

§ 3633. Provisions applicable to rates for competitive products

(a) IN GENERAL.—The Postal Regulatory Commission shall, within 18 months after the date of enactment of this section, promulgate (and may from time to time thereafter revise) regulations to—

- (1) prohibit the subsidization of competitive products by market-dominant products;
- (2) ensure that each competitive product covers its costs attributable; and
- (3) ensure that all competitive products collectively cover what the Commission determines to be an appropriate share of the institutional costs of the Postal Service.

(b) REVIEW OF MINIMUM CONTRIBUTION.—Five years after the date of enactment of this section, and every 5 years thereafter, the Postal Regulatory Commission shall conduct a review to determine whether the institutional costs contribution requirement under subsection (a)(3) should be retained in its current form, modified, or eliminated. In making its determination, the Commission shall consider all relevant circumstances, including the prevailing competitive conditions in the market, and the degree to which any costs are uniquely or disproportionately associated with any competitive products. (Added Pub. L. 109-435, title II, §202, Dec. 20, 2006, 120 Stat. 3206.)

Editorial Notes

REFERENCES IN TEXT

The date of enactment of this section, referred to in text, is the date of enactment of Pub. L. 109-435, which was approved Dec. 20, 2006.

Statutory Notes and Related Subsidiaries

REVIEW OF POSTAL SERVICE COST ATTRIBUTION
GUIDELINES

Pub. L. 117-108, title II, §203, Apr. 6, 2022, 136 Stat. 1147, provided that: “Not later than the date that is one year after the date of the enactment of this Act [Apr. 6, 2022], the Postal Regulatory Commission shall initiate a review of the regulations issued pursuant to sections 3633(a) and 3652(a)(1) of title 39, United States Code, to determine whether revisions are appropriate to ensure that all direct and indirect costs attributable to competitive and market-dominant products are properly attributed to those products, including by considering the underlying methodologies in determining cost attribution and considering options to revise such methodologies. If the Commission determines, after notice and opportunity for public comment, that revisions are appropriate, the Commission shall make modifications or adopt alternative methodologies as necessary.”

[For definitions of terms used in section 203 of Pub. L. 117-108, set out above, see section 2 of Pub. L. 117-108, set out as a note under section 501 of this title.]

STUDY ON EQUAL APPLICATION OF LAWS TO
COMPETITIVE PRODUCTS

Pub. L. 109-435, title VII, §703, Dec. 20, 2006, 120 Stat. 3244, required the Federal Trade Commission to prepare and submit to the President and Congress, and to the Postal Regulatory Commission, within 1 year after Dec. 20, 2006, a comprehensive report identifying Federal and State laws that applied differently to the United States Postal Service with respect to the competitive category of mail (within the meaning of sec-

tion 102 of this title) and to private companies providing similar products.

§ 3634. Assumed Federal income tax on competitive products income

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

(1) the term “assumed Federal income tax on competitive products income” means the net income tax that would be imposed by chapter 1 of the Internal Revenue Code of 1986 on the Postal Service’s assumed taxable income from competitive products for the year; and

(2) the term “assumed taxable income from competitive products”, with respect to a year, refers to the amount representing what would be the taxable income of a corporation under the Internal Revenue Code of 1986 for the year, if—

(A) the only activities of such corporation were the activities of the Postal Service allocable under section 2011(h) to competitive products; and

(B) the only assets held by such corporation were the assets of the Postal Service allocable under section 2011(h) to such activities.

(b) COMPUTATION AND TRANSFER REQUIREMENTS.—The Postal Service shall, for each year beginning with the year in which occurs the deadline for the Postal Service’s first report to the Postal Regulatory Commission under section 3652(a)—

(1) compute its assumed Federal income tax on competitive products income for such year; and

(2) transfer from the Competitive Products Fund to the Postal Service Fund the amount of that assumed tax.

(c) DEADLINE FOR TRANSFERS.—Any transfer required to be made under this section for a year shall be due on or before the January 15th next occurring after the close of such year.

(Added Pub. L. 109-435, title IV, §402, Dec. 20, 2006, 120 Stat. 3226.)

Editorial Notes

REFERENCES IN TEXT

The Internal Revenue Code of 1986, referred to in subsec. (a), is classified to Title 26, Internal Revenue Code.

SUBCHAPTER III—PROVISIONS RELATING
TO EXPERIMENTAL AND NEW PRODUCTS

Editorial Notes

AMENDMENTS

2006—Pub. L. 109-435, title II, §203, Dec. 20, 2006, 120 Stat. 3207, substituted “PROVISIONS RELATING TO EXPERIMENTAL AND NEW PRODUCTS” for “TEMPORARY RATES AND CLASSES” in subchapter heading.

§ 3641. Market tests of experimental products

(a) AUTHORITY.—

(1) IN GENERAL.—The Postal Service may conduct market tests of experimental products in accordance with this section.