

(h)(1)(A) The Secretary of the Treasury, in consultation with the Postal Service and an independent, certified public accounting firm and other advisors as the Secretary considers appropriate, shall develop recommendations regarding—

(i) the accounting practices and principles that should be followed by the Postal Service with the objectives of—

(I) identifying and valuing the assets and liabilities of the Postal Service associated with providing competitive products, including the capital and operating costs incurred by the Postal Service in providing such competitive products; and

(II) subject to subsection (e)(5), preventing the subsidization of such products by market-dominant products; and

(ii) the substantive and procedural rules that should be followed in determining the assumed Federal income tax on competitive products income of the Postal Service for any year (within the meaning of section 3634).

(B) Not earlier than 6 months after the date of enactment of this section, and not later than 12 months after such date, the Secretary of the Treasury shall submit the recommendations under subparagraph (A) to the Postal Regulatory Commission.

(2)(A) Upon receiving the recommendations of the Secretary of the Treasury under paragraph (1), the Commission shall give interested parties, including the Postal Service, users of the mails, and an officer of the Commission who shall be required to represent the interests of the general public, an opportunity to present their views on those recommendations through submission of written data, views, or arguments with or without opportunity for oral presentation, or in such other manner as the Commission considers appropriate.

(B)(i) After due consideration of the views and other information received under subparagraph (A), the Commission shall by rule—

(I) provide for the establishment and application of the accounting practices and principles which shall be followed by the Postal Service;

(II) provide for the establishment and application of the substantive and procedural rules described under paragraph (1)(A)(ii); and

(III) provide for the submission by the Postal Service to the Postal Regulatory Commission of annual and other periodic reports setting forth such information as the Commission may require.

(ii) Final rules under this subparagraph shall be issued not later than 12 months after the date on which recommendations are submitted under paragraph (1) (or by such later date on which the Commission and the Postal Service may agree). The Commission is authorized to promulgate regulations revising such rules.

(C)(i) Reports described under subparagraph (B)(i)(III) shall be submitted at such time and in such form, and shall include such information, as the Commission by rule requires.

(ii) The Commission may, on its own motion or on request of an interested party, initiate proceedings (to be conducted in accordance with

such rules as the Commission shall prescribe) to improve the quality, accuracy, or completeness of Postal Service information under subparagraph (B)(i)(III) whenever it shall appear that—

(I) the quality of the information furnished in those reports has become significantly inaccurate or can be significantly improved; or

(II) such revisions are, in the judgment of the Commission, otherwise necessitated by the public interest.

(D) A copy of each report described under subparagraph (B)(i)(III) shall be submitted by the Postal Service to the Secretary of the Treasury and the Inspector General of the United States Postal Service.

(i)(1) The Postal Service shall submit an annual report to the Secretary of the Treasury concerning the operation of the Competitive Products Fund. The report shall address such matters as risk limitations, reserve balances, allocation or distribution of moneys, liquidity requirements, and measures to safeguard against losses.

(2) A copy of the most recent report submitted under paragraph (1) shall be included in the annual report submitted by the Postal Regulatory Commission under section 3652(g).

(Added Pub. L. 109-435, title IV, § 401(a)(1), Dec. 20, 2006, 120 Stat. 3221.)

Editorial Notes

REFERENCES IN TEXT

The date of enactment of this section, referred to in subsec. (h)(1)(B), is the date of enactment of Pub. L. 109-435, which was approved Dec. 20, 2006.

CHAPTER 22—CONVICT LABOR

Sec. 2201. No postal equipment or supplies manufactured by convict labor.

§ 2201. No postal equipment or supplies manufactured by convict labor

Except as provided in chapter 307 of title 18, the Postal Service may not make a contract for the purchase of equipment or supplies to be manufactured by convict labor.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 742.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective July 1, 1971, pursuant to Resolution No. 71-9 of the Board of Governors. See section 15(a) of Pub. L. 91-375, set out as a note preceding section 101 of this title.

CHAPTER 24—APPROPRIATIONS AND ANNUAL REPORT

Sec. 2401. Appropriations.
2402. Annual report.

§ 2401. Appropriations

(a) There are appropriated to the Postal Service all revenues received by the Postal Service.

(b)(1) As reimbursement to the Postal Service for public service costs incurred by it in providing a maximum degree of effective and reg-

ular postal service nationwide, in communities where post offices may not be deemed self-sustaining, as elsewhere, there are authorized to be appropriated to the Postal Service the following amounts:

(A) for each of the fiscal years 1972 through 1979, an amount equal to 10 percent of the sum appropriated to the former Post Office Department by Act of Congress for its use in fiscal year 1971;

(B) for fiscal year 1980, an amount equal to 9 percent of such sum for fiscal year 1971;

(C) for fiscal year 1981, \$486,000,000;

(D) for fiscal year 1982, \$250,000,000;

(E) for fiscal year 1983, \$100,000,000;

(F) for fiscal year 1984, no funds are authorized to be appropriated; and

(G) except as provided in paragraph (2) of this subsection, for each fiscal year thereafter an amount equal to 5 percent of such sum for fiscal year 1971.

(2) After fiscal year 1984, the Postal Service may reduce the percentage figure in paragraph (1)(G) of this subsection, including a reduction to 0, if the Postal Service finds that the amounts determined under such paragraph are no longer required to operate the Postal Service in accordance with the policies of this title.

(c) There are authorized to be appropriated to the Postal Service each year a sum determined by the Postal Service to be equal to the difference between the revenues the Postal Service would have received if sections 3217 and 3403 through 3406 had not been enacted and the estimated revenues to be received on mail carried under such sections. In requesting an appropriation under this subsection for a fiscal year, the Postal Service shall include an amount to reconcile sums authorized to be appropriated for prior fiscal years on the basis of estimated mail volume.

(d) As reimbursement to the Postal Service for losses which it incurred as a result of insufficient amounts appropriated under section 2401(c) for fiscal years 1991 through 1993, and to compensate for the additional revenues it is estimated the Postal Service would have received under the provisions of section 3626(a) (as last in effect before enactment of the Postal Accountability and Enhancement Act), for the period beginning on October 1, 1993, and ending on September 30, 1998, if the fraction specified in subclause (VI) of section 3626(a)(3)(B)(ii) (as last in effect before enactment of the Postal Accountability and Enhancement Act) were applied with respect to such period (instead of the respective fractions specified in subclauses (I) through (V) thereof), there are authorized to be appropriated to the Postal Service \$29,000,000 for each of fiscal years 1994 through 2035.

(e) The Postal Service shall present to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives and the Committees on Appropriations of the Senate and the House of Representatives, at the same time it submits its annual budget under section 2009 of this title, sufficient copies of the budget of the Postal Service for the fiscal year for which funds are requested to be appropriated, and a comprehensive statement relating to the following matters:

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

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

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

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

Each year, the Postal Service shall appear before the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives to submit information which any such committee considers necessary to determine the amount of funds to be appropriated for the operation of the Postal Service, and to present testimony and respond to questions with respect to such budget and statement. Each such committee shall take such action as it considers appropriate and shall advise the Postal Service of such action.

(f) The failure of the President to request the appropriation of any part of the funds authorized by this section may not be deemed a failure of appropriations.

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

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 743; Pub. L. 94-421, §2(a), (b), Sept. 24, 1976, 90 Stat. 1303; Pub. L. 95-593, §11(a), Nov. 4, 1978, 92 Stat. 2538; Pub. L. 96-499, title IV, §§411, 414(a), Dec. 5, 1980, 94 Stat. 2607; Pub. L. 97-35, title XVII, §1721, Aug. 13, 1981, 95 Stat. 759; Pub. L. 99-410, title II, §201(b)(2), Aug. 28, 1986, 100 Stat. 928; Pub. L. 99-509, title VI, §6003(b), Oct. 21, 1986, 100 Stat. 1933; Pub. L. 101-509, title II, §1(b), Nov. 5, 1990, 104 Stat. 1398; Pub. L. 102-141, title II, Oct. 28, 1991, 105 Stat. 842; Pub. L. 103-31, §8(h)(2), May 20, 1993, 107 Stat. 86; Pub. L. 103-123, title VII, §§703(a), 704(b)(1), Oct. 28, 1993, 107 Stat. 1267, 1270; Pub. L. 103-437, §13, Nov. 2, 1994, 108 Stat. 4590; Pub. L. 109-435, title X, §1010(c)(2), (d)(1), Dec. 20, 2006, 120 Stat. 3261.)

Editorial Notes

REFERENCES IN TEXT

Enactment of the Postal Accountability and Enhancement Act, referred to in subsec. (d), means the enactment of Pub. L. 109-435, which was approved Dec. 20, 2006.

Former chapter 67 of title 39, referred to in subsec. (g), means chapter 67 (§4551 et seq.) of former Title 39,

The Postal Service, prior to the general revision and reenactment of Title 39 by Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 719.

AMENDMENTS

2006—Subsec. (d). Pub. L. 109-435, § 1010(c)(2), inserted “(as last in effect before enactment of the Postal Accountability and Enhancement Act)” after “section 3626(a)” and after “section 3626(a)(3)(B)(ii)”.

Subsec. (e). Pub. L. 109-435, § 1010(d)(1), substituted “Committee on Government Reform” for “Committee on Post Office and Civil Service” in introductory and concluding provisions and “Each year,” for “Not later than March 15 of each year,” in concluding provisions.

1994—Subsec. (e). Pub. L. 103-437, in introductory provisions, substituted “Committee on Governmental Affairs of the Senate and the Committee on Post Office and Civil Service of the House of Representatives” for “Committees on Post Office and Civil Service”, and, in concluding provisions, substituted “Committee on Governmental Affairs of the Senate and the Committee on Post Office and Civil Service of the House of Representatives” for “Committees on Post Office and Civil Service of the Senate and the House of Representatives”.

1993—Subsec. (c). Pub. L. 103-123, § 703(a), in first sentence substituted “if sections 3217 and 3403 through 3406 had not been enacted” for “if sections 3217, 3403-3406, 3626(a)-(h), 3626(j)-(k), and 3629 of this title, had not been enacted” and “such sections.” for “such sections and Acts.” and in second sentence struck out “(i)” after “Postal Service shall” and substituted “volume.” for “volume; and (ii) calculate the sums requested in respect of mail under former sections 4452(b) and 4452(c) of this title as though all such mail consisted of letter shaped pieces, as such pieces are defined in the then effective classification and rate schedules.”

Pub. L. 103-31 substituted “3626(a)-(h), 3626(j)-(k), and 3629 of this title” for “and 3626(a)-(h) and (j)-(k) of this title,” in first sentence.

Subsec. (d). Pub. L. 103-123, § 704(b)(1)(A), (E), added subsec. (d) and struck out former subsec. (d) which read as follows:

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

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

Subsec. (e). Pub. L. 103-123, § 704(b)(1)(A), (B), redesignated subsec. (g) as (e) and struck out former subsec. (e) which restricted Postal Service from effectuating any rate of postage exceeding rates in effect on Sept. 24, 1976, diminishing services below July 1, 1976, levels, closing post offices where 35 or more families regularly receive their mail and which was providing service on July 1, 1976, or closing post offices where fewer than 35 families receive their mail and which was providing service on July 1, 1976, unless 60 percent of patrons consent to such closing in writing.

Subsec. (f). Pub. L. 103-123, § 704(b)(1)(A)-(C), redesignated subsec. (h) as (f), struck out at end “The failure of the President to request the appropriation of any part of the funds authorized by this section shall not relieve the Postal Service from the responsibility to comply with the provisions of subsections (e) and (f) of this section.”, and struck out former subsec. (f) which read as follows: “During the period beginning on the date of the appropriation of the funds under subsection (d)(1) and ending on the date on which the Commission on Postal Service is required to transmit the final report required under section 7(f)(1) of the Postal Reorganization Act Amendments of 1976 to the President and each House of Congress, the Postal Service shall provide door delivery or curblin delivery to all permanent residential addresses (other than apartment building

addresses) to which service is begun on or after the date of enactment of the Postal Reorganization Act Amendments of 1976.”

Subsec. (g). Pub. L. 103-123, § 704(b)(1)(B), (D), redesignated (i) as (g) and substituted “subsection (b)” for “subsections (b) and (d) of this section”. Former subsec. (g) redesignated (e).

Subsecs. (h), (i). Pub. L. 103-123, § 704(b)(1)(B), redesignated subsecs. (h) and (i) as (f) and (g), respectively.

1991—Subsec. (c). Pub. L. 102-141 amended last sentence generally. Prior to amendment, last sentence read as follows: “In requesting an appropriation under this subsection for a fiscal year, the Postal Service shall include an amount to reconcile sums authorized to be appropriated for prior fiscal years on the basis of estimated mail volume with sums which would have been authorized to be appropriated if based on the final audited mail volume.”

1990—Subsec. (c). Pub. L. 101-509 substituted “3626(a)-(h) and (j)-(k)” for “3626(a)-(h)”.

1986—Subsec. (c). Pub. L. 99-509 substituted “3626(a)-(h)” for “3626”.

Pub. L. 99-410 substituted “3406” for “3405” and struck out “the Overseas Citizens Voting Rights Act of 1975, and the Federal Voting Assistance Act of 1955” after “3626 of this title.”

1981—Subsec. (b)(1). Pub. L. 97-35 substituted “\$250,000,000” for “an amount equal to 7 percent of such sum for fiscal year 1971” in subpar. (D), substituted “\$100,000,000” for “an amount equal to 6 percent of such sum for fiscal year 1971” in subpar. (E), and substituted “no funds are authorized to be appropriated” for “an amount equal to 5 percent of such sum for fiscal year 1971” in subpar. (F).

1980—Subsec. (b)(1)(C). Pub. L. 96-499, § 411, substituted “\$486,000,000” for “an amount equal to 8 percent of such sum for fiscal year 1971”.

Subsec. (c). Pub. L. 96-499, § 414(a), inserted provision requiring Postal Service when requesting an appropriation under subsec. (c) to reconcile sums authorized to be appropriated for prior fiscal years on the basis of estimated mail volume with sums which would have been authorized if based on the final audited mail volume.

1978—Subsec. (c). Pub. L. 95-593 inserted provisions relating to applicability of Overseas Citizens Voting Rights Act of 1975.

1976—Subsec. (b)(3). Pub. L. 94-421, § 2(a), struck out par. (3) which required Postal Service, when requesting appropriations, to present to the appropriate committees in Congress, a statement of its compliance with the cost policy established under section 101(b) of this title.

Subsecs. (d) to (i). Pub. L. 94-421, § 2(b), added subsecs. (d) to (i).

Statutory Notes and Related Subsidiaries

CHANGE OF NAME

Committee on Government Reform of House of Representatives changed to Committee on Oversight and Government Reform of House of Representatives by House Resolution No. 6, One Hundred Tenth Congress, Jan. 5, 2007. Committee on Oversight and Government Reform of House of Representatives changed to Committee on Oversight and Reform of House of Representatives by House Resolution No. 6, One Hundred Sixteenth Congress, Jan. 9, 2019. Committee on Oversight and Reform of House of Representatives changed to Committee on Oversight and Accountability of House of Representatives by House Resolution No. 5, One Hundred Eighteenth Congress, Jan. 9, 2023.

Committee on Governmental Affairs of Senate changed to Committee on Homeland Security and Governmental Affairs of Senate, effective Jan. 4, 2005, by Senate Resolution No. 445, One Hundred Eighth Congress, Oct. 9, 2004.

EFFECTIVE DATE OF 1993 AMENDMENT

Pub. L. 103-123, title VII, § 703(b), Oct. 28, 1993, 107 Stat. 1267, provided that: “The amendments made by

subsection (a) [amending this section] shall apply with respect to appropriations for fiscal years beginning after September 30, 1993.”

Pub. L. 103-123, title VII, §704(c)(2), Oct. 28, 1993, 107 Stat. 1271, provided that: “The amendments made by subsection (b) [amending this section] shall apply with respect to appropriations for fiscal years beginning after September 30, 1993.”

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

EFFECTIVE DATE OF 1990 AMENDMENT

Pub. L. 101-509, title II, §1(c), Nov. 5, 1990, 104 Stat. 1398, provided that: “The amendment enacted by this section [amending this section and section 3626 of this title] shall become effective ninety days after the date of enactment of this Act [Nov. 5, 1990].”

EFFECTIVE DATE OF 1986 AMENDMENTS

Amendment by Pub. L. 99-509 effective Jan. 1, 1989, or effective date of next general change in rates and fees under sections 3622 and 3625 of this title [Apr. 3, 1988], whichever is sooner, see section 6003(c) of Pub. L. 99-509 set out as a note under section 3626 of this title.

Amendment by Pub. L. 99-410 applicable with respect to elections taking place after Dec. 31, 1987, see section 204 of Pub. L. 99-410, set out as an Effective Date note under section 20301 of Title 52, Voting and Elections.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective Oct. 1, 1981, see section 1727 of Pub. L. 97-35, set out as a note under section 2003 of this title.

EFFECTIVE DATE OF 1980 AMENDMENT

Pub. L. 96-499, title IV, §415, Dec. 5, 1980, 94 Stat. 2608, provided that: “The provisions of this subtitle, including the amendments made by this subtitle [subtitle B (§§411-415) of title IV of Pub. L. 96-499, amending this section and enacting provisions set out as a note under section 403 of this title], shall take effect on the date of the enactment of this Act [Dec. 5, 1980].”

EFFECTIVE DATE

Subsec. (a) of this section effective July 1, 1971, pursuant to Resolution No. 71-9, of the Board of Governors, and subsecs. (b) and (c) effective Jan. 20, 1971, pursuant to Resolution No. 71-10 of the Board of Governors. See section 15(a) of Pub. L. 91-375, set out as a note preceding section 101 of this title.

TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of provisions of law requiring submittal to Congress of any annual, semiannual, or other regular periodic report listed in House Document No. 103-7 (in which the last item on page 194 identifies a reporting provision which, as subsequently amended, is contained in subsec. (e) of this section), see section 3003 of Pub. L. 104-66, as amended, and section 1(a)(4) [div. A, §1402(1)] of Pub. L. 106-554, set out as notes under section 1113 of Title 31, Money and Finance.

REDUCTION OF AUTHORIZATION FOR REVENUE FOREGONE

Pub. L. 99-272, title XV, §15101, Apr. 7, 1986, 100 Stat. 330, provided that: “Notwithstanding subsection (c) of

section 2401 of title 39, United States Code, the amount authorized to be appropriated pursuant to such subsection for fiscal year 1986 shall be \$749,000,000.”

Pub. L. 97-35, title XVII, §1723, Aug. 13, 1981, 95 Stat. 759, as amended effective Oct. 1, 1982, by Pub. L. 97-216, title I, §101, July 18, 1982, 96 Stat. 189, provided that: “Notwithstanding section 2401(c) of title 39, United States Code, the amount authorized to be appropriated under such section shall not exceed—

- “(1) \$696,000,000 for fiscal year 1982;
- “(2) \$708,000,000 for fiscal year 1983; or
- “(3) \$760,000,000 for fiscal year 1984.”

§ 2402. Annual report

The Postmaster General shall render an annual report to the Board concerning the operations of the Postal Service under this title. Upon approval thereof, or after making such changes as it considers appropriate, the Board shall transmit such reports to the President and the Congress.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 743.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective July 1, 1971, pursuant to Resolution No. 71-9 of the Board of Governors. See section 15(a) of Pub. L. 91-375, set out as a note preceding section 101 of this title.

TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of provisions in this section relating to the requirement that the Board transmit annual reports to Congress, see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance, and page 195 of House Document No. 103-7.

CHAPTER 26—DEBTS AND COLLECTION

Sec.	
2601.	Collection and adjustment of debts.
2602.	Transportation of international mail by air carriers of the United States.
2603.	Settlement of claims for damages caused by the Postal Service.
2604.	Delivery of stolen money to owner.
2605.	Suits to recover wrongful or fraudulent payments.

§ 2601. Collection and adjustment of debts

- (a) The Postal Service—
 - (1) shall collect debts due the Postal Service;
 - (2) shall collect and remit fines, penalties, and forfeitures arising out of matters affecting the Postal Service;
 - (3) may adjust, pay, or credit the account of a postmaster or of an enlisted person of an Armed Force performing postal duties, for any loss of Postal Service funds, papers, postage, or other stamped stock or accountable paper; and
 - (4) may prescribe penalties for failure to render accounts.

The Postal Service may refer any matter, which is uncollectable through administrative action, to the Government Accountability Office for collection. This subsection does not affect the authority of the Attorney General in cases in which judicial proceedings are instituted.

- (b) In all cases of disability or alleged liability for any sum of money by way of damages or oth-