (1)(B) as of the
9 close of the fiscal year ending on September 30,
10 2014, and if such amount is less than zero, the
11 Postmaster General may request that some of the
12 amount of the postal funding surplus, not to exceed
13 $\frac{2}{3}$ of the amount, be returned to the United States
14 Postal Service, and not later than 10 days after the
15 request, the Director shall transfer to the United
16 States Postal Service from the Fund an amount
17 equal to the portion of the postal funding surplus re-
18 quested, for use in accordance with subparagraph
19 (E)(ii).

20 “(ii) If any amount requested by the Post-
21 master General under subparagraph (B) is not
22 transferred from the Fund as of the close of the fis-
23 cal year ending on September 30, 2014, for purposes
24 of this subparagraph, the Office shall recompute the
25 amount of supplemental liability computed under

1 paragraph (1)(B) as of the close of that fiscal year
2 by subtracting from the balance of the Fund the
3 amount requested under subparagraph (B) of this
4 paragraph.

5 “(D) If the amount of supplemental liability
6 computed under paragraph (1)(B) as of the close of
7 any fiscal year commencing after September 30,
8 2014, is less than zero, the Office shall establish an
9 amortization schedule, including a series of equal an-
10 nual installments that—

11 “(i) provide for the liquidation of the post-
12 al funding surplus in 40 years, commencing on
13 September 30 of the subsequent fiscal year; and

14 “(ii) shall be transferred to the United
15 States Postal Service from the Fund for use in
16 accordance with subparagraph (E)(ii).

17 “(E)(i) The United States Postal Service may
18 use an amount transferred under subparagraph (B)
19 only for the purpose of repaying any obligation
20 issued under section 2005(a) of title 39.

21 “(ii) The United States Postal Service may use
22 an amount transferred under subparagraph (C) or
23 (D) only—

24 “(I) by directing that some or all of the
25 amount be transferred to the Postal Service Re-

1 three Health Benefits Fund for the purpose of
 2 reducing any Postal Service actuarial liability
 3 referred to under section 8909a;

4 “(II) by directing that some or all of the
 5 amount be transferred to the Civil Service Re-
 6 tirement and Disability Fund for the purpose of
 7 reducing any supplemental liability under sec-
 8 tion 8348(h);

9 “(III) by directing that some or all of the
 10 amount be transferred to the Civil Service Re-
 11 tirement and Disability Fund for the purpose of
 12 reducing any supplemental liability under sec-
 13 tion 8423(b)(1)(B); or

14 “(IV) as described in clause (i), if none of
 15 the liabilities referred to in subclause (I), (II),
 16 or (III) remain unpaid.”.

17 (2) SUPPLEMENTAL LIABILITY CALCULA-
 18 TION.—

19 (A) FERS.—Section 8423(b) of title 5,
 20 United States Code, as amended by paragraph
 21 (1) of this subsection, is amended—

22 (i) in paragraph (6), as so redesign-
 23 nated, in the matter preceding subpara-
 24 graph (A), by striking “For the purpose”

1 and inserting “Subject to paragraph (7),
2 for the purpose”; and

3 (ii) by adding at the end the fol-
4 lowing:

5 “(7)(A) For the purpose of carrying out para-
6 graph (1)(B) with respect to the fiscal year ending
7 September 30, 2013, and each fiscal year thereafter,
8 the Office shall, consistent with subsection
9 (a)(5)(B), use—

10 “(i) demographic factors specific to current
11 and former employees of the United States
12 Postal Service; and

13 “(ii) appropriate economic assumptions, as
14 determined by the Office, regarding wage and
15 salary trends specific to current employees of
16 the United States Postal Service.

17 “(B) The United States Postal Service shall
18 provide any data or projections the Office requires
19 in order to carry out paragraph (1)(B) consistent
20 with subparagraph (A) of this paragraph.

21 “(C) Not later than 180 days after the later of
22 the date on which the Office receives the appropriate
23 data or projections from the United States Postal
24 Service under subparagraph (B) or the date of en-
25 actment of the Improving Postal Operations, Serv-

1 ice, and Transparency Act of 2015, the Office shall
 2 determine or redetermine whether there is a postal
 3 funding surplus (as defined in paragraph (5)) or a
 4 supplemental liability described in paragraph (1)(B)
 5 (and the amount thereof) as of the close of the fiscal
 6 year ending on September 30, 2013, in accordance
 7 with the requirements under subparagraph (A) of
 8 this paragraph.”.

9 (B) CSRS.—Section 8348(h) of title 5,
 10 United States Code, is amended—

11 (i) in paragraph (2), by striking sub-
 12 paragraph (B) and inserting the following:

13 “(B)(i)(I) Not later than the date on which the Office
 14 determines the normal-cost percentage under section
 15 104(a)(2) of the Improving Postal Operations, Service,
 16 and Transparency Act of 2015, the Office shall redeter-
 17 mine the Postal surplus or supplemental liability as of the
 18 close of the fiscal year ending on September 30, 2013,
 19 in accordance with the requirements under paragraph (4).

20 “(II) If the result of the redetermination under sub-
 21 clause (I) is a surplus, that amount shall remain in the
 22 Fund until distribution is authorized under subparagraph
 23 (C).

24 “(III) If the result of the redetermination under sub-
 25 clause (I) is a supplemental liability, the Office shall estab-

lish an amortization schedule, including a series of annual installments commencing on September 30, 2016, which provides for the liquidation of such liability by September 30, 2055.

“(ii)(I) The Office shall determine the Postal surplus or supplemental liability as of the close of each fiscal year beginning after September 30, 2014, in accordance with the requirements under paragraph (4).

“(II) If the result of the determination under subclause (I) is a surplus, that amount shall remain in the Fund until distribution is authorized under subparagraph (C).

“(III) On and after June 15, 2016, if the result of the determination under subclause (I) is a supplemental liability, the Office shall establish an amortization schedule, including a series of annual installments commencing on September 30 of the subsequent fiscal year, which provides for the liquidation of such liability by September 30, 2055.”; and

(ii) by adding at the end the following:

“(4)(A) For the purpose of carrying out paragraphs (1) and (2), the Office shall, consistent with section 8423(a)(5)(B), use—

1 “(i) demographic factors specific to current and
 2 former employees of the United States Postal Serv-
 3 ice; and

4 “(ii) appropriate economic assumptions, as de-
 5 termined by the Office, regarding wage and salary
 6 trends specific to the employees.

7 “(B) The United States Postal Service shall provide
 8 any data or projections the Office requires in order to
 9 carry out paragraphs (1) and (2) consistent with subpara-
 10 graph (A) of this paragraph.”.

11 **SEC. 105. RIGHT OF APPEAL TO MERIT SYSTEMS PROTEC-**
 12 **TION BOARD.**

13 Section 1005(a)(4)(A)(ii)(I) of title 39, United States
 14 Code, is amended to read as follows:

15 “(I) is an officer or employee of the Postal
 16 Service who—

17 “(aa) is not represented by a bar-
 18 gaining representative recognized under
 19 section 1203; and

20 “(bb) is in a supervisory, professional,
 21 technical, clerical, administrative, or mana-
 22 gerial position covered by the Executive
 23 and Administrative Schedule; and”.

1 **SEC. 106. LABOR DISPUTES.**

2 Section 1207(c) of title 39, United States Code, is
3 amended—

4 (1) in paragraph (2)—

5 (A) by inserting “(A)” after “(2)”;

6 (B) by striking the last sentence and in-
7 serting “The arbitration board shall render a
8 decision not later than 45 days after the date
9 of its appointment.”; and

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

11 “(B) In rendering a decision under this paragraph,
12 the arbitration board shall consider such relevant factors
13 as the financial condition of the Postal Service.”; and

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

15 “(4) Nothing in this section may be construed to limit
16 the relevant factors that the arbitration board may take
17 into consideration in rendering a decision under paragraph
18 (2).”.

19 **SEC. 107. SUPERVISORY AND OTHER MANAGERIAL ORGANI-**
20 **ZATIONS.**

21 Section 1004 of title 39, United States Code, is
22 amended—

23 (1) in subsection (a), by inserting “and fringe
24 benefits” after “differentials in rates of pay”;

25 (2) in subsection (b), in the second sentence, by
26 inserting “as provided under subsection (d) and any

1 changes in, or termination of, pay policies and
 2 schedules and fringe benefit programs for members
 3 of the supervisors' organization as provided under
 4 subsection (e). Such pay policies and fringe benefit
 5 programs shall reflect adequate differentials in rates
 6 of pay and fringe benefits as provided under sub-
 7 section (a)'' before the period; and

8 (3) in subsection (e)(1), by inserting “, or ter-
 9 mination of,” after “any changes in”.

10 **SEC. 108. ADDRESSING THE MORALE OF POSTAL SERVICE**
 11 **EMPLOYEES.**

12 (a) APPOINTMENT OF A WORKFORCE DEVELOPMENT
 13 OFFICER.—

14 (1) IN GENERAL.—The Postmaster General
 15 shall designate an employee of the Postal Service as
 16 the Workforce Development Officer and assign to
 17 the Workforce Development Officer primary respon-
 18 sibility for issues relating to the morale of employees
 19 of the Postal Service stationed at the headquarters
 20 of the Postal Service and employees of the Postal
 21 Service stationed in other locations.

22 (2) DUTIES.—The Workforce Development Of-
 23 ficer—

24 (A) shall oversee and develop national ini-
 25 tiatives, in consultation with all relevant stake-

1 holders, that address working conditions, staff-
2 ing, communication, training, and employee mo-
3 rale at the Postal Service; and

4 (B) may work with employees of the Postal
5 Service throughout the United States, as need-
6 ed, who have responsibilities relating to car-
7 rying out the national initiatives.

8 (b) REPORT.—Not later than 1 year after the date
9 of enactment of this Act, the Inspector General of the
10 Postal Service, after consultation with relevant individuals
11 and entities, shall submit to the Committee on Homeland
12 Security and Governmental Affairs of the Senate and the
13 Committee on Oversight and Government Reform of the
14 House of Representatives a report examining the chal-
15 lenges confronted by the Postal Service, including—

16 (1) decisionmaking by the management of the
17 Postal Service;

18 (2) workforce conditions;

19 (3) the morale of employees of the Postal Serv-
20 ice stationed at the headquarters of the Postal Serv-
21 ice and employees of the Postal Service stationed in
22 other locations; and

23 (4) recommendations, if any, for improvement.

24 (c) ACTION PLAN.—The Postal Service shall develop
25 and submit to the Committee on Homeland Security and

1 Governmental Affairs of the Senate and the Committee
 2 on Oversight and Government Reform of the House of
 3 Representatives an action plan to address the rec-
 4 ommendations contained in the report of the Inspector
 5 General.

6 **TITLE II—POSTAL OPERATIONS**

7 **SEC. 201. LONG-TERM SOLVENCY PLAN; ANNUAL FINAN-** 8 **CIAL PLAN AND BUDGET.**

9 (a) DEFINITIONS.—In this section—

10 (1) the term “Board of Governors” means the
 11 Board of Governors of the Postal Service;

12 (2) the term “long-term solvency plan” means
 13 the plan required to be submitted by the Postmaster
 14 General under subsection (b)(1); and

15 (3) the term “solvency” means the ability of the
 16 Postal Service to pay debts and meet expenses, in-
 17 cluding the ability to perform maintenance and re-
 18 pairs, make investments, and maintain financial re-
 19 serves, as necessary to fulfill the requirements
 20 under, and comply with the policies of, title 39,
 21 United States Code, and other obligations of the
 22 Postal Service.

23 (b) PLAN FOR THE LONG-TERM SOLVENCY OF THE
 24 POSTAL SERVICE.—

25 (1) SOLVENCY PLAN REQUIRED.—

1 (A) IN GENERAL.—Not later than the date
2 described in subparagraph (B), the Postmaster
3 General shall submit to the Board of Governors
4 a plan describing the actions the Postal Service
5 intends to take to achieve long-term solvency.

6 (B) DATE.—The date described in this
7 subparagraph is the later of—

8 (i) the date that is 90 days after the
9 date of enactment of this Act; and

10 (ii) the earliest date as of which the
11 Board of Governors has the number of
12 members required for a quorum.

13 (2) CONSIDERATIONS.—The long-term solvency
14 plan shall take into account—

15 (A) the legal authority of the Postal Serv-
16 ice;

17 (B) changes in the legal authority and re-
18 sponsibilities of the Postal Service under this
19 Act and the amendments made by this Act;

20 (C) any cost savings that the Postal Serv-
21 ice anticipates will be achieved through negotia-
22 tions with employees of the Postal Service;

23 (D) projected changes in mail volume;

1 (E) the impact of any regulations that the
2 Postal Service is required to promulgate under
3 Federal law;

4 (F) projected changes in the number of
5 employees needed to carry out the responsibil-
6 ities of the Postal Service;

7 (G) the long-term capital needs of the
8 Postal Service, including the need to maintain,
9 repair, and replace facilities and equipment;
10 and

11 (H) the distinctions between market-domi-
12 nant and competitive products.

13 (3) REVIEW AND SUBMISSION TO CONGRESS
14 AND COMMISSION.—

15 (A) REVIEW.—Upon receipt of the long-
16 term solvency plan, the Board of Governors
17 shall review the long-term solvency plan and
18 may request that the Postmaster General make
19 changes to the long-term solvency plan.

20 (B) SUBMISSION TO CONGRESS AND COM-
21 MISSION.—Not later than 60 days after initial
22 receipt of the long-term solvency plan, the
23 Board of Governors shall provide a copy of the
24 long-term solvency plan, together with a letter
25 indicating whether and in what respects the

1 Board of Governors agrees or disagrees with
 2 the measures set out in the long-term solvency
 3 plan, to—

4 (i) the Committee on Homeland Secu-
 5 rity and Governmental Affairs of the Sen-
 6 ate;

7 (ii) the Committee on Oversight and
 8 Government Reform of the House of Rep-
 9 resentatives; and

10 (iii) the Commission.

11 (4) UPDATES.—

12 (A) ANNUAL UPDATES REQUIRED.—The
 13 Postmaster General shall update and submit to
 14 the Board of Governors the long-term solvency
 15 plan not less frequently than annually for 5
 16 years after the date of enactment of this Act.

17 (B) REVIEW BY BOARD OF GOVERNORS.—
 18 The Board of Governors shall review and sub-
 19 mit to Congress and the Commission the up-
 20 dates under this paragraph in accordance with
 21 paragraph (3).

22 (c) ANNUAL FINANCIAL PLAN AND BUDGET.—

23 (1) IN GENERAL.—For each of the first 5 full
 24 fiscal years after the date of enactment of this Act,
 25 not later than August 1 of the preceding fiscal year,

1 the Postmaster General shall submit to the Board of
2 Governors a financial plan and budget for the fiscal
3 year that is consistent with the goal of achieving the
4 long-term solvency of the Postal Service.

5 (2) CONTENTS OF FINANCIAL PLAN AND BUDG-
6 ET.—The financial plan and budget for a fiscal year
7 shall—

8 (A) promote the financial stability of the
9 Postal Service and provide for progress towards
10 the long-term solvency of the Postal Service;

11 (B) include the annual budget program of
12 the Postal Service under section 2009 of title
13 39, United States Code, and the plan of the
14 Postal Service commonly referred to as the “In-
15 tegrated Financial Plan”;

16 (C) describe lump-sum expenditures by all
17 categories traditionally used by the Postal Serv-
18 ice;

19 (D) describe capital expenditures, together
20 with a schedule of projected capital commit-
21 ments and cash outlays of the Postal Service,
22 and proposed sources of funding;

23 (E) contain estimates of overall debt (both
24 outstanding and expected to be incurred);

1 (F) contain cash flow and liquidity fore-
 2 casts for the Postal Service at such intervals as
 3 the Board of Governors may require;

4 (G) include a statement describing meth-
 5 ods of estimations and significant assumptions;

6 (H) distinguish between market-dominant
 7 and competitive products, as practicable; and

8 (I) address any other issues that the
 9 Board of Governors considers appropriate.

10 (3) PROCESS FOR SUBMISSION AND APPROVAL
 11 OF FINANCIAL PLAN AND BUDGET.—

12 (A) DEFINITION.—In this paragraph, the
 13 term “covered recipient” means—

14 (i) the Postmaster General;

15 (ii) the President;

16 (iii) the Committee on Homeland Se-
 17 curity and Governmental Affairs of the
 18 Senate; and

19 (iv) the Committee on Oversight and
 20 Government Reform of the House of Rep-
 21 resentatives.

22 (B) REVIEW BY THE BOARD OF GOV-
 23 ERNORS.—

24 (i) IN GENERAL.—Upon receipt of a
 25 financial plan and budget under paragraph

(1), the Board of Governors shall promptly review the financial plan and budget.

(ii) ADDITIONAL INFORMATION.—In conducting the review under this subparagraph, the Board of Governors may request any additional information it considers necessary and appropriate to carry out the duties of the Board of Governors.

(C) APPROVAL OF FINANCIAL PLAN AND BUDGET SUBMITTED BY THE POSTMASTER GENERAL.—If the Board of Governors determines that the financial plan and budget for a fiscal year received under paragraph (1) meets the requirements under paragraph (2) and otherwise adequately addresses the financial situation of the Postal Service—

(i) the Board of Governors shall approve the financial plan and budget and submit a notice of approval to each covered recipient; and

(ii) the Postmaster General shall submit the annual budget program for the relevant fiscal year to the Office of Management and Budget in accordance with section 2009 of title 39, United States Code.

1 (D) DISAPPROVAL OF FINANCIAL PLAN
2 AND BUDGET SUBMITTED BY THE POSTMASTER
3 GENERAL.—

4 (i) IN GENERAL.—If the Board of
5 Governors determines that the financial
6 plan and budget for a fiscal year under
7 paragraph (1) does not meet the require-
8 ments under paragraph (2) or is otherwise
9 inadequate in addressing the financial situ-
10 ation of the Postal Service, the Board of
11 Governors shall—

12 (I) disapprove the financial plan
13 and budget;

14 (II) submit to each covered re-
15 cipient a statement that describes the
16 reasons for the disapproval;

17 (III) direct the Postmaster Gen-
18 eral to appropriately revise the finan-
19 cial plan and budget for the Postal
20 Service; and

21 (IV) submit the revised financial
22 plan and budget to each covered re-
23 cipient.

24 (ii) SUBMISSION TO OFFICE OF MAN-
25 AGEMENT AND BUDGET.—Upon receipt of

1 a revised financial plan and budget under
 2 clause (i)(IV), the Postmaster General
 3 shall submit the annual budget program
 4 for the relevant fiscal year to the Office of
 5 Management and Budget in accordance
 6 with section 2009 of title 39, United
 7 States Code.

8 (E) DEADLINE FOR TRANSMISSION OF FI-
 9 NANCIAL PLAN AND BUDGET BY BOARD OF
 10 GOVERNORS.—Notwithstanding any other provi-
 11 sion of this paragraph, not later than Sep-
 12 tember 30 of the fiscal year that precedes each
 13 fiscal year for which a financial plan and budg-
 14 et is required under paragraph (1), the Board
 15 of Governors shall submit to each covered re-
 16 cipient—

17 (i) a notice of approval under sub-
 18 paragraph (C)(i); or

19 (ii) an approved financial plan and
 20 budget for the fiscal year under subpara-
 21 graph (D)(i)(IV).

22 (F) REVISIONS TO FINANCIAL PLAN AND
 23 BUDGET.—

24 (i) PERMITTING POSTMASTER GEN-
 25 ERAL TO SUBMIT REVISIONS.—The Post-

1 master General may submit proposed revi-
 2 sions to the financial plan and budget for
 3 a fiscal year to the Board of Governors at
 4 any time during that fiscal year.

5 (ii) PROCESS FOR REVIEW, APPROVAL,
 6 DISAPPROVAL, AND POSTMASTER GENERAL
 7 ACTION.—The procedures described in sub-
 8 paragraphs (B) through (E) shall apply
 9 with respect to a proposed revision to a fi-
 10 nancial plan and budget in the same man-
 11 ner as such procedures apply with respect
 12 to the original financial plan and budget.

13 (d) ASSUMPTIONS BASED ON CURRENT LAW.—In
 14 preparing the long-term solvency plan or an annual finan-
 15 cial plan and budget required under this section, the Post-
 16 al Service shall base estimates of revenues and expendi-
 17 tures on Federal law as in effect at the time of the prepa-
 18 ration of the long-term solvency plan or the financial plan
 19 and budget.

20 (e) THIRD-PARTY ANALYSIS OF POSTAL SERVICE FI-
 21 NANCES.—The Commission shall enter into a contract
 22 with 1 or more independent third parties under which the
 23 third party or parties, not later than 15 months after the
 24 date of enactment of this Act, shall—

25 (1) complete a study that analyzes—

1 (A) the finances of the Postal Service;

2 (B) the overall mailing industry;

3 (C) the demand for market-dominant and
4 competitive products and services in rural,
5 urban, and suburban communities; and

6 (D) the changes in overall revenue and
7 cost savings of the Postal Service due to re-
8 cent—

9 (i) closings and consolidations of proc-
10 essing plants, post offices, and other facili-
11 ties;

12 (ii) changes to service standards; and

13 (iii) service performance; and

14 (2) submit to the Commission a report on the
15 study conducted under paragraph (1) that includes
16 recommendations on affordable options and time-
17 tables for improving postal operations and services,
18 including—

19 (A) how rural service measurement can be
20 made more accurate to ensure that the Postal
21 Service comprehensively measures the mail
22 service provided to each region of the United
23 States, regardless of population size and geo-
24 graphic location;

(B) the feasibility of restoring overnight service standards for market-dominant products similar to the service standards that were in effect on July 1, 2012, including an examination of the resources needed, structural and operational changes needed, and market demand for such a change;

(C) recommended definitions for the terms “urban”, “suburban”, and “rural” for purposes of measuring the performance of the Postal Service relative to service standards under section 3691 of title 39, United States Code, as amended by section 205; and

(D) the feasibility, including the costs and benefits, of bifurcating postal delivery into 2 components, consisting of a market-dominant product delivery component and a competitive product delivery component.

SEC. 202. PLANT CLOSINGS AND CONSOLIDATIONS.

(a) MORATORIUM ON CLOSING OR CONSOLIDATION OF POSTAL FACILITIES.—During the 2-year period beginning on the date of enactment of this Act, the Postal Service may not close or consolidate any postal facility (as defined in section 404(f) of title 39, United States Code, as added by this section).

1 (b) CLOSING OR CONSOLIDATING CERTAIN POSTAL
 2 FACILITIES.—Section 404 of title 39, United States Code,
 3 is amended by adding at the end the following:

4 “(f) CLOSING OR CONSOLIDATION OF CERTAIN
 5 POSTAL FACILITIES.—

6 “(1) POSTAL FACILITY.—In this subsection, the
 7 term ‘postal facility’—

8 “(A) means any Postal Service facility that
 9 is primarily involved in the preparation, dis-
 10 patch, or other physical processing of mail; and

11 “(B) does not include—

12 “(i) any post office, station, or
 13 branch; or

14 “(ii) any facility used only for admin-
 15 istrative functions.

16 “(2) AREA MAIL PROCESSING STUDY.—

17 “(A) NEW AREA MAIL PROCESSING STUD-
 18 IES.—After the date of enactment of this sub-
 19 section, before making a determination under
 20 subsection (a)(3) as to the necessity for the
 21 closing or consolidation of any postal facility,
 22 the Postal Service shall—

23 “(i) conduct an area mail processing
 24 study relating to that postal facility that
 25 includes—

1 “(I) a plan to reduce the capacity
2 of the postal facility, but not close the
3 postal facility; and

4 “(II) consideration of the effect
5 of the closing or consolidation of the
6 postal facility on the ability of individ-
7 uals served by the postal facility to
8 vote by mail and the ability of the
9 Postal Service to timely deliver ballots
10 by mail in accordance with the dead-
11 line to return ballots established
12 under applicable State law;

13 “(ii) publish the study on the Postal
14 Service website; and

15 “(iii) publish a notice that the study
16 is complete and available to the public, in-
17 cluding on the Postal Service website.

18 “(B) COMPLETED OR ONGOING AREA MAIL
19 PROCESSING STUDIES.—

20 “(i) IN GENERAL.—In the case of a
21 postal facility described in clause (ii), the
22 Postal Service shall—

23 “(I) consider a plan to reduce the
24 capacity of the postal facility without
25 closing the postal facility;

1 “(II) consider the effect of the
2 closing or consolidation of the postal
3 facility on the ability of individuals
4 served by the postal facility to vote by
5 mail and the ability of the Postal
6 Service to timely deliver ballots by
7 mail in accordance with the deadline
8 to return ballots established under ap-
9 plicable State law; and

10 “(III) publish the results of the
11 consideration under subclause (I) with
12 or as an amendment to the area mail
13 processing study relating to the postal
14 facility.

15 “(ii) POSTAL FACILITIES.—A postal
16 facility described in this clause is a postal
17 facility for which, on or before the date of
18 enactment of this subsection—

19 “(I) an area mail processing
20 study that does not include a plan to
21 reduce the capacity of the postal facil-
22 ity without closing the postal facility
23 or consideration of the effect of the
24 closing or consolidation of the postal
25 facility on the ability of individuals

1 served by the postal facility to vote by
 2 mail and the ability of the Postal
 3 Service to timely deliver ballots by
 4 mail in accordance with the deadline
 5 to return ballots established under ap-
 6 plicable State law has been completed;

7 “(II) an area mail processing
 8 study is in progress; or

9 “(III) a determination as to the
 10 necessity for the closing or consolida-
 11 tion of the postal facility has not been
 12 made.

13 “(3) NOTICE, PUBLIC COMMENT, AND PUBLIC
 14 HEARING.—If the Postal Service makes a determina-
 15 tion under subsection (a)(3) to close or consolidate
 16 a postal facility, the Postal Service shall—

17 “(A) provide notice of the determination
 18 to—

19 “(i) Congress; and

20 “(ii) the Postal Regulatory Commis-
 21 sion;

22 “(B) provide adequate public notice of the
 23 intention of the Postal Service to close or con-
 24 solidate the postal facility;

1 “(C) ensure that interested persons have
2 an opportunity to submit public comments dur-
3 ing a 45-day period after the notice of intention
4 is provided under subparagraph (B);

5 “(D) before the 45-day period described in
6 subparagraph (C), provide for public notice of
7 that opportunity by—

8 “(i) publication on the Postal Service
9 website;

10 “(ii) prominent posting at the affected
11 postal facility; and

12 “(iii) advertising the date and location
13 of the public community meeting under
14 subparagraph (E); and

15 “(E) during the 45-day period described in
16 subparagraph (C), conduct a public community
17 meeting that provides an opportunity for public
18 comments to be submitted verbally or in writ-
19 ing.

20 “(4) FURTHER CONSIDERATIONS.—Not earlier
21 than 30 days after the end of the 45-day period for
22 public comment under paragraph (3), the Postal
23 Service, in making a determination to close or con-
24 solidate a postal facility, shall consider—

1 “(A) the views presented by interested per-
2 sons under paragraph (3);

3 “(B) the effect of the closing or consolida-
4 tion on the affected community, including any
5 disproportionate impact the closing or consoli-
6 dation may have on a State, region, or locality;

7 “(C) the effect of the closing or consolida-
8 tion on the travel times and distances for af-
9 fected customers to access services under the
10 proposed closing or consolidation;

11 “(D) the effect of the closing or consolida-
12 tion on delivery times for all classes of mail;

13 “(E) any characteristics of certain geo-
14 graphical areas, such as remoteness, broadband
15 Internet availability, and weather-related obsta-
16 cles to using alternative facilities, that may re-
17 sult in the closing or consolidation having a
18 unique effect;

19 “(F) the effect of the closing or consolida-
20 tion on small businesses in the area, including
21 shipping and communications with customers
22 and suppliers and the corresponding impact on
23 revenues, operations, and growth; and

24 “(G) any other factor the Postal Service
25 determines is necessary.

1 “(5) NOTICE OF FINAL DETERMINATION; JUSTIFICATION STATEMENT.—Before the date on which
2 the Postal Service closes or consolidates a postal facility, the Postal Service shall post on the Postal
3 Service website—

6 “(A) notice of the final determination to
7 close or consolidate the postal facility; and

8 “(B) a closing or consolidation justification
9 statement that includes—

10 “(i) a response to all public comments
11 received with respect to the considerations
12 described under paragraph (4);

13 “(ii) a description of the considerations made by the Postal Service under
14 paragraph (4); and

16 “(iii) the actions that will be taken by
17 the Postal Service to mitigate any negative
18 effects identified under paragraph (4).

19 “(6) CLOSING OR CONSOLIDATION OF POSTAL
20 FACILITIES.—

21 “(A) IN GENERAL.—Not earlier than 15
22 days after the date on which the Postal Service
23 posts notice of the final determination and the
24 justification statement under paragraph (5)
25 with respect to a postal facility, the Postal

1 Service may close or consolidate the postal facil-
2 ity.

3 “(B) ALTERNATIVE INTAKE OF MAIL.—If
4 the Postal Service closes or consolidates a post-
5 al facility under subparagraph (A), the Postal
6 Service shall make reasonable efforts to ensure
7 continued mail receipt from customers of the
8 closed or consolidated postal facility at the
9 same location or at another appropriate location
10 in close geographic proximity to the closed or
11 consolidated postal facility.

12 “(7) POSTAL REGULATORY COMMISSION AP-
13 PEALS.—

14 “(A) RIGHT TO APPEAL.—A determination
15 of the Postal Service to close or consolidate any
16 postal facility may be appealed by any person
17 served by the postal facility to the Postal Regu-
18 latory Commission not later than 15 days after
19 the date on which the determination is posted
20 on the Postal Service website under paragraph
21 (5).

22 “(B) REVIEW BASED ON RECORD.—The
23 Commission shall review a determination ap-
24 pealed under this paragraph on the basis of the

1 record before the Postal Service in the making
2 of the determination.

3 “(C) DEADLINE FOR COMMISSION DETER-
4 MINATION.—The Commission shall make a de-
5 termination based upon a review conducted
6 under subparagraph (B) not later than 90 days
7 after the date on which the Commission receives
8 the appeal of the determination under subpara-
9 graph (A).

10 “(D) BASES FOR SETTING ASIDE POSTAL
11 SERVICE DETERMINATIONS.—In making a de-
12 termination under subparagraph (C), the Com-
13 mission shall set aside any determination, find-
14 ing, or conclusion of the Postal Service that the
15 Commission determines—

16 “(i) is arbitrary, capricious, an abuse
17 of discretion, or otherwise not in accord-
18 ance with the law;

19 “(ii) is without observance of the pro-
20 cedures required under this subsection or
21 any other applicable law; or

22 “(iii) is unsupported by substantial
23 evidence on the record.

24 “(E) OPTION TO AFFIRM OR REMAND.—
25 The Commission—

1 “(i) may affirm a determination of the
2 Postal Service appealed under this para-
3 graph or order that the entire matter be
4 returned for further consideration; and

5 “(ii) may not modify the determina-
6 tion of the Postal Service.

7 “(F) TEMPORARY SUSPENSION.—The
8 Commission may suspend the effectiveness of a
9 determination of the Postal Service appealed
10 under this paragraph until the final disposition
11 of the appeal.

12 “(G) APPLICABILITY OF OTHER LAWS.—
13 The provisions of section 556, section 557, and
14 chapter 7 of title 5 shall not apply to any re-
15 view carried out by the Commission under this
16 paragraph.

17 “(H) DATE OF RECEIPT OF APPEAL.—For
18 purposes of subparagraph (A), any appeal re-
19 ceived by the Commission shall—

20 “(i) if sent to the Commission
21 through the mails, be considered to have
22 been received on the date of the Postal
23 Service postmark on the envelope or other
24 cover in which the appeal is mailed; or

1 “(ii) if otherwise lawfully delivered to
2 the Commission, be considered to have
3 been received on the date determined based
4 on any appropriate documentation or other
5 indicia (as determined under regulations of
6 the Commission).

7 “(8) POSTAL SERVICE WEBSITE.—For purposes
8 of any notice required to be published on the Postal
9 Service website under this subsection, the Postal
10 Service shall ensure that the Postal Service
11 website—

12 “(A) is updated routinely; and

13 “(B) provides any person, at the option of
14 the person, the opportunity to receive relevant
15 updates by electronic mail.

16 “(9) PROTECTION OF CERTAIN INFORMA-
17 TION.—Nothing in this subsection may be construed
18 to require the Postal Service to disclose—

19 “(A) any proprietary data, including any
20 reference or citation to proprietary data; or

21 “(B) any information relating to the secu-
22 rity of a postal facility.”.

1 **SEC. 203. POST OFFICE CLOSINGS, CONSOLIDATIONS, AND**
 2 **RESTRUCTURING.**

3 (a) MORATORIUM ON CLOSING, CONSOLIDATING, RE-
 4 DUCING HOURS OF, OR RECLASSIFYING DOWNWARD CER-
 5 TAIN POST OFFICES.—During the 5-year period begin-
 6 ning on the date of enactment of this Act, the Postal Serv-
 7 ice may not—

8 (1) close or consolidate any post office; or

9 (2) reduce the hours of operation of or reclas-
 10 sify downward any post office that, as of the date
 11 of enactment of this Act, was classified at or below
 12 level 18.

13 (b) REQUIRED PROCEDURES.—Section 404(d) of
 14 title 39, United States Code, is amended—

15 (1) by striking “(6) For purposes of paragraph
 16 (5)” and inserting the following:

17 “(7) DATE OF RECEIPT OF APPEALS.—For pur-
 18 poses of paragraph (6)”;

19 (2) by striking “(5) A determination” and in-
 20 serting the following:

21 “(6) APPEALS.—A determination”;

22 (3) by striking “(d)(1) The Postal Service” and
 23 all that follows through the end of paragraph (4)
 24 and inserting the following:

25 “(d) DISCONTINUANCE OF POST OFFICES.—

26 “(1) DEFINITIONS.—In this subsection—

1 “(A) the term ‘discontinuance’ has the
2 meaning given the term in section 241.3 of title
3 39, Code of Federal Regulations, as in effect on
4 November 1, 2013;

5 “(B) the term ‘local government’ means—

6 “(i) a county, municipality, city, town,
7 township, local public authority, special
8 district, intrastate district, council of gov-
9 ernment, or regional or interstate govern-
10 ment entity;

11 “(ii) an agency or instrumentality of
12 an entity described in clause (i); or

13 “(iii) a rural community, an unincor-
14 porated town or village, or an instrumen-
15 tality of a rural community or an unincor-
16 porated town or village; and

17 “(C) the term ‘post office’ means a post
18 office, post office branch, post office classified
19 station, or other facility that is operated by the
20 Postal Service, the primary function of which is
21 to provide retail postal services.

22 “(2) PRELIMINARY CONSIDERATIONS.—The
23 Postal Service, prior to making a determination
24 under subsection (a)(3) of this section as to the ne-

1 cessity for the discontinuance of any post office,
2 shall—

3 “(A) consider whether—

4 “(i) to discontinue the post office and
5 combine it with another post office located
6 within a reasonable distance;

7 “(ii) instead of discontinuing the post
8 office—

9 “(I) to reduce the number of
10 hours a day that the post office oper-
11 ates; or

12 “(II) to continue operating the
13 post office for the same number of
14 hours a day;

15 “(iii) to procure a contract providing
16 full, or less than full, retail postal services
17 in the community served by the post office;
18 or

19 “(iv) to provide postal services to the
20 community served by the post office—

21 “(I) through a letter carrier uti-
22 lizing mobile technologies, as feasible;

23 “(II) by collocating postal services
24 at a commercial or government entity;
25 or

1 “(III) by implementing an alter-
2 native proposal made by a local gov-
3 ernment under subparagraph (B)(iii);

4 “(B) provide—

5 “(i) relevant information on financial
6 costs associated with the operations of the
7 post office to postal customers and local
8 governments served by the post office;

9 “(ii) postal customers served by the
10 post office an opportunity to present their
11 views, which may be by nonbinding survey
12 conducted by mail; and

13 “(iii) local governments served by the
14 post office an opportunity to present alter-
15 native proposals for providing postal serv-
16 ices to the community, including the fur-
17 nishing of property or services to the Post-
18 al Service to maintain the same level of
19 postal services in the community; and

20 “(C) if the Postal Service determines to
21 discontinue the post office, provide adequate
22 public notice of its intention to discontinue the
23 post office at least 60 days prior to the pro-
24 posed date of the discontinuance to persons and
25 local governments served by the post office.

1 “(3) CONSIDERATIONS.—The Postal Service, in
2 making a determination whether or not to dis-
3 continue a post office—

4 “(A) shall consider—

5 “(i) the effect of the discontinuance
6 on the community served by the post of-
7 fice;

8 “(ii) the effect of the discontinuance
9 on businesses, including small businesses,
10 in the area;

11 “(iii) the effect of the discontinuance
12 on employees of the Postal Service em-
13 ployed at the post office;

14 “(iv) whether the discontinuance
15 would have a significant adverse effect on
16 regular postal services to rural areas, com-
17 munities, and small towns where post of-
18 fices are not self-sustaining;

19 “(v) the extent to which the commu-
20 nity served by the post office lacks access
21 to Internet, broadband, or cellular tele-
22 phone service;

23 “(vi) the extent to which postal cus-
24 tomers served by the post office would con-
25 tinue after the discontinuance to receive

1 substantially similar access to essential
2 items, such as prescription drugs and time-
3 sensitive communications;

4 “(vii) the proximity and accessibility
5 of other post offices;

6 “(viii) whether substantial economic
7 savings to the Postal Service would result
8 from the discontinuance; and

9 “(ix) any other factors that the Postal
10 Service determines are necessary;

11 “(B) may not consider compliance with
12 any provision of the Occupational Safety and
13 Health Act of 1970 (29 U.S.C. 651 et seq.);
14 and

15 “(C) may not make a determination to dis-
16 continue a post office unless the Postal Serv-
17 ice—

18 “(i)(I) determines that postal cus-
19 tomers served by the post office would con-
20 tinue after the discontinuance to receive
21 substantially similar access to essential
22 items, such as prescription medications
23 and time-sensitive communications, that
24 are sent through the mails; or

1 “(II) takes action to substantially
 2 ameliorate any projected reduction in ac-
 3 cess to essential items described in clause
 4 (i); and

5 “(ii) determines that—

6 “(I) there is unlikely to be sub-
 7 stantial economic loss to the commu-
 8 nity served by the post office as a re-
 9 sult of the discontinuance; and

10 “(II) the area served by the post
 11 office has adequate access to
 12 broadband Internet service, as identi-
 13 fied on the National Broadband Map
 14 of the National Telecommunications
 15 and Information Administration.

16 “(4) WRITTEN DETERMINATION AND FIND-
 17 INGS.—

18 “(A) IN GENERAL.—Any determination of
 19 the Postal Service to discontinue a post office
 20 shall—

21 “(i) be in writing; and

22 “(ii) include the findings of the Postal
 23 Service with respect to the considerations
 24 required to be made under paragraph (3).

1 “(B) AVAILABILITY OF FINDINGS.—The
2 Postal Service shall make available, to persons
3 served by a post office that the Postal Service
4 determines to discontinue, any determination
5 and findings under subparagraph (A) with re-
6 spect to that post office.

7 “(C) NOTICE BEFORE DISCONTINUANCE.—
8 The Postal Service may not take any action to
9 discontinue a post office until 60 days after the
10 date on which the Postal Service makes avail-
11 able, to persons served by the post office, the
12 written determination and findings with respect
13 to the post office as required under subpara-
14 graph (B).

15 “(5) REDUCTIONS IN HOURS OF OPERATION.—

16 “(A) CONSIDERATIONS.—The Postal Serv-
17 ice, prior to making a determination under
18 paragraph (2)(A)(ii)(I) to reduce the number of
19 hours per day that a post office operates, shall
20 consider—

21 “(i) the impact of the proposed reduc-
22 tion in hours on local businesses;

23 “(ii) the effect of the proposed reduc-
24 tion in hours on the community served by
25 the post office;

1 “(iii) the ability of the Postal Service
2 to hire qualified employees to operate the
3 post office during the reduced hours;

4 “(iv) the proximity and accessibility of
5 other post offices within 15 miles of the
6 post office, and the hours those post offices
7 are open;

8 “(v) the impact of the proposed reduc-
9 tion in hours on the elderly and other vul-
10 nerable populations; and

11 “(vi) the impact of alternative sched-
12 ules on the community served by the post
13 office, including consideration of which
14 schedules would most effectively mitigate
15 any negative impacts identified under
16 clauses (i) through (v).

17 “(B) FINDINGS.—If the Postal Service de-
18 termines, after considering the factors under
19 subparagraph (A), to reduce the number of
20 hours per day that a post office operates, the
21 Postal Service shall make available to persons
22 served by the post office—

23 “(i) a summary of the findings of the
24 Postal Service under subparagraph (A);

1 “(ii) the hours during which the post
2 office will be open; and

3 “(iii) an explanation of the change in
4 hours referred to in clause (ii).”;

5 (4) in paragraph (6), as so designated—

6 (A) by striking “close or consolidate” and
7 inserting “discontinue”;

8 (B) by striking “under paragraph (3)” and
9 inserting “under paragraph (4)”;

10 (C) by moving subparagraphs (A), (B),
11 and (C) 2 ems to the right; and

12 (D) by moving the flush text following sub-
13 paragraph (C) 2 ems to the right;

14 (5) in paragraph (7), as so designated, by mov-
15 ing subparagraphs (A) and (B) 2 ems to the right;
16 and

17 (6) by adding at the end the following:

18 “(8) MINIMUM RETAIL STANDARDS.—The Post-
19 al Service shall establish minimum standards for re-
20 tail postal services.”.

21 (c) REPORT ON POST OFFICE DISCONTINUANCES.—

22 (1) DEFINITION.—In this subsection, the term
23 “moratorium” means the 5-year period described in
24 subsection (a).

1 (2) REPORT REQUIRED.—Not later than 6
2 years after the expiration of the moratorium, the In-
3 specter General of the Postal Service shall submit to
4 each recipient described in paragraph (3) a consoli-
5 dated report that describes, for each post office that
6 was discontinued under section 404 of title 39,
7 United States Code (as amended by subsection (b)),
8 during the 5-year period beginning on the day after
9 the expiration of the moratorium—

10 (A) the actual cost savings resulting from
11 the discontinuance; and

12 (B) a comparison between the findings de-
13 scribed in subparagraph (A) and the cost sav-
14 ings that the Postal Service predicted would re-
15 sult from the discontinuance.

16 (3) RECIPIENTS.—The recipients described in
17 this paragraph are—

18 (A) the Postal Regulatory Commission;

19 (B) the Board of Governors;

20 (C) the Committee on Homeland Security
21 and Governmental Affairs of the Senate;

22 (D) the Committee on Oversight and Gov-
23 ernment Reform of the House of Representa-
24 tives;

1 (E) the Member of the House of Rep-
 2 resentatives in whose district the post office was
 3 located; and

4 (F) the Senators in whose State the post
 5 office was located.

6 **SEC. 204. AREA AND DISTRICT OFFICE STRUCTURE.**

7 (a) DEFINITIONS.—In this section—

8 (1) the term “area office” means the central of-
 9 fice of an administrative field unit with responsibility
 10 for postal operations in a designated geographic area
 11 that is comprised of district offices;

12 (2) the term “district office” means the central
 13 office of an administrative field unit with responsi-
 14 bility for postal operations in a designated geo-
 15 graphic area (as defined under regulations, direc-
 16 tives, or other guidance of the Postal Service, as in
 17 effect on January 1, 2013); and

18 (3) the term “State” includes the District of
 19 Columbia, 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.

24 (b) PLAN REQUIRED.—Not later than 1 year after
 25 the date of enactment of this Act, the Postal Service shall

1 submit to the Committee on Homeland Security and Gov-
2 ernmental Affairs of the Senate and the Committee on
3 Oversight and Government Reform of the House of Rep-
4 resentatives a comprehensive strategic plan for an area of-
5 fice and district office structure that will—

6 (1) be efficient and cost effective;

7 (2) not substantially and adversely affect the
8 operations of the Postal Service; and

9 (3) reduce the total number of area and district
10 offices.

11 (c) IMPLEMENTATION.—Not later than 60 days after
12 the date on which the Postal Service submits the plan
13 under subsection (b), the Postal Service shall begin imple-
14 menting the plan, including, where appropriate, by consoli-
15 dating area and district offices.

16 (d) STATE LIAISON.—If the Postal Service does not
17 maintain a district office in a State, the Postal Service
18 shall designate at least 1 employee of the district office
19 responsible for Postal Service operations in the State to
20 represent the needs of Postal Service customers in the
21 State. An employee designated under this subsection to
22 represent the needs of Postal Service customers in a State
23 shall be located in that State.

1 **SEC. 205. SERVICE STANDARDS AND PERFORMANCE RAT-**
 2 **INGS.**

3 (a) SERVICE STANDARDS AND PERFORMANCE RAT-
 4 INGS.—

5 (1) IN GENERAL.—Section 3691 of title 39,
 6 United States Code, is amended to read as follows:

7 **“§ 3691. Modern service standards and performance**
 8 **ratings**

9 “(a) DEFINITIONS.—In this section—

10 “(1) the term ‘Commission’ means the Postal
 11 Regulatory Commission;

12 “(2) the term ‘national service standards’
 13 means the service standards established by the Com-
 14 mission under subsection (b);

15 “(3) the term ‘performance targets’ means the
 16 targets established by the Commission under sub-
 17 section (e)(1)(A); and

18 “(4) the terms ‘urban’, ‘suburban’, and ‘rural’
 19 have the meanings given those terms under regula-
 20 tions promulgated by the Commission under sub-
 21 section (e)(1)(B).

22 “(b) AUTHORITY GENERALLY.—

23 “(1) ESTABLISHMENT; REVISION.—The Postal
 24 Service, in consultation with the Commission as pro-
 25 vided under paragraph (2), shall by regulation estab-
 26 lish and regularly revise a uniform set of national

1 service standards for market-dominant products
2 based on—

3 “(A) the finances of the Postal Service;

4 “(B) the ability of the Postal Service to
5 meet the national service standards; and

6 “(C) the ability of Postal Service cus-
7 tomers to receive fair and reliable service.

8 “(2) PRC ADVISORY OPINION.—

9 “(A) REQUEST FOR ADVISORY OPINION.—

10 If the Postal Service determines that there
11 should be a change in the national service
12 standards, the Postal Service shall submit a
13 proposal to the Commission requesting an advi-
14 sory opinion on the change in accordance with
15 subparagraph (B).

16 “(B) APPLICABILITY OF SECTION 3661.—

17 Section 3661 shall apply to a request for an ad-
18 visory opinion under subparagraph (A) of this
19 paragraph, except that the Postal Service may
20 not implement a proposed national service
21 standard earlier than the date that is 60 days
22 after the date on which the Postal Service sub-
23 mits to the President and Congress the re-
24 sponse to the advisory opinion of the Commis-

1 sion on the proposal required under section
2 3661(b)(3).

3 “(c) OBJECTIVES.—The national service standards
4 shall be designed to achieve the following objectives:

5 “(1) To ensure that the Postal Service meets
6 the universal service obligation, including the obliga-
7 tion to preserve regular and effective access to postal
8 services in all communities, including those in rural
9 areas or where post offices are not self-sustaining.

10 “(2) To enhance the value of postal services to
11 both senders and recipients.

12 “(3) To reasonably assure Postal Service cus-
13 tomers delivery reliability, speed and frequency con-
14 sistent with reasonable rates and best business prac-
15 tices.

16 “(4) To provide a system of objective perform-
17 ance measurements for each market-dominant prod-
18 uct as a basis for measurement of Postal Service
19 performance, in accordance with subsection (e).

20 “(5) To ensure that performance is as strong as
21 possible under the applicable national service stand-
22 ard.

23 “(d) FACTORS.—In establishing or revising the na-
24 tional service standards, the Postal Service shall take into
25 account—

1 “(1) the actual level of service that Postal Serv-
 2 ice customers receive under any service guidelines
 3 previously established by the Postal Service or serv-
 4 ice standards established under this section;

5 “(2) the degree of customer satisfaction with
 6 Postal Service performance in the acceptance, proc-
 7 essing, and delivery of mail;

8 “(3) the needs of Postal Service customers, in-
 9 cluding those with physical impairments;

10 “(4) mail volume and revenues projected for fu-
 11 ture years;

12 “(5) the projected growth in the number of ad-
 13 dresses the Postal Service will be required to serve
 14 in future years;

15 “(6) the current and projected future cost of
 16 serving Postal Service customers;

17 “(7) the effect of changes in technology, demo-
 18 graphics, and population distribution on the efficient
 19 and reliable operation of the postal delivery system;
 20 and

21 “(8) the policies of this title and such other fac-
 22 tors as the Postal Service determines appropriate.

23 “(e) PERFORMANCE TARGETS, RATINGS, AND PUBLI-
 24 CATION.—

25 “(1) PERFORMANCE TARGETS.—

1 “(A) ANNUAL PERFORMANCE TARGETS.—

2 Each year, the Commission, in consultation
3 with the Postal Service, shall by regulation es-
4 tablish reasonable targets for performance to
5 ensure that mail service for all postal customers
6 meets the national service standards.

7 “(B) DEFINITION OF URBAN, SUBURBAN,
8 AND RURAL.—For purposes of establishing per-
9 formance targets, the Commission—

10 “(i) shall promulgate regulations to
11 define the terms ‘urban’, ‘suburban’, and
12 ‘rural’;

13 “(ii) in defining the terms under
14 clause (i), shall—

15 “(I) consider—

16 “(aa) the recommendations
17 of the report submitted to the
18 Commission under section 201(e)
19 of the Improving Postal Oper-
20 ations, Service, and Trans-
21 parency Act of 2015; and

22 “(bb) existing definitions of
23 those terms that are in use by
24 the Postal Service, the Federal

1 Government, and other sources;
2 and

3 “(II) incorporate stakeholder
4 input; and

5 “(iii) shall categorize each 3-digit zip
6 code area as an urban, suburban, or rural
7 community.

8 “(2) PERFORMANCE RATINGS.—The Commis-
9 sion shall rate the performance of the Postal Service
10 with respect to—

11 “(A) each 3-digit zip code area, postal dis-
12 trict, and operational area;

13 “(B) all postal districts—

14 “(i) by urban, suburban, or rural cat-
15 egory; and

16 “(ii) nationwide;

17 “(C) all operational areas—

18 “(i) by urban, suburban, or rural cat-
19 egory; and

20 “(ii) nationwide;

21 “(D) market-dominant products nation-
22 wide; and

23 “(E) first-class mail nationwide.

24 “(3) PUBLICATION.—

1 “(A) IN GENERAL.—Subject to subpara-
 2 graph (B), the Postal Service shall publish on
 3 the website of the Postal Service the ratings re-
 4 corded under paragraph (2)—

5 “(i) covering a period of not less than
 6 24 months; and

7 “(ii) categorized in accordance with
 8 that paragraph.

9 “(B) COMMERCIALLY SENSITIVE OR PRO-
 10 PRIETARY INFORMATION.—To the extent that
 11 the Postal Service considers any information re-
 12 quired to be reported under subparagraph (A)
 13 to be commercially sensitive or proprietary in
 14 nature, the Commission shall determine the
 15 level of information that shall be publicly dis-
 16 closed.

17 “(f) REVIEW UPON COMPLAINT.—The regulations
 18 promulgated pursuant to this section (and any revisions
 19 thereto), and any violations thereof, shall be subject to re-
 20 view upon complaint under sections 3662 and 3663.

21 “(g) NONCOMPLIANCE WITH PERFORMANCE TAR-
 22 GETS.—

23 “(1) IN GENERAL.—If the Postal Service fails
 24 to meet the performance targets, the Commission
 25 shall require the Postal Service to develop a plan to

1 make specific operational corrections under the con-
2 trol of the Postal Service that will cause the per-
3 formance targets to be met within 1 year of the date
4 of noncompliance.

5 “(2) POSTAL SERVICE SUBMISSION OF PLAN.—
6 Not later than 180 days after the date of noncompli-
7 ance, the Postal Service shall submit the plan re-
8 quired under paragraph (1) to the Commission.

9 “(3) COMMISSION CONSIDERATION OF POSTAL
10 SERVICE PLAN.—

11 “(A) IN GENERAL.—The Commission shall
12 determine whether the plan submitted by the
13 Postal Service under paragraph (2) is sufficient
14 to improve performance to meet the perform-
15 ance targets.

16 “(B) REMAND.—If the Commission deter-
17 mines under subparagraph (A) that the Postal
18 Service plan is not sufficient, the Commission
19 may remand the plan to the Postal Service for
20 revision.

21 “(C) REVISION.—If the Commission re-
22 mands a plan to the Postal Service under sub-
23 paragraph (B), the Postal Service shall have 30
24 days to revise and resubmit the plan to the
25 Commission.

1 “(4) POSTAL SERVICE IMPLEMENTATION OF
2 PLAN.—Not later than 180 days after the date on
3 which the Commission approves a plan of the Postal
4 Service under paragraph (3), the Postal Service shall
5 fully implement the plan.

6 “(h) PERIODIC REVIEW OF SERVICE STANDARDS.—
7 The Commission shall periodically—

8 “(1) review the appropriateness of the national
9 service standards; and

10 “(2) submit to Congress a report on the review
11 conducted under paragraph (1).”.

12 (2) TECHNICAL AND CONFORMING AMEND-
13 MENT.—The table of sections for subchapter VII of
14 chapter 36 of title 39, United States Code, is
15 amended by striking the item relating to section
16 3691 and inserting the following:

 “3691. Modern service standards and performance ratings.”.

17 (b) REPORT TO CONGRESS.—Not later than 180 days
18 after the date on which the report is submitted to the
19 Commission under section 201(e)(2), the Commission
20 shall submit to Congress an extensive report that in-
21 cludes—

22 (1) a determination as to whether the service
23 standards for market-dominant products in effect on
24 the day before the date of enactment of this Act
25 achieve the objectives and factors set forth under

1 section 3691 of title 39, United States Code, as
2 amended by this section; and

3 (2) recommendations as to how delivery service
4 to postal customers could be improved based on the
5 financial condition of the Postal Service.

6 (c) TEMPORARY FLOOR FOR SERVICE STANDARDS.—

7 (1) IN GENERAL.—Subject to paragraph (2),
8 during the 5-year period beginning on the date of
9 enactment of this Act, the Postal Service may not
10 revise the service standards for market-dominant
11 products in a manner that lengthens delivery times.

12 (2) AUTHORITY OF COMMISSION TO EXTEND
13 TEMPORARY FLOOR.—The Commission may extend
14 the 5-year period described in paragraph (1) by any
15 length of time that the Commission determines ap-
16 propriate if, as of the last day of that period, the
17 Commission determines that the Postal Service is
18 not meeting the performance targets established
19 under subsection (e) of section 3691 of title 39,
20 United States Code, as added by this section.

21 **SEC. 206. CONVERSION OF DOOR DELIVERY POINTS.**

22 (a) VOLUNTARY NATURE OF DELIVERY CONVER-
23 SION.—Nothing in section 3692 of title 39, United States
24 Code, as added by subsection (b), shall be construed to
25 authorize the Postal Service to convert the primary mode

1 of mail delivery of a postal customer without the consent
2 of the postal customer.

3 (b) AMENDMENT TO TITLE 39, UNITED STATES
4 CODE.—

5 (1) IN GENERAL.—Subchapter VII of chapter
6 36 of title 39, United States Code, is amended by
7 adding at the end the following:

8 **“§ 3692. Delivery point modernization**

9 “(a) DEFINITIONS.—In this section, the following
10 definitions shall apply:

11 “(1) CENTRALIZED DELIVERY.—The term ‘cen-
12 tralized delivery’ means a primary mode of mail de-
13 livery whereby mail is delivered to a group or cluster
14 of mail receptacles at a single location.

15 “(2) CURBSIDE DELIVERY.—The term ‘curbside
16 delivery’ means a primary mode of mail delivery
17 whereby mail is delivered to a mail receptacle that
18 is situated at the edge of a public sidewalk abutting
19 a road or curb, at a road, or at a curb.

20 “(3) DELIVERY POINT.—The term ‘delivery
21 point’ means a mailbox or other receptacle to which
22 mail is delivered.

23 “(4) DISTRICT OFFICE.—The term ‘district of-
24 fice’ means the central office of an administrative
25 field unit with responsibility for postal operations in

1 a designated geographic area (as defined under reg-
2 ulations, directives, or other guidance of the Postal
3 Service).

4 “(5) DOOR DELIVERY.—The term ‘door deliv-
5 ery’—

6 “(A) means a primary mode of mail deliv-
7 ery whereby mail is—

8 “(i) delivered to a mail receptacle at
9 or near a postal customer’s door; or

10 “(ii) hand-delivered to a postal cus-
11 tomer; and

12 “(B) does not include curbside or central-
13 ized delivery.

14 “(6) PRIMARY MODE OF MAIL DELIVERY.—The
15 term ‘primary mode of mail delivery’ means the typ-
16 ical method by which the Postal Service delivers mail
17 to the delivery point of a postal customer.

18 “(b) POLICY.—Except as otherwise provided in this
19 section, including paragraphs (4) and (5) of subsection
20 (c), it shall be the policy of the Postal Service to use the
21 primary mode of mail delivery that is most cost effective
22 and is in the best long-term interest of the Postal Service.

23 “(c) CONVERSION TO OTHER DELIVERY MODES.—

24 “(1) NEW ADDRESSES.—Except as provided in
25 paragraphs (4) and (5), the Postal Service shall pro-

1 vide centralized delivery to new addresses established
 2 after the date of enactment of the Improving Postal
 3 Operations, Service, and Transparency Act of 2015,
 4 or if centralized delivery is not practicable shall pro-
 5 vide curbside delivery.

6 “(2) BUSINESS ADDRESS CONVERSION.—The
 7 Postal Service shall carry out a program to convert,
 8 on a voluntary basis, business addresses with door
 9 delivery on the date of enactment of the Improving
 10 Postal Operations, Service, and Transparency Act of
 11 2015 to centralized delivery or to curbside delivery.

12 “(3) RESIDENTIAL ADDRESS CONVERSION.—

13 “(A) IDENTIFICATION.—Not later than
 14 270 days after the date of enactment of the Im-
 15 proving Postal Operations, Service, and Trans-
 16 parency Act of 2015, the head of each district
 17 office of the Postal Service shall identify resi-
 18 dential addresses within the service area of the
 19 district office that are appropriate candidates
 20 for conversion from door delivery to a more
 21 cost-effective primary mode of delivery, in ac-
 22 cordance with standards established by the
 23 Postal Service.

24 “(B) VOLUNTARY CONVERSION.—Not later
 25 than 1 year after the date of enactment of the

1 Improving Postal Operations, Service, and
2 Transparency Act of 2015, and consistent with
3 subsection (b) and paragraph (4), the Postal
4 Service shall begin implementation of a pro-
5 gram to convert, on a voluntary basis, the ad-
6 dresses identified under subparagraph (A) from
7 door delivery to a more cost-effective primary
8 mode of delivery.

9 “(C) PROCEDURES.—In pursuing conver-
10 sion under subparagraph (B), the Postal Serv-
11 ice shall establish procedures to—

12 “(i) solicit and consider input from
13 postal customers, State and local govern-
14 ments, local associations, and property
15 owners; and

16 “(ii) place centralized delivery points
17 in locations that maximize delivery effi-
18 ciency, ease of use for postal customers,
19 and respect for private property rights.

20 “(4) EXCEPTIONS.—In establishing a primary
21 mode of mail delivery for new addresses under para-
22 graph (1) or converting the primary mode of mail
23 delivery for an address under paragraph (2) or (3),
24 the Postal Service may provide door delivery if—

1 “(A) a physical barrier precludes the effi-
2 cient provision of centralized delivery or
3 curbside delivery;

4 “(B) the address is located in a registered
5 historic district, as that term is defined in sec-
6 tion 47(c)(3)(B) of the Internal Revenue Code
7 of 1986; or

8 “(C) the Postal Service determines that
9 the provision of centralized delivery or curbside
10 delivery would be impractical, would not be cost
11 effective, or would not be in the best long-term
12 interest of the Postal Service.

13 “(5) WAIVER FOR PHYSICAL HARDSHIP.—

14 “(A) IN GENERAL.—The Postal Service
15 shall establish and maintain a waiver program
16 under which, upon the application of a postal
17 customer, door delivery may be continued or
18 provided to a delivery point if—

19 “(i) centralized delivery or curbside
20 delivery would, but for this paragraph, be
21 the primary mode of mail delivery for the
22 delivery point; and

23 “(ii) a physical hardship prevents the
24 postal customer from receiving his or her

1 mail through any other form of mail deliv-
2 ery.

3 “(B) PUBLICITY; SIMPLICITY.—In estab-
4 lishing and maintaining the waiver program
5 under subparagraph (A), the Postal Service
6 shall—

7 “(i) publicize the waiver program; and

8 “(ii) provide a simple application
9 process for participation in the waiver pro-
10 gram.

11 “(C) POSTAL SERVICE DISCRETION.—
12 Nothing in this paragraph shall be construed
13 to—

14 “(i) prohibit the Postal Service from
15 requiring evidence of a physical hardship
16 in an appropriate case; or

17 “(ii) require the Postal Service to re-
18 quire evidence of a physical hardship in
19 any case.

20 “(D) NO FEES FOR APPLICATION OR DOOR
21 DELIVERY.—In establishing and maintaining
22 the waiver program under subparagraph (A),
23 the Postal Service may not charge a postal cus-
24 tomer any fee to—

25 “(i) apply for a waiver; or

1 “(ii) upon the granting of a waiver by
 2 the Postal Service, receive mail through
 3 door delivery.”.

4 (c) CLERICAL AMENDMENT.—The table of sections
 5 for subchapter VII of chapter 36 of title 39, United States
 6 Code, is amended by adding at the end the following:

“3692. Delivery point modernization.”.

7 **SEC. 207. FLEET MAINTENANCE REPORTING AND ALTER-**
 8 **NATIVE FUEL AND EMERGING TECH-**
 9 **NOLOGIES DEMONSTRATION PROGRAM.**

10 (a) DEFINITIONS.—In this section—

11 (1) the term “alternative fuel infrastructure”
 12 means motor vehicle fueling infrastructure and
 13 equipment capable of providing alternative fuel for
 14 an alternative fuel vehicle;

15 (2) the term “alternative fuel vehicle” means a
 16 motor vehicle that uses—

17 (A) electricity, including a—

18 (i) plug-in electric vehicle; or

19 (ii) hybrid electric vehicle;

20 (B) natural gas;

21 (C) propane;

22 (D) hydrogen; or

23 (E) biodiesel, using a B20 minimum stand-
 24 ard or better;

1 (3) the term “emerging technologies” in-
2 cludes—

3 (A) collision aversion technologies; and

4 (B) vehicle designs that address geographic
5 and weather conditions; and

6 (4) the term “pilot program” means the pilot
7 program implemented under subsection (b)(1).

8 (b) IMPLEMENTATION; DURATION.—

9 (1) IMPLEMENTATION.—Not later than 180
10 days after the date of enactment of this Act, the
11 Postal Service shall implement a pilot program to
12 assess the feasibility of integrating alternative fuel
13 vehicles and emerging technologies into the postal
14 fleet.

15 (2) DURATION.—The Postal Service shall carry
16 out the pilot program for a period of not less than
17 1 year.

18 (c) LOCATIONS.—The Postal Service shall deploy and
19 assess 2 types of alternative fuel vehicles described in sub-
20 paragraphs (A) through (F) of subsection (a)(2), that are
21 not being deployed or assessed as of the date of enactment
22 of this Act, and any relevant emerging technologies, in the
23 postal fleet in not fewer than 2 locations that—

1 (1) have existing or planned alternative fuel in-
2 frastructure appropriate to the alternative fuel vehi-
3 cle being assessed under the pilot program;

4 (2) have support from the applicable State and
5 local governments and other stakeholders, including
6 utility companies; and

7 (3) demonstrate a commitment to alternative
8 fuel vehicle uptake and deployment.

9 (d) REINVESTMENT OF COST SAVINGS.—The Postal
10 Service shall use any cost savings from the pilot pro-
11 gram—

12 (1) to repay any obligation issued under section
13 2005(a) of title 39, United States Code; and

14 (2) after repaying any obligation described in
15 paragraph (1), to fund innovation efforts for mar-
16 ket-dominant products of the Postal Service.

17 (e) REPORT.—Not later than 90 days after the date
18 on which the Postal Service terminates the pilot program,
19 the Postal Service shall complete and submit to Congress
20 a report on the results of the pilot program, including an
21 assessment of the feasibility of integrating alternative fuel
22 vehicles into the postal fleet in conjunction with the future
23 acquisition of the Next Generation of Delivery Vehicles
24 (commonly known as “NGDV”), including assessments
25 of—

1 (1) the ability of alternative fuel vehicles to—

2 (A) reduce the cost of vehicle operation, in-
3 cluding fuel costs and other operation and
4 maintenance costs, in the postal fleet;

5 (B) improve the environmental perform-
6 ance of vehicles in the postal fleet, including by
7 reducing air emissions to comply with standards
8 established by the Administrator of the Envi-
9 ronmental Protection Agency under the Clean
10 Air Act (42 U.S.C. 7401 et seq.);

11 (C) create an alternative source of revenue
12 for the Postal Service; and

13 (D) provide additional economic and envi-
14 ronmental benefits to the communities sur-
15 rounding the pilot sites; and

16 (2) the availability of alternative fuel infrastruc-
17 ture to support an expanded integration of alter-
18 native fuel vehicles into the postal fleet.

19 (f) FLEET MODERNIZATION.—

20 (1) GAO REPORT.—Not later than 1 year after
21 the date of enactment of this Act, the Comptroller
22 General of the United States shall study and submit
23 to Congress a report on—

24 (A) the feasibility of the Postal Service de-
25 signing mail delivery vehicles that are equipped

1 for diverse geographic conditions such as travel
 2 in rural areas and extreme weather conditions;
 3 and

4 (B) the feasibility and cost of the Postal
 5 Service integrating the use of collision-averting
 6 technology into its vehicle fleet.

7 (2) POSTAL SERVICE REPORT.—Not later than
 8 1 year after the date of enactment of this Act, the
 9 Postal Service shall submit to Congress a report
 10 that includes—

11 (A) a review of the efforts of the Postal
 12 Service relating to fleet replacement and mod-
 13 ernization; and

14 (B) a strategy for carrying out the fleet re-
 15 placement and lifecycle plan of the Postal Serv-
 16 ice.

17 **SEC. 208. MULTI-BROKER LEASE OF POSTAL SERVICE FA-**
 18 **CILITIES.**

19 (a) IN GENERAL.—Chapter 20 of title 39, United
 20 States Code, is amended by adding at the end the fol-
 21 lowing:

22 **“§ 2012. Multi-broker lease of Postal Service facilities**

23 “(a) DEFINITION.—In this section, the term ‘multi-
 24 broker contract vehicle’ means a contract vehicle, similar
 25 to the National Broker Contract used by the General Serv-

ices Administration, that encourages competition through the use of multiple national real estate companies.

“(b) REQUIREMENT TO USE MULTI-BROKER LEASE.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the Postal Service shall use a multi-broker contract vehicle to acquire any leased property.

“(2) EXCEPTION.—Paragraph (1) shall not apply to a leased property—

“(A) that the Postal Service acquired before the date of enactment of the Improving Postal Operations, Service, and Transparency Act of 2015; and

“(B) the lease for which the Postal Service renews, using its own resources, on or after the date of enactment of the Improving Postal Operations, Service, and Transparency Act of 2015.”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 20 of title 39, United States Code, is amended by adding at the end the following:

“2012. Multi-broker lease of Postal Service facilities.”.

SEC. 209. CAPITOL COMPLEX POST OFFICES.

(a) HOUSE OF REPRESENTATIVES.—

1 (1) IN GENERAL.—The Postal Service shall not
2 maintain or operate more than 1 post office in the
3 United States Capitol Complex, as defined in section
4 310(a)(3)(B) of the Legislative Branch Appropria-
5 tions Act, 1990 (2 U.S.C. 2172(a)(3)(B)), which
6 shall be located in a House Office Building.

7 (2) CLOSING OF CAPITOL POST OFFICES.—The
8 Postal Service shall close any post office in the
9 United States Capitol Complex, as defined in section
10 310(a)(3)(B) of the Legislative Branch Appropria-
11 tions Act, 1990 (2 U.S.C. 2172(a)(3)(B)), not per-
12 mitted under this subsection, without regard to the
13 requirements under section 404(d) of title 39,
14 United States Code.

15 (b) SENATE.—

16 (1) IN GENERAL.—The Sergeant at Arms and
17 Doorkeeper of the Senate may not enter into, mod-
18 ify, or renew a contract with the Postal Service to
19 maintain or operate more than 1 post office in a
20 Senate Office Building.

21 (2) EXISTING CONTRACTS.—Nothing in para-
22 graph (1) may be construed to affect a contract en-
23 tered into by the Sergeant at Arms and Doorkeeper
24 of the Senate and the Postal Service before the date
25 of enactment of this Act.

1 **TITLE III—POSTAL SERVICE**
 2 **REVENUE AND INNOVATION**

3 **SEC. 301. RATES.**

4 (a) ESTABLISHMENT OF RATE BASELINE AND TEM-
 5 PORARY FREEZE.—The rates for market-dominant prod-
 6 ucts in effect on September 30, 2015—

7 (1) shall be in effect on and after the date of
 8 enactment of this Act unless adjusted in accordance
 9 with section 3622 of title 39, United States Code, as
 10 amended by subsection (b)(2) of this section; and

11 (2) may not be adjusted before January 1,
 12 2018.

13 (b) ESTABLISHMENT OF NEW SYSTEM.—

14 (1) IN GENERAL.—Not later than January 1,
 15 2018, the Commission—

16 (A) shall by regulation establish a new sys-
 17 tem for regulating rates and classes for market-
 18 dominant products under section 3622 of title
 19 39, United States Code, as amended by para-
 20 graph (2) of this subsection; and

21 (B) in establishing the new system, may
 22 consider any rate increases that, but for the
 23 prohibition on adjustments to rates under sub-
 24 section (a)(2) of this section, might have been

1 applied during the period during which the pro-
2 hibition was in effect.

3 (2) NEW PRINCIPLES.—Section 3622(c) of title
4 39, United States Code, is amended—

5 (A) in paragraph (13), by striking “and”
6 at the end;

7 (B) by redesignating paragraph (14) as
8 paragraph (15); and

9 (C) by inserting after paragraph (13) the
10 following:

11 “(14) the service standards established under
12 section 3691 and the extent to which the Postal
13 Service is meeting those standards in all commu-
14 nities, including urban, suburban, and rural commu-
15 nities; and”.

16 **SEC. 302. POSTAL COSTING SYSTEM.**

17 Not later than 1 year after the date of enactment
18 of this Act, the Commission, in consultation with the Post-
19 al Service and in conjunction with the establishment of
20 a new system for regulating rates and classes for market-
21 dominant products under section 3622 of title 39, United
22 States Code (as amended by section 301(b)(2) of this
23 Act), shall by regulation direct the Postal Service to up-
24 date its existing costing methodologies as necessary and
25 appropriate to effectuate the changes to mail processing

1 technologies and cost tracking that have occurred in re-
 2 cent years or are reasonably expected to occur in the fore-
 3 seeable future.

4 **SEC. 303. NONPOSTAL SERVICES.**

5 (a) AUTHORIZATION OF NEW NONPOSTAL SERV-
 6 ICES.—

7 (1) IN GENERAL.—Section 404 of title 39,
 8 United States Code, as amended by this Act, is
 9 amended—

10 (A) in subsection (a)—

11 (i) by redesignating paragraphs (6)
 12 through (8) as paragraphs (7) through (9),
 13 respectively; and

14 (ii) by inserting after paragraph (5)
 15 the following:

16 “(6) on and after the date of enactment of the
 17 Improving Postal Operations, Service, and Trans-
 18 parency Act of 2015, except as provided in sub-
 19 section (e) and subject to subsection (h)—

20 “(A) to provide other services that are not
 21 postal services, if the provision of such serv-
 22 ices—

23 “(i) uses the processing, transpor-
 24 tation, delivery, retail network, or tech-
 25 nology of the Postal Service;

1 “(ii) is consistent with the public in-
2 terest and demonstrated likely public de-
3 mand for—

4 “(I) the Postal Service, rather
5 than another entity, to provide the
6 services; or

7 “(II) the Postal Service, in addi-
8 tion to or in partnership with another
9 entity, to provide the services;

10 “(iii) would not create unfair competi-
11 tion with the private sector, taking into
12 consideration the extent to which the Post-
13 al Service will not, either by legal obliga-
14 tion or voluntarily, comply with any State
15 or local laws or requirements generally ap-
16 plicable to the provision of such services;

17 “(iv) does not unreasonably interfere
18 with or detract from the value of postal
19 services, including—

20 “(I) the cost and efficiency of
21 postal services; and

22 “(II) access to postal retail serv-
23 ice;

24 “(v) will be undertaken in accordance
25 with all Federal laws and regulations ap-

1 plicable to the provision of such services;
 2 and

3 “(vi) is reasonably expected to im-
 4 prove the net financial position of the
 5 Postal Service, based on a market analysis
 6 conducted by or on behalf of the Postal
 7 Service; and

8 “(B) to classify a service provided under
 9 subparagraph (A) as an experimental product
 10 subject to section 3641;”;

11 (B) in subsection (e)(1), by inserting “and
 12 that was offered by the Postal Service on the
 13 date of enactment of the Improving Postal Op-
 14 erations, Service, and Transparency Act of
 15 2015” after “102(5)”; and

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

17 “(g) TREATMENT OF NEW NONPOSTAL SERVICES.—
 18 For purposes of chapters 20 and 36 of this title, nonpostal
 19 services provided under subsection (a)(6) shall be treated
 20 as competitive products.

21 “(h) FEDERAL REGULATION OF NEW NONPOSTAL
 22 SERVICES.—The Postal Service shall ensure that any non-
 23 postal service provided under subsection (a)(6) that is oth-
 24 erwise subject to the jurisdiction and regulation of a Fed-
 25 eral regulatory agency remains subject to the jurisdiction

1 and regulation of the Federal regulatory agency notwith-
 2 standing the fact that the nonpostal service is provided
 3 by the Postal Service.”.

4 (2) COMPLAINTS.—Section 3662(a) of title 39,
 5 United States Code, is amended by inserting
 6 “404(a)(6),” after “403(c),”.

7 (3) MARKET ANALYSIS.—During the 5-year pe-
 8 riod beginning on the date of enactment of this Act,
 9 not later than 7 days after the date on which any
 10 market analysis conducted under section
 11 404(a)(6)(A)(vi) of title 39, United States Code, as
 12 amended by this section, is completed, the Postal
 13 Service shall submit a copy of the market analysis
 14 to—

15 (A) the Commission;

16 (B) the Committee on Homeland Security
 17 and Governmental Affairs of the Senate; and

18 (C) the Committee on Oversight and Gov-
 19 ernment Reform of the House of Representa-
 20 tives.

21 (b) GOVERNMENTAL SERVICES.—Section 411 of title
 22 39, United States Code, is amended—

23 (1) in the second sentence, by striking “this
 24 section” and inserting “this subsection”;

1 (2) by striking “Executive agencies” and insert-
2 ing “(a) FEDERAL GOVERNMENT.—Executive agen-
3 cies”; and

4 (3) by adding at the end the following:

5 “(b) STATE, LOCAL, AND TRIBAL GOVERNMENTS.—

6 “(1) AUTHORITY OF POSTAL SERVICE.—The
7 Postal Service is authorized to furnish property and
8 services to States, local governments, and tribal gov-
9 ernments, under such terms and conditions as the
10 Postal Service and the applicable State, local govern-
11 ment, or tribal government shall determine appro-
12 priate.

13 “(2) DEFINITIONS.—For purposes of this sub-
14 section—

15 “(A) the term ‘local government’ means—

16 “(i) a county, municipality, city, town,
17 township, local public authority, school dis-
18 trict, special district, intrastate district,
19 council of governments, or regional or
20 interstate government entity;

21 “(ii) an agency or instrumentality of
22 an entity described in clause (i); or

23 “(iii) a rural community, an unincor-
24 porated town or village, or an instrumen-

1 tality of a rural community or an unincor-
 2 porated town or village;

3 “(B) the term ‘State’ includes the District
 4 of Columbia, the Commonwealth of Puerto
 5 Rico, the United States Virgin Islands, Guam,
 6 American Samoa, the Commonwealth of the
 7 Northern Mariana Islands, and any other terri-
 8 tory or possession of the United States; and

9 “(C) the term ‘tribal government’ means
 10 the government of an Indian tribe, as that term
 11 is defined in section 4(e) of the Indian Self-De-
 12 termination Act (25 U.S.C. 450b(e)).

13 “(c) REPORT.—The Postal Service shall submit to
 14 the Postal Regulatory Commission, together with the re-
 15 port required under section 3652, a report that details the
 16 costs and revenues of the property and services furnished
 17 by the Postal Service under this section during the period
 18 covered by the report required under section 3652.

19 “(d) REIMBURSEMENT DETERMINATION.—In deter-
 20 mining the possibility for reimbursement under sub-
 21 sections (a) and (b), the Postal Service shall ensure that
 22 each property or service furnished under such subsections
 23 covers its costs attributable, as that term is defined in sec-
 24 tion 3631(b).”.

25 (c) CONFORMING AMENDMENTS.—

1 (1) SECTION 404(e) OF TITLE 39.—Section
2 404(e) of title 39, United States Code, is amended—

3 (A) by striking “(e)(1) In this” and insert-
4 ing the following:

5 “(e) PREVIOUSLY OFFERED NONPOSTAL SERV-
6 ICES.—

7 “(1) DEFINITION.—In this”;

8 (B) in paragraph (2), by striking “(2)
9 Nothing” and inserting the following:

10 “(2) ELIGIBLE NONPOSTAL SERVICES.—Noth-
11 ing”;

12 (C) in paragraph (3)—

13 (i) by striking “(3) Not” and insert-
14 ing the following:

15 “(3) REVIEW OF NONPOSTAL SERVICES.—Not”;

16 and

17 (ii) by moving subparagraphs (A) and
18 (B) 2 ems to the right;

19 (D) in paragraph (4), by striking “(4)
20 Any” and inserting the following:

21 “(4) TERMINATION.—Any”; and

22 (E) by striking paragraph (5) and insert-
23 ing the following:

24 “(5) DESIGNATION.—Each nonpostal service
25 authorized under this subsection shall be designated

1 as market-dominant or competitive based on the des-
 2 ignation of the nonpostal service in the Mail Classi-
 3 fication Schedule as in effect on the date of enact-
 4 ment of the Improving Postal Operations, Service,
 5 and Transparency Act of 2015.

6 “(6) RULE OF CONSTRUCTION.—Nothing in
 7 this subsection shall be construed to prevent the
 8 Postal Service from providing nonpostal services
 9 under subsection (a)(6).”.

10 (2) SECTION 3641 OF TITLE 39.—Section 3641
 11 of title 39, United States Code, is amended—

12 (A) in subsection (b)(1), by inserting “(or
 13 the appropriate consumers in the case of non-
 14 postal services)” after “users”;

15 (B) in the first sentence of subsection
 16 (b)(3), by striking “section 3642(b)(1)” and in-
 17 serting “sections 404(g) and 3642(b)(1)”;

18 (C) in the second sentence of subsection
 19 (b)(3), by striking “section 3633(3)” and in-
 20 serting “section 3633(a)(3)”;

21 (D) in subsection (e)(1), by striking
 22 “\$10,000,000” and inserting “\$50,000,000”;
 23 and

24 (E) in subsection (e)(2), by striking
 25 “\$50,000,000” and inserting “\$100,000,000”.

1 (3) TECHNICAL AND CONFORMING AMEND-
 2 MENTS.—Section 2003(b)(1) of title 39, United
 3 States Code, is amended by striking “postal and
 4 nonpostal services” and inserting “postal services,
 5 nonpostal services authorized under section 404(e),
 6 and property and services authorized under section
 7 411,”.

8 (d) ASSESSMENT OF WI-FI FEASIBILITY.—

9 (1) IN GENERAL.—The Inspector General of
 10 the Postal Service shall assess the feasibility of the
 11 Postal Service providing unique services in urban
 12 and rural communities, such as providing wireless
 13 broadband Internet access service at post offices.

14 (2) NO UNFAIR COMPETITION.—The assess-
 15 ment conducted under paragraph (1) shall take into
 16 account the requirement under section
 17 404(a)(6)(A)(iii) of title 39, United States Code (as
 18 added by subsection (a)), that the Postal Service, in
 19 providing new nonpostal services, may not create un-
 20 fair competition with the private sector.

21 **SEC. 304. SHIPPING OF WINE, BEER, AND DISTILLED SPIR-**
 22 **ITS.**

23 (a) MAILABILITY.—

24 (1) NONMAILABLE ARTICLES.—Section 1716(f)
 25 of title 18, United States Code, is amended by strik-

1 ing “mails” and inserting “mails, except to the ex-
 2 tent that the mailing is allowable under section
 3 3001(p) of title 39”.

4 (2) APPLICATION OF LAWS.—Section 1161 of
 5 title 18, United States Code, is amended by insert-
 6 ing “, and, with respect to the mailing of distilled
 7 spirits, wine, or malt beverages (as those terms are
 8 defined in section 117 of the Federal Alcohol Admin-
 9 istration Act (27 U.S.C. 211)), is in conformity with
 10 section 3001(p) of title 39” after “Register”.

11 (b) REGULATIONS.—Section 3001 of title 39, United
 12 States Code, is amended by adding at the end the fol-
 13 lowing:

14 “(p)(1) In this subsection, the terms ‘distilled spirits’,
 15 ‘wine’, and ‘malt beverage’ have the same meanings as in
 16 section 117 of the Federal Alcohol Administration Act (27
 17 U.S.C. 211).

18 “(2) Distilled spirits, wine, or malt beverages shall
 19 be considered mailable if mailed—

20 “(A) in accordance with the laws and regula-
 21 tions of—

22 “(i) the State, territory, or district of the
 23 United States where the sender or duly author-
 24 ized agent initiates the mailing; and

1 “(ii) the State, territory, or district of the
 2 United States where the addressee or duly au-
 3 thorized agent takes delivery; and

4 “(B) to an addressee who is at least 21 years
 5 of age—

6 “(i) who provides a signature and presents
 7 a valid, government-issued photo identification
 8 upon delivery; or

9 “(ii) the duly authorized agent of whom—
 10 “(I) is at least 21 years of age; and
 11 “(II) provides a signature and pre-
 12 sents a valid, government-issued photo
 13 identification upon delivery.

14 “(3) The Postal Service shall prescribe such regula-
 15 tions as may be necessary to carry out this subsection.”.

16 (c) EFFECTIVE DATE.—The amendments made by
 17 this section shall take effect on the earlier of—

18 (1) the date on which the Postal Service issues
 19 regulations under section 3001(p) of title 39, United
 20 States Code, as amended by this section; and

21 (2) the date that is 120 days after the date of
 22 enactment of this Act.

23 (d) NO PREEMPTION OF STATE, LOCAL, OR TRIBAL
 24 LAWS PROHIBITING DELIVERIES, SHIPMENTS, OR
 25 SALES.—Nothing in this section, the amendments made

1 by this section, or any regulation promulgated under this
 2 section or the amendments made by this section, shall be
 3 construed to preempt, supersede, or otherwise limit or re-
 4 strict any State, local, or tribal law that prohibits or regu-
 5 lates the delivery, shipment, or sale of distilled spirits,
 6 wine, or malt beverages (as those terms are defined in sec-
 7 tion 117 of the Federal Alcohol Administration Act (27
 8 U.S.C. 211)).

9 **SEC. 305. CHIEF INNOVATION OFFICER; INNOVATION**
 10 **STRATEGY.**

11 (a) CHIEF INNOVATION OFFICER.—

12 (1) IN GENERAL.—Chapter 2 of title 39, United
 13 States Code, is amended by adding at the end the
 14 following:

15 **“§ 209. Chief innovation officer**

16 “(a) ESTABLISHMENT.—There shall be in the Postal
 17 Service a Chief Innovation Officer appointed by the Post-
 18 master General from among officers and employees of the
 19 Postal Service.

20 “(b) QUALIFICATIONS.—The Chief Innovation Offi-
 21 cer shall have proven expertise and a record of accomplish-
 22 ment in areas such as—

23 “(1) business process management;

24 “(2) the postal and shipping industry;

1 “(3) innovative product research and develop-
2 ment;

3 “(4) brand marketing strategy; or

4 “(5) new and emerging technology, including
5 communications technology.

6 “(c) DUTIES.—The Chief Innovation Officer shall
7 lead the development and implementation of—

8 “(1) innovative postal products and services,
9 particularly products and services that use new and
10 emerging technology, including communications
11 technology, to improve the net financial position of
12 the Postal Service; and

13 “(2) nonpostal services authorized under section
14 404(a)(6) that have the potential to improve the net
15 financial position of the Postal Service.”.

16 (2) TECHNICAL AND CONFORMING AMEND-
17 MENT.—The table of sections for chapter 2 of title
18 39, United States Code, is amended by adding at
19 the end the following:

“209. Chief Innovation Officer.”.

20 (3) DEADLINE.—Not later than 90 days after
21 the date of enactment of this Act, the Postmaster
22 General shall appoint a Chief Innovation Officer
23 under section 209 of title 39, United States Code,
24 as added by paragraph (1).

1 (4) EXISTING RESOURCES.—The Postal Service
2 shall fund the office of the Chief Innovation Officer
3 established under section 209 of title 39, United
4 States Code, as added by paragraph (1), using exist-
5 ing resources.

6 (b) INNOVATION STRATEGY.—

7 (1) INITIAL REPORT ON INNOVATION STRAT-
8 EGY.—

9 (A) IN GENERAL.—Not later than 270
10 days after the date of enactment of this Act,
11 the Postmaster General, acting through the
12 Chief Innovation Officer, shall submit a report
13 that contains a comprehensive strategy (re-
14 ferred to in this subsection as the “innovation
15 strategy”) for improving the net financial posi-
16 tion of the Postal Service through innovation,
17 including the offering of new postal and non-
18 postal services, to—

19 (i) the Committee on Homeland Secu-
20 rity and Governmental Affairs of the Sen-
21 ate; and

22 (ii) the Committee on Oversight and
23 Government Reform of the House of Rep-
24 resentatives.

1 (B) MATTERS TO BE ADDRESSED.—At a
2 minimum, the report on innovation strategy re-
3 quired under subparagraph (A) shall describe—

4 (i) the specific innovative postal and
5 nonpostal services to be developed and of-
6 fered by the Postal Service, including—

7 (I) the nature of the market de-
8 mand to be satisfied by each product
9 or service; and

10 (II) the estimated date by which
11 each product or service will be intro-
12 duced;

13 (ii) the cost of developing and offering
14 each product or service;

15 (iii) the anticipated sales volume for
16 each product or service;

17 (iv) the anticipated revenues and prof-
18 its to be generated by each product or
19 service;

20 (v) the likelihood of success of each
21 product or service and the risks associated
22 with the development and sale of each
23 product or service;

24 (vi) the trends anticipated in market
25 conditions that may affect the success of

1 each product or service during the 5-year
2 period beginning on the date of the sub-
3 mission of the report under subparagraph
4 (A);

5 (vii) any innovations designed to im-
6 prove the net financial position of the
7 Postal Service, other than the offering of
8 new products and services; and

9 (viii) the metrics that will be used to
10 assess the effectiveness of the innovation
11 strategy.

12 (2) ANNUAL REPORT.—

13 (A) IN GENERAL.—Not later than 1 year
14 after the date of the submission of the initial
15 report containing the innovation strategy under
16 paragraph (1), and annually thereafter for 10
17 years, the Postmaster General, acting through
18 the Chief Innovation Officer, shall submit a re-
19 port on the implementation of the innovation
20 strategy to—

21 (i) the Committee on Homeland Secu-
22 rity and Governmental Affairs of the Sen-
23 ate; and

1 (ii) the Committee on Oversight and
2 Government Reform of the House of Rep-
3 resentatives.

4 (B) MATTERS TO BE ADDRESSED.—At a
5 minimum, an annual report submitted under
6 subparagraph (A) shall include—

7 (i) an update of the initial report on
8 innovation strategy submitted under para-
9 graph (1);

10 (ii) a description of the progress made
11 by the Postal Service in implementing the
12 products, services, and other innovations
13 described in the initial report on innovation
14 strategy; and

15 (iii) an analysis of the performance of
16 each product, service, or other innovation
17 described in the initial report on innovation
18 strategy, including—

19 (I) the revenue generated by each
20 product or service developed in ac-
21 cordance with the innovation strategy
22 under this section and the cost of de-
23 veloping and offering each product or
24 service for the preceding year;

1 (II) trends in each market in
2 which a product or service is intended
3 to satisfy a demand;

4 (III) each product or service
5 identified in the innovation strategy
6 that is to be discontinued, the date on
7 which each discontinuance will occur,
8 and the reasons for each discontinu-
9 ance;

10 (IV) each alteration that the
11 Postal Service plans to make to a
12 product or service identified in the in-
13 novation strategy to address changing
14 market conditions and an explanation
15 of how each alteration will ensure the
16 success of the product or service;

17 (V) the performance of innova-
18 tions other than new products and
19 services that are designed to improve
20 the net financial position of the Postal
21 Service; and

22 (VI) the performance of the inno-
23 vation strategy according to the
24 metrics described in paragraph
25 (1)(B)(viii).

1 **SEC. 306. STRATEGIC ADVISORY COMMISSION ON POSTAL**
2 **SERVICE SOLVENCY, SERVICE, AND INNOVA-**
3 **TION.**

4 (a) ESTABLISHMENT.—

5 (1) IN GENERAL.—There is established in the
6 executive branch a Strategic Advisory Commission
7 on Postal Service Solvency, Service, and Innovation
8 (referred to in this section as the “Advisory Com-
9 mission”).

10 (2) INDEPENDENCE.—The Advisory Commis-
11 sion shall not be subject to the supervision of the
12 Board of Governors of the Postal Service (referred
13 to in this section as the “Board of Governors”), any
14 Executive Committee established under section
15 202(i) of title 39, United States Code, the Post-
16 master General, or any other officer or employee of
17 the Postal Service.

18 (b) PURPOSE.—The purpose of the Advisory Com-
19 mission is to—

20 (1) provide strategic guidance to the President,
21 Congress, the Board of Governors, the Postmaster
22 General, and the Chief Innovation Officer on en-
23 hancing the long-term solvency of the Postal Service;
24 and

1 (2) foster innovative thinking to address the
2 challenges facing the Postal Service without unfairly
3 competing with the private sector.

4 (c) MEMBERSHIP.—

5 (1) COMPOSITION.—The Advisory Commission
6 shall be composed of 7 members, of whom—

7 (A) 3 members shall be appointed by the
8 President, who shall designate 1 member ap-
9 pointed under this subparagraph to serve as
10 Chairperson of the Advisory Commission; and

11 (B) 1 member shall be appointed by each
12 of—

13 (i) the majority leader of the Senate;

14 (ii) the minority leader of the Senate;

15 (iii) the Speaker of the House of Rep-
16 resentatives; and

17 (iv) the minority leader of the House
18 of Representatives.

19 (2) QUALIFICATIONS.—Members of the Advi-
20 sory Commission shall have—

21 (A) recognized and significant experience
22 in such fields as business, technology, and pub-
23 lic administration;

24 (B) a documented record of innovative
25 thinking;

1 (C) familiarity with new and emerging
2 technologies; and

3 (D) experience with revitalizing organiza-
4 tions, corporations, or communities that experi-
5 enced significant financial challenges or other
6 challenges.

7 (3) INCOMPATIBLE OFFICES.—An individual
8 who is appointed to the Advisory Commission may
9 not serve as an elected official or an officer or em-
10 ployee of the Federal Government while serving as
11 a member of the Advisory Commission, except in the
12 capacity of that individual as a member of the Advi-
13 sory Commission.

14 (4) DEADLINE FOR APPOINTMENT.—Each
15 member of the Advisory Commission shall be ap-
16 pointed not later than 60 days after the date of en-
17 actment of this Act.

18 (5) MEETINGS; QUORUM; VACANCIES.—

19 (A) MEETINGS.—The Advisory Commis-
20 sion shall meet at the call of the Chairperson or
21 a majority of the members of the Advisory
22 Commission.

23 (B) QUORUM.—4 members of the Advisory
24 Commission shall constitute a quorum.

1 (C) VACANCIES.—Any vacancy in the Advi-
2 sory Commission shall not affect the powers of
3 the Advisory Commission, but shall be filled as
4 soon as practicable in the same manner in
5 which the original appointment was made.

6 (d) DUTIES AND POWERS.—

7 (1) DUTIES.—The Advisory Commission
8 shall—

9 (A) study matters that the Advisory Com-
10 mission determines are necessary and appro-
11 priate to develop a strategic blueprint for the
12 long-term solvency of the Postal Service, includ-
13 ing—

14 (i) the financial, operational, and
15 structural condition of the Postal Service;

16 (ii) alternative strategies and business
17 models that the Postal Service could adopt;

18 (iii) opportunities for additional postal
19 and nonpostal services that the Postal
20 Service could offer;

21 (iv) the comparative postal practices
22 of other countries, including innovative
23 products and services that postal services
24 in other countries have offered, including
25 services that respond to the increasing use

1 of electronic means of communication, and
2 different approaches to mail delivery, in-
3 cluding rural delivery, that other countries
4 have adopted;

5 (v) the governance and organizational
6 and management structures of the Postal
7 Service;

8 (vi) efforts by the Postal Service to
9 recruit and retain a workforce, particularly
10 in rural areas, capable of meeting the stra-
11 tegic needs of the Postal Service regarding
12 innovation, nationwide service standards,
13 and nationwide delivery schedules;

14 (vii) efforts by the Postal Service to
15 protect and enhance the provision of postal
16 services to rural areas of the United
17 States, including additional actions or
18 strategies needed to meet service standards
19 in rural areas;

20 (viii) the morale of the workforce of
21 the Postal Service, including strategies to
22 improve morale; and

23 (ix) technology that could enhance
24 and protect postal services; and

1 (B) submit the report required under sub-
2 section (h).

3 (2) HEARINGS.—The Advisory Commission may
4 hold such hearings, take such testimony, and receive
5 such evidence as is necessary to carry out this sec-
6 tion.

7 (3) ACCESS TO INFORMATION.—The Advisory
8 Commission may secure directly from the Postal
9 Service, the Board of Governors, the Postal Regu-
10 latory Commission, and any other Federal depart-
11 ment or agency such information as the Advisory
12 Commission considers necessary to carry out this
13 section. Upon request of the Chairperson of the Ad-
14 visory Commission, the head of the department or
15 agency shall furnish the information described in the
16 preceding sentence to the Advisory Commission.

17 (e) APPLICABILITY OF LAWS.—The Federal Advisory
18 Committee Act (5 U.S.C. App.) and section 552a of title
19 5, United States Code (commonly known as the “Privacy
20 Act of 1974”), shall apply to the Advisory Commission.

21 (f) ASSISTANCE FROM FEDERAL AGENCIES.—

22 (1) POSTAL SERVICE.—The Postmaster General
23 shall provide to the Advisory Commission adminis-
24 trative support and other services for the perform-
25 ance of the functions of the Advisory Commission.

1 (2) OTHER DEPARTMENTS AND AGENCIES.—An
2 agency of the Federal Government may provide to
3 the Advisory Committee such services, funds, facili-
4 ties, staff, and other support services that the agen-
5 cy determines to be advisable or is otherwise author-
6 ized under law.

7 (g) PERSONNEL MATTERS.—

8 (1) ADVISORY COMMISSION MEMBERS.—

9 (A) COMPENSATION OF MEMBERS.—Each
10 member of the Advisory Commission shall be
11 compensated at a rate equal to the daily equiva-
12 lent of the annual rate of basic pay prescribed
13 for level IV of the Executive Schedule under
14 section 5315 of title 5, United States Code, for
15 each day during which the member is engaged
16 in the actual performance of the duties of the
17 Advisory Commission.

18 (B) TRAVEL EXPENSES.—Each member of
19 the Advisory Commission shall be allowed travel
20 expenses, including per diem in lieu of subsist-
21 ence, at the rate authorized for employees serv-
22 ing intermittently in the Government service
23 under section 5703 of title 5, United States
24 Code, while away from home or regular place of

1 business in the performance of services for the
2 Advisory Commission.

3 (2) STAFF.—

4 (A) APPOINTMENT AND COMPENSATION.—

5 The Chairperson, in accordance with rules
6 agreed upon by the Advisory Commission, shall
7 appoint and fix the compensation of an execu-
8 tive director and such other personnel as may
9 be necessary to enable the Advisory Commission
10 to carry out the functions of the Advisory Com-
11 mission, without regard to the provisions of title
12 5, United States Code, governing appointments
13 in the competitive service, and without regard
14 to the provisions of chapter 51 and subchapter
15 III of chapter 53 of such title relating to classi-
16 fication of positions and General Schedule pay
17 rates, except that a rate of pay fixed under this
18 subparagraph may not exceed the annual rate
19 of basic pay prescribed for level V of the Execu-
20 tive Schedule under section 5316 of title 5,
21 United States Code.

22 (B) DETAILEES.—Any Federal employee,
23 including an employee of the Postal Service,
24 may be detailed to the Advisory Commission
25 without reimbursement, and such detail shall be

1 without interruption or loss of the civil service
2 rights, status, or privilege of the employee.

3 (h) STRATEGIC BLUEPRINT FOR LONG-TERM SOL-
4 VENCY.—

5 (1) IN GENERAL.—Not later than 270 days
6 after the date of enactment of this Act, the Advisory
7 Commission shall submit a report that contains a
8 strategic blueprint for the long-term solvency of the
9 Postal Service to—

10 (A) the President;

11 (B) the Committee on Homeland Security
12 and Governmental Affairs of the Senate;

13 (C) the Committee on Oversight and Gov-
14 ernment Reform of the House of Representa-
15 tives;

16 (D) the Board of Governors; and

17 (E) the Postmaster General.

18 (2) CONTENTS.—The strategic blueprint con-
19 tained in the report submitted under paragraph (1)
20 shall include—

21 (A) an assessment of the business model of
22 the Postal Service as of the date on which the
23 report is submitted;

1 (B) an assessment of potential future busi-
2 ness models for the Postal Service, including an
3 evaluation of the appropriate balance between—

4 (i) necessary reductions in costs and
5 services; and

6 (ii) additional opportunities for
7 growth and revenue;

8 (C) a strategy for addressing significant
9 current and future liabilities;

10 (D) identification of opportunities for fur-
11 ther reductions in costs;

12 (E) identification of opportunities for new
13 and innovative products and services, including
14 products and services targeting rural areas;

15 (F) a strategy for future growth;

16 (G) a vision of how the Postal Service will
17 operate in a sustainable manner 20 years after
18 the date of enactment of this Act;

19 (H) a strategy for ensuring that the Postal
20 Service has a sufficient workforce to meet all of
21 its needs and comply with applicable legal re-
22 quirements; and

23 (I) recommendations for any legislative
24 changes necessary to implement the strategic
25 blueprint described in this paragraph.

1 (i) STUDY AND STRATEGIC PLAN ON INTERAGENCY
2 AGREEMENTS FOR POST OFFICES.—

3 (1) DUTIES OF ADVISORY COMMISSION.—

4 (A) STUDY.—

5 (i) IN GENERAL.—The Advisory Com-
6 mission shall conduct a study concerning
7 the advisability of the Postal Service enter-
8 ing into interagency agreements with Fed-
9 eral, State, and local agencies, with respect
10 to post offices, that—

11 (I) streamline and consolidate
12 services provided by Federal, State,
13 and local agencies;

14 (II) decrease the costs incurred
15 by Federal agencies in providing serv-
16 ices to the general public; and

17 (III) improve the efficiency and
18 maintain the customer service stand-
19 ards of the Federal, State, and local
20 agencies.

21 (ii) CLARIFICATION OF INTERAGENCY
22 AGREEMENTS.—The study under clause (i)
23 shall include consideration of the advis-
24 ability of the Postal Service entering into
25 an interagency agreement with Federal

1 agencies responsible for providing services
2 to the general public.

3 (B) FINDINGS.—The Advisory Commission
4 shall—

5 (i) not later than 270 days after the
6 date of enactment of this Act, submit to
7 the Postal Service the findings of the study
8 conducted under subparagraph (A); and

9 (ii) incorporate the findings described
10 in clause (i) into the strategic blueprint re-
11 quired under subsection (h).

12 (2) POSTAL SERVICE STRATEGIC PLAN.—

13 (A) IN GENERAL.—Not later than 6
14 months after the date on which the Advisory
15 Commission submits to the Postal Service the
16 findings under paragraph (1)(B), the Postal
17 Service shall submit a nonbinding strategic plan
18 for entering into interagency agreements con-
19 cerning post offices to—

20 (i) the Committee on Homeland Secu-
21 rity and Governmental Affairs of the Sen-
22 ate; and

23 (ii) the Committee on Oversight and
24 Government Reform of the House of Rep-
25 resentatives.

1 (B) LIMITATIONS.—The strategic plan
2 submitted under subparagraph (A) shall be con-
3 sistent with public interest and demand.

4 (C) COST SAVINGS PROJECTIONS.—The
5 strategic plan submitted under subparagraph
6 (A) shall include, for each proposed interagency
7 agreement, a projection of cost savings to be re-
8 alized by the Postal Service and by any other
9 Federal agency that is a party to the agree-
10 ment.

11 (j) TERMINATION OF THE COMMISSION.—The Advi-
12 sory Commission shall terminate on the earlier of—

13 (1) the date that is 60 days after the later of—

14 (A) the date on which the Advisory Com-
15 mission submits the report on the strategic
16 blueprint for long-term solvency under sub-
17 section (h); or

18 (B) the date on which the Advisory Com-
19 mission submits the findings on interagency
20 agreements for post offices under subsection (i);
21 or

22 (2) the date that is 1 year after the date of en-
23 actment of this Act.

1 **TITLE IV—POSTAL SERVICE CUS-**
2 **TOMER SERVICE, TRANS-**
3 **PARENCY, AND REGULATION**

4 **SEC. 401. CUSTOMER SERVICE STUDY AND REPORT.**

5 (a) STUDY.—The Board of Governors of the Postal
6 Service shall conduct a study on the customer service of
7 the Postal Service, including—

8 (1) the training of customer-facing employees of
9 the Postal Service at facilities operated by the Postal
10 Service, the primary function of which is to provide
11 retail postal services; and

12 (2) the flexibility of the facilities described in
13 paragraph (1) to allow for the cross-training of cus-
14 tomer-facing employees of the Postal Service during
15 peak hours.

16 (b) REPORT.—Not later than 1 year after the date
17 of enactment of this Act, the Board of Governors of the
18 Postal Service shall submit to Congress a report on the
19 study required under subsection (a), including—

20 (1) the current methods for measuring the cus-
21 tomer service of the Postal Service;

22 (2) recent customer service performance; and

23 (3) strategies to enhance customer service.

1 **SEC. 402. POSTAL SERVICE RESULTS AND TERMS.**

2 (a) IN GENERAL.—Chapter 36 of title 39, United
3 States Code, is amended by adding after section 3661 the
4 following:

5 **“§ 3661A. Postal Service transparency**

6 “(a) POSTAL SERVICE TERMS.—The Postal Service
7 shall develop and regularly update a more customer
8 friendly publication of Postal Service terms, abbreviations,
9 and acronyms, which shall be made publicly available on
10 the Postal Service website.

11 “(b) CENTRALIZED HUB TO VIEW DELIVERY AND
12 RETAIL PERFORMANCE STANDARDS AND RESULTS.—Not
13 later than 12 months after the date of enactment of this
14 section, the Postal Service shall create a more centralized,
15 easily accessible hub for viewing all delivery and retail per-
16 formance standards and performance results. Perform-
17 ance trending results for a period of not less than 24
18 months shall be made available on the hub.”.

19 (b) TECHNICAL AND CONFORMING AMENDMENT.—
20 The table of sections for chapter 36 of title 39, United
21 States Code, is amended by adding after the item relating
22 to section 3661 the following:

“3661A. Postal Service transparency.”.

1 **SEC. 403. ANNUAL REPORT ON UNITED STATES MAILING IN-**
 2 **DUSTRY.**

3 (a) IN GENERAL.—Chapter 24 of title 39, United
 4 States Code, is amended by adding at the end the fol-
 5 lowing:

6 **“§ 2403. Annual report on the fiscal stability of the**
 7 **United States mailing industry**

8 “(a) IN GENERAL.—Not later than 1 year after the
 9 date of enactment of this section, and annually thereafter,
 10 the Postal Regulatory Commission shall submit a report
 11 on the fiscal stability of the United States mailing indus-
 12 try with respect to the preceding fiscal year to—

13 “(1) the Committee on Homeland Security and
 14 Governmental Affairs of the Senate; and

15 “(2) the Committee on Oversight and Govern-
 16 ment Reform of the House of Representatives.

17 “(b) ASSISTANCE.—The United States Postal Service
 18 and any Federal agency involved in oversight or data col-
 19 lection regarding industry sectors relevant to the report
 20 under subsection (a) shall provide any assistance to the
 21 Postal Regulatory Commission that the Postal Regulatory
 22 Commission determines is necessary in the preparation of
 23 a report under subsection (a).”.

24 (b) TECHNICAL AND CONFORMING AMENDMENT.—
 25 The table of sections for chapter 24 of title 39, United

1 States Code, is amended by adding at the end the fol-
 2 lowing:

“2403. Annual report on the fiscal stability of the United States mailing indus-
 try.”.

3 **SEC. 404. POSTAL REGULATORY COMMISSION.**

4 (a) COMMISSIONERS.—Section 502 of title 39, United
 5 States Code, is amended—

6 (1) in subsection (c), by striking “subsection
 7 (f)” and inserting “subsections (f) and (g)”; and

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

9 “(g) The Commissioners may serve for not more than
 10 2 full terms.”.

11 (b) ADMINISTRATION.—Section 504 of title 39,
 12 United States Code, is amended—

13 (1) in subsection (a), in the second sentence—

14 (A) by striking “The Chairman” and in-
 15 serting “Subject to the policies adopted under
 16 subsection (b), the Chairman”; and

17 (B) by striking “all the executive” and in-
 18 serting “the day-to-day executive”;

19 (2) by amending subsection (b) to read as fol-
 20 lows:

21 “(b)(1) The Chairman shall be governed by the poli-
 22 cies adopted by the Commission under paragraph (2)(A)
 23 in carrying out any of the functions under this section.

1 “(2) The Commission shall adopt, by a vote of the
 2 majority of the members of the Commission, policies that
 3 shall govern all functions of the Commission, including the
 4 finances, operations, and administration of the Commis-
 5 sion.

6 “(3) The Commission shall review and, if necessary,
 7 revise the policies adopted under paragraph (2) not less
 8 frequently than every 4 years. Adoption of revised policies,
 9 or re-adoption of existing policies, shall be by a vote of
 10 the majority of the members of the Commission.”; and

11 (3) in subsection (c), by striking “The Chair-
 12 man” and inserting “Subject to the policies adopted
 13 under subsection (b), the Chairman”.

14 **SEC. 405. INSPECTOR GENERAL OF THE UNITED STATES**
 15 **POSTAL SERVICE AND THE POSTAL REGU-**
 16 **LATORY COMMISSION.**

17 (a) APPOINTMENT OF INSPECTOR GENERAL OF THE
 18 UNITED STATES POSTAL SERVICE AND THE POSTAL
 19 REGULATORY COMMISSION BY PRESIDENT.—Section 8G
 20 of the Inspector General Act of 1978 (5 U.S.C. App.) is
 21 amended—

22 (1) in subsection (a)—

23 (A) in paragraph (2), by striking “the
 24 United States International Trade Commission,
 25 the Postal Regulatory Commission, and the

1 United States Postal Service” and inserting
 2 “the United States International Trade Com-
 3 mission, and the United States Postal Service
 4 and the Postal Regulatory Commission”; and

5 (B) in paragraph (4), by striking subpara-
 6 graph (B) and inserting the following:

7 “(B) with respect to the United States
 8 Postal Service and the Postal Regulatory Com-
 9 mission, such term, for purposes of oversight
 10 of—

11 “(i) the United States Postal Service,
 12 means the Governors (as defined in section
 13 102(3) of title 39, United States Code);
 14 and

15 “(ii) the Postal Regulatory Commis-
 16 sion, means the Chairman of the Postal
 17 Regulatory Commission;”;

18 (2) in subsection (d)(1), by inserting “or sub-
 19 section (f)(3)” after “Except as provided in para-
 20 graph (2)”; and

21 (3) in subsection (f)—

22 (A) by striking paragraph (1) and insert-
 23 ing the following:

24 “(1)(A) There is established in the United States
 25 Postal Service the Office of the Inspector General of the

1 United States Postal Service and the Postal Regulatory
2 Commission.

3 “(B) There shall be at the head of the Office of the
4 Inspector General of the United States Postal Service and
5 the Postal Regulatory Commission an Inspector General
6 (referred to in this subsection as the ‘Inspector General’)
7 who shall be appointed by the President, by and with the
8 advice and consent of the Senate, without regard to polit-
9 ical affiliation and solely on the basis of integrity and dem-
10 onstrated ability in accounting, auditing, financial anal-
11 ysis, law, management analysis, public administration, or
12 investigations.

13 “(C) The Inspector General may be removed from of-
14 fice by the President. If the Inspector General is removed
15 from office or is transferred to another position or location
16 within the United States Postal Service, the President
17 shall communicate in writing the reasons for any such re-
18 moval or transfer to both Houses of Congress, not later
19 than 30 days before the removal or transfer. Nothing in
20 this subparagraph shall prohibit a personnel action other-
21 wise authorized by law, other than transfer or removal.

22 “(D) For the purposes of section 7324 of title 5,
23 United States Code, the Inspector General shall not be
24 considered to be an employee who determines policies to

1 be pursued by the United States in the nationwide admin-
 2 istration of Federal laws.

3 “(E) The Inspector General shall have all of the au-
 4 thorities and responsibilities provided by this Act with re-
 5 spect to the Postal Regulatory Commission, as if the Post-
 6 al Regulatory Commission were part of the United States
 7 Postal Service.”;

8 (B) in paragraph (2), by striking “of the
 9 United States Postal Service (hereinafter in
 10 this subsection referred to as the ‘Inspector
 11 General’)”;

12 (C) in paragraph (3)—

13 (i) in subparagraph (A)—

14 (I) in clause (i), in the matter
 15 preceding subclause (I), by inserting
 16 “relating to the United States Postal
 17 Service” before “which require access
 18 to sensitive information”; and

19 (II) in clause (iii), by striking
 20 “Committee on Governmental Affairs
 21 of the Senate” and inserting “Com-
 22 mittee on Homeland Security and
 23 Governmental Affairs of the Senate”;

24 (ii) in subparagraph (B)(i), by insert-
 25 ing “and the Postal Regulatory Commis-

1 sion” after “United States Postal Service”;
 2 and

3 (iii) in subparagraph (C), by striking
 4 “Committee on Governmental Affairs of
 5 the Senate” and inserting “Committee on
 6 Homeland Security and Governmental Af-
 7 fairs of the Senate”;

8 (D) in paragraph (4), by adding at the end
 9 the following: “Nothing in this paragraph may
 10 be invoked by the United States Postal Service
 11 to restrict or limit any audit or investigation
 12 that the Inspector General considers appro-
 13 priate.”; and

14 (E) in paragraph (6), by inserting “and
 15 the Postal Regulatory Commission” after
 16 “United States Postal Service”.

17 (b) INTERIM POWER OF INSPECTOR GENERAL OF
 18 THE UNITED STATES POSTAL SERVICE.—During the pe-
 19 riod beginning on the date of enactment of this Act and
 20 ending on the date on which the first individual is ap-
 21 pointed as Inspector General of the United States Postal
 22 Service and the Postal Regulatory Commission after the
 23 date of enactment of this Act, the Inspector General of
 24 the United States Postal Service shall have all of the au-
 25 thorities and responsibilities provided by the Inspector

1 General Act of 1978 (5 U.S.C. App.) with respect to the
2 Postal Regulatory Commission on the day before the date
3 of enactment of this Act, as if the Postal Regulatory Com-
4 mission were part of the United States Postal Service.

5 (c) TRANSFER OF PERSONNEL.—

6 (1) OFFICE OF THE INSPECTOR GENERAL OF
7 THE UNITED STATES POSTAL SERVICE.—The per-
8 sonnel employed in the Office of the Inspector Gen-
9 eral of the United States Postal Service are trans-
10 ferred to the Office of the Inspector General of the
11 United States Postal Service and the Postal Regu-
12 latory Commission.

13 (2) OFFICE OF THE INSPECTOR GENERAL OF
14 THE POSTAL REGULATORY COMMISSION.—The per-
15 sonnel employed in the Office of the Inspector Gen-
16 eral of the Postal Regulatory Commission may be
17 transferred to the other offices of the Postal Regu-
18 latory Commission.

19 (3) MODERN SERVICE AND PERFORMANCE
20 STANDARDS.—Any unobligated amounts made avail-
21 able to carry out the functions of the Office of the
22 Inspector General of the Postal Regulatory Commis-
23 sion before the date of enactment of this Act shall
24 be used to establish and revise modern service stand-
25 ards and record performance ratings under section

1 3691 of title 39, United States Code, as added by
2 section 205(a) of this Act.

3 (4) EFFECT.—During the 1-year period begin-
4 ning on the date of enactment of this Act, any full-
5 time or part-time employee who, on the day before
6 such date of enactment, was employed in a perma-
7 nent position in the Office of the Inspector General
8 of the Postal Regulatory Commission, shall not be
9 separated or reduced in grade or compensation be-
10 cause of the transfer under an amendment made by
11 this section.

12 (d) TECHNICAL AND CONFORMING AMENDMENTS.—

13 (1) TITLE 39, UNITED STATES CODE.—Title 39,
14 United States Code, is amended—

15 (A) in section 102(4), by striking “section
16 202(e) of this title” and inserting “section
17 8G(f)(1)(B) of the Inspector General Act of
18 1978 (5 U.S.C. App.)”;

19 (B) in section 202, by striking subsection
20 (e);

21 (C) in section 504, by striking subsection
22 (h);

23 (D) in section 1001(b), in the first sen-
24 tence, by inserting “, and section 8G(f)(1)(B)

1 of the Inspector General Act of 1978 (5 U.S.C.
2 App.)” after “1001(c) of this title”;

3 (E) in section 1003(b), by striking “11(2)”
4 and inserting “12(2)”;

5 (F) in section 1005(a)(3), by inserting “,
6 and section 8G(f)(1)(B) of the Inspector Gen-
7 eral Act of 1978 (5 U.S.C. App.)” after
8 “1001(c) of this title”;

9 (G) in section 2009, by inserting “and the
10 Postal Regulatory Commission” after “United
11 States Postal Service”; and

12 (H) in section 2011(h)(2)(D), by inserting
13 “and the Postal Regulatory Commission” after
14 “United States Postal Service”.

15 (2) TITLE 5, UNITED STATES CODE.—Section
16 8153(c)(2)(C)(ii) of title 5, United States Code, as
17 added by section 512(a) of this Act, is amended by
18 striking “Inspector General of the United States
19 Postal Service” and inserting “Inspector General of
20 the United States Postal Service and the Postal
21 Regulatory Commission”.

22 (3) OMNIBUS CONSOLIDATED APPROPRIATIONS
23 ACT, 1997.—Section 662(d) of the Omnibus Consoli-
24 dated Appropriations Act, 1997 (39 U.S.C. 2802
25 note) is amended—

1 (A) in paragraph (1)—

2 (i) in the paragraph heading, by in-
3 serting “AND THE POSTAL REGULATORY
4 COMMISSION” after “POSTAL SERVICE”;

5 (ii) in subparagraph (A), by inserting
6 “and the Postal Regulatory Commission”
7 after “Postal Service”; and

8 (iii) in subparagraph (B)(i), by insert-
9 ing “and the Postal Regulatory Commis-
10 sion” after “Postal Service”; and

11 (B) in the first sentence of paragraph (2),
12 by inserting “and the Postal Regulatory Com-
13 mission” after “Postal Service”.

14 (e) SAVINGS PROVISIONS.—

15 (1) SUITS.—The provisions of this Act shall not
16 affect suits commenced before the effective date of
17 this Act, and in all such suits, proceeding shall be
18 had, appeals taken, and judgments rendered in the
19 same manner and with the same effect as if this Act
20 had not been enacted.

21 (2) NONABATEMENT OF ACTIONS.—No suit, ac-
22 tion, or other proceeding commenced by or against
23 the Inspector General of the United States Postal
24 Service or the Inspector General of the Postal Regu-
25 latory Commission, or by or against any individual

1 in the official capacity of such individual as an offi-
2 cer of the Office of the Inspector General of the
3 United States Postal Service or the Office of the In-
4 spector General of the Postal Regulatory Commis-
5 sion shall abate by reason of the enactment of this
6 Act.

7 (3) CONTINUANCE OF SUITS.—If, before the ef-
8 fective date of this Act, the Office of the Inspector
9 General of the United States Postal Service or the
10 Office of the Inspector General of the Postal Regu-
11 latory Commission or officer thereof in the official
12 capacity of such officer, is party to a suit, and under
13 this Act any function of the Office of the Inspector
14 General of the United States Postal Service or the
15 Office of the Inspector General of the Postal Regu-
16 latory Commission or officer is transferred to the In-
17 spector General of the United States Postal Service
18 and the Postal Regulatory Commission or any other
19 official of the Office of the Inspector General of the
20 United States Postal Service and the Postal Regu-
21 latory Commission, then such suit shall be continued
22 with the Inspector General of the United States
23 Postal Service and the Postal Regulatory Commis-
24 sion or other appropriate official of the Office of the
25 Inspector General of the United States Postal Serv-

1 ice and the Postal Regulatory Commission sub-
2 stituted or added as a party.

3 (f) APPLICABILITY.—

4 (1) IN GENERAL.—Except with respect to the
5 amendment made by subsection (a)(1)(A) relating to
6 the Postal Regulatory Commission and the amend-
7 ment made by subsection (d)(1)(C), the amendments
8 made by this section shall apply with respect to the
9 first individual appointed as Inspector General of
10 the United States Postal Service and the Postal
11 Regulatory Commission after the date of enactment
12 of this Act.

13 (2) RULE OF CONSTRUCTION.—Nothing in this
14 Act may be construed to alter the authority or the
15 length of the term of the individual serving as In-
16 spector General of the United States Postal Service
17 on the date of enactment of this Act.

18 (g) REFERENCES IN THIS ACT TO THE INSPECTOR
19 GENERAL OF THE UNITED STATES POSTAL SERVICE.—
20 On and after the date on which the first individual is ap-
21 pointed as Inspector General of the United States Postal
22 Service and the Postal Regulatory Commission after the
23 date of enactment of this Act, each reference in sections
24 107(b), 203(c)(1), 303(d)(1), 406, and 408 of this Act
25 to the Inspector General of the United States Postal Serv-

1 ice shall be deemed to be a reference to the Inspector Gen-
 2 eral of the United States Postal Service and the Postal
 3 Regulatory Commission.

4 (h) RESOURCES FOR WASTE, FRAUD, AND ABUSE
 5 INVESTIGATIONS.—

6 (1) IN GENERAL.—Chapter 4 of title 39, United
 7 States Code, is amended by adding at the end the
 8 following:

9 **“§ 417. Waste, fraud, and abuse investigations**

10 “The Postal Service may transfer such resources to
 11 the Inspector General for waste, fraud, and abuse inves-
 12 tigation as the Postal Service determines necessary.”.

13 (2) TECHNICAL AND CONFORMING AMEND-
 14 MENT.—The table of sections for chapter 4 of title
 15 39, United States Code, is amended by adding at
 16 the end the following:

“417. Waste, fraud, and abuse investigations.”.

17 **SEC. 406. GAO REPORT ON FRAGMENTATION, OVERLAP,**
 18 **AND DUPLICATION IN FEDERAL PROGRAMS**
 19 **AND ACTIVITIES.**

20 The Comptroller General of the United States shall
 21 include in the annual report to Congress required under
 22 section 21 of the Joint Resolution entitled “Joint Resolu-
 23 tion increasing the statutory limit on the public debt”, ap-
 24 proved February 12, 2010 (31 U.S.C. 712 note), that is
 25 applicable to the first year beginning after the date of en-

1 actment of this Act a review of the duplication of services
 2 and functions between the Office of the Inspector General
 3 of the United States Postal Service, the Postal Inspection
 4 Service, and any other Federal agency.

5 **SEC. 407. POSTAL SERVICES FOR MARKET-DOMINANT**
 6 **PRODUCTS.**

7 (a) IN GENERAL.—Chapter 36 of title 39, United
 8 States Code, is amended by striking section 3661 and in-
 9 serting the following:

10 **“§ 3661. Postal services for market-dominant prod-**
 11 **ucts**

12 “(a) GENERAL OBLIGATION.—The Postal Service
 13 shall develop and promote adequate and efficient postal
 14 services with respect to its market-dominant products.

15 “(b) PROPOSED CHANGES FOR MARKET-DOMINANT
 16 PRODUCTS.—

17 “(1) SUBMISSION OF PROPOSAL.—If the Postal
 18 Service determines that there should be a change in
 19 the nature of postal services relating to market-dom-
 20 inant products that will generally affect service on a
 21 nationwide or substantially nationwide basis, the
 22 Postal Service shall submit a proposal to the Postal
 23 Regulatory Commission requesting an advisory opin-
 24 ion on the change.

1 “(2) ADVISORY OPINION.—Upon receipt of a
2 proposal under paragraph (1), the Postal Regulatory
3 Commission shall—

4 “(A) provide notice and an opportunity for
5 public comment and a public hearing on the
6 proposal; and

7 “(B) issue an advisory opinion not later
8 than—

9 “(i) 90 days after the date on which
10 the Postal Regulatory Commission receives
11 the proposal; or

12 “(ii) a date that the Postal Regu-
13 latory Commission and the Postal Service
14 may determine jointly.

15 “(3) RESPONSE TO OPINION.—The Postal Serv-
16 ice shall submit to the President and to Congress a
17 response to an advisory opinion issued under para-
18 graph (2) that includes—

19 “(A) a statement of whether the Postal
20 Service plans to modify the proposal to address
21 any concerns or implement any recommenda-
22 tions made by the Commission; and

23 “(B) for any matter that the Postal Serv-
24 ice determines not to address and any rec-
25 ommendation that the Postal Service deter-

1 mines not to implement, the reasons for the de-
2 termination.

3 “(4) ACTION ON PROPOSAL.—The Postal Serv-
4 ice may take action regarding a proposal submitted
5 under paragraph (1)—

6 “(A) on or after the date on which the
7 Postal Service submits the response required
8 under paragraph (3);

9 “(B) on or after a date that the Postal
10 Regulatory Commission and the Postal Service
11 may determine jointly; or

12 “(C) after the date described in paragraph
13 (2)(B), if—

14 “(i) the Postal Regulatory Commis-
15 sion fails to issue an advisory opinion on
16 or before the date described in paragraph
17 (2)(B); and

18 “(ii) the action is not otherwise pro-
19 hibited under Federal law.

20 “(5) MODIFICATION OF TIMELINE.—At any
21 time, the Postal Service and the Postal Regulatory
22 Commission may jointly redetermine a date deter-
23 mined under paragraph (2)(B)(ii) or (4)(B).

24 “(c) LIMITATION.—

1 “(1) NO CHANGES FOR COMPETITIVE PROD-
 2 UCTS.—Nothing in this section shall be construed as
 3 authorizing the making of changes under this sec-
 4 tion to the nature of service provided for competitive
 5 products.

6 “(2) HYBRID CHANGES.—For a change that af-
 7 fects the nature of service provided for both market-
 8 dominant products and competitive products, only
 9 the effect on market-dominant products shall be sub-
 10 ject to this section.”.

11 (b) TECHNICAL AND CONFORMING AMENDMENT.—
 12 The table of sections for chapter 36 of title 39, United
 13 States Code, is amended by striking the item relating to
 14 section 3661 and inserting the following:

“3661. Postal services for market-dominant products.”.

15 **SEC. 408. POSTAL INSPECTION SERVICE MAIL COVERS PRO-**
 16 **GRAM.**

17 (a) ASSESSMENT.—Not later than 12 months after
 18 the date of enactment of this Act, and annually thereafter,
 19 the Inspector General of the Postal Service shall conduct
 20 an assessment of the mail covers program of the United
 21 States Postal Inspection Service that includes—

22 (1) a review of issues found in prior audits by
 23 the Inspector General of the Postal Service that in-
 24 volve—

25 (A) mail cover approvals;

1 (B) the security of mail cover documents
2 and information;

3 (C) the handling of accountable docu-
4 ments; and

5 (D) compliance with mail cover procedures;

6 (2) a validation of internal and external mail
7 cover request statistics provided by the United
8 States Postal Inspection Service;

9 (3) recommendations to address deficiencies
10 and improve the mail covers program; and

11 (4) consideration of any civil liberty and privacy
12 issues raised regarding the mail covers program.

13 (b) SUBMISSION OF STATISTICS.—Not later than No-
14 vember 1 of each year, the Chief Postal Inspector shall
15 submit to the Inspector General of the Postal Service all
16 statistics regarding the mail covers program of the United
17 States Postal Inspection Service, including the number of
18 external and internal requests, approvals, and processing
19 time data.

20 (c) REPORT.—The Inspector General of the Postal
21 Service shall submit to the Committee on Homeland Secu-
22 rity and Governmental Affairs of the Senate and the Com-
23 mittee on Oversight and Government Reform of the House
24 of Representatives an annual report that contains the

1 findings of each assessment conducted under subsection
2 (a).

3 **SEC. 409. CONTRACT DISPUTES.**

4 Section 7101(8) of title 41, United States Code, is
5 amended—

6 (1) in subparagraph (C), by striking “and” at
7 the end;

8 (2) in subparagraph (D), by striking the period
9 at the end and inserting “; and”; and

10 (3) by adding at the end the following:

11 “(E) the United States Postal Service and
12 the Postal Regulatory Commission.”.

13 **SEC. 410. CONTRACTING PROVISIONS.**

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

16 **“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.

“707. Congressional oversight authority.

17 **“§ 701. Definitions**

18 “In this chapter—

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

- 1 “(2) the term ‘covered postal entity’ means—
 2 “(A) the Postal Service; or
 3 “(B) the Postal Regulatory Commission;
 4 “(3) the term ‘head of a covered postal entity’
 5 means—
 6 “(A) in the case of the Postal Service, the
 7 Postmaster General; or
 8 “(B) in the case of the Postal Regulatory
 9 Commission, the Chairman of the Postal Regu-
 10 latory Commission;
 11 “(4) the term ‘postal contract’ means any con-
 12 tract (including any agreement or memorandum of
 13 understanding) entered into by a covered postal enti-
 14 ty for the procurement of goods or services; and
 15 “(5) the term ‘senior procurement executive’
 16 means the senior procurement executive of a covered
 17 postal entity.

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

- 19 “(a) ESTABLISHMENT AND DESIGNATION.—
 20 “(1) ESTABLISHMENT.—There is established in
 21 each covered postal entity an advocate for competi-
 22 tion.
 23 “(2) DESIGNATION.—The head of each covered
 24 postal entity shall designate for the covered postal
 25 entity 1 or more officers or employees (other than

1 the senior procurement executive) to serve as the ad-
 2 vocate for competition.

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

5 “(1) be responsible for promoting competition
 6 to the maximum extent practicable consistent with
 7 obtaining best value by promoting the acquisition of
 8 commercial items and challenging barriers to com-
 9 petition;

10 “(2) review the procurement activities of the
 11 covered postal entity; and

12 “(3) prepare and transmit to the head of each
 13 covered postal entity, the senior procurement execu-
 14 tive of each covered postal entity, the Board of Gov-
 15 ernors, and Congress, an annual report describing—

16 “(A) the activities of the advocate under
 17 this section;

18 “(B) initiatives required to promote com-
 19 petition;

20 “(C) barriers to competition that remain;
 21 and

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

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

25 “(a) IN GENERAL.—

1 “(1) POLICY.—Not later than 60 days after the
2 date of enactment of the Improving Postal Oper-
3 ations, Service, and Transparency Act of 2015, the
4 head of each covered postal entity shall issue a pol-
5 icy on contracting officer delegations of authority for
6 the covered postal entity.

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

9 “(A) notwithstanding any delegation of au-
10 thority with respect to postal contracts, the ulti-
11 mate responsibility and accountability for the
12 award and administration of postal contracts
13 resides with the senior procurement executive;
14 and

15 “(B) a contracting officer shall maintain
16 an awareness of and engagement in the activi-
17 ties being performed on postal contracts of
18 which that officer has cognizance, notwith-
19 standing any delegation of authority that may
20 have been executed.

21 “(b) POSTING OF DELEGATIONS.—

22 “(1) IN GENERAL.—The head of each covered
23 postal entity shall make any delegation of authority
24 for postal contracts outside the functional con-

1 tracting unit readily available and accessible on the
2 website of the covered postal entity.

3 “(2) EFFECTIVE DATE.—This paragraph shall
4 apply to any delegation of authority made on or
5 after 30 days after the date of enactment of the Im-
6 proving Postal Operations, Service, and Trans-
7 parency Act of 2015.

8 **“§ 704. Posting of noncompetitive purchase requests**
9 **for noncompetitive contracts**

10 “(a) POSTING REQUIRED.—

11 “(1) POSTAL REGULATORY COMMISSION.—The
12 Postal Regulatory Commission shall make the non-
13 competitive purchase request for any noncompetitive
14 award, including the rationale supporting the non-
15 competitive award, publicly available on the website
16 of the Postal Regulatory Commission—

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

19 “(B) not later than 30 days after the date
20 of the award of the noncompetitive contract, if
21 the basis for the award was a compelling busi-
22 ness interest.

23 “(2) POSTAL SERVICE.—The Postal Service
24 shall make the noncompetitive purchase request for
25 any noncompetitive award of a postal contract val-

1 ued at \$250,000 or more, including the rationale
 2 supporting the noncompetitive award, publicly avail-
 3 able on the website of the Postal Service—

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

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

9 “(3) ADJUSTMENTS TO THE POSTING THRESH-
 10 OLD FOR THE POSTAL SERVICE.—

11 “(A) REVIEW AND DETERMINATION.—Not
 12 later than January 31 of each year, the Postal
 13 Service shall—

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

16 “(ii) based on any change in the Con-
 17 sumer Price Index for All Urban Con-
 18 sumers of the Department of Labor, deter-
 19 mine whether an adjustment to the thresh-
 20 old shall be made.

21 “(B) AMOUNT OF ADJUSTMENTS.—An ad-
 22 justment under subparagraph (A) shall be made
 23 in increments of \$5,000. If the Postal Service
 24 determines that a change in the Consumer
 25 Price Index for a year would require an adjust-

1 ment in an amount that is less than \$5,000, the
2 Postal Service may not make an adjustment to
3 the threshold for the year.

4 “(4) EFFECTIVE DATE.—This subsection shall
5 apply to any noncompetitive contract awarded on or
6 after the date that is 90 days after the date of en-
7 actment of the Improving Postal Operations, Serv-
8 ice, and Transparency Act of 2015.

9 “(b) PUBLIC AVAILABILITY.—

10 “(1) IN GENERAL.—Subject to paragraph (2),
11 the information required to be made publicly avail-
12 able by a covered postal entity under subsection (a)
13 shall be readily accessible on the website of the cov-
14 ered postal entity.

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

17 “(A) carefully screen any description of the
18 rationale supporting a noncompetitive award re-
19 quired to be made publicly available under sub-
20 section (a) to determine whether the description
21 includes proprietary data (including any ref-
22 erence or citation to the proprietary data) or se-
23 curity-related information; and

24 “(B) remove any proprietary data or secu-
25 rity-related information before making publicly

1 available a description of the rational sup-
2 porting a noncompetitive award.

3 “(c) WAIVERS.—

4 “(1) WAIVER PERMITTED.—If a covered postal
5 entity determines that making a noncompetitive pur-
6 chase request publicly available would risk placing
7 the Postal Service at a competitive disadvantage rel-
8 ative to a private sector competitor, the senior pro-
9 curement executive, in consultation with the advo-
10 cate for competition of the covered postal entity,
11 may waive the requirements under subsection (a).

12 “(2) FORM AND CONTENT OF WAIVER.—

13 “(A) FORM.—A waiver under paragraph
14 (1) shall be in the form of a written determina-
15 tion placed in the file of the contract to which
16 the noncompetitive purchase agreement relates.

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

19 “(i) a description of the risk associ-
20 ated with making the noncompetitive pur-
21 chase request publicly available; and

22 “(ii) a statement that redaction of
23 sensitive information in the noncompetitive
24 purchase request would not be sufficient to
25 protect the Postal Service from being

1 placed at a competitive disadvantage rel-
 2 ative to a private sector competitor.

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

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

9 “If a contracting officer identifies any ethical issues
 10 relating to a proposed contract and submits those issues
 11 and that proposed contract to the designated ethics official
 12 for the covered postal entity before the awarding of that
 13 contract, that ethics official shall—

14 “(1) review the proposed contract; and

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

17 **“§ 706. Ethical restrictions on participation in certain**
 18 **contracting activity**

19 “(a) DEFINITIONS.—In this section—

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

21 “(A) a contracting officer; or

22 “(B) any employee of a covered postal en-
 23 tity whose decisionmaking affects a postal con-
 24 tract as determined by regulations prescribed
 25 by the head of a covered postal entity;

1 “(2) the term ‘covered relationship’ means a
2 covered relationship described in section
3 2635.502(b)(1) of title 5, Code of Federal Regula-
4 tions, or any successor thereto; and

5 “(3) the term ‘final conviction’ means a convic-
6 tion, whether entered on a verdict or plea, including
7 a plea of nolo contendere, for which a sentence has
8 been imposed.

9 “(b) IN GENERAL.—

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

12 “(A) require a covered employee to include
13 in the file of any noncompetitive purchase re-
14 quest for a noncompetitive postal contract a
15 written certification that—

16 “(i) discloses any covered relationship
17 of the covered employee; and

18 “(ii) the covered employee will not
19 take any action with respect to the non-
20 competitive purchase request that affects
21 the financial interests of a friend, relative,
22 or person with whom the covered employee
23 is affiliated in a nongovernmental capacity,
24 or otherwise gives rise to an appearance of
25 the use of public office for private gain, as

1 described in section 2635.702 of title 5,
2 Code of Federal Regulations, or any suc-
3 cessor thereto;

4 “(B) require a contracting officer to con-
5 sult with the ethics counsel for the covered
6 postal entity regarding any disclosure made by
7 a covered employee under subparagraph (A)(i),
8 to determine whether participation by the cov-
9 ered employee in the noncompetitive purchase
10 request would give rise to a violation of part
11 2635 of title 5, Code of Federal Regulations
12 (commonly referred to as the ‘Standards of
13 Ethical Conduct for Employees of the Executive
14 Branch’);

15 “(C) require the ethics counsel for a cov-
16 ered postal entity to review any disclosure made
17 by a contracting officer under subparagraph
18 (A)(i) to determine whether participation by the
19 contracting officer in the noncompetitive pur-
20 chase request would give rise to a violation of
21 part 2635 of title 5, Code of Federal Regula-
22 tions (commonly referred to as the ‘Standards
23 of Ethical Conduct for Employees of the Execu-
24 tive Branch’), or any successor thereto;

“(D) under subsections (d) and (e) of section 2635.50 of title 5, Code of Federal Regulations, or any successor thereto, require the ethics counsel for a covered postal entity to—

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

“(ii) disqualify a covered employee that makes a disclosure under subparagraph (A)(i) from participating in the noncompetitive postal contract;

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

“(F) include authority for the head of the covered postal entity to a grant a waiver or otherwise mitigate any organizational or personal conflict of interest, if the head of the covered postal entity determines that the waiver or mitigation is in the best interests of the Postal Service.

“(2) POSTING OF WAIVERS.—Not later than 30 days after the head of a covered postal entity grants

1 a waiver described in paragraph (1)(F), the head of
 2 the covered postal entity shall make the waiver pub-
 3 licly available on the website of the covered postal
 4 entity.

5 “(c) CONTRACT VOIDANCE AND RECOVERY.—

6 “(1) UNLAWFUL CONDUCT.—In any case in
 7 which there is a final conviction for a violation of
 8 any provision of chapter 11 of title 18 relating to a
 9 postal contract, the head of a covered postal entity
 10 may—

11 “(A) void that contract; and

12 “(B) recover the amounts expended and
 13 property transferred by the covered postal enti-
 14 ty under that contract.

15 “(2) OBTAINING OR DISCLOSING PROCUREMENT
 16 INFORMATION.—

17 “(A) IN GENERAL.—In any case where a
 18 contractor under a postal contract fails to time-
 19 ly disclose a conflict of interest to the appro-
 20 priate contracting officer as required under the
 21 regulations promulgated under subsection
 22 (b)(1)(D), the head of a covered postal entity
 23 may—

24 “(i) void that contract; and

1 “(ii) recover the amounts expended
 2 and property transferred by the covered
 3 postal entity under that contract.

4 “(B) CONVICTION OR ADMINISTRATIVE DE-
 5 TERMINATION.—A case described under sub-
 6 paragraph (A) is any case in which—

7 “(i) there is a final conviction for an
 8 offense punishable under section 27(e) of
 9 the Office of Federal Procurement Policy
 10 Act (41 U.S.C. 423(e)); or

11 “(ii) the head of a covered postal enti-
 12 ty determines, based upon a preponderance
 13 of the evidence, that the contractor or
 14 someone acting for the contractor has en-
 15 gaged in conduct constituting an offense
 16 punishable under section 27(e) of that Act.

17 **“§ 707. Congressional oversight authority**

18 “The Postal Service may not enter into any contract
 19 that restricts the ability of Congress to exercise oversight
 20 authority.”.

21 (b) TECHNICAL AND CONFORMING AMENDMENT.—
 22 The table of chapters for part I of title 39, United States
 23 Code, is amended by adding at the end the following:

“7. Contracting Provisions 701”.

1 **TITLE V—FEDERAL EMPLOYEES’**
2 **COMPENSATION ACT**

3 **SEC. 501. SHORT TITLE; REFERENCES.**

4 (a) SHORT TITLE.—This title may be cited as the
5 “Workers’ Compensation Reform Act of 2015”.

6 (b) REFERENCES.—Except as otherwise expressly
7 provided, whenever in this title an amendment or repeal
8 is expressed in terms of an amendment to, or a repeal
9 of, a section or other provision, the reference shall be con-
10 sidered to be made to a section or other provision of title
11 5, United States Code.

12 **SEC. 502. FEDERAL WORKERS COMPENSATION REFORMS**
13 **FOR RETIREMENT-AGE EMPLOYEES.**

14 (a) CONVERSION OF ENTITLEMENT AT RETIREMENT
15 AGE.—

16 (1) DEFINITIONS.—Section 8101 is amended—

17 (A) in paragraph (18), by striking “and”
18 at the end;

19 (B) in paragraph (19), by striking “and”
20 at the end;

21 (C) in paragraph (20), by striking the pe-
22 riod at the end and inserting “; and”; and

23 (D) by adding at the end the following:

1 “(21) ‘retirement age’ has the meaning given
2 that term under section 216(l)(1) of the Social Secu-
3 rity Act (42 U.S.C. 416(l)(1)).”.

4 (2) TOTAL DISABILITY.—Section 8105 is
5 amended—

6 (A) in subsection (a), by striking “If” and
7 inserting “IN GENERAL.—Subject to subsection
8 (b), if”;

9 (B) by redesignating subsection (b) as sub-
10 section (c);

11 (C) by inserting after subsection (a) the
12 following:

13 “(b) CONVERSION OF ENTITLEMENT AT RETIRE-
14 MENT AGE.—

15 “(1) IN GENERAL.—Except as provided in para-
16 graph (2), the basic compensation for total disability
17 for an employee who has attained retirement age
18 shall be 50 percent of the monthly pay of the em-
19 ployee.

20 “(2) EXCEPTIONS FOR EXISTING RECIPIENTS
21 AND RECIPIENTS WITH EXEMPT DISABILITY CONDI-
22 TION OR FACING FINANCIAL HARDSHIP.—Paragraph
23 (1) shall not apply to a claim for total disability by
24 an employee—

“(A) resulting from personal injury sustained before the date of enactment of the Workers’ Compensation Reform Act of 2015; or

“(B) who is a member of a household that would meet the income and assets requirements for eligibility for the supplemental nutrition assistance program as described in section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) (not including any provisions permitting eligibility due to benefits received under any other law) if the basic compensation for total disability of the employee were provided in accordance with paragraph (1).”; and

(D) in subsection (c), as so redesignated, by inserting “PRIMA FACIE PERMANENT TOTAL DISABILITY.—” before “The loss”.

(3) PARTIAL DISABILITY.—Section 8106 is amended—

(A) in subsection (a), by striking “If” and inserting “IN GENERAL.—Subject to subsection (b), if”;

(B) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively;

(C) by inserting after subsection (a) the following:

1 “(b) CONVERSION OF ENTITLEMENT AT RETIRE-
2 MENT AGE.—

3 “(1) IN GENERAL.—Except as provided in para-
4 graph (2), the basic compensation for partial dis-
5 ability for an employee who has attained retirement
6 age shall be 50 percent of the difference between the
7 monthly pay of the employee and the monthly wage-
8 earning capacity of the employee after the beginning
9 of the partial disability.

10 “(2) EXCEPTIONS FOR EXISTING RECIPIENTS
11 AND RECIPIENTS FACING FINANCIAL HARDSHIP.—
12 Paragraph (1) shall not apply to a claim for partial
13 disability by an employee—

14 “(A) resulting from personal injury sus-
15 tained before the date of enactment of the
16 Workers’ Compensation Reform Act of 2015; or

17 “(B) who is a member of a household that
18 would meet the income and assets requirements
19 for eligibility for the supplemental nutrition as-
20 sistance program as described in section 5 of
21 the Food and Nutrition Act of 2008 (7 U.S.C.
22 2014) (not including any provisions permitting
23 eligibility due to benefits received under any
24 other law) if the basic compensation for total

1 disability of the employee were provided in ac-
 2 cordance with paragraph (1).”;

3 (D) in subsection (c), as so redesignated,
 4 by inserting “REPORTING.—” before “The Sec-
 5 retary of Labor”; and

6 (E) in subsection (d), as so redesignated,
 7 by inserting “EXCLUSIONS.—” before “A par-
 8 tially disabled employee”.

9 **SEC. 503. AUGMENTED COMPENSATION FOR DEPENDENTS.**

10 (a) IN GENERAL.—Section 8110 is amended—

11 (1) in subsection (a), by inserting “DEFINI-
 12 TION.—” before “For the purpose”;

13 (2) by redesignating subsection (b) as sub-
 14 section (c);

15 (3) by inserting after subsection (a) the fol-
 16 lowing:

17 “(b) TERMINATION OF AUGMENTED COMPENSA-
 18 TION.—

19 “(1) IN GENERAL.—Subject to paragraph (2),
 20 augmented compensation for dependents under sub-
 21 section (c) shall not be provided.

22 “(2) EXCEPTION.—Augmented compensation
 23 shall be provided in accordance with subsection (c)
 24 to an employee for a claim for disability (including
 25 a claim for a permanent disability described in sec-

1 tion 8107(a)) by an employee resulting from per-
 2 sonal injury sustained before the date of enactment
 3 of the Workers' Compensation Reform Act of
 4 2015.”; and

5 (4) in subsection (c), as so redesignated, by in-
 6 serting “AUGMENTED COMPENSATION FOR EXIST-
 7 ING CLAIMS.—” before “A disabled employee”.

8 (b) MAXIMUM AND MINIMUM MONTHLY PAY-
 9 MENTS.—Section 8112 is amended—

10 (1) in subsection (a)—

11 (A) by striking “Except as provided by
 12 section 8138” and inserting “IN GENERAL.—
 13 Except as provided by subsections (b) and (c)
 14 and section 8138”;

15 (B) by striking “including augmented com-
 16 pensation under section 8110 of this title but”;
 17 and

18 (C) by striking “75 percent” each place it
 19 appears and inserting “66²/₃ percent”;

20 (2) by redesignating subsection (b) as sub-
 21 section (c);

22 (3) by inserting after subsection (a) the fol-
 23 lowing:

24 “(b) EXCEPTIONS.—With respect to claims for dis-
 25 ability by an employee resulting from personal injury sus-

1 tained before the date of enactment of the Workers' Com-
 2 pensation Reform Act of 2015—

3 “(1) the monthly rate of compensation for dis-
 4 ability that is subject to the maximum and minimum
 5 monthly amounts under subsection (a) shall include
 6 any augmented compensation under section 8110;
 7 and

8 “(2) subsection (a) shall be applied by sub-
 9 stituting ‘75 percent’ for ‘66 $\frac{2}{3}$ percent’ each place
 10 it appears.”; and

11 (4) in subsection (c), as so redesignated—

12 (A) by inserting “EXCLUSION.—” before
 13 “The provisions”; and

14 (B) by striking “subsection (a)” and in-
 15 serting “subsections (a) and (b)”.

16 (c) DEATH BENEFITS GENERALLY.—Section 8133 is
 17 amended—

18 (1) in subsection (a)—

19 (A) by inserting “IN GENERAL.—” before
 20 “If death results”; and

21 (B) by striking “75 percent” each place it
 22 appears and inserting “66 $\frac{2}{3}$ percent (except as
 23 provided in subsection (g))”;

1 (2) in subsection (b), by inserting “PERIOD OF
2 COMPENSATION.—” before “The compensation pay-
3 able”;

4 (3) in subsection (c), by inserting “COMPENSA-
5 TION OF REMAINING INDIVIDUALS.—” before “On
6 the cessation”;

7 (4) in subsection (d), by inserting “MULTIPLE
8 CLASSES OF INDIVIDUALS.—” before “When there
9 are two or more”;

10 (5) in subsection (e)—

11 (A) by inserting “COMPUTATION.—” be-
12 fore “In computing compensation”; and

13 (B) in paragraph (2), by striking “75 per-
14 cent” and inserting “66 $\frac{2}{3}$ percent (except as
15 provided in subsection (g))”;

16 (6) in subsection (f), by inserting “OTHER
17 COSTS.—” before “Notwithstanding”; and

18 (7) by adding at the end the following:

19 “(g) EXISTING CLAIMS.—If the death occurred be-
20 fore the date of enactment of the Workers’ Compensation
21 Reform Act of 2015, subsections (a) and (e) shall be ap-
22 plied by substituting ‘75 percent’ for ‘66 $\frac{2}{3}$ percent’ each
23 place it appears.”.

24 (d) DEATH BENEFITS FOR CIVIL AIR PATROL VOL-
25 UNTEERS.—Section 8141 is amended—

1 (1) in subsection (a), by inserting “IN GEN-
2 ERAL.—” before “Subject to the provisions”;

3 (2) in subsection (b)—

4 (A) by inserting “ADMINISTRATION.—” be-
5 fore “In administering”; and

6 (B) in paragraph (2)(B) by striking “75
7 percent” and inserting “66 $\frac{2}{3}$ percent (except as
8 provided in subsection (c))”;

9 (3) by redesignating subsection (c) as sub-
10 section (d);

11 (4) by inserting after subsection (b) the fol-
12 lowing:

13 “(c) EXISTING CLAIMS.—If the death occurred before
14 the date of enactment of the Workers’ Compensation Re-
15 form Act of 2015, subsection (b)(2)(B) shall be applied
16 by substituting ‘75 percent’ for ‘66 $\frac{2}{3}$ percent.’”; and

17 (5) in subsection (d), as so redesignated, by in-
18 serting “COORDINATION WITH AIR FORCE.—” be-
19 fore “The Secretary of Labor”.

20 **SEC. 504. SCHEDULE COMPENSATION PAYMENTS.**

21 Section 8107 is amended—

22 (1) in subsection (a)—

23 (A) by inserting “IN GENERAL.—” before
24 “If there is”; and

1 (B) by striking “at the rate of $66\frac{2}{3}$ per-
 2 cent of his monthly pay” and inserting “at the
 3 rate specified under subsection (d)”;

4 (2) in subsection (b), by inserting “OTHER
 5 COMPENSATION.—” before “With respect to”;

6 (3) in subsection (c), by inserting “SCHED-
 7 ULE.—” before “The compensation schedule”; and

8 (4) by adding at the end the following:

9 “(d) RATE FOR COMPENSATION.—

10 “(1) ANNUAL SALARY.—

11 “(A) IN GENERAL.—Except as provided in
 12 paragraph (2), the rate under subsection (a)
 13 shall be the rate of $66\frac{2}{3}$ percent of the annual
 14 salary level established under subparagraph
 15 (B), in a lump sum equal to the present value
 16 (as calculated under subparagraph (C)) of the
 17 amount of compensation payable under the
 18 schedule.

19 “(B) ESTABLISHMENT.—

20 “(i) IN GENERAL.—The Secretary of
 21 Labor shall establish an annual salary for
 22 purposes of subparagraph (A) in the
 23 amount the Secretary determines will re-
 24 sult in the aggregate cost of payments
 25 made under this section being equal to

1 what would have been the aggregate cost
2 of payments under this section if the
3 amendments made by section 504 of the
4 Workers' Compensation Reform Act of
5 2015 had not been enacted.

6 “(ii) COST OF LIVING ADJUSTMENT.—

7 The annual salary established under clause
8 (i) shall be increased on March 1 of each
9 year by the amount determined by the Sec-
10 retary of Labor to represent the percent
11 change in the price index published for De-
12 cember of the preceding year over the price
13 index published for the December of the
14 year prior to the preceding year, adjusted
15 to the nearest one-tenth of 1 percent.

16 “(C) PRESENT VALUE.—The Secretary of

17 Labor shall calculate the present value for pur-
18 poses of subparagraph (A) using a rate of inter-
19 est equal to the average market yield for out-
20 standing marketable obligations of the United
21 States with a maturity of 2 years on the first
22 business day of the month in which the com-
23 pensation is paid or, in the event that such
24 marketable obligations are not being issued on
25 such date, at an equivalent rate selected by the

1 Secretary of Labor, true discount compounded
2 annually.

3 “(2) CERTAIN INJURIES.—For an injury that
4 occurred before the date of enactment of the Work-
5 ers’ Compensation Reform Act of 2015, the rate
6 under subsection (a) shall be $66\frac{2}{3}$ percent of the
7 employee’s monthly pay.

8 “(e) SIMULTANEOUS RECEIPT.—

9 “(1) TOTAL DISABILITY.—An employee who re-
10 ceives compensation for total disability under section
11 8105 may only receive the lump sum of schedule
12 compensation under this section in addition to and
13 simultaneously with the benefits for total disability
14 after the date on which the basic compensation for
15 total disability of the employee becomes 50 percent
16 of the monthly pay of the employee under section
17 8105(b).

18 “(2) PARTIAL DISABILITY.—An employee who
19 receives benefits for partial disability under section
20 8106 may only receive the lump sum of schedule
21 compensation under this section in addition to and
22 simultaneously with the benefits for partial disability
23 after the date on which the basic compensation for
24 partial disability of the employee becomes 50 percent
25 of the difference between the monthly pay of the em-

1 ployee and the monthly wage-earning capacity of the
2 employee after the beginning of the partial disability
3 under section 8106(b).”.

4 **SEC. 505. VOCATIONAL REHABILITATION.**

5 (a) IN GENERAL.—Section 8104 is amended—

6 (1) in subsection (a)—

7 (A) by striking “(a) The Secretary of
8 Labor may” and all that follows through “un-
9 dergo vocational rehabilitation.” and inserting
10 the following:

11 “(a) IN GENERAL.—

12 “(1) DIRECTION.—Except as provided in para-
13 graph (2), not earlier than the date that is 6 months
14 after the date on which an individual eligible for
15 wage-loss compensation under section 8105 or 8106
16 is injured, or by such other date as the Secretary of
17 Labor determines it would be reasonable under the
18 circumstances for the individual to begin vocational
19 rehabilitation, and if vocational rehabilitation may
20 enable the individual to become capable of more
21 gainful employment, the Secretary of Labor shall di-
22 rect the individual to participate in developing a
23 comprehensive return to work plan and to undergo
24 vocational rehabilitation at a location a reasonable
25 distance from the residence of the individual.”;

1 (B) by striking “the Secretary of Health,
 2 Education, and Welfare in carrying out the pur-
 3 poses of chapter 4 of title 29” and inserting
 4 “the Secretary of Education in carrying out the
 5 purposes of the Rehabilitation Act of 1973 (29
 6 U.S.C. 701 et seq.)”;

7 (C) by striking “under section 32(b)(1) of
 8 title 29” and inserting “under section 5 of the
 9 Rehabilitation Act of 1973 (29 U.S.C. 704)”;
 10 and

11 (D) by adding at the end the following:

12 “(2) EXCEPTION.—The Secretary of Labor may
 13 not direct an individual who has attained retirement
 14 age to participate in developing a comprehensive re-
 15 turn to work plan or to undergo vocational rehabili-
 16 tation.”;

17 (2) by redesignating subsection (b) as sub-
 18 section (c);

19 (3) by inserting after subsection (a) the fol-
 20 lowing:

21 “(b) CONTENTS OF RETURN TO WORK PLAN.—A re-
 22 turn to work plan developed under subsection (a)—

23 “(1) shall—

1 “(A) set forth specific measures designed
2 to increase the wage-earning capacity of an in-
3 dividual;

4 “(B) take into account the prior training
5 and education of the individual and the train-
6 ing, educational, and employment opportunities
7 reasonably available to the individual; and

8 “(C) provide that any employment under-
9 taken by the individual under the return to
10 work plan be at a location a reasonable distance
11 from the residence of the individual;

12 “(2) may provide that the Secretary will pay
13 out of amounts in the Employees’ Compensation
14 Fund reasonable expenses of vocational rehabilita-
15 tion (which may include tuition, books, training fees,
16 supplies, equipment, and child or dependent care)
17 during the course of the plan; and

18 “(3) may not be for a period of more than 2
19 years, unless the Secretary finds good cause to grant
20 an extension, which may be for not more than 2
21 years.”;

22 (4) in subsection (c), as so redesignated—

23 (A) by inserting “COMPENSATION.—” be-
24 fore “Notwithstanding”; and

1 (B) by striking “, other than employment
 2 undertaken pursuant to such rehabilitation”;
 3 and

4 (5) by adding at the end the following:

5 “(d) ASSISTED REEMPLOYMENT AGREEMENTS.—

6 “(1) IN GENERAL.—The Secretary may enter
 7 into an assisted reemployment agreement with an
 8 agency or instrumentality of any branch of the Fed-
 9 eral Government or a State or local government or
 10 a private employer that employs an individual eligi-
 11 ble for wage-loss compensation under section 8105
 12 or 8106 to enable the individual to return to produc-
 13 tive employment.

14 “(2) CONTENTS.—An assisted reemployment
 15 agreement under paragraph (1)—

16 “(A) may provide that the Secretary will
 17 use amounts in the Employees’ Compensation
 18 Fund to reimburse an employer in an amount
 19 equal to not more than 100 percent of the com-
 20 pensation the individual would otherwise receive
 21 under section 8105 or 8106; and

22 “(B) may not be for a period of more than
 23 3 years.

24 “(e) LIST.—To facilitate the hiring of individuals eli-
 25 gible for wage-loss compensation under section 8105 or

1 8106, the Secretary shall provide a list of such individuals
 2 to the Office of Personnel Management, which the Office
 3 of Personnel Management shall provide to all agencies and
 4 instrumentalities of the Federal Government.”.

5 (b) EMPLOYEES’ COMPENSATION FUND.—Section
 6 8147 is amended by adding at the end:

7 “(d) Notwithstanding subsection (b), any benefits or
 8 other payments paid to or on behalf of an employee under
 9 this subchapter or any extension or application thereof for
 10 a recurrence of injury, consequential injury, aggravation
 11 of injury, or increase in percentage of impairment to a
 12 member for which compensation is provided under the
 13 schedule under section 8107 suffered in a permanent posi-
 14 tion with an agency or instrumentality of the United
 15 States while the employment with the agency or instru-
 16 mentality is covered under an assisted reemployment
 17 agreement entered into under section 8104(d) shall not
 18 be included in total cost of benefits and other payments
 19 in the statement provided to the agency or instrumentality
 20 under subsection (b) if the injury was originally incurred
 21 in a position not covered by an assisted reemployment
 22 agreement.”.

23 (c) TERMINATION OF VOCATIONAL REHABILITATION
 24 REQUIREMENT AFTER RETIREMENT AGE.—Section
 25 8113(b) is amended by adding at the end the following:

1 “An individual who has attained retirement age may not
2 be required to undergo vocational rehabilitation.”.

3 (d) MANDATORY BENEFIT REDUCTION FOR NON-
4 COMPLIANCE.—Section 8113(b) is amended by striking
5 “may reduce” and inserting “shall reduce”.

6 (e) TECHNICAL AND CONFORMING AMENDMENTS.—

7 (1) IN GENERAL.—Subchapter III of chapter
8 15 of title 31, United States Code, is amended by
9 adding at the end the following:

10 **“§ 1538. Authorization for assisted reemployment**

11 “Funds may be transferred from the Employees’
12 Compensation Fund established under section 8147 of
13 title 5 to the applicable appropriations account for an
14 agency or instrumentality of any branch of the Federal
15 Government for the purposes of reimbursing the agency
16 or instrumentality in accordance with an assisted reem-
17 ployment agreement entered into under section 8104 of
18 title 5.”.

19 (2) TABLE OF SECTIONS.—The table of sections
20 for chapter 15 of title 31, United States Code, is
21 amended by inserting after the item relating to sec-
22 tion 1537 the following:

“1538. Authorization for assisted reemployment.”.

23 **SEC. 506. REPORTING REQUIREMENTS.**

24 (a) IN GENERAL.—Chapter 81 is amended by insert-
25 ing after section 8106 the following:

1 **“§ 8106a. Reporting requirements**

2 “(a) DEFINITION.—In this section, the term ‘em-
3 ployee receiving compensation’ means an employee who—

4 “(1) is paid compensation under section 8105
5 or 8106; and

6 “(2) has not attained retirement age.

7 “(b) AUTHORITY.—The Secretary of Labor shall re-
8 quire an employee receiving compensation to report the
9 earnings of the employee receiving compensation from em-
10 ployment or self-employment, by affidavit or otherwise, in
11 the manner and at the times the Secretary specifies.

12 “(c) CONTENTS.—An employee receiving compensa-
13 tion shall include in a report required under subsection
14 (b) the value of housing, board, lodging, and other advan-
15 tages which are part of the earnings of the employee re-
16 ceiving compensation in employment or self-employment
17 and the value of which can be estimated.

18 “(d) FAILURE TO REPORT AND FALSE REPORTS.—

19 “(1) IN GENERAL.—An employee receiving com-
20 pensation who fails to make an affidavit or other re-
21 port required under subsection (b) or who knowingly
22 omits or understates any part of the earnings of the
23 employee in such an affidavit or other report shall
24 forfeit the right to compensation with respect to any
25 period for which the report was required.

1 “(2) FORFEITED COMPENSATION.—Compensa-
 2 tion forfeited under this subsection, if already paid
 3 to the employee receiving compensation, shall be re-
 4 covered by a deduction from the compensation pay-
 5 able to the employee or otherwise recovered under
 6 section 8129, unless recovery is waived under that
 7 section.”.

8 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
 9 The table of sections for chapter 81 is amended by insert-
 10 ing after the item relating to section 8106 the following:
 “8106a. Reporting requirements.”.

11 **SEC. 507. DISABILITY MANAGEMENT REVIEW; INDE-**
 12 **PENDENT MEDICAL EXAMINATIONS.**

13 Section 8123 is amended—

14 (1) in subsection (a), by inserting “IN GEN-
 15 ERAL.—” before “An employee shall”;

16 (2) in subsection (b), by inserting “EX-
 17 PENSES.—” before “An employee is entitled”;

18 (3) in subsection (c), by inserting “FEES.—”
 19 before “The Secretary shall”;

20 (4) in subsection (d), by inserting “REFUSAL
 21 OR OBSTRUCTION.—” before “If an employee”; and

22 (5) by adding at the end the following:

23 “(e) DISABILITY MANAGEMENT REVIEW.—

24 “(1) DEFINITIONS.—In this subsection—

1 “(A) the term ‘covered employee’ means an
2 employee who is in continuous receipt of com-
3 pensation for total disability under section 8105
4 for a period of not less than 6 months; and

5 “(B) the term ‘disability management re-
6 view process’ means the disability management
7 review process established under paragraph
8 (2)(A).

9 “(2) ESTABLISHMENT.—The Secretary of
10 Labor shall—

11 “(A) establish a disability management re-
12 view process for the purpose of certifying and
13 monitoring the disability status and extent of
14 injury of each covered employee; and

15 “(B) promulgate regulations for the ad-
16 ministration of the disability management re-
17 view process.

18 “(3) PHYSICAL EXAMINATIONS REQUIRED.—
19 Under the disability management review process, the
20 Secretary of Labor shall periodically require covered
21 employees to submit to physical examinations under
22 subsection (a) by physicians selected by the Sec-
23 retary. A physician conducting a physical examina-
24 tion of a covered employee shall submit to the Sec-

1 retary a report regarding the nature and extent of
2 the injury to and disability of the covered employee.

3 “(4) FREQUENCY.—

4 “(A) IN GENERAL.—The regulations pro-
5 mulgated under paragraph (2)(B) shall specify
6 the process and criteria for determining when
7 and how frequently a physical examination
8 should be conducted for a covered employee.

9 “(B) MINIMUM FREQUENCY.—

10 “(i) INITIAL.—An initial physical ex-
11 amination shall be conducted not more
12 than a brief period after the date on which
13 a covered employee has been in continuous
14 receipt of compensation for total disability
15 under section 8015 for 6 months.

16 “(ii) SUBSEQUENT EXAMINATIONS.—

17 After the initial physical examination,
18 physical examinations of a covered em-
19 ployee shall be conducted not less than
20 once every 3 years.

21 “(5) EMPLOYING AGENCY OR INSTRUMEN-
22 TALITY REQUESTS.—

23 “(A) IN GENERAL.—The agency or instru-
24 mentality employing a covered employee who
25 has made a claim for compensation for total

1 disability under section 8105 may at any time
2 submit a request for the Secretary of Labor to
3 promptly require the covered employee to sub-
4 mit to a physical examination under this sub-
5 section.

6 “(B) REQUESTING OFFICER.—A request
7 under subparagraph (A) shall be made on be-
8 half of an agency or instrumentality by—

9 “(i) the head of the agency or instru-
10 mentality;

11 “(ii) the Chief Human Capital Officer
12 of the agency or instrumentality; or

13 “(iii) if the agency or instrumentality
14 does not have a Chief Human Capital Offi-
15 cer, an officer with responsibilities similar
16 to those of a Chief Human Capital Officer
17 designated by the head of the agency or in-
18 strumentality to make requests under this
19 paragraph.

20 “(C) INFORMATION.—A request under sub-
21 paragraph (A) shall be in writing and accom-
22 panied by—

23 “(i) a certification by the officer mak-
24 ing the request that the officer has re-

1 viewed the relevant material in the covered
2 employee's file;

3 “(ii) an explanation of why the officer
4 has determined, based on the materials in
5 the file and other information known to
6 the officer, that requiring a physical exam-
7 ination of the covered employee under this
8 subsection is necessary; and

9 “(iii) copies of the materials relating
10 to the covered employee that are relevant
11 to the officer's determination and request,
12 unless the agency or instrumentality has a
13 reasonable basis for not providing the ma-
14 terials.

15 “(D) EXAMINATION.—If the Secretary of
16 Labor receives a request under this paragraph
17 before a covered employee has undergone an
18 initial physical examination under paragraph
19 (4)(B)(i), the Secretary shall promptly require
20 the physical examination of the covered em-
21 ployee. A physical examination under this sub-
22 paragraph shall satisfy the requirement under
23 paragraph (4)(B)(i) that an initial physical ex-
24 amination be conducted.

25 “(E) AFTER INITIAL EXAMINATION.—

“(i) IN GENERAL.—If the Secretary of Labor receives a request under this paragraph after a covered employee has undergone an initial physical examination under paragraph (4)(B)(i), the Secretary shall—

“(I) review the request and the information, explanation, and other materials submitted with the request; and

“(II) determine whether to require the physical examination of the covered employee who is the subject of the request.

“(ii) NOT GRANTED.—If the Secretary determines not to grant a request described in clause (i), the Secretary shall promptly notify the officer who made the request and provide an explanation of the reasons why the request was denied.”.

SEC. 508. WAITING PERIOD.

(a) IN GENERAL.—Section 8117 is amended—

(1) in the section heading, by striking “**Time of accrual of right**” and inserting “**Waiting period**”;

(2) in subsection (a)—

1 (A) in the matter preceding paragraph (1),
 2 by striking “An employee” and all that follows
 3 through “is not entitled” and inserting “IN
 4 GENERAL.—An employee is not entitled to con-
 5 tinuation of pay within the meaning of section
 6 8118 for the first 3 days of temporary disability
 7 or, if section 8118 does not apply, is not enti-
 8 tled”;

9 (B) in paragraph (1), by adding “or” at
 10 the end;

11 (C) by striking paragraph (2); and

12 (D) by redesignating paragraph (3) as
 13 paragraph (2); and
 14 (3) in subsection (b)—

15 (A) by striking “A Postal Service” the first
 16 place it appears and all that follows through “A
 17 Postal Service” the second place it appears and
 18 inserting “USE OF LEAVE.—An”;

19 (B) by striking “that 3-day period” and in-
 20 serting “the first 3 days of temporary dis-
 21 ability”; and

22 (C) by striking “or is followed by perma-
 23 nent disability”.

24 (b) CONTINUATION OF PAY.—Section 8118 is amend-
 25 ed—

1 (1) in the section heading, by striking “; **elec-**
 2 **tion to use annual or sick leave**”;

3 (2) in subsection (a), by inserting “IN GEN-
 4 ERAL.—” before “The United States”;

5 (3) in subsection (b)—

6 (A) by inserting “FURNISHING OF CON-
 7 TINUATION OF PAY.—” before “Continuation of
 8 pay”; and

9 (B) in paragraph (1), by striking “section
 10 8117(b)” and inserting “section 8117”;

11 (4) by striking subsection (c);

12 (5) by redesignating subsection (d) as sub-
 13 sections (c);

14 (6) in subsection (c), as so redesignated, by in-
 15 serting “DENIAL.—” before “If a claim”; and

16 (7) in subsection (e), by inserting “TREATMENT
 17 OF PAYMENTS.—” before “Payments under this sec-
 18 tion”.

19 (c) TECHNICAL AND CONFORMING AMENDMENTS.—

20 The table of sections for chapter 81 is amended by strik-

21 ing the items relating to sections 8117 and 8118 and in-

22 serting the following:

“8117. Waiting period.

“8118. Continuation of pay.”.

23 **SEC. 509. ELECTION OF BENEFITS.**

24 (a) IN GENERAL.—Section 8116 is amended—

1 (1) in subsection (a), by inserting “IN GEN-
2 ERAL.—” before “While an employee”;

3 (2) in subsection (b), by inserting “ELEC-
4 TION.—” before “An individual entitled”;

5 (3) in subsection (c), by inserting “LIABIL-
6 ITY.—” before “The liability of the United States”;

7 (4) in subsection (d), by inserting “EXCEP-
8 TIONS.—” before “Notwithstanding”; and

9 (5) by adding at the end the following:

10 “(e) RETIREMENT BENEFITS.—

11 “(1) IN GENERAL.—An individual entitled to
12 compensation benefits payable under this subchapter
13 and under chapter 83, subchapter II of chapter 84,
14 or any other retirement system for employees of the
15 Government, for the same period, shall elect which
16 benefits the individual will receive.

17 “(2) ELECTION.—

18 “(A) DEADLINE.—An individual shall
19 make an election under paragraph (1) in ac-
20 cordance with such deadlines as the Secretary
21 of Labor shall establish, which shall be a rea-
22 sonable period after the individual has received
23 notice of a final determination that the indi-
24 vidual is entitled to compensation benefits pay-
25 able under this subchapter.

1 “(B) REVOCABILITY.—An election under
 2 paragraph (1) shall be revocable, notwith-
 3 standing any other provision of law, except for
 4 any period during which an individual—

5 “(i) was qualified for benefits payable
 6 under both this subchapter and under a re-
 7 tirement system described in paragraph
 8 (1); and

9 “(ii) was paid benefits under the re-
 10 tirement system after having been notified
 11 of eligibility for benefits under this sub-
 12 chapter.

13 “(3) INFORMED CHOICE.—The Secretary of
 14 Labor shall provide information, and shall ensure
 15 that information is provided, to an individual de-
 16 scribed in paragraph (1) about the benefits available
 17 to the individual under this subchapter or under
 18 chapter 83, subchapter II of chapter 84, or any
 19 other retirement system referred to in paragraph (1)
 20 the individual may elect to receive.”.

21 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
 22 Sections 8337(f)(3) and 8464a(a)(3) are each amended by
 23 striking “Paragraphs” and inserting “Except as provided
 24 under chapter 81, paragraphs”.

1 **SEC. 510. SANCTION FOR NONCOOPERATION WITH FIELD**
2 **NURSES.**

3 Section 8123, as amended by section 507, is amended
4 by adding at the end the following:

5 “(f) FIELD NURSES.—

6 “(1) DEFINITION.—In this subsection, the term
7 ‘field nurse’ means a registered nurse that assists
8 the Secretary in the medical management of dis-
9 ability claims under this subchapter and provides
10 claimants with assistance in coordinating medical
11 care.

12 “(2) AUTHORIZATION.—The Secretary may use
13 field nurses to coordinate medical services and voca-
14 tional rehabilitation programs for injured employees
15 under this subchapter. If an employee refuses to co-
16 operate with a field nurse or obstructs a field nurse
17 in the performance of duties under this subchapter,
18 the right to compensation under this subchapter
19 shall be suspended until the refusal or obstruction
20 stops.”.

21 **SEC. 511. SUBROGATION OF CONTINUATION OF PAY.**

22 (a) IN GENERAL.—Section 8131 is amended—

23 (1) in subsection (a)—

24 (A) in the matter preceding paragraph

25 (1)—

1 (i) by inserting “IN GENERAL.—” be-
 2 fore “If an injury”; and

3 (ii) by inserting “continuation of pay
 4 or” before “compensation”;

5 (B) in paragraph (1), by striking “he”
 6 each place it appears and inserting “the bene-
 7 ficiary”; and

8 (C) in paragraph (2), by striking “his own
 9 name” and inserting “the name of the bene-
 10 ficiary”;

11 (2) in subsection (b)—

12 (A) by inserting “REFUSAL.—” before “A
 13 beneficiary”;

14 (B) by striking “his own name” and in-
 15 serting “the name of the beneficiary”; and

16 (C) by inserting “continuation of pay or”
 17 before “compensation”;

18 (3) in subsection (c)—

19 (A) by inserting “PROSECUTION AND COM-
 20 PROMISE.—” before “The Secretary may”;

21 (B) by striking “he shall” and inserting
 22 “the Secretary shall”;

23 (C) by inserting “continuation of pay or”
 24 before “compensation already paid”; and

1 (D) by inserting “continuation of pay or”
 2 before “compensation payable”; and

3 (4) in subsection (d), by inserting “PANAMA
 4 CANAL COMPANY.—” before “If an injury”.

5 (b) ADJUSTMENT AFTER RECOVERY FROM A THIRD
 6 PERSON.—Section 8132 is amended—

7 (1) in the first sentence—

8 (A) by inserting “continuation of pay or”
 9 before “compensation is payable”;

10 (B) by inserting “continuation of pay or”
 11 before “compensation from the United States”;

12 (C) by striking “by him or in his behalf”
 13 and inserting “by the beneficiary or on behalf
 14 of the beneficiary”;

15 (D) by inserting “continuation of pay and”
 16 before “compensation paid by the United
 17 States”; and

18 (E) by striking “compensation payable to
 19 him” and inserting “continuation of pay or
 20 compensation payable to the beneficiary”;

21 (2) in the second sentence, by striking “his des-
 22 ignee” and inserting “the designee of the bene-
 23 ficiary”; and

24 (3) in the fourth sentence, by striking “If com-
 25 pensation” and all that follows through “payable to

1 him by the United States” and inserting “If con-
 2 tinuation of pay or compensation has not been paid
 3 to the beneficiary, the money or property shall be
 4 credited against continuation of pay or compensation
 5 payable to the beneficiary by the United States”.

6 (c) EFFECTIVE DATE.—This section and the amend-
 7 ments made by this section shall take effect on the date
 8 of enactment of this Act.

9 **SEC. 512. INTEGRITY AND COMPLIANCE.**

10 (a) IN GENERAL.—Subchapter I of chapter 81 is
 11 amended by adding at the end the following:

12 **“§ 8153. Integrity and Compliance Program**

13 “(a) DEFINITIONS.—In this section—

14 “(1) the term ‘FECA program’ means the Fed-
 15 eral Employees Compensation Program administered
 16 under this subchapter;

17 “(2) the term ‘improper payment’ has the
 18 meaning given that term in section 2(f) of the Im-
 19 proper Payments Information Act of 2002 (31
 20 U.S.C. 3321 note);

21 “(3) the term ‘Inspector General’—

22 “(A) means an Inspector General described
 23 in subparagraph (A), (B), or (I) of section
 24 11(b)(1) of the Inspector General Act of 1978
 25 (5 U.S.C. App.); and

1 “(B) does not include the Inspector Gen-
2 eral of an entity having no employees covered
3 under the FECA program;

4 “(4) the term ‘Integrity and Compliance Pro-
5 gram’ means the Integrity and Compliance Program
6 established under subsection (b);

7 “(5) the term ‘provider’ means a provider of
8 medical or other services under the FECA program;

9 “(6) the term ‘Secretary’ means the Secretary
10 of Labor; and

11 “(7) the term ‘Task Force’ means the FECA
12 Integrity and Compliance Task Force established
13 under subsection (c)(2)(A).

14 “(b) INTEGRITY AND COMPLIANCE PROGRAM.—Not
15 later than 270 days after the date of enactment of this
16 section, the Secretary shall establish an Integrity and
17 Compliance Program for the purpose of preventing, identi-
18 fying, and recovering fraudulent and other improper pay-
19 ments for the FECA program, which shall include—

20 “(1) procedures for identifying potentially im-
21 proper payments before payment is made to claim-
22 ants and providers, including, where appropriate,
23 predictive analytics;

1 “(2) reviews after payment is made to identify
2 potentially improper payments to claimants and pro-
3 viders;

4 “(3) on-going screening and verification proce-
5 dures to ensure the continued eligibility of medical
6 providers to provide services under the FECA pro-
7 gram, including licensure, Federal disbarment, and
8 the existence of relevant criminal convictions;

9 “(4) provision of appropriate information, edu-
10 cation, and training to claimants and providers on
11 requirements to ensure the integrity of the FECA
12 program, including payments under the FECA pro-
13 gram;

14 “(5) appropriate controls and audits to ensure
15 that providers adopt internal controls and proce-
16 dures for compliance with requirements under the
17 FECA program;

18 “(6) procedures to ensure—

19 “(A) initial and continuing eligibility of
20 claimants for compensation, benefits, or services
21 under the FECA program; and

22 “(B) ongoing verification of information in
23 databases relating to claimants to ensure accu-
24 racy and completeness; and

1 “(7) sharing and accessing data and informa-
2 tion with other agencies and instrumentalities of the
3 United States, including the United States Postal
4 Service.

5 “(c) INTERAGENCY COOPERATION ON ANTI-FRAUD
6 EFFORTS.—

7 “(1) IN GENERAL.—In administering the
8 FECA program, including the Integrity and Compli-
9 ance Program, the Secretary shall cooperate with
10 other agencies and instrumentalities of the United
11 States (including the United States Postal Service)
12 and the Inspectors General of such agencies and in-
13 strumentalities to prevent, identify, and recover
14 fraudulent and other improper payments under the
15 FECA program.

16 “(2) TASK FORCE.—

17 “(A) IN GENERAL.—There is established a
18 task force, which shall be known as the FECA
19 Integrity and Compliance Task Force.

20 “(B) MEMBERSHIP.—The members of the
21 Task Force shall be—

22 “(i) the Secretary, who shall serve as
23 the Chairperson of the Task Force;

1 “(ii) the Postmaster General, who
2 shall serve as the Vice Chairperson of the
3 Task Force;

4 “(iii) the Attorney General;

5 “(iv) the Director of the Office of
6 Management and Budget; and

7 “(v) other appropriate Federal offi-
8 cials, as determined by the Chairperson
9 and Vice Chairperson of the Task Force.

10 “(C) ADVISORY MEMBERS.—The following
11 officials shall attend meetings of the Task
12 Force and participate as ad hoc, advisory mem-
13 bers, to provide technical assistance and guid-
14 ance to the Task Force with respect to the du-
15 ties of the Task Force:

16 “(i) The Inspector General of the De-
17 partment of Labor.

18 “(ii) The Inspector General of the
19 United States Postal Service.

20 “(iii) The Inspectors General of other
21 appropriate agencies and instrumentalities
22 of the United States that employ a signifi-
23 cant number of individuals receiving com-
24 pensation, benefits, or services under the

1 FECA program, as determined by the
2 Chairperson of the Task Force.

3 “(D) DUTIES.—The Task Force shall—

4 “(i) set forth, in writing, a description
5 of the respective roles and responsibilities
6 in preventing, identifying, recovering, and
7 prosecuting fraud under, and otherwise en-
8 suring integrity and compliance of, the
9 FECA program of—

10 “(I) the Secretary (including sub-
11 ordinate officials such as the Director
12 of the Office of Workers’ Compensa-
13 tion Programs);

14 “(II) the Inspector General of
15 the Department of Labor;

16 “(III) the Inspectors General of
17 agencies and instrumentalities of the
18 United States that employ claimants
19 under the FECA program;

20 “(IV) the Attorney General; and

21 “(V) any other relevant officials;

22 “(ii) develop procedures for sharing
23 information of possible fraud under the
24 FECA program or other intentional
25 misstatements by claimants or providers

1 under the FECA program, including proce-
2 dures addressing—

3 “(I) notification of appropriate
4 officials of the Department of Labor
5 of potential fraud or other intentional
6 misstatements, including provision of
7 supporting information;

8 “(II) timely and appropriate re-
9 sponse by officials of the Department
10 of Labor to notifications described in
11 subclause (I);

12 “(III) the inclusion of informa-
13 tion and evidence relating to fraud
14 and other intentional misstatements
15 in criminal, civil, and administrative
16 proceedings relating to the provision
17 of compensation, benefits, or medical
18 services (including payments to pro-
19 viders) under the FECA program;

20 “(IV) the coordination of crimi-
21 nal investigations with the administra-
22 tion of the FECA program; and

23 “(V) the protection of informa-
24 tion relating to an investigation of
25 possible fraud under the FECA pro-

1 gram from potential disclosure, in-
2 cluding requirements that enable in-
3 vestigative files to be appropriately
4 separated from case management
5 files; and

6 “(iii) not later than 1 year after the
7 date of enactment of this section, submit
8 to the Committee on Homeland Security
9 and Governmental Affairs of the Senate
10 and the Committee on Oversight and Gov-
11 ernment Reform and the Committee on
12 Education and the Workforce of the House
13 of Representatives a report that includes
14 the description and procedures required
15 under clauses (i) and (ii).

16 “(3) RULE OF CONSTRUCTION.—Nothing in
17 this subsection shall be construed to limit or restrict
18 any authority of an Inspector General.

19 “(d) IMPROVEMENTS TO ACCESS OF FEDERAL DATA-
20 BASES.—

21 “(1) IN GENERAL.—In order to improve compli-
22 ance with the requirements under and the integrity
23 of the FECA program, or as required to otherwise
24 detect and prevent improper payments under the
25 FECA program (including for purposes of computer

1 matching under subsection (e)(1)(D)), upon written
2 request—

3 “(A) the Commissioner of Social Security
4 shall make available to the Secretary, the Post-
5 master General, and each Inspector General the
6 Social Security earnings information of a living
7 or deceased employee;

8 “(B) the Director of the Office of Per-
9 sonnel Management shall make available to the
10 Secretary, the Postmaster General, and each
11 Inspector General the information in the data-
12 bases of Federal employees and retirees main-
13 tained by the Director; and

14 “(C) the Secretary of Veterans Affairs
15 shall make available to the Secretary, the Post-
16 master General, and each Inspector General the
17 information in the database of disabled individ-
18 uals maintained by the Secretary of Veterans
19 Affairs.

20 “(2) NATIONAL DIRECTORY OF NEW HIRES.—

21 Upon written request, the Secretary of Health and
22 Human Services shall make available to the Sec-
23 retary, the Postmaster General, each Inspector Gen-
24 eral, and the Comptroller General of the United
25 States the information in the National Directory of

1 New Hires for purposes of carrying out this sub-
 2 chapter, in order to improve compliance with the re-
 3 quirements under and the integrity of the FECA
 4 program, or as required to otherwise detect and pre-
 5 vent improper payments under the FECA program
 6 (including for purposes of computer matching under
 7 subsection (e)(1)(D)). The Comptroller General may
 8 obtain information from the National Directory of
 9 New Hires for purposes of any audit, evaluation, or
 10 investigation, including any audit, evaluation, or in-
 11 vestigation relating to program integrity.

12 “(3) PROCEDURES.—The Secretary shall estab-
 13 lish procedures for correlating the identity and sta-
 14 tus of recipients of compensation, benefits, or serv-
 15 ices under this subchapter with Social Security earn-
 16 ings information described in paragraph (1)(A).

17 “(4) PROVISION.—Information requested under
 18 this subsection shall be provided—

19 “(A) in a timely manner;

20 “(B) at a reasonable cost to the Secretary,
 21 the Postmaster General, or an Inspector Gen-
 22 eral;

23 “(C) without cost to the Comptroller Gen-
 24 eral of the United States; and

1 “(D) in the manner, frequency, and form
2 reasonably specified by the officer making the
3 request, which, upon request, shall include elec-
4 tronic form.

5 “(5) ASSESSMENT OF DATA COST-EFFECTIVE-
6 NESS.—

7 “(A) IN GENERAL.—The Secretary shall
8 consider and assess procedures for correlating
9 the identity and status of recipients of com-
10 pensation, benefits, or services under this sub-
11 chapter with information relating to employees,
12 retirees, and individuals described in subpara-
13 graphs (B) and (C) of paragraph (1) and para-
14 graph (2).

15 “(B) REPORT.—Not later than 1 year
16 after the date of enactment of this section, the
17 Secretary shall submit to the Committee on
18 Homeland Security and Governmental Affairs
19 of the Senate and the Committee on Oversight
20 and Government Reform and the Committee on
21 Education and the Workforce of the House of
22 Representatives a report on the cost-effective-
23 ness of the use of the databases described in
24 subparagraphs (B) and (C) of paragraph (1)
25 and paragraph (2) for program compliance and

1 integrity. The report required under this sub-
2 paragraph may be included as part of the re-
3 port required under subsection (f).

4 “(6) UNITED STATES POSTAL SERVICE FECA
5 ENROLLEE DATABASE.—Not later than 180 days
6 after the date of enactment of this section, in order
7 to track, verify, and communicate with the Secretary
8 and other relevant entities, the Postmaster General
9 shall establish an electronic database of information
10 relating to employees of the United States Postal
11 Service who have applied for or are receiving com-
12 pensation, benefits, or services under this sub-
13 chapter.

14 “(7) RULE OF CONSTRUCTION.—Nothing in
15 this subsection shall be construed to limit the au-
16 thority of the Comptroller General of the United
17 States under section 716 of title 31.

18 “(e) GENERAL PROTOCOLS AND SECURITY.—

19 “(1) ESTABLISHMENT.—

20 “(A) IN GENERAL.—In order to ensure
21 strong information security and privacy stand-
22 ards, the Task Force shall establish protocols
23 for the secure transfer and storage of any infor-
24 mation provided to an individual or entity
25 under this section.

1 “(B) CONSIDERATIONS.—In establishing
2 protocols under subparagraph (A), the Task
3 Force shall consider any recommendations sub-
4 mitted to the Secretary by the Inspector Gen-
5 eral of the Department of Health and Human
6 Services with respect to the secure transfer and
7 storage of information, and to comply with pri-
8 vacy laws and best practices.

9 “(C) FRAUD CASE PROTECTION.—The
10 Task Force shall establish protocols and proce-
11 dures to enable information and materials relat-
12 ing to an active investigation of possible fraud
13 relating to the FECA program to be appro-
14 priately kept separate from the files for employ-
15 ees relating to the provision of compensation,
16 benefits, or services under the FECA program.

17 “(D) COMPUTER MATCHING BY FEDERAL
18 AGENCIES FOR PURPOSES OF INVESTIGATION
19 AND PREVENTION OF IMPROPER PAYMENTS
20 AND FRAUD.—

21 “(i) IN GENERAL.—Except as pro-
22 vided in this subparagraph, in accordance
23 with section 552a (commonly known as the
24 Privacy Act of 1974), the Secretary, the
25 Postmaster General, each Inspector Gen-

1 eral, and the head of each agency may
2 enter into computer matching agreements
3 that allow ongoing data matching (which
4 shall include automated data matching) in
5 order to assist in the detection and preven-
6 tion of improper payments under the
7 FECA program.

8 “(ii) REVIEW.—Not later than 60
9 days after a proposal for an agreement
10 under clause (i) has been presented to a
11 Data Integrity Board established under
12 section 552a(u) for consideration, the Data
13 Integrity Board shall approve or deny the
14 agreement.

15 “(iii) TERMINATION DATE.—An
16 agreement under clause (i)—

17 “(I) shall have a termination
18 date of less than 3 years; and

19 “(II) during the 3-month period
20 ending on the date on which the
21 agreement is scheduled to terminate,
22 may be renewed by the agencies enter-
23 ing the agreement for not more than
24 3 years.

1 “(iv) MULTIPLE AGENCIES.—For pur-
2 poses of this subparagraph, section
3 552a(o)(1) shall be applied by substituting
4 ‘between the source agency and the recipi-
5 ent agency or non-Federal agency or an
6 agreement governing multiple agencies’ for
7 ‘between the source agency and the recipi-
8 ent agency or non-Federal agency’ in the
9 matter preceding subparagraph (A).

10 “(v) COST-BENEFIT ANALYSIS.—An
11 agreement under clause (i) may be entered
12 without regard to section 552a(o)(1)(B),
13 relating to a cost-benefit analysis of the
14 proposed matching program.

15 “(vi) GUIDANCE BY THE OFFICE OF
16 MANAGEMENT AND BUDGET.—Not later
17 than 6 months after the date of enactment
18 of the Workers’ Compensation Reform Act
19 of 2015, and in consultation with the
20 Council of Inspectors General on Integrity
21 and Efficiency, the Secretary of Health
22 and Human Services, the Commissioner of
23 Social Security, and the head of any other
24 relevant agency, the Director of the Office
25 of Management and Budget shall—

1 “(I) issue guidance for agencies
2 regarding implementing this subpara-
3 graph, which shall include standards
4 for reimbursement costs, when nec-
5 essary, between agencies; and

6 “(II) establish standards and de-
7 velop standard matching agreements
8 for the purpose of improving the proc-
9 ess for establishing data use or com-
10 puter matching agreements.

11 “(2) COMPLIANCE.—The Secretary, the Post-
12 master General, and each Inspector General shall
13 ensure that any information provided to an indi-
14 vidual or entity under this section is provided in ac-
15 cordance with protocols established under paragraph
16 (1).

17 “(3) RULE OF CONSTRUCTION.—Nothing in
18 this section shall be construed to affect the rights of
19 an individual under section 552a(p).

20 “(f) REPORT.—Not later than 1 year after the date
21 of enactment of this section, and annually thereafter for
22 5 years, the Secretary shall submit a report on the activi-
23 ties of the Secretary under this section, including imple-
24 mentation of the Integrity and Compliance Program, to—

1 “(1) the Committee on Homeland Security and
2 Governmental Affairs of the Senate; and

3 “(2) the Committee on Oversight and Govern-
4 ment Reform and the Committee on Education and
5 the Workforce of the House of Representatives.

6 “(g) GAO REVIEW.—The Comptroller General of the
7 United States shall—

8 “(1) conduct periodic reviews of the Integrity
9 and Compliance Program; and

10 “(2) submit reports on the results of the re-
11 views under paragraph (1) to the Committee on
12 Homeland Security and Governmental Affairs of the
13 Senate and the Committee on Oversight and Govern-
14 ment Reform and the Committee on Education and
15 the Workforce of the House of Representatives not
16 later than—

17 “(A) 2 years after the date of enactment
18 of this section; and

19 “(B) 3 years after submission of the report
20 under subparagraph (A).”.

21 (b) TECHNICAL AND CONFORMING AMENDMENT.—
22 The table of sections for chapter 81 is amended by insert-
23 ing after the item relating to section 8152 the following:

 “8153. Integrity and Compliance Program.”.

1 (c) **EFFECTIVE DATE.**—This section and the amend-
2 ments made by this section shall take effect on the date
3 of enactment of this Act.

4 **SEC. 513. AMOUNT OF COMPENSATION.**

5 (a) **INJURIES TO FACE, HEAD, AND NECK.**—Section
6 8107(c)(21) is amended—

7 (1) by striking “not to exceed \$3,500” and in-
8 serting “in proportion to the severity of the dis-
9 figurement, not to exceed \$50,000,”; and

10 (2) by adding at the end the following: “The
11 maximum amount of compensation under this para-
12 graph shall be increased on March 1 of each year by
13 the amount determined by the Secretary of Labor to
14 represent the percent change in the price index pub-
15 lished for December of the preceding year over the
16 price index published for the December of the year
17 prior to the preceding year, adjusted to the nearest
18 one-tenth of 1 percent.”.

19 (b) **FUNERAL EXPENSES.**—Section 8134(a) is
20 amended—

21 (1) by striking “\$800” and inserting “\$6,000”;
22 and

23 (2) by adding at the end the following: “The
24 maximum amount of compensation under this sub-
25 section shall be increased on March 1 of each year

1 by the amount determined by the Secretary of Labor
 2 to represent the percent change in the price index
 3 published for December of the preceding year over
 4 the price index published for the December of the
 5 year prior to the preceding year, adjusted to the
 6 nearest one-tenth of 1 percent.”.

7 (c) APPLICATION.—The amendments made by this
 8 section shall apply to injuries or deaths, respectively, oc-
 9 ccurring on or after the date of enactment of this Act.

10 **SEC. 514. TERRORISM INJURIES; ZONES OF ARMED CON-**
 11 **FLICT.**

12 (a) COVERING TERRORISM INJURIES.—Section
 13 8102(b), is amended in the matter preceding paragraph
 14 (1)—

15 (1) by inserting “or from an attack by a ter-
 16 rorist or terrorist organization, either known or un-
 17 known,” after “force or individual,”; and

18 (2) by striking “outside” and all that follows
 19 through “1979)” and inserting “outside of the
 20 United States”.

21 (b) CONTINUATION OF PAY IN A ZONE OF ARMED
 22 CONFLICT.—Section 8118, as amended by section 508(b)
 23 of this Act, is amended—

1 (1) in subsection (b), by striking “Continu-
2 ation” and inserting “Except as provided under sub-
3 section (d)(2), continuation”;

4 (2) in subsection (c), as redesignated by section
5 508(b)(5) of this Act, by striking “subsection (a)”
6 and inserting “subsection (a) or (d)”; and

7 (3) by inserting before subsection (e) the fol-
8 lowing:

9 “(d) CONTINUATION OF PAY IN A ZONE OF ARMED
10 CONFLICT.—

11 “(1) IN GENERAL.—Notwithstanding subsection
12 (a), the United States shall authorize the continu-
13 ation of pay of an employee described in subpara-
14 graph (A), (C), (D), or (E) of section 8101(1),
15 who—

16 “(A) files a claim for a period of wage loss
17 due to an injury in performance of duty in a
18 zone of armed conflict (as determined by the
19 Secretary of Labor under paragraph (3)); and

20 “(B) files the claim for such wage loss ben-
21 efit with the immediate superior of the em-
22 ployee not later than 45 days after the later
23 of—

1 “(i) the termination of the assignment
2 of the employee to the zone of armed con-
3 flict; or

4 “(ii) the return of the employee to the
5 United States.

6 “(2) CONTINUATION OF PAY.—Notwithstanding
7 subsection (b), continuation of pay under this sub-
8 section shall be furnished for a period not to exceed
9 135 days without any break in time or waiting pe-
10 riod, unless controverted under regulations pre-
11 scribed by the Secretary of Labor.

12 “(3) DETERMINATION OF ZONES OF ARMED
13 CONFLICT.—For purposes of this subsection, the
14 Secretary of Labor, in consultation with the Sec-
15 retary of State and the Secretary of Defense, shall
16 determine whether a foreign country or other foreign
17 geographic area outside of the United States (as de-
18 fined in section 202(a)(7) of the State Department
19 Basic Authorities Act of 1956 (22 U.S.C.
20 4302(a)(7)) is a zone of armed conflict based on
21 whether—

22 “(A) the Armed Forces of the United
23 States are involved in hostilities in the country
24 or area;

1 “(B) the incidence of civil insurrection,
 2 civil war, terrorism, or wartime conditions
 3 threatens physical harm or imminent danger to
 4 the health or well-being of United States civil-
 5 ian employees in the country or area;

6 “(C) the country or area has been des-
 7 ignated a combat zone by the President under
 8 section 112(e) of the Internal Revenue Code of
 9 1986;

10 “(D) a contingency operation involving
 11 combat operations directly affects civilian em-
 12 ployees in the country or area; or

13 “(E) there exist other relevant conditions
 14 and factors.”.

15 **SEC. 515. TECHNICAL AND CONFORMING AMENDMENTS.**

16 Chapter 81 is amended—

17 (1) in section 8101(1)(D), by inserting “for an
 18 injury that occurred before the effective date of sec-
 19 tion 204(e) of the District of Columbia Self-Govern-
 20 ment and Governmental Reorganization Act (Public
 21 Law 93–198; 87 Stat. 783; 5 U.S.C. 8101 note)”
 22 before the semicolon; and

23 (2) in section 8139, by inserting “under this
 24 subchapter” after “Compensation awarded”.

1 **SEC. 516. REGULATIONS.**

2 (a) IN GENERAL.—As soon as possible after the date
3 of enactment of this Act, the Secretary of Labor shall pro-
4 mulgate regulations (which may include interim final reg-
5 ulations) to carry out this title.

6 (b) CONTENTS.—The regulations promulgated under
7 subsection (a) shall include, for purposes of the amend-
8 ments made by sections 502 and 503, clarification of—

9 (1) what is a claim; and

10 (2) what is the date on which a period of dis-
11 ability, for which a claim is made, commences.

12 **SEC. 517. EFFECTIVE DATE.**

13 Except as otherwise provided in this title, this title
14 and the amendments made by this title shall take effect
15 60 days after the date of enactment of this Act.

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