

113TH CONGRESS
1ST SESSION

H. R. 2748

To restore the financial solvency of the United States Postal Service and to ensure the efficient and affordable nationwide delivery of mail.

IN THE HOUSE OF REPRESENTATIVES

JULY 19, 2013

Mr. ISSA (for himself, Mr. FARENTHOLD, and Mr. ROSS) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

A BILL

To restore the financial solvency of the United States Postal Service and to ensure the efficient and affordable nationwide delivery of mail.

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; TABLE OF CONTENTS; REF-**
4 **ERENCES.**

5 (a) **SHORT TITLE.**—This Act may be cited as the
6 “Postal Reform Act of 2013”.

7 (b) **TABLE OF CONTENTS.**—

Sec. 1. Short title; table of contents; references.
Sec. 2. Definitions.

TITLE I—POSTAL SERVICE MODERNIZATION

- Sec. 101. Nationwide mail delivery schedule.
- Sec. 102. Delivery-point modernization.
- Sec. 103. Efficient and flexible universal postal service.
- Sec. 104. Applicability of procedures relating to closures and consolidations.
- Sec. 105. Enhanced reporting on Postal Service efficiency.
- Sec. 106. Area and district office structure.

TITLE II—POSTAL SERVICE GOVERNANCE

Subtitle A—Temporary Governance Authority

- Sec. 201. Purposes.
- Sec. 202. Establishment of the Postal Service Financial Responsibility and Management Assistance Authority.
- Sec. 203. Membership and qualification requirements.
- Sec. 204. Organization and staff.
- Sec. 205. Funding.
- Sec. 206. Responsibilities and powers.
- Sec. 207. Development of financial plan and budget for the solvency of the Postal Service.
- Sec. 208. Process for submission and approval of financial plan and budget.
- Sec. 209. Dissolution of the Authority; reconstitution of the Board of Governors.

Subtitle B—Other Matters

- Sec. 211. Appointment of the Postal Service Inspector General.
- Sec. 212. Membership of the Board of Governors.

TITLE III—POSTAL SERVICE WORKFORCE

- Sec. 301. Applicability of reduction-in-force procedures.
- Sec. 302. Postal Service FEHBP and FEGLI funding requirements.
- Sec. 303. Repeal of provision relating to overall value of fringe benefits.
- Sec. 304. Modifications relating to determination of pay comparability.
- Sec. 305. Last-best-final-offer negotiations.
- Sec. 306. Postal Service workers' compensation reform.
- Sec. 307. Reporting requirement.

TITLE IV—POSTAL SERVICE REVENUE

- Sec. 401. Adequacy, efficiency, and fairness of postal rates.
- Sec. 402. Repeal of rate preferences for qualified political committees.
- Sec. 403. Use of negotiated service agreements.
- Sec. 404. Nonpostal services.
- Sec. 405. Alaska bypass mail modernization.
- Sec. 406. Appropriations modernization.
- Sec. 407. Enhanced product innovation.

TITLE V—POSTAL SERVICE FINANCE

- Sec. 501. Treatment of Postal Service postemployment benefit funding projected surpluses.
- Sec. 502. Retiree health benefit liability payment schedule.
- Sec. 503. Supplementary borrowing authority during a control period.
- Sec. 504. Postal Service Delivery-Point Modernization Fund.
- Sec. 505. Specific retirement liability calculations relating to the Postal Service.

TITLE VI—POSTAL CONTRACTING REFORM

- Sec. 601. Contracting provisions.
- Sec. 602. Technical amendment to definition.
- Sec. 603. Contract limitation.

TITLE VII—OTHER PROVISIONS

- Sec. 701. Postal facility designations.
- Sec. 702. Response to submissions by the Postal Service.
- Sec. 703. Fair stamp-evidencing competition.
- Sec. 704. USPS innovation officer and accountability.
- Sec. 705. Postal regulatory commission travel reporting.

1 (c) REFERENCES.—Except as otherwise expressly
 2 provided, whenever in this Act an amendment or repeal
 3 is expressed in terms of an amendment to, or repeal of,
 4 a section or other provision, the reference shall be consid-
 5 ered to be made to a section or other provision of title
 6 39, United States Code.

7 **SEC. 2. DEFINITIONS.**

8 For the purposes of this Act—

9 (1) the term “Postal Service” means the United
 10 States Postal Service;

11 (2) the term “postal retail facility” means a
 12 post office, post office branch, post office classified
 13 station, or other facility which is operated by the
 14 Postal Service, and the primary function of which is
 15 to provide retail postal services, but does not include
 16 a contractor-operated facility offering postal services;

17 (3) the term “district office” means the central
 18 office of an administrative field unit with responsi-
 19 bility for postal operations in a designated geo-

1 graphic area (as defined under regulations, direc-
2 tives, or other guidance of the Postal Service, as in
3 effect on January 1, 2013); and

4 (4) the term “area office” means the central of-
5 fice of an administrative field unit with responsibility
6 for postal operations in a designated geographic area
7 which is comprised of designated geographic areas
8 as referred to in paragraph (3).

9 **TITLE I—POSTAL SERVICE** 10 **MODERNIZATION**

11 **SEC. 101. NATIONWIDE MAIL DELIVERY SCHEDULE.**

12 (a) IN GENERAL.—Section 404 is amended by insert-
13 ing after subsection (e) the following:

14 “(f)(1) The Postal Service may establish a general,
15 nationwide mail delivery schedule of 5 days per week.

16 “(2) The Postal Service shall ensure that under any
17 schedule established under paragraph (1), there shall not
18 occur more than 2 consecutive days on which mail is not
19 delivered, including as a result of Federal holidays.

20 “(3) For a period not to end before December 31,
21 2018, the Postal Service shall provide domestic competi-
22 tive product service 6 days per week to each street address
23 that was scheduled to receive package service 6 days per
24 week as of September 30, 2012.

1 “(4) Nothing in this section shall be construed to au-
2 thorize a reduction, or to require an increase, in frequency
3 of mail delivery for any address for which the Postal Serv-
4 ice provided delivery on fewer than 6 days per week as
5 of January 1, 2013.”.

6 (b) MAILBOX ACCESS.—If the Postal Service estab-
7 lishes a general, nationwide mail delivery schedule of 5
8 days per week, consistent with the provisions of section
9 404 of title 39, United States Code, as amended by sub-
10 section (a), the Postal Service shall amend the Mailing
11 Standards of the United States Postal Service (as set
12 forth in the Domestic Mail Manual) to ensure that the
13 provisions of section 508.3.2.10 of such Manual, as in ef-
14 fect on September 30, 2012, shall apply on any day on
15 which the Postal Service does not deliver mail under the
16 established delivery schedule.

17 **SEC. 102. DELIVERY-POINT MODERNIZATION.**

18 (a) IN GENERAL.—Subchapter VII of chapter 36 is
19 amended by adding at the end the following:

20 **“§ 3692. Delivery-point modernization**

21 “(a) DEFINITIONS.—For the purposes of this sec-
22 tion—

23 “(1) the term ‘delivery point’ means a mailbox
24 or other receptacle to which mail is delivered;

1 “(2) the term ‘primary mode of mail delivery’
2 means the typical method by which the Postal Serv-
3 ice delivers letter mail to the delivery point of a
4 postal patron;

5 “(3) the term ‘door delivery’ means a primary
6 mode of mail delivery whereby mail is placed into a
7 slot or receptacle at or near the postal patron’s door
8 or is hand delivered to a postal patron, but does not
9 include curbside or centralized delivery;

10 “(4) the term ‘centralized delivery’ means a pri-
11 mary mode of mail delivery whereby mail receptacles
12 of a number of delivery points are grouped or clus-
13 tered at a single location; and

14 “(5) the term ‘curbside delivery’ means a pri-
15 mary mode of mail delivery whereby a mail recep-
16 tacle is situated at the edge of a sidewalk abutting
17 a road or curb, at a road, or at a curb.

18 “(b) POLICY.—It shall be the policy of the Postal
19 Service to use the most cost-effective primary mode of
20 mail delivery feasible for postal patrons.

21 “(c) PHASEOUT OF DOOR DELIVERY.—

22 “(1) NEW ADDRESSES.—Subject to paragraph
23 (4), the Postal Service shall implement a program,
24 wherever feasible, to provide a primary mode of mail
25 delivery other than door delivery to new addresses

1 established after the date of enactment of this sec-
2 tion.

3 “(2) BUSINESS ADDRESS CONVERSION.—Sub-
4 ject to paragraph (4), the Postal Service shall imple-
5 ment a program to convert existing business ad-
6 dresses with door delivery to centralized delivery to
7 the maximum extent feasible. In cases in which con-
8 version to centralized delivery is impractical, conver-
9 sion to curbside delivery shall be implemented to the
10 maximum extent feasible.

11 “(3) RESIDENTIAL ADDRESS CONVERSION.—

12 “(A) IDENTIFICATION.—Within one year
13 after the date of enactment of this section, each
14 district office shall identify residential addresses
15 within its service area that are appropriate can-
16 didates for conversion from door delivery to
17 curbside or centralized delivery, in accordance
18 with standards established by the Postal Serv-
19 ice.

20 “(B) VOLUNTARY CONVERSION.—Subject
21 to paragraph (4), the Postal Service shall seek
22 to voluntarily convert the delivery points identi-
23 fied under subparagraph (A) from door delivery
24 to more cost-effective primary modes of mail
25 delivery.

1 “(C) PROCEDURES.—In carrying out con-
2 versions under subparagraph (B), the Postal
3 Service shall establish procedures to—

4 “(i) solicit, consider, and respond to
5 input from postal patrons, State and local
6 governments, local associations, and prop-
7 erty owners; and

8 “(ii) place centralized delivery points
9 in locations that maximize delivery effi-
10 ciency, ease of use for postal patrons, and
11 respect for private property rights.

12 “(4) CONSIDERATIONS.—In making any deter-
13 mination to convert the primary mode of mail deliv-
14 ery for an existing address from door delivery to any
15 other primary mode of mail delivery, or to provide
16 a primary mode of mail delivery to a new address,
17 the Postal Service may consider—

18 “(A) the impact of weather conditions,
19 physical barriers, or any other factor that may
20 impact the feasibility of providing a primary
21 mode of mail delivery other than door delivery
22 (such as a factor that may significantly reduce
23 the potential cost savings associated with pro-
24 viding centralized or curbside delivery);

1 “(B) whether the address is in a registered
2 historic district (as that term is defined in sec-
3 tion 47(e)(3)(B) of the Internal Revenue Code
4 of 1986) is listed on the National Register of
5 Historic Places, or is of historic value; and

6 “(C) population density and the concentra-
7 tion of poverty.

8 “(5) WAIVER FOR PHYSICAL HARDSHIP.—The
9 Postal Service shall establish and maintain a waiver
10 program under which, upon application, door deliv-
11 ery may be continued, or provided, at no cost to the
12 applicant in any case in which—

13 “(A) centralized or curbside delivery would,
14 but for this paragraph, otherwise be the pri-
15 mary mode of mail delivery; and

16 “(B) door delivery is necessary in order to
17 avoid causing significant physical hardship to a
18 postal patron.

19 “(6) LEGACY DOOR DELIVERY SERVICE.—

20 “(A) IN GENERAL.—The Postal Service
21 may continue to provide, for a fee to be paid by
22 the addressee, door delivery to an address that
23 received door delivery as of January 1, 2013,
24 but was converted to a different primary mode

1 of mail delivery as a result of the requirements
2 of subsection (d).

3 “(B) OFFSET.—The fee shall, when taken
4 in the nationwide aggregate, offset the addi-
5 tional cost to the Postal Service for door deliv-
6 ery (compared to the cost of the primary mode
7 of mail delivery which would otherwise exist for
8 such address) as a result of the requirements of
9 subsection (d).

10 “(C) REQUIREMENTS.—The fee shall be
11 subject to the requirements of section
12 3622(d)(1)(B) and the Postmaster General may
13 by regulation prescribe the method of the fee’s
14 calculation.

15 “(d) MODERNIZATION REQUIREMENT.—

16 “(1) MINIMUM POINTS TO BE CONVERTED.—
17 Not later than September 30, 2022, the Postal Serv-
18 ice shall convert not less than 30,000,000 of the
19 door delivery points extant on December 31, 2012,
20 to centralized or curbside delivery.

21 “(2) CONVERSION ORDER.—In determining
22 which delivery points to convert under paragraph
23 (1), postal patrons who voluntarily agree to convert
24 their delivery point or points under subsection (c)(3)

1 shall take precedence over any other conversions to
2 the greatest extent practicable.

3 “(3) FUNDING AND REPAYMENT.—Until Sep-
4 tember 30, 2022, the Postal Service may withdraw
5 funds from the Postal Service Delivery-Point Mod-
6 ernization Fund to carry out the purposes of this
7 section. All savings accrued by the Postal Service
8 from conversions under this subsection shall be re-
9 paid to the Fund on a monthly basis until all funds
10 have been repaid. All funds withdrawn under this
11 paragraph must be repaid not later than September
12 30, 2023.

13 “(4) VOUCHER PROGRAM.—The Postal Service
14 shall, in accordance with such standards and proce-
15 dures as the Postal Service shall by regulation pre-
16 scribe, provide for a voucher program, funded
17 through the Postal Service Delivery Point Mod-
18 ernization Fund, under which, upon application, the
19 Postal Service may defray all or any portion of the
20 costs associated with conversion from door delivery
21 under this section which would otherwise be borne
22 by postal patrons.

23 “(5) TREATMENT OF EXEMPTION.—Addresses
24 receiving door delivery or legacy door delivery as a
25 result of paragraph (5) or (6) of subsection (c)—

1 “(A) shall be counted as addresses that re-
2 ceive the primary mode of mail delivery which
3 the address would be subject to if not for the
4 applicable exemption; and

5 “(B) shall, within 30 days after ceasing to
6 meet the requirements of such paragraph (5) or
7 (6), as applicable, be converted to the primary
8 mode of mail delivery which was otherwise ap-
9 plicable.

10 “(6) ANNUAL REPORTS.—Not later than 60
11 days after the end of each of fiscal years 2013
12 through 2023, the Postal Service shall submit to
13 Congress and the Inspector General of the Postal
14 Service a report on the implementation of this sec-
15 tion during the most recently completed fiscal year.
16 Each such report shall include—

17 “(A) the number of residential and busi-
18 ness addresses that—

19 “(i) receive door delivery as of the end
20 of the fiscal year preceding the most re-
21 cently completed fiscal year;

22 “(ii) receive door delivery as of the
23 end of the most recently completed fiscal
24 year; and

1 “(iii) during the most recently com-
 2 pleted fiscal year, were converted from
 3 door delivery to—

4 “(I) centralized delivery points;

5 “(II) curbside delivery points;

6 and

7 “(III) any other primary mode of
 8 mail delivery, respectively;

9 “(B) the estimated cost savings from the
 10 conversions described in subparagraph (A)(iii);

11 “(C) a description of the progress made by
 12 the Postal Service toward meeting the require-
 13 ments of subsection (c) and paragraph (1) of
 14 this subsection; and

15 “(D) any other information which the
 16 Postal Service considers appropriate.

17 “(e) REVIEW.—Subchapters IV and V shall not apply
 18 with respect to any action taken by the Postal Service
 19 under this section.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
 21 for chapter 36 is amended by adding after the item relat-
 22 ing to section 3691 the following:

 “3692. Delivery-point modernization.”.

23 **SEC. 103. EFFICIENT AND FLEXIBLE UNIVERSAL POSTAL**
 24 **SERVICE.**

25 (a) POSTAL POLICY.—

1 (1) IN GENERAL.—Section 101(b) is amended
2 to read as follows:

3 “(b) The Postal Service shall provide effective and
4 regular postal services to rural areas, communities, and
5 small towns where post offices are not self-sustaining.”.

6 (2) CONFORMING AMENDMENT.—Clause (iii) of
7 section 404(d)(2)(A) is amended to read as follows:

8 “(iii) whether such closing or consolidation
9 is consistent with the policy of the Government,
10 as stated in section 101(b), that the Postal
11 Service shall provide effective and regular post-
12 al services to rural areas, communities, and
13 small towns where post offices are not self-sus-
14 taining;”.

15 (b) GENERAL DUTY.—Paragraph (3) of section
16 403(b) is amended to read as follows:

17 “(3) to ensure that postal patrons throughout
18 the Nation will, consistent with reasonable econo-
19 mies of postal operations, have ready access to es-
20 sential postal services.”.

21 (c) CONDITIONS.—Clause (i) of section 404(d)(2)(A)
22 is amended to read as follows:

23 “(i) the effect of such closing or consolida-
24 tion on the community served by such post of-

1 fice, including through an analysis of such fac-
2 tors as—

3 “(I) the distance (as measured by
4 public roads) to the closest postal retail fa-
5 cility not proposed for closure or consolida-
6 tion under such plan;

7 “(II) the characteristics of such loca-
8 tion, including weather and terrain;

9 “(III) whether commercial mobile
10 service (as defined in section 332 of the
11 Communications Act of 1934) and com-
12 mercial mobile data service (as defined in
13 section 6001 of the Middle Class Tax Re-
14 lief and Job Creation Act of 2012) are
15 available in at least 80 percent of the total
16 geographic area of the ZIP codes served by
17 the postal retail facility proposed for clo-
18 sure or consolidation; and

19 “(IV) whether fixed broadband Inter-
20 net access service is available to households
21 in at least 80 percent of such geographic
22 area at speeds not less than those suffi-
23 cient for service to be considered
24 broadband for purposes of the most recent
25 report of the Federal Communications

1 Commission under section 706 of the Tele-
2 communications Act of 1996;”.

3 (d) PRC REVIEW OF DETERMINATIONS TO CLOSE
4 OR CONSOLIDATE A POST OFFICE.—

5 (1) DEADLINE FOR REVIEW.—Section
6 404(d)(5) is amended by striking “120 days” and
7 inserting “60 days”.

8 (2) EXCLUSION FROM REVIEW.—Section 404(d)
9 is amended by adding at the end the following:
10 “(7)(A) The appeals process set forth in paragraph
11 (5) shall not apply to a determination of the Postal Service
12 to close a post office if there is located, within 2 miles
13 of such post office, a qualified contract postal unit.

14 “(B) For purposes of this paragraph—

15 “(i) the term ‘contract postal unit’ means a
16 store or other place of business which—

17 “(I) is not owned or operated by the Postal
18 Service; and

19 “(II) in addition to its usual operations,
20 provides postal services to the general public
21 under contract with the Postal Service; and

22 “(ii) the term ‘qualified contract postal unit’, as
23 used in connection with a post office, means a con-
24 tract postal unit which—

1 “(I) begins to provide postal services to the
2 general public during the period—

3 “(aa) beginning 1 year before the date
4 on which the closure or consolidation of
5 such post office is scheduled to take effect;
6 and

7 “(bb) ending on the 15th day after
8 the date on which the closure or consolida-
9 tion of such post office is scheduled to take
10 effect; and

11 “(II) has not, pursuant to subparagraph
12 (A), served as the basis for exempting any other
13 post office from the appeals process set forth in
14 paragraph (5).

15 “(C)(i) If the qualified contract postal unit does not
16 continue to provide postal services, as required by sub-
17 paragraph (B)(i)(II), for at least the 2-year period begin-
18 ning on the date on which such post office was closed or,
19 if later, the date on which such unit began providing postal
20 services to the general public, the contract postal unit shall
21 be subject to a closure determination by the Postal Service
22 to decide whether a post office must be reopened within
23 the area (delimited by the 2-mile radius referred to in sub-
24 paragraph (A)).

1 “(ii) A decision under clause (i) not to reopen a post
2 office may be appealed to the Postal Regulatory Commis-
3 sion under procedures which the Commission shall by reg-
4 ulation prescribe. Such procedures shall be based on para-
5 graph (5), except that, for purposes of this clause, para-
6 graph (5)(C) shall be applied by substituting ‘in violation
7 of section 101(b), leaving postal patrons without effective
8 and regular access to postal services’ for ‘unsupported by
9 substantial evidence on the record’.”.

10 (3) APPLICABILITY.—The amendments made
11 by this subsection shall not apply with respect to
12 any appeal, notice of which is received by the Postal
13 Regulatory Commission before the date of enactment
14 of this Act (determined applying the rules set forth
15 in section 404(d)(6) of title 39, United States Code).

16 (e) EXPEDITED PROCEDURES.—

17 (1) IN GENERAL.—Section 3661 is amended by
18 adding at the end the following:

19 “(d)(1) The Commission shall issue its opinion within
20 90 days after the receipt of any proposal (as referred to
21 in subsection (b)) concerning—

22 “(A) the closing or consolidation of postal retail
23 facilities (as that term is defined in section 2(2) of
24 the Postal Reform Act of 2013) to a degree that will

1 generally affect service on a nationwide or substan-
2 tially nationwide basis; or

3 “(B) an identical or substantially identical pro-
4 posal on which the Commission issued an opinion
5 within the preceding 5 years.

6 “(2) If necessary in order to comply with the 90-day
7 requirement under paragraph (1), the Commission may
8 apply expedited procedures which the Commission shall by
9 regulation prescribe.”.

10 (2) REGULATIONS.—The Postal Regulatory
11 Commission shall prescribe any regulations nec-
12 essary to carry out the amendment made by para-
13 graph (1) within 90 days after the date of enact-
14 ment of this Act.

15 (3) APPLICABILITY.—The amendment made by
16 this subsection shall apply with respect to any pro-
17 posal received by the Postal Regulatory Commission
18 on or after the earlier of—

19 (A) the 90th day after the date of enact-
20 ment of this Act; or

21 (B) the effective date of the regulations
22 under paragraph (2).

23 (f) RURAL POST OFFICE ANNUAL CLOSURE LIMITA-
24 TION.—Section 404a(a) is amended—

1 (1) in paragraph (2), by striking “or” at the
2 end;

3 (2) in paragraph (3), by striking the period and
4 inserting “; or”; and

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

6 “(4) close, consolidate, or suspend the oper-
7 ations of more than 5-percent of the number of cur-
8 rently operating postal retail facilities on January 1,
9 of each year that were within the K or L cost ascer-
10 tainment grouping on January 1, 2012, excluding
11 any postal retail facility scheduled for closure and
12 ineligible for appeal due to section 404(d)(7)(A)
13 shall not count toward the 5 percent limitation.”.

14 (g) ALTERNATE POSTAL ACCESS CHOICE.—Section
15 404(d) is amended by striking paragraph (1) and inserting
16 the following:

17 “(d)(1) The Postal Service, prior to making a deter-
18 mination under subsection (a)(3) as to the necessity for
19 the closing or consolidation of any post office, shall—

20 “(A) provide adequate notice of its intention to
21 close or consolidate such post office at least 60 days
22 prior to the proposed date of such closing or consoli-
23 dation to postal patrons served by such post office;

24 “(B) conduct a nonbinding survey on the pro-
25 posed closing or consolidation to allow postal patrons

1 served by such post office an opportunity to indicate
2 their preference between or among—

3 “(i) the closing or consolidation; and

4 “(ii) 1 or more alternative options; and

5 “(C) ensure that—

6 “(i) should the closure or consolidation of
7 a postal retail facility be deemed necessary, it
8 shall be the policy of the Postal Service to pro-
9 vide alternative access to postal services to
10 those served by the postal retail facility by the
11 option chosen by the highest number of survey
12 respondents under subparagraph (B)(ii); and

13 “(ii) if the Postal Service is unable to pro-
14 vide alternative access through the option iden-
15 tified in clause (i), or if that option is cost pro-
16 hibitive, the Postal Service may provide alter-
17 native access through a different means. Upon
18 selection of an alternative access method other
19 than the one identified by clause (i), the Postal
20 Service must provide written notice to those pa-
21 trons served by the postal retail facility identi-
22 fying and explaining why the option identified
23 by clause (i) was not possible or cost prohibi-
24 tive.”.

1 **SEC. 104. APPLICABILITY OF PROCEDURES RELATING TO**
2 **CLOSURES AND CONSOLIDATIONS.**

3 (a) IN GENERAL.—Section 404(d) is amended by
4 adding after paragraph (7) (as added by section
5 103(d)(2)) the following:

6 “(8) For purposes of this subsection, the term ‘post
7 office’ means a post office and any other facility described
8 in section 2(2) of the Postal Reform Act of 2013.”.

9 (b) EFFECTIVE DATE.—In the case of any post office
10 (within the meaning of the amendment made by sub-
11 section (a)) which, but for such amendment, would not
12 otherwise be subject to section 404(d) of title 39, United
13 States Code, the amendment made by subsection (a) shall
14 be effective with respect to any closure or consolidation,
15 the proposed effective date of which occurs on or after the
16 60th day following the date of enactment of this Act.

17 **SEC. 105. ENHANCED REPORTING ON POSTAL SERVICE EF-**
18 **FICIENCY.**

19 Section 3652(a) is amended—

20 (1) in paragraph (1), by striking “and” after
21 the semicolon;

22 (2) in paragraph (2), by striking the period at
23 the end and inserting “; and”; and

24 (3) by adding after paragraph (2) the following:

25 “(3) which shall provide the overall change in
26 Postal Service productivity and the resulting effect

1 of such change on overall Postal Service costs during
2 such year, using such methodologies as the Commis-
3 sion shall by regulation prescribe.”.

4 **SEC. 106. AREA AND DISTRICT OFFICE STRUCTURE.**

5 (a) IN GENERAL.—Not later than 120 days after the
6 date of enactment of this Act, the Postal Service, in con-
7 sultation with the Inspector General of the United States
8 Postal Service, shall develop and begin implementation of
9 a plan for the closure or consolidation of such area and
10 district offices as the Postal Service considers necessary
11 and appropriate so that, by October 1, 2015, the combined
12 total number of area and district offices will be at least
13 30 percent less than the corresponding combined total as
14 of September 30, 2012.

15 (b) CONTENTS.—The plan shall include—

16 (1) a list of the area and district offices pro-
17 posed for closure or consolidation;

18 (2) a proposed schedule under which closures
19 and consolidations of area and district offices would
20 be carried out;

21 (3) the estimated total annual cost savings at-
22 tributable to the proposed closures and consolida-
23 tions described in the plan;

24 (4) the criteria and process used to develop the
25 information described in paragraphs (1) and (2);

1 (5) the methodology and assumptions used to
2 derive the estimates described in paragraph (3); and

3 (6) any changes to the processing, transport-
4 tation, delivery, or other postal operations antici-
5 pated as a result of the proposed closures and con-
6 solidations described in the plan.

7 (c) **PLAN SUBMISSION REVISION.**—Not later than
8 120 days after the date of enactment of this Act, the plan
9 shall be submitted to the Committee on Homeland Secu-
10 rity and Governmental Affairs of the Senate and the Com-
11 mittee on Oversight and Government Reform of the House
12 of Representatives. Any revision to the plan shall be sub-
13 mitted not later than 14 days after such revision is adopt-
14 ed by the Postal Service.

15 **TITLE II—POSTAL SERVICE**
16 **GOVERNANCE**
17 **Subtitle A—Temporary Governance**
18 **Authority**

19 **SEC. 201. PURPOSES.**

20 (a) **PURPOSES.**—The purposes of this subtitle are as
21 follows:

22 (1) To eliminate budget deficits and cash short-
23 ages of the Postal Service through strategic financial
24 planning, sound budgeting, accurate revenue fore-
25 casts, and careful spending.

1 (2) To ensure that universal service, as required
2 by section 101 of title 39, United States Code, is
3 maintained during the period of any fiscal emer-
4 gency.

5 (3) To conduct necessary investigations and
6 studies to determine the fiscal status and oper-
7 ational efficiency of the Postal Service.

8 (4) To assist the Postal Service in—

9 (A) restructuring its organization and
10 workforce to bring expenses in line with dimin-
11 ishing revenue and generate sufficient profits
12 for capital investments and repayment of debt;

13 (B) meeting all fiscal obligations to the
14 Treasury of the United States; and

15 (C) ensuring the appropriate and efficient
16 delivery of postal services.

17 (5) To ensure the long-term financial, fiscal,
18 and economic vitality and operational efficiency of
19 the Postal Service.

20 (b) RESERVATION OF POWERS.—Nothing in this sub-
21 title may be construed—

22 (1) to relieve any obligation of the Postal Serv-
23 ice to the Treasury of the United States existing as
24 of the date of enactment of this Act; or

1 (2) to limit the authority of Congress to exer-
2 cise legislative authority over the Postal Service.

3 **SEC. 202. ESTABLISHMENT OF THE POSTAL SERVICE FI-**
4 **NANCIAL RESPONSIBILITY AND MANAGE-**
5 **MENT ASSISTANCE AUTHORITY.**

6 (a) ESTABLISHMENT.—There is established, in ac-
7 cordance with the provisions of this subtitle, an entity to
8 be known as the “Postal Service Financial Responsibility
9 and Management Assistance Authority” (hereinafter in
10 this subtitle referred to as the “Authority”).

11 (b) OPERATIONS DURING THE CONTROL PERIOD.—

12 (1) CONTROL PERIOD DEFINED.—For the pur-
13 poses of this subtitle, the term “control period”
14 means the period that commences on the date as of
15 which the Authority has at least 4 members and ter-
16 minates as of the date determined under paragraph
17 (5).

18 (2) TRANSFER OF AUTHORITIES AND RESPON-
19 SIBILITIES.—Effective as of the date on which the
20 control period commences—

21 (A) subsections (a) and (b) of section 202
22 are repealed;

23 (B) the term of office of each of the 9 Gov-
24 ernors (appointed under the second sentence of
25 section 202(a)(1) of title 39, United States

1 Code, as last in effect before the date of enact-
2 ment of this Act) shall terminate; and

3 (C) the Authority shall assume its respon-
4 sibilities, as set forth in section 206.

5 (3) TREATMENT OF CERTAIN EXECUTIVES.—

6 (A) DEFINITION.—For the purposes of
7 this section, the term “Level-Two Postal Serv-
8 ice Executive” includes the Postmaster General,
9 the Deputy Postmaster General, and all the
10 other officers and employees of the Postal Serv-
11 ice in level two of the Postal Career Executive
12 Service (or the equivalent), but does not include
13 any officer or employee of the Office of Inspec-
14 tor General of the United States Postal Service.

15 (B) TREATMENT.—Notwithstanding any
16 other provision of law or the provisions of any
17 employment contract, during the control pe-
18 riod—

19 (i) all Level-Two Postal Service Ex-
20 ecutives shall serve at the pleasure of the
21 Authority;

22 (ii) the duties and responsibilities of
23 all Level-Two Postal Service Executives, as
24 well as the terms and conditions of their
25 employment (including their compensa-

1 tion), shall be subject to determination or
2 redetermination by the Authority;

3 (iii) total compensation of a Level-
4 Two Postal Service Executive may not, for
5 the first full fiscal year occurring in such
6 control period or any subsequent fiscal
7 year commencing in such control period,
8 exceed the annual rate of basic pay payable
9 for level I of the Executive Schedule under
10 section 5312 of title 5, United States
11 Code, for that year; for purposes of this
12 clause, the term “total compensation”
13 means basic pay, bonuses, awards, and all
14 other monetary compensation;

15 (iv) the percentage by which the rate
16 of basic pay of a Level-Two Postal Service
17 Executive is increased during any year
18 may not exceed the percentage change in
19 the Consumer Price Index for All Urban
20 Consumers, unadjusted for seasonal vari-
21 ation, for the most recent 12-month period
22 available, except that, in the case of a
23 Level-Two Postal Service Executive who
24 has had a significant change in job respon-

1 sibilities, a greater change shall be allow-
2 able if approved by the Authority;

3 (v) apart from basic pay, a Level-Two
4 Postal Service Executive may not be af-
5 farded any bonus, award, or other mone-
6 tary compensation for any full fiscal year
7 in the control period if expenditures of the
8 Postal Service for such fiscal year exceeded
9 revenues of the Postal Service for such fis-
10 cal year (determined in accordance with
11 generally accepted accounting principles);
12 and

13 (vi) no deferred compensation may be
14 paid, accumulated, or recognized in the
15 case of any Level-Two Postal Service Exec-
16 utive, with respect to any full year in the
17 control period, which is not generally paid,
18 accumulated, or recognized in the case of
19 employees of the United States (outside of
20 the Postal Service) in level I of the Execu-
21 tive Schedule under section 5312 of title 5,
22 United States Code, with respect to such
23 year.

24 (C) BONUS AUTHORITY.—Section 3686 of
25 title 39, United States Code, shall, during the

1 period beginning on the commencement date of
2 the control period and ending on the termi-
3 nation date of the control period—

4 (i) be suspended with respect to all
5 Level-Two Postal Service Executives; but

6 (ii) remain in effect for all other offi-
7 cers and employees of the Postal Service
8 otherwise covered by this section.

9 (4) CERTIFICATION REQUIREMENT.—The con-
10 trol period may not terminate until after the Author-
11 ity, with the concurrence of the Secretary of the
12 Treasury and the Director of the Office of Personnel
13 Management, certifies to the Director of the Office
14 of Management and Budget that—

15 (A) for 2 consecutive fiscal years (occur-
16 ring after the date of enactment of this Act),
17 expenditures of the Postal Service did not ex-
18 ceed revenues of the Postal Service (as deter-
19 mined in accordance with generally accepted ac-
20 counting principles);

21 (B) the Authority has approved a Postal
22 Service financial plan and budget that shows
23 expenditures of the Postal Service not exceeding
24 revenues of the Postal Service (as so deter-
25 mined) for the fiscal year to which such budget

1 pertains and each of the next 3 fiscal years;
2 and

3 (C) the Postal Service financial plan and
4 budget (as referred to in subparagraph (B)) in-
5 cludes plans—

6 (i) for the repayment of any
7 collateralized debt authorized by section
8 503; and

9 (ii) to properly fund Postal Service
10 pensions and retiree health benefits in ac-
11 cordance with applicable provisions of title
12 5, United States Code.

13 (5) TERMINATION OF CONTROL PERIOD.—

14 (A) TERMINATION DATE.—

15 (i) GENERAL RULE.—Except as pro-
16 vided in clause (ii), the control period shall
17 terminate 180 days after the date on which
18 the certification described in paragraph (4)
19 is made.

20 (ii) ALTERNATIVE DATE.—

21 (I) AUTHORITY.—The Director
22 of the Office of Management and
23 Budget may, by written notice given
24 to the Authority within 15 days after
25 the date on which the certification de-

1 scribed in paragraph (4) is made, pro-
2 vide for an alternative termination
3 date (in lieu of the date that would
4 otherwise apply under clause (i)).

5 (II) RANGE.—An alternative date
6 under this clause shall not apply un-
7 less such date occurs not less than 30
8 days after the date on which written
9 notice under subclause (I) is given
10 and not later than 180 days after the
11 date on which the certification de-
12 scribed in paragraph (4) is made.

13 (B) PUBLIC NOTICE.—The Authority shall
14 cause to be published in the Federal Register—

15 (i) the date on which the certification
16 described in paragraph (4) is made, not
17 later than 1 business day after the date on
18 which such certification is made; and

19 (ii) the termination date of the control
20 period, not later than 16 business days
21 after the date on which the certification
22 described in paragraph (4) is made.

23 **SEC. 203. MEMBERSHIP AND QUALIFICATION REQUIRE-**
24 **MENTS.**

25 (a) MEMBERSHIP.—

1 (1) IN GENERAL.—The Authority shall consist
2 of 5 members appointed by the President who meet
3 the qualifications described in subsection (b), except
4 that the Authority may take any action under this
5 subtitle at any time after the President has ap-
6 pointed the initial 4 of its members. Members of the
7 Authority shall report to the Secretary of the Treas-
8 ury.

9 (2) RECOMMENDATIONS.—Of the 5 members so
10 appointed—

11 (A) 1 shall be appointed by the President
12 taking into account any individuals rec-
13 ommended by the Speaker of the House of Rep-
14 resentatives;

15 (B) 1 shall be appointed by the President
16 taking into account any individuals rec-
17 ommended by the majority leader of the Senate;

18 (C) 1 shall be appointed by the President
19 taking into account any individuals rec-
20 ommended by the minority leader of the House
21 of Representatives;

22 (D) 1 shall be appointed by the President
23 taking into account any individuals rec-
24 ommended by the minority leader of the Senate;
25 and

1 (E) 1 shall be appointed by the President
2 taking into account any individuals rec-
3 ommended by the Comptroller General.

4 (3) POLITICAL AFFILIATION.—No more than 3
5 members of the Authority may be of the same polit-
6 ical party.

7 (4) CHAIR.—The President shall designate 1 of
8 the members of the Authority as the Chair of the
9 Authority.

10 (5) SENSE OF CONGRESS REGARDING DEAD-
11 LINE FOR APPOINTMENT.—It is the sense of Con-
12 gress that the President should appoint the members
13 of the Authority as soon as practicable after the
14 date of enactment of this Act, but no later than 30
15 days after such date.

16 (6) TERM OF SERVICE.—

17 (A) IN GENERAL.—Except as provided in
18 subparagraph (B), each member of the Author-
19 ity shall be appointed for a term of 3 years.

20 (B) APPOINTMENT FOR TERM FOLLOWING
21 INITIAL TERM.—As designated by the President
22 at the time of appointment for the term imme-
23 diately following the initial term, of the mem-
24 bers appointed for the term immediately fol-
25 lowing the initial term—

1 (i) 1 member shall be appointed for a
2 term of 1 year;

3 (ii) 2 members shall be appointed for
4 a term of 2 years; and

5 (iii) 2 members shall be appointed for
6 a term of 3 years.

7 (C) VACANCIES AND SUCCESSION.—Any
8 member of the Authority appointed to fill a va-
9 cancy before the expiration of the term for
10 which the predecessor of the member of the Au-
11 thority was appointed shall serve for the re-
12 mainder of such term.

13 (D) REMOVAL.—The President may re-
14 move any member of the Authority only for
15 cause.

16 (E) COMPENSATION FOR SERVICE.—Each
17 member of the Authority shall be paid for full-
18 time service at a rate of pay equivalent to the
19 rate of basic pay payable for level III of the Ex-
20 ecutive Schedule under section 5314 of title 5,
21 United States Code.

22 (b) QUALIFICATION REQUIREMENTS.—

23 (1) IN GENERAL.—An individual meets the
24 qualifications for membership on the Authority if the
25 individual—

1 (A) has significant knowledge and exper-
2 tise in finance, management, and the organiza-
3 tion or operation of businesses having more
4 than 500 employees; and

5 (B) represents the public interest gen-
6 erally, is not a representative of specific inter-
7 ests using or belonging to the Postal Service,
8 and does not have any business or financial in-
9 terest in any enterprise in the private sector of
10 the economy engaged in the delivery of mail
11 matter.

12 (2) SPECIFIC CONDITIONS.—An individual shall
13 not be considered to satisfy paragraph (1)(B) if, at
14 any time during the 5-year period ending on the
15 date of appointment, such individual—

16 (A) has been an officer, employee, or pri-
17 vate contractor with the Postal Service, United
18 States Postal Service Inspector General, or the
19 Postal Regulatory Commission; or

20 (B) has served as an employee or con-
21 tractor of a labor organization representing em-
22 ployees of the Postal Service, the United States
23 Postal Service Inspector General, or the Postal
24 Regulatory Commission.

1 **SEC. 204. ORGANIZATION AND STAFF.**

2 (a) ADOPTION OF BYLAWS FOR CONDUCTING BUSI-
3 NESS.—As soon as practicable after the appointment of
4 its members, the Authority shall adopt bylaws, rules, and
5 procedures governing its activities under this subtitle, in-
6 cluding procedures for hiring experts and consultants.
7 Upon adoption, such bylaws, rules, and procedures shall
8 be submitted by the Authority to the Postmaster General,
9 the President, and Congress.

10 (b) EXECUTIVE DIRECTOR AND STAFF.—

11 (1) EXECUTIVE DIRECTOR.—The Authority
12 shall have an Executive Director who shall be ap-
13 pointed by the Chair with the consent of the Author-
14 ity. The Executive Director shall be paid at a rate
15 determined by the Authority, except that such rate
16 may not exceed the rate of basic pay payable for
17 level IV of the Executive Schedule under section
18 5315 of title 5, United States Code.

19 (2) STAFF.—With the approval of the Author-
20 ity, the Executive Director may appoint and fix the
21 pay of such additional personnel as the Executive
22 Director considers appropriate, except that no indi-
23 vidual appointed by the Executive Director may be
24 paid at a rate greater than the rate of pay for the
25 Executive Director. Personnel appointed under this

1 paragraph shall serve at the pleasure of the Execu-
2 tive Director.

3 (3) INAPPLICABILITY OF CERTAIN CIVIL SERV-
4 ICE LAWS.—The Executive Director and staff of the
5 Authority may be appointed without regard to the
6 provisions of title 5, United States Code, governing
7 appointments in the competitive service, and paid
8 without regard to the provisions of chapter 51 and
9 subchapter III of chapter 53 of such title relating to
10 classification and General Schedule pay rates.

11 (4) STAFF OF FEDERAL AGENCIES.—Upon re-
12 quest of the Chair, the head of any Federal depart-
13 ment or agency may detail, on a reimbursable or
14 nonreimbursable basis, any of the personnel of such
15 department or agency to the Authority to assist it
16 in carrying out its duties under this subtitle.

17 **SEC. 205. FUNDING.**

18 (a) GENERAL RULE.—There are authorized to be ap-
19 propriated, out of the Postal Service Fund, such sums as
20 may be necessary for the Authority. In requesting an ap-
21 propriation under this section for a fiscal year, the Au-
22 thority shall prepare and submit to the Congress under
23 section 2009 of title 39, United States Code, a budget of
24 the Authority's expenses, including expenses for facilities,

1 supplies, compensation, and employee benefits, not to ex-
2 ceed \$10,000,000.

3 (b) INITIAL RULE.—Notwithstanding any other pro-
4 vision of this section, effective as of the date on which
5 at least 4 members of the Authority have been appointed,
6 there shall be available to the Authority, out of the Postal
7 Service Fund, such sums as the Authority may require
8 in order to carry out this subtitle, not to exceed the
9 amount equal to the product obtained by multiplying—

10 (1) the dollar amount specified in subsection

11 (a), times

12 (2) a fraction—

13 (A) the numerator of which is the number
14 of months remaining in the fiscal year as of the
15 date on which at least 4 members of the Au-
16 thority have been appointed (rounding any frac-
17 tion of a month to the next highest whole num-
18 ber); and

19 (B) the denominator of which is 12.

20 (c) AMENDMENT TO SECTION 2009.—Section 2009
21 is amended in the next to last sentence—

22 (1) by striking “, and (3)” and inserting “,
23 (3)”;

24 (2) by striking the period and inserting “, and

25 (4) the Postal Service Financial Responsibility and

1 Management Assistance Authority requests to be ap-
2 propriated, out of the Postal Service Fund, under
3 section 205 of the Postal Reform Act of 2013.”.

4 **SEC. 206. RESPONSIBILITIES AND POWERS.**

5 The exercise of the powers of the Postal Service shall
6 be directed by the Authority, including—

7 (1) all duties and responsibilities ascribed to the
8 Governors and the Board of Governors by title 39,
9 United States Code;

10 (2) determining the overall strategies of the
11 Postal Service;

12 (3) hiring, monitoring, compensating, and,
13 when necessary, replacing senior management at the
14 level of vice president and higher, as well as ensur-
15 ing adequate succession planning for these positions;

16 (4) approving major policies, particularly those
17 that have an important effect on the Postal Service’s
18 financial position and the provision of universal
19 postal service;

20 (5) approving corporate budgets, financial and
21 capital plans, operational and service performance
22 standards and targets, human resource strategies,
23 collective-bargaining strategies, negotiation param-
24 eters, collective-bargaining agreements, and the com-
25 pensation structure for nonbargaining employees;

1 (6) formulating and communicating organiza-
2 tional policy and positions on legislative and other
3 public policy matters to Congress and the public;
4 and

5 (7) carrying out any responsibility, not other-
6 wise listed in this section, that was the responsibility
7 of the Board of Governors of the Postal Service at
8 any time during the 5-year period ending on the
9 date of enactment of this Act.

10 **SEC. 207. DEVELOPMENT OF FINANCIAL PLAN AND BUDG-**
11 **ET FOR THE SOLVENCY OF THE POSTAL**
12 **SERVICE.**

13 (a) DEVELOPMENT OF FINANCIAL PLAN AND BUDG-
14 ET.—For each fiscal year during a control period, the
15 Postmaster General shall submit to the Authority, by Au-
16 gust 1 before the start of such fiscal year, a financial plan
17 and budget for such fiscal year for the long-term solvency
18 of the Postal Service, except that, for fiscal year 2014,
19 the deadline for submission of the plan and budget under
20 this subsection shall be the 30th day after a majority of
21 the Authority take office. If a majority of the Authority
22 do not take office before August 1, 2014, the requirement
23 for a financial plan and budget under this subsection for
24 fiscal year 2014 is waived.

1 (b) CONTENTS OF FINANCIAL PLAN AND BUDGET.—

2 A financial plan and budget under this section for a fiscal
3 year shall specify the budget for the Postal Service as re-
4 quired by section 2009 of title 39, United States Code,
5 for the applicable fiscal year and each of the next 3 fiscal
6 years, in accordance with the following requirements:

7 (1) The financial plan and budget shall meet
8 the requirements described in subsection (c) to pro-
9 mote the financial stability of the Postal Service.

10 (2) The financial plan and budget shall—

11 (A) include the Postal Service’s annual
12 budget program (under section 2009 of title 39,
13 United States Code) and the Postal Service’s
14 plan commonly referred to as its “Integrated
15 Financial Plan”;

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

19 (C) 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 (D) contain estimates of overall debt (both
24 outstanding and anticipated to be issued); and

1 (E) contain cash flow and liquidity fore-
2 casts for the Postal Service at such intervals as
3 the Authority may require.

4 (3) The financial plan and budget shall include
5 a statement describing methods of estimations and
6 significant assumptions.

7 (4) The financial plan and budget shall include
8 any other provisions and shall meet such other cri-
9 teria as the Authority considers appropriate to meet
10 the purposes of this subtitle, including provisions
11 for—

12 (A) changes in personnel policies and levels
13 for each component of the Postal Service; and

14 (B) management initiatives to promote
15 productivity, improvement in the delivery of
16 services, or cost savings.

17 (c) REQUIREMENTS TO PROMOTE FINANCIAL STA-
18 BILITY.—

19 (1) IN GENERAL.—The requirements to pro-
20 mote the solvency and financial stability of the Post-
21 al Service applicable to the financial plan and budget
22 for a fiscal year are as follows:

23 (A) For fiscal year 2016 and each subse-
24 quent fiscal year during a control period, budg-
25 eted expenditures of the Postal Service for the

1 fiscal year involved may not exceed budgeted
2 revenues of the Postal Service for the fiscal
3 year involved.

4 (B) In each fiscal year where a financial
5 plan and budget must be developed, the finan-
6 cial plan and budget shall provide for contin-
7 uous, substantial progress toward long-term fis-
8 cal solvency of the Postal Service.

9 (C) The financial plan and budget shall
10 provide for the orderly repayment of any out-
11 standing obligations authorized under section
12 503.

13 (D) The financial plan and budget shall
14 assure the continuing long-term solvency of the
15 Postal Service, as indicated by factors such as
16 the efficient management of the Postal Service's
17 workforce and the effective provision of services
18 by the Postal Service. In so doing, the financial
19 plan and budget shall consider—

20 (i) the legal authority of the Postal
21 Service;

22 (ii) the changes in the legal authority
23 and responsibilities of the Postal Service
24 under this Act;

1 (iii) any cost savings that the Postal
2 Service anticipates will be achieved through
3 negotiations with employees of the Postal
4 Service;

5 (iv) projected changes in mail volume;

6 (v) the impact of regulations the Post-
7 al Service was required by law to promul-
8 gate;

9 (vi) projected changes in the number
10 of employees needed to carry out the re-
11 sponsibilities of the Postal Service; and

12 (vii) the long-term capital needs of the
13 Postal Service, including the need to main-
14 tain, repair, and replace facilities and
15 equipment.

16 (2) APPLICATION OF SOUND BUDGETARY PRAC-
17 TICES.—In meeting the requirements described in
18 paragraph (1) with respect to a financial plan and
19 budget for a fiscal year, the Postal Service shall
20 apply sound budgetary practices, including reducing
21 costs and other expenditures, improving productivity,
22 increasing revenues, or a combination of such prac-
23 tices.

24 (3) ASSUMPTIONS BASED ON CURRENT LAW.—

25 In meeting the requirements described in paragraph

1 (1) with respect to a financial plan and budget for
2 a fiscal year, the Postal Service shall base estimates
3 of revenues and expenditures on Federal law as in
4 effect at the time of the preparation of such finan-
5 cial plan and budget.

6 (d) DEFINITION.—For the purposes of this section,
7 the term “long-term solvency” means the ability of the
8 Postal Service over the long term to pay debts and meet
9 expenses, including the ability to perform maintenance
10 and repairs, make investments, and maintain financial re-
11 serves, as necessary to fulfill the requirements and comply
12 with the policies of title 39, United States Code, and other
13 obligations of the Postal Service.

14 **SEC. 208. PROCESS FOR SUBMISSION AND APPROVAL OF FI-**
15 **NANCIAL PLAN AND BUDGET.**

16 (a) REVIEW BY THE AUTHORITY.—Upon receipt of
17 a financial plan and budget required by section 207, the
18 Authority shall promptly review such financial plan and
19 budget. In conducting the review, the Authority may re-
20 quest any additional information it considers necessary
21 and appropriate to carry out its duties.

22 (b) APPROVAL OF POSTMASTER GENERAL’S FINAN-
23 CIAL PLAN AND BUDGET.—

24 (1) IN GENERAL.—If the Authority determines
25 that the final financial plan and budget for the fiscal

1 year submitted by the Postmaster General under
2 subsection (a) meets the requirements of section
3 207—

4 (A) the Authority shall approve the finan-
5 cial plan and budget and shall provide the Post-
6 master General, the President, the Committee
7 on Homeland Security and Governmental Af-
8 fairs in the Senate, and the Committee on
9 Oversight and Government Reform in the
10 House of Representatives with a notice certi-
11 fying its approval; and

12 (B) the Postmaster General shall promptly
13 submit the annual budget program for the rel-
14 evant fiscal year to the Office of Management
15 and Budget pursuant to section 2009 of title
16 39, United States Code.

17 (2) DEEMED APPROVAL AFTER 30 DAYS.—If
18 the Authority has not provided the Postmaster Gen-
19 eral, the President, and Congress with a notice certi-
20 fying approval under paragraph (1)(A) or a state-
21 ment of disapproval under subsection (c) before the
22 expiration of the 30-day period which begins on the
23 date the Authority receives the financial plan and
24 budget from the Postmaster General under sub-
25 section (a), the Authority shall be deemed to have

1 approved the financial plan and budget and to have
2 provided the Postmaster General, the President, the
3 Committee on Homeland Security and Governmental
4 Affairs in the Senate, and the Committee on Over-
5 sight and Government Reform in the House of Rep-
6 resentatives with the notice certifying approval
7 under paragraph (1)(A).

8 (c) DISAPPROVAL OF POSTMASTER GENERAL'S FI-
9 NANCIAL PLAN AND BUDGET.—

10 (1) IN GENERAL.—If, after reviewing the finan-
11 cial plan and budget for a fiscal year submitted by
12 the Postmaster General under subsection (a) in ac-
13 cordance with the procedures described in this sec-
14 tion, the Authority determines that the revised final
15 financial plan and budget does not meet the applica-
16 ble requirements under section 207, the Authority
17 shall—

18 (A) disapprove the financial plan and
19 budget;

20 (B) provide the Postmaster General, the
21 President, and Congress with a statement con-
22 taining the reasons for such disapproval and de-
23 scribing the amount of any shortfall in the fi-
24 nancial plan and budget; and

1 (C) approve and recommend a financial
2 plan and budget for the Postal Service which
3 meets the applicable requirements under section
4 207, and submit such financial plan and budget
5 to the Postmaster General, the President, the
6 Committee on Homeland Security and Govern-
7 mental Affairs in the Senate, and the Com-
8 mittee on Oversight and Government Reform in
9 the House of Representatives.

10 (2) SUBMISSION TO OMB.—Upon receipt of the
11 recommended financial plan and budget under para-
12 graph (1)(C), the Postmaster General shall promptly
13 submit the recommended annual budget program to
14 the Office of Management and Budget pursuant to
15 section 2009 of title 39, United States Code.

16 (d) DEADLINE FOR TRANSMISSION OF FINANCIAL
17 PLAN AND BUDGET BY THE AUTHORITY.—Notwith-
18 standing any other provision of this section, not later than
19 September 30th before the start of each fiscal year for
20 which a financial plan and budget is required, the Author-
21 ity shall—

22 (1) provide Congress with a notice certifying its
23 approval of the Postmaster General’s financial plan
24 and budget for the fiscal year under subsection (c);
25 or

1 (2) submit to Congress an approved and rec-
2 ommended financial plan and budget developed by
3 the Authority for the fiscal year under subsection
4 (c)(1)(C).

5 (e) REVISIONS TO FINANCIAL PLAN AND BUDGET.—

6 (1) PERMITTING POSTMASTER GENERAL TO
7 SUBMIT REVISIONS.—The Postmaster General may
8 submit proposed revisions to the financial plan and
9 budget for the control period to the Authority at any
10 time during the fiscal year.

11 (2) PROCESS FOR REVIEW, APPROVAL, DIS-
12 APPROVAL, AND POSTMASTER GENERAL ACTION.—

13 The procedures described in subsections (b), (c), and
14 (d) shall apply with respect to a proposed revision to
15 a financial plan and budget in the same manner as
16 such procedures apply with respect to the original fi-
17 nancial plan and budget.

18 (f) REQUIREMENTS OF THE AUTHORITY.—

19 (1) IN GENERAL.—It shall be the policy of the
20 Authority to direct the Postal Service to take any
21 action necessary and permitted by law to ensure that
22 the approved financial plan and budget is fully im-
23 plemented over the course of each fiscal year and
24 that the budgetary goals for expenses and revenues
25 are achieved.

1 (2) ADDITIONAL FIDUCIARY ACTIONS.—In addi-
2 tion to paragraph (1), the Authority shall take any
3 additional actions it deems necessary and permitted
4 by law to ensure the requirements of the financial
5 plan and budget are achieved in practice so that the
6 total revenue of the Postal Service exceeds its total
7 operating expenses for the full fiscal year not later
8 than fiscal year 2016 and each fiscal year thereafter.
9 Such actions may include accelerating the conversion
10 of door delivery points to more cost-effective delivery
11 methods, the consolidation of additional mail proc-
12 essing facilities, transition to a 2-day or 3-day First-
13 Class Mail delivery standard for the continental
14 United States, and any other action consistent with
15 this Act and the provisions of title 39, United States
16 Code. For the purposes of this paragraph, the term
17 “total operating expenses” refers to all categories of
18 expenses identified under that term in the Report on
19 Form 10–K filed by the Postal Service for fiscal
20 year 2012.

21 **SEC. 209. DISSOLUTION OF THE AUTHORITY; RECONSTITU-**
22 **TION OF THE BOARD OF GOVERNORS.**

23 (a) IN GENERAL.—Effective as of the date on which
24 the control period terminates (as determined under section
25 202(b)(5))—

1 (1) the Authority is dissolved; and

2 (2) section 202 of title 39, United States Code
3 (as amended by section 202(b)(2)(A) of this Act) is
4 amended by inserting after the section heading the
5 following:

6 “(a)(1) The exercise of the power of the Postal Serv-
7 ice shall be directed by a Board of Governors composed
8 of 5 members appointed in accordance with this section.
9 The members, to be known as Governors, shall be ap-
10 pointed by the President, by and with the advice and con-
11 sent of the Senate. Not more than 3 of the Governors may
12 be adherents of the same political party. The Governors
13 shall elect a Chairman from among the individual Gov-
14 ernors. The Governors shall represent the public interest
15 generally, and shall be chosen solely on the basis of their
16 experience in the field of public administration, law, or ac-
17 counting, or on their demonstrated ability in managing or-
18 ganizations or corporations (in either the public or private
19 sector) of substantial size; except that at least 3 of the
20 Governors shall be chosen solely on the basis of their dem-
21 onstrated ability in managing organizations or corpora-
22 tions (in either the public or private sector) that employ
23 at least 10,000 employees. The Governors shall not be rep-
24 resentatives of specific interests using the Postal Service,
25 and may be removed only for cause. Each Governor shall

1 receive a salary of \$30,000 a year plus \$300 a day for
2 not more than 42 days of meetings each year and shall
3 be reimbursed for travel and reasonable expenses incurred
4 in attending meetings of the Board. Nothing in the pre-
5 ceding sentence shall be construed to limit the number of
6 days of meetings each year to 42 days.

7 “(2) In selecting the individuals described in para-
8 graph (1) for nomination for appointment to the position
9 of Governor, the President should consult with the Speak-
10 er of the House of Representatives, the minority leader
11 of the House of Representatives, the majority leader of
12 the Senate, and the minority leader of the Senate.

13 “(3) Not later than 60 days after the end of each
14 fiscal year, the Board of Governors shall submit an
15 itemized report describing all travel and reimbursable
16 business travel expenses paid to each Governor when per-
17 forming Board duties to the Committee on Oversight and
18 Government Reform of the House of Representatives and
19 the Committee on Homeland Security and Governmental
20 Affairs of the Senate. The report submitted under this
21 paragraph shall include a detailed justification for any
22 travel or reimbursable business travel expense that devi-
23 ates from the Board’s travel and reimbursable business
24 travel expense policies and guidelines under paragraph
25 (1).

1 “(b)(1) The terms of the 5 Governors shall be 7
2 years, except that—

3 “(A) upon the reconstitution of the Board of
4 Governors pursuant to the Postal Reform Act of
5 2013—

6 “(i) the 5 members last comprising the
7 Postal Service Financial Responsibility and
8 Management Assistance Authority before the
9 termination of the control period (as defined in
10 section 202(b)(1) of the Postal Reform Act of
11 2013) shall become the initial members of the
12 reconstituted Board of Governors; and

13 “(ii) the term of each of the 5 respective
14 individuals under clause (i) shall expire at the
15 end of the term which would have applied with
16 respect to that individual, if—

17 “(I) the control period (as so defined)
18 had not terminated; and

19 “(II) such individual had remained a
20 member of the Postal Service Financial
21 Responsibility and Management Assistance
22 Authority; and

23 “(B) the terms of the Governors first taking of-
24 fice after the initial Governors of the reconstituted
25 Board (as described in subparagraph (A)) shall be

1 as fixed by the President at the time of their ap-
2 pointment, except that each such term—

3 “(i) shall be for a period of years not less
4 than 3 years and not more than 7 years; and

5 “(ii) shall be fixed such that the term of
6 not more than 1 Governor is thereafter sched-
7 uled to expire in any calendar year (determined
8 disregarding the term of an initial Governor ex-
9 piring as described in subparagraph (A)(ii)).

10 “(2) Any Governor appointed to fill a vacancy before
11 the expiration of the term for which his predecessor was
12 appointed shall serve for the remainder of such term. A
13 Governor may continue to serve after the expiration of his
14 term until his successor has qualified, but not to exceed
15 1 year.

16 “(3) No person may serve more than 14 years as a
17 Governor. For purposes of the preceding sentence, there
18 shall be taken into account any period served as a member
19 of—

20 “(A) the Postal Service Financial Responsibility
21 and Management Assistance Authority; or

22 “(B) the Board of Governors, as constituted be-
23 fore the start of the control period.”.

24 (b) CONFORMING AMENDMENTS.—

1 (1) Section 102(3) is amended by striking “9”
2 and inserting “5”; and

3 (2) Section 205(c) is amended by striking all
4 after “present, and” and inserting “an absolute ma-
5 jority of the Governors in office shall constitute a
6 quorum for the transaction of business by the
7 Board.”.

8 **Subtitle B—Other Matters**

9 **SEC. 211. APPOINTMENT OF THE POSTAL SERVICE INSPEC-** 10 **TOR GENERAL.**

11 (a) APPOINTMENT OF INSPECTOR GENERAL OF THE
12 POSTAL SERVICE BY PRESIDENT.—The Inspector General
13 Act of 1978 (5 U.S.C. App.) is amended—

14 (1) in section 8G—

15 (A) in subsection (a)—

16 (i) in paragraph (2), by striking “the
17 Postal Regulatory Commission, and the
18 United States Postal Service” and insert-
19 ing “and the Postal Regulatory Commis-
20 sion”;

21 (ii) in paragraph (3), by striking
22 “subsection (h)(1)” and inserting “sub-
23 section (g)(1)”; and

24 (iii) in paragraph (4)—

1 (I) in the matter preceding sub-
2 paragraph (A), by striking “sub-
3 section (h)(1)” and inserting “sub-
4 section (g)(1)”;

5 (II) by striking subparagraph
6 (B); and

7 (III) by redesignating subpara-
8 graphs (C) through (H) as subpara-
9 graphs (B) through (G), respectively;

10 (B) in subsection (c), by striking “Except
11 as provided under subsection (f) of this section,
12 the” and inserting “The”;

13 (C) by striking subsection (f); and

14 (D) by redesignating subsections (g) and
15 (h) as subsections (f) and (g), respectively;

16 (2) by inserting after section 8L the following:

17 **“SEC. 8M. SPECIAL PROVISIONS CONCERNING THE INSPEC-**
18 **TOR GENERAL OF THE UNITED STATES POST-**
19 **AL SERVICE.**

20 “(a) OVERSIGHT OF POSTAL INSPECTION SERV-
21 ICE.—In carrying out the duties and responsibilities speci-
22 fied in this Act, the Inspector General of the United States
23 Postal Service (in this section referred to as the ‘Inspector
24 General’) shall have oversight responsibility for all activi-
25 ties of the Postal Inspection Service, including any inter-

1 nal investigation performed by the Postal Inspection Serv-
2 ice. The Chief Postal Inspector shall promptly report the
3 significant activities being carried out by the Postal In-
4 spection Service to such Inspector General.

5 “(b) SUPERVISION; ADDITIONAL DUTIES AND RE-
6 SPONSIBILITIES; REPORT.—

7 “(1) AUTHORITY, DIRECTION, AND CONTROL.—

8 “(A) AUDITS, INVESTIGATIONS, SUB-
9 POENAS.—The Inspector General shall be under
10 the authority, direction, and control of the Gov-
11 ernors with respect to audits or investigations,
12 or the issuance of subpoenas, which require ac-
13 cess to sensitive information concerning—

14 “(i) ongoing civil or criminal inves-
15 tigation or proceedings;

16 “(ii) undercover operations;

17 “(iii) the identity of confidential
18 sources, including protected witnesses;

19 “(iv) intelligence or counterintel-
20 ligence matters; or

21 “(v) other matters the disclosure of
22 which would constitute a serious threat to
23 national security.

24 “(B) AUTHORITY OF GOVERNORS.—With
25 respect to the information described under sub-

1 paragraph (A), the Governors may prohibit the
2 Inspector General from carrying out or com-
3 pleting any audit or investigation, or from
4 issuing any subpoena, after such Inspector Gen-
5 eral has decided to initiate, carry out, or com-
6 plete such audit or investigation or to issue
7 such subpoena, if the Governors determine that
8 such prohibition is necessary to prevent the dis-
9 closure of any information described under sub-
10 paragraph (A) or to prevent the significant im-
11 pairment to the national interests of the United
12 States.

13 “(C) NOTICE REQUIRED.—If the Gov-
14 ernors exercise any power under subparagraph
15 (A) or (B), the Governors shall notify the In-
16 spector General in writing stating the reasons
17 for such exercise. Within 30 days after receipt
18 of any such notice, the Inspector General shall
19 transmit a copy of such notice to the Com-
20 mittee on Homeland Security and Govern-
21 mental Affairs of the Senate and the Committee
22 on Oversight and Government Reform of the
23 House of Representatives, and to other appro-
24 priate committees or subcommittees of the Con-
25 gress.

1 “(2) ADDITIONAL DUTIES AND RESPONSIBIL-
2 ITIES.—In carrying out the duties and responsibil-
3 ities specified in this Act, the Inspector General—

4 “(A) may initiate, conduct, and supervise
5 such audits and investigations in the United
6 States Postal Service as the Inspector General
7 considers appropriate; and

8 “(B) shall give particular regard to the ac-
9 tivities of the Postal Inspection Service with a
10 view toward avoiding duplication and insuring
11 effective coordination and cooperation.

12 “(3) REPORT REQUIRED.—Any report required
13 to be transmitted by the Governors to the appro-
14 priate committees or subcommittees of the Congress
15 under section 5(d) shall also be transmitted, within
16 the seven-day period specified under such section, to
17 the Committee on Homeland Security and Govern-
18 mental Affairs of the Senate and the Committee on
19 Oversight and Government Reform of the House of
20 Representatives.

21 “(c) GOVERNORS DEFINED.—As used in this section,
22 the term ‘Governors’ has the meaning given such term by
23 section 102(3) of title 39, United States Code.

24 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
25 are authorized to be appropriated, out of the Postal Serv-

1 ice Fund, such sums as may be necessary for the Office
2 of Inspector General of the United States.”; and

3 (3) in section 12—

4 (A) in paragraph (1), by striking “or the
5 Federal Cochairpersons of the Commissions es-
6 tablished under section 15301 of title 40,
7 United States Code” and inserting “the Federal
8 Cochairpersons of the Commissions established
9 under section 15301 of title 40, United States
10 Code; or the Board of Governors of the United
11 States Postal Service”; and

12 (B) in paragraph (2), by striking “or the
13 Commissions established under section 15301
14 of title 40, United States Code” and inserting
15 “the Commissions established under section
16 15301 of title 40, United States Code, or the
17 United States Postal Service”.

18 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
19 Title 39, United States Code, is amended—

20 (1) in section 102(4), by striking “section
21 202(e) of this title” and inserting “section 3 of the
22 Inspector General Act of 1978 (5 U.S.C. App.)”;

23 (2) in section 1001(b), in the first sentence, by
24 inserting “and section 3 of the Inspector General

1 Act of 1978 (5 U.S.C. App.)” after “1001(c) of this
2 title”;

3 (3) in section 1003(a), by striking “8G” and in-
4 serting “8M”;

5 (4) in section 1005(a)(3), by inserting “and
6 section 3 of the Inspector General Act of 1978 (5
7 U.S.C. App.)” after “1001(c) of this title”;

8 (5) in section 2003(e) by striking “8G(f)” and
9 inserting “8M(d)”;

10 (6) in section 2009 by striking “8G(f)” and in-
11 serting “8M(d)”.

12 (c) APPLICABILITY.—

13 (1) IN GENERAL.—The amendments made by
14 this section shall apply with respect to the first indi-
15 vidual appointed as Inspector General of the Postal
16 Service after the date of enactment of this Act.

17 (2) RULE OF CONSTRUCTION.—Nothing in this
18 Act may be construed to alter the authority or the
19 length of the term of the individual serving as In-
20 spector General of the Postal Service on the date of
21 enactment of this Act.

22 **SEC. 212. MEMBERSHIP OF THE BOARD OF GOVERNORS.**

23 (a) POSTMASTER GENERAL.—Section 202(c) is
24 amended to read as follows:

1 “(c) The Governors shall appoint and shall have the
2 power to remove the Postmaster General. His pay and
3 term of service shall be fixed by the Governors.”.

4 (b) DEPUTY POSTMASTER GENERAL.—Section
5 202(d) is amended to read as follows:

6 “(d) The Governors shall appoint and shall have the
7 power to remove the Deputy Postmaster General. His
8 term of service shall be fixed by the Governors and the
9 Postmaster General and his pay by the Governors.”.

10 **TITLE III—POSTAL SERVICE** 11 **WORKFORCE**

12 **SEC. 301. APPLICABILITY OF REDUCTION-IN-FORCE PROCE-** 13 **DURES.**

14 Section 1206 is amended by adding at the end the
15 following:

16 “(d) Collective-bargaining agreements between the
17 Postal Service and bargaining representatives recognized
18 under section 1203, ratified after the date of enactment
19 of this subsection, shall contain no provision restricting
20 the applicability of reduction-in-force procedures under
21 title 5 with respect to members of the applicable bar-
22 gaining unit.

23 “(e)(1) If a collective-bargaining agreement between
24 the Postal Service and bargaining representatives recog-
25 nized under section 1203, ratified after the date of enact-

1 ment of this subsection, includes reduction-in-force proce-
2 dures which can be applied in lieu of reduction-in-force
3 procedures under title 5, the Postal Service may, in its
4 discretion, apply with respect to members of the applicable
5 bargaining unit—

6 “(A) the alternative procedures (or, if 2 or
7 more are agreed to, 1 of the alternative procedures);
8 or

9 “(B) the reduction-in-force procedures under
10 title 5.

11 “(2) In no event may, if procedures for the resolution
12 of a dispute or impasse arising in the negotiation of a col-
13 lective-bargaining agreement (whether through binding ar-
14 bitration or otherwise) are invoked under this chapter, the
15 award or other resolution reached under such procedures
16 provide for the elimination of, or the substitution of any
17 alternative procedures in lieu of, reduction-in-force proce-
18 dures under title 5.”.

19 **SEC. 302. POSTAL SERVICE FEHBP AND FEGLI FUNDING RE-**
20 **QUIREMENTS.**

21 Section 1005(d)(1) is amended—

22 (1) in the first sentence, by striking “chapters
23 83 and 84” and inserting “chapters 83, 84, 87, and
24 89”; and

1 (2) by adding at the end the following: “Begin-
2 ning not later than January 1, 2020, the Postal
3 Service shall withhold from pay and shall pay into
4 the Employees Life Insurance Fund and the Em-
5 ployee Health Benefits Fund the amounts specified
6 in or determined under chapters 87 and 89, respec-
7 tively.”.

8 **SEC. 303. REPEAL OF PROVISION RELATING TO OVERALL**
9 **VALUE OF FRINGE BENEFITS.**

10 The last sentence of section 1005(f) is repealed.

11 **SEC. 304. MODIFICATIONS RELATING TO DETERMINATION**
12 **OF PAY COMPARABILITY.**

13 (a) **POSTAL POLICY.**—The first sentence of section
14 101(c) is amended—

15 (1) by inserting “total” before “rates and types
16 of compensation”; and

17 (2) by inserting “entire” before “private sec-
18 tor”.

19 (b) **EMPLOYMENT POLICY.**—The second sentence of
20 section 1003(a) is amended—

21 (1) by inserting “total” before “compensation
22 and benefits” each place it appears; and

23 (2) by inserting “entire” before “private sec-
24 tor”.

1 (c) CONSIDERATIONS.—For purposes of the amend-
2 ments made by this section, any determination of “total
3 rates and types of compensation” or “total compensation
4 and benefits” shall, at a minimum, take into account pay,
5 health benefits, retirement benefits, life insurance benefits,
6 leave, holidays, and continuity and stability of employ-
7 ment.

8 **SEC. 305. LAST-BEST-FINAL-OFFER NEGOTIATIONS.**

9 Section 1207 is amended by striking subsections (c)
10 and (d) and inserting the following:

11 “(c)(1) If no agreement is reached within 30 days
12 after the appointment of a mediator under subsection (b),
13 or if the parties decide upon arbitration before the expira-
14 tion of the 30-day period, an arbitration board shall be
15 established consisting of 1 member selected by the Postal
16 Service (from the list under paragraph (2)), 1 member se-
17 lected by the bargaining representative of the employees
18 (from the list under paragraph (2)), and the mediator ap-
19 pointed under subsection (b).

20 “(2) Upon receiving a request from either of the par-
21 ties referred to in paragraph (1), the Director of the Fed-
22 eral Mediation and Conciliation Service shall provide a list
23 of not less than 9 individuals who are well qualified to
24 serve as neutral arbitrators. Each person listed shall be
25 an arbitrator of nationwide reputation and professional

1 nature, a member of the National Academy of Arbitrators,
2 and an individual whom the Director has determined to
3 be willing and available to serve. If, within 7 days after
4 the list is provided, either of the parties has not selected
5 an individual from the list, the Director shall make the
6 selection within 3 days.

7 “(3) The arbitration board shall give the parties a
8 full and fair hearing, including an opportunity to present
9 evidence in support of their claims, and an opportunity
10 to present their case in person, by counsel, or by other
11 representative as they may elect. The hearing shall be con-
12 cluded no more than 40 days after the arbitration board
13 is established.

14 “(4) No more than 7 days after the hearing is con-
15 cluded, each party shall submit to the arbitration board
16 2 offer packages, each of which packages shall specify the
17 terms of a proposed final agreement.

18 “(5) If no agreement is reached within 7 days after
19 the last day allowable for the submission of an offer pack-
20 age under paragraph (4), each party shall submit to the
21 arbitration board a single, final offer package specifying
22 the terms of a proposed final agreement.

23 “(6) No later than 3 days after the submission of
24 the final offer packages under paragraph (5), the arbitra-

1 tion board shall select 1 of those packages as its tentative
2 award, subject to paragraph (7).

3 “(7)(A) The arbitration board may not select a final
4 offer package under paragraph (6) unless it satisfies each
5 of the following:

6 “(i) The offer complies with the requirements of
7 sections 101(c) and 1003(a).

8 “(ii) The offer takes into account the current fi-
9 nancial condition of the Postal Service.

10 “(iii) The offer takes into account the long-term
11 financial condition of the Postal Service.

12 “(B)(i) If the board unanimously determines, based
13 on clear and convincing evidence presented during the
14 hearing under paragraph (3), that neither final offer pack-
15 age satisfies the conditions set forth in subparagraph (A),
16 the board shall by majority vote—

17 “(I) select the package that best meets such
18 conditions; and

19 “(II) modify the package so selected to the min-
20 imum extent necessary to satisfy such conditions.

21 “(ii) If modification (as described in subparagraph
22 (B)(i)(II)) is necessary, the board shall have an additional
23 7 days to render its tentative award under this subpara-
24 graph.

1 “(8) The parties may negotiate a substitute award
2 to replace the tentative award selected under paragraph
3 (6) or rendered under paragraph (7) (as the case may be).
4 If no agreement on a substitute award is reached within
5 10 days after the date on which the tentative award is
6 so selected or rendered, the tentative award shall become
7 final.

8 “(9) The arbitration board shall review any substitute
9 award negotiated under paragraph (8) to determine if it
10 satisfies the conditions set forth in paragraph (7)(A). If
11 the arbitration board, by a unanimous vote taken within
12 3 days after the date on which the agreement on the sub-
13 stitute award is reached under paragraph (8), determines
14 that the substitute award does not satisfy such conditions,
15 the tentative award shall become final. In the absence of
16 a vote, as described in the preceding sentence, the sub-
17 stitute agreement shall become final.

18 “(10) If, under paragraph (5), neither party submits
19 a final offer package by the last day allowable under such
20 paragraph, the arbitration board shall develop and issue
21 a final award no later than 20 days after such last day.

22 “(11) A final award or agreement under this sub-
23 section shall be conclusive and binding upon the parties.

1 “(12) Costs of the arbitration board and mediation
2 shall be shared equally by the Postal Service and the bar-
3 gaining representative.

4 “(d) In the case of a bargaining unit whose recog-
5 nized collective-bargaining representative does not have an
6 agreement with the Postal Service, if the parties fail to
7 reach agreement within 90 days after the commencement
8 of collective bargaining, a mediator shall be appointed in
9 accordance with the provisions of subsection (b), unless
10 the parties have previously agreed to another procedure
11 for a binding resolution of their differences. If the parties
12 fail to reach agreement within 180 days after the com-
13 mencement of collective bargaining, an arbitration board
14 shall be established to provide conclusive and binding arbi-
15 tration in accordance with the provisions of subsection
16 (c).”.

17 **SEC. 306. POSTAL SERVICE WORKERS' COMPENSATION RE-**
18 **FORM.**

19 (a) IN GENERAL.—Effective 12 months after the
20 triggering date of this section (as defined in subsection
21 (e)(2)), section 1005 is amended by striking subsection (c)
22 and inserting the following:

23 “(c)(1) For purposes of this subsection—

1 “(A) the term ‘postal employee’ means an offi-
2 cer or employee of the Postal Service or the former
3 Post Office Department; and

4 “(B) the term ‘retirement age’ has the meaning
5 given such term under section 216(l)(1) of the Social
6 Security Act.

7 “(2) The Postal Service shall design and administer
8 a program for the payment of benefits for the disability
9 or death of an individual resulting from personal injury
10 sustained while in the performance of such individual’s du-
11 ties as a postal employee.

12 “(3) The program under this subsection—

13 “(A) shall be designed by the Postal Service in
14 consultation with appropriate employee representa-
15 tives;

16 “(B) shall not provide for any amount payable
17 to a disabled postal employee to be augmented on
18 the basis of number of dependents; and

19 “(C) shall include provisions for automatic
20 transition, upon attainment of retirement age, to
21 benefits involving, coordinated with, or otherwise de-
22 termined by reference to retirement benefits.”.

23 (b) RECOMMENDATIONS.—Not later than 6 months
24 after the triggering date—

1 (1) the Office of Personnel Management shall
2 submit to the appropriate committees of Congress
3 recommendations for any legislation or administra-
4 tive actions which the Office considers necessary to
5 carry out the purposes of this section with respect
6 to any matter within the jurisdiction of the Office,
7 including any amendments which may be necessary
8 with respect to chapter 87 or 89 of title 5, United
9 States Code; and

10 (2) the Postal Service shall submit to the ap-
11 propriate committees of Congress recommendations
12 for any legislation which the Postal Service considers
13 necessary to carry out the purposes of this section
14 with respect to any matter within the jurisdiction of
15 the Postal Service.

16 (c) NOTIFICATION REQUIREMENTS.—Not later than
17 9 months after the triggering date, the Postal Service shall
18 submit to the appropriate committees of Congress and
19 shall cause to be published in the Federal Register a de-
20 scription of the program proposed by the Postal Service
21 for implementation under section 1005(c) of title 39,
22 United States Code, as amended by subsection (a). In-
23 cluded in the notification provided under the preceding
24 sentence shall be—

1 (1) a detailed statement of the benefits to be of-
2 ferred and the persons eligible to receive those bene-
3 fits;

4 (2) provisions to ensure an orderly transition to
5 the system proposed to be implemented; and

6 (3) such other information as the Postal Service
7 considers appropriate.

8 (d) COMMENCEMENT DATE.—The program under
9 section 1005(c) of title 39, United States Code, as amend-
10 ed by subsection (a)—

11 (1) shall begin to operate on such date as the
12 Postmaster General shall determine, except that
13 such date shall be a date occurring—

14 (A) not earlier than 12 months after the
15 triggering date; and

16 (B) not later than 24 months after the
17 triggering date; and

18 (2) shall apply with respect to amounts payable
19 for periods beginning on or after the date on which
20 the program begins to operate, irrespective of date
21 of the disability or death to which such amounts re-
22 late.

23 (e) CONDITION PRECEDENT.—

24 (1) IN GENERAL.—The preceding provisions of
25 this section shall not become effective until the date

1 on which the Postal Service Financial Responsibility
2 and Management Assistance Authority (established
3 under section 202)—

4 (A) makes a written determination that
5 conditions warrant their implementation; and

6 (B) submits such written determination to
7 the Postal Service, the Office of Personnel
8 Management, and the appropriate committees
9 of Congress.

10 (2) TRIGGERING DATE.—For purposes of this
11 section, the term “triggering date of this section” or
12 “triggering date” means the date described in para-
13 graph (1).

14 (f) APPROPRIATE COMMITTEES OF CONGRESS DE-
15 FINED.—For purposes of this section, the term “appro-
16 priate committees of Congress” means—

17 (1) the Committee on Oversight and Govern-
18 ment Reform of the House of Representatives; and

19 (2) the Committee on Homeland Security and
20 Governmental Affairs of the Senate.

21 **SEC. 307. REPORTING REQUIREMENT.**

22 (a) IN GENERAL.—Chapter 10 is amended by adding
23 at the end the following:

1 **“§ 1012. Official time reporting**

2 “(a) Not later than March 31 of each calendar year,
3 the Postal Service, in consultation with the Office of Man-
4 agement and Budget, shall submit to each House of Con-
5 gress a report on the operation of this section during the
6 fiscal year last ending before the start of such calendar
7 year.

8 “(b) Each report by the Postal Service under this
9 subsection shall include, with respect to the fiscal year de-
10 scribed in subsection (a), at least the following informa-
11 tion:

12 “(1) The total amount of official time granted
13 to employees.

14 “(2) The average amount of official time ex-
15 pended per bargaining unit employee.

16 “(3) The specific types of activities or purposes
17 for which official time was granted, and the impact
18 which the granting of such official time for such ac-
19 tivities or purposes had on agency operations.

20 “(4) The total number of employees to whom
21 official time was granted, and, of that total, the
22 number who were not engaged in any activities or
23 purposes except activities or purposes involving the
24 use of official time.

25 “(5) The total amount of compensation (includ-
26 ing fringe benefits) afforded to employees in connec-

1 tion with activities or purposes for which they were
2 granted official time.

3 “(c) All information included in a report by the Post-
4 al Service under this subsection with respect to a fiscal
5 year—

6 “(1) shall be shown both for each supervisory
7 and managerial organization recognized under sec-
8 tion 1004 and labor organization recognized under
9 section 1203 and for all organizations together; and

10 “(2) shall be accompanied by the corresponding
11 information (submitted by the Postal Service in its
12 report under this subsection) for the fiscal year be-
13 fore the fiscal year to which such report pertains, to-
14 gether with appropriate comparisons and analyses.

15 “(d) For purposes of this subsection, the term ‘offi-
16 cial time’ means any period of time, regardless of Postal
17 Service nomenclature—

18 “(1) which may be granted to an employee
19 under this chapter or chapter 12 (including a collec-
20 tive-bargaining agreement entered into under chap-
21 ter 12) to perform representational or consultative
22 functions; and

23 “(2) during which the employee would otherwise
24 be in a duty status.”.

1 (b) APPLICABILITY.—The amendment made by sub-
 2 section (a) shall be effective beginning with the report
 3 which, under the provisions of such amendment, is first
 4 required to be submitted by the Postal Service to each
 5 House of Congress by a date which occurs at least 6
 6 months after the date of the enactment of this Act.

7 (c) CLERICAL AMENDMENT.—The table of sections
 8 for chapter 10 is amended by adding at the end the fol-
 9 lowing:

“1012. Official time reporting.”.

10 **TITLE IV—POSTAL SERVICE**
 11 **REVENUE**

12 **SEC. 401. ADEQUACY, EFFICIENCY, AND FAIRNESS OF POST-**
 13 **AL RATES.**

14 (a) IN GENERAL.—Section 3622(d) is amended—

15 (1) in paragraph (1)—

16 (A) by redesignating subparagraphs (B)
 17 through (E) as subparagraphs (D) through (G),
 18 respectively; and

19 (B) by inserting after subparagraph (A)
 20 the following:

21 “(B) subject to the limitation under sub-
 22 paragraph (A), establish postal rates to fulfill
 23 the requirement that each market-dominant
 24 class, product, and type of mail service (except
 25 for an experimental product or service) bear the

1 direct and indirect postal costs attributable to
2 such class, product, or type through reliably
3 identified causal relationships plus that portion
4 of all other costs of the Postal Service reason-
5 ably assignable to such class, product, or type;

6 “(C) establish postal rates for each group
7 of functionally equivalent agreements between
8 the Postal Service and users of the mail that—

9 “(i) cover attributable cost;

10 “(ii) improve the net financial position
11 of the Postal Service; and

12 “(iii) do not cause unreasonable dis-
13 ruption in the marketplace, consistent with
14 subsection (c)(10)(B);

15 for purposes of this subparagraph, a group of
16 functionally equivalent agreements shall consist
17 of all service agreements that are functionally
18 equivalent to each other within the same mar-
19 ket-dominant product, but shall not include
20 agreements within an experimental product;”;

21 (2) in paragraph (3), by striking “subsection
22 (c),” and inserting “subsection (c) and the provi-
23 sions of title IV of the Postal Reform Act of 2013,”;
24 and

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

1 “(4) PRC STUDY.—

2 “(A) IN GENERAL.—Within 90 days after
3 the end of the first fiscal year beginning after
4 the date of enactment of the Postal Reform Act
5 of 2013, the Postal Regulatory Commission
6 shall complete a study to determine the quan-
7 titative impact of the Postal Service’s excess ca-
8 pacity on the direct and indirect postal costs at-
9 tributable to any class that bears less than 100
10 percent of its costs attributable (as described in
11 paragraph (1)(B)), according to the most recent
12 annual determination of the Postal Regulatory
13 Commission under section 3653.

14 “(B) REQUIREMENTS.—The study re-
15 quired under subparagraph (A) shall—

16 “(i) be conducted pursuant to regula-
17 tions that the Postal Regulatory Commis-
18 sion shall prescribe within 90 days after
19 the date of enactment of the Postal Re-
20 form Act of 2013, taking into account ex-
21 isting regulations for proceedings to im-
22 prove the quality, accuracy, or complete-
23 ness of ratemaking information under sec-
24 tion 3652(e)(2) in effect on such date; and

1 “(ii) for any year in which any class
2 of mail bears less than 100 percent of its
3 costs attributable (as described in para-
4 graph (1)(B)), be updated annually by the
5 Postal Service and included in its annual
6 report to the Commission under section
7 3652, using such methodologies as the
8 Commission shall by regulation prescribe.

9 “(5) ADDITIONAL RATES.—Starting not earlier
10 than 12 months and not later than 18 months after
11 the date on which the first study described in para-
12 graph (4) is completed, and at least once in each
13 subsequent 12-month period, the Postal Service shall
14 establish postal rates for each loss-making class of
15 mail to eliminate such losses (other than those
16 caused by the Postal Service’s excess capacity) by
17 exhausting all unused rate authority as well as maxi-
18 mizing incentives to reduce costs and increase effi-
19 ciency, subject to the following:

20 “(A) The term ‘loss-making’, as used in
21 this paragraph with respect to a class of mail,
22 means a class of mail that bears less than 100
23 percent of its costs attributable (as described in
24 paragraph (1)(B)), according to the most recent
25 annual determination of the Postal Regulatory

1 Commission under section 3653, adjusted to ac-
2 count for the quantitative effect of excess ca-
3 pacity on the costs attributable of the class.

4 “(B) Unused rate authority shall be annu-
5 ally increased by 2 percentage points for each
6 class of mail that bears less than 90 percent of
7 its costs attributable (as described in paragraph
8 (1)(B)), according to the most recent annual
9 determination of the Postal Regulatory Com-
10 mission under section 3653, adjusted to account
11 for the quantitative effect of excess capacity on
12 the costs attributable of the class, with such in-
13 crease in unused rate authority to take effect
14 30 days after the date that the Commission
15 issues such determination.”.

16 (b) EXCEPTION.—Section 3622(d) is amended by
17 adding after paragraph (5) (as added by subsection
18 (a)(2)) the following:

19 “(6) EXCEPTION.—The requirements of para-
20 graph (1)(B) shall not apply to a market-dominant
21 product for which a substantial portion of the prod-
22 uct’s mail volume consists of inbound international
23 mail with terminal dues rates determined by the
24 Universal Postal Union (and not by bilateral agree-
25 ments or other arrangements).”.

1 **SEC. 402. REPEAL OF RATE PREFERENCES FOR QUALIFIED**
2 **POLITICAL COMMITTEES.**

3 Subsection (e) of section 3626 is repealed.

4 **SEC. 403. USE OF NEGOTIATED SERVICE AGREEMENTS.**

5 (a) **STREAMLINED REVIEW OF QUALIFYING SERVICE**
6 **AGREEMENTS FOR COMPETITIVE PRODUCTS.**—Section
7 3633 is amended by adding at the end the following:

8 “(c) **STREAMLINED REVIEW.**—Not later than 90
9 days after the date of enactment of this subsection, after
10 notice and opportunity for comment, the Postal Regu-
11 latory Commission shall promulgate (and may from time
12 to time thereafter revise) regulations for streamlined
13 after-the-fact review of newly proposed agreements be-
14 tween the Postal Service and users of the mail that provide
15 rates not of general applicability for competitive products.
16 Streamlined review shall apply only if agreements are
17 functionally equivalent to existing agreements that have
18 collectively covered attributable costs and collectively im-
19 proved the net financial position of the Postal Service. The
20 regulations issued under this subsection shall provide that
21 streamlined review shall be concluded not later than 5
22 business days after the date on which the agreement is
23 filed with the Commission and shall be limited to approval
24 or disapproval of the agreement as a whole based on the
25 Commission’s determination of its functional equivalence.

1 Agreements not approved may be resubmitted without
2 prejudice under section 3632.”.

3 (b) SUBMISSION OF SERVICE AGREEMENTS FOR
4 STREAMLINED REVIEW.—Section 3632(b) is amended—

5 (1) by redesignating paragraph (4) as para-
6 graph (5); and

7 (2) by inserting after paragraph (3) the fol-
8 lowing:

9 “(4) RATES FOR STREAMLINED REVIEW.—In
10 the case of rates not of general applicability for com-
11 petitive products that the Postmaster General con-
12 siders eligible for streamlined review under section
13 3633(e), the Postmaster General shall cause the
14 agreement to be filed with the Postal Regulatory
15 Commission by a date that is on or before the effec-
16 tive date of any new rate established under the
17 agreement, as the Postmaster General considers ap-
18 propriate.”.

19 (c) TRANSPARENCY AND ACCOUNTABILITY FOR
20 SERVICE AGREEMENTS.—

21 (1) CERTAIN INFORMATION REQUIRED TO BE
22 INCLUDED IN DETERMINATIONS OF COMPLIANCE.—
23 Section 3653 is amended—

1 (A) by redesignating subsections (c), (d),
2 and (e) as subsections (d), (e), and (f), respec-
3 tively; and

4 (B) by inserting after subsection (b) the
5 following:

6 “(c) WRITTEN DETERMINATION.—Each annual writ-
7 ten determination of the Commission under this section
8 shall include the following:

9 “(1) REQUIREMENTS.—For each group of func-
10 tionally equivalent agreements between the Postal
11 Service and users of the mail, whether such group
12 fulfilled requirements to—

13 “(A) cover costs attributable; and

14 “(B) improve the net financial position of
15 the Postal Service.

16 “(2) NONCOMPLIANCE.—Any group of function-
17 ally equivalent agreements not meeting subpara-
18 graphs (A) and (B) of paragraph (1) shall be deter-
19 mined to be in noncompliance under this subsection.

20 “(3) DEFINITION.—For purposes of this sub-
21 section, a group of functionally equivalent agree-
22 ments shall consist of 1 or more service agreements
23 that are functionally equivalent to each other within
24 the same market-dominant or competitive product,

1 but shall not include agreements within an experi-
2 mental product.”.

3 (2) CRITERIA FOR SPECIAL CLASSIFICATIONS
4 RELATING TO MARKET-DOMINANT PRODUCTS.—

5 (A) AMENDMENT.—Section 3622(c)(10) is
6 amended by striking subparagraphs (A) and
7 (B) and inserting the following:

8 “(A) improve the net financial position of
9 the Postal Service by reducing Postal Service
10 costs or increasing the overall contribution to
11 the institutional costs of the Postal Service; and

12 “(B) do not cause—

13 “(i) unfair competitive advantage for
14 the Postal Service or postal users eligible
15 for the agreements; or

16 “(ii) unreasonable disruption to the
17 volume or revenues of other postal users.”.

18 (B) APPLICABILITY.—The amendment
19 made by subparagraph (A) shall take effect on
20 the date of enactment of this Act and shall
21 apply with respect to an agreement that—

22 (i) is filed with the Commission on or
23 after such date of enactment; or

24 (ii) is remanded to the Commission by
25 a court on or after such date of enactment.

1 **SEC. 404. NONPOSTAL SERVICES.**

2 (a) NONPOSTAL SERVICES.—

3 (1) IN GENERAL.—Part IV is amended by add-
4 ing after chapter 36 the following:

5 **“CHAPTER 37—NONPOSTAL SERVICES**

“Sec.

“3701. Purpose.

“3702. Definitions.

“3703. Postal Service advertising program.

“3704. Postal Service program for State governments.

“3705. Postal Service program for other government agencies.

“3706. Transparency and accountability for nonpostal services.

6 **“§ 3701. Purpose**

7 “This chapter is intended to enable the Postal Service
8 to increase its net revenues through specific nonpostal
9 products and services that are expressly authorized by this
10 chapter. Postal Service revenues and expenses under this
11 chapter shall be funded through the Postal Service Fund.

12 **“§ 3702. Definitions**

13 “As used in this chapter—

14 “(1) the term ‘nonpostal services’ is limited to
15 services offered by the Postal Service that are ex-
16 pressly authorized by this chapter and are not postal
17 products or services;

18 “(2) the term ‘attributable costs’ has the same
19 meaning as is given such term in section 3631; and

20 “(3) the term ‘year’ means a fiscal year.

1 **“§ 3703. Postal Service advertising program**

2 “Notwithstanding any other provision of this title,
3 the Postal Service may establish and manage a program
4 that allows entities to advertise at Postal Service facilities,
5 on Postal Service assets, and on Postal Service vehicles.
6 Such a program shall be subject to the following require-
7 ments:

8 “(1) The Postal Service shall at all times en-
9 sure advertising it permits is consistent with the in-
10 tegrity of the Postal Service.

11 “(2) Any advertising program is required to
12 cover a minimum of 200 percent of its attributable
13 costs in each year.

14 “(3) All advertising expenditures and revenues
15 are subject to annual compliance determination (in-
16 cluding remedies for noncompliance) applicable to
17 nonpostal products.

18 “(4) Total advertising expenditures and reve-
19 nues must be disclosed in Postal Service annual re-
20 ports.

21 **“§ 3704. Postal Service program for State govern-**
22 **ments**

23 “(a) IN GENERAL.—Notwithstanding any other pro-
24 vision of this title, the Postal Service may establish a pro-
25 gram to provide services for agencies of State governments
26 within the United States, but only if such services—

1 “(1) shall provide enhanced value to the public,
2 such as by lowering the cost or raising the quality
3 of such services or by making such services more ac-
4 cessible;

5 “(2) do not interfere with or detract from the
6 value of postal services, including—

7 “(A) the cost and efficiency of postal serv-
8 ices; and

9 “(B) unreasonable access to postal retail
10 service, such as customer waiting time and ac-
11 cess to parking; and

12 “(3) provide a reasonable contribution to the in-
13 stitutional costs of the Postal Service, defined as re-
14 imbursement for each service and covering at least
15 150 percent of the attributable costs of such service
16 in each year.

17 “(b) PUBLIC NOTICE.—At least 90 days before offer-
18 ing any services under this section, the Postal Service shall
19 make each agreement with State agencies readily available
20 to the public on its Web site, including a business plan
21 that describes the specific services to be provided, the en-
22 hanced value to the public, terms of reimbursement, the
23 estimated annual reimbursement to the Postal Service,
24 and the estimated percentage of attributable Postal Serv-
25 ice costs that will be covered by reimbursement (with doc-

1 umentation to support these estimates). The Postal Serv-
2 ice shall solicit public comment for at least 30 days, with
3 comments posted on its Web site, followed by its written
4 response posted on its Web site at least 30 days before
5 offering such services.

6 “(c) APPROVAL REQUIRED.—The Governors of the
7 Postal Service shall approve the provision of services
8 under this section by a recorded vote, with at least $\frac{2}{3}$ of
9 its membership voting for approval, with the vote publicly
10 disclosed on the Postal Service Web site.

11 “(d) CLASSIFICATION OF SERVICES.—All services for
12 a given agency provided under this section shall be classi-
13 fied as a separate activity subject to the requirements of
14 annual reporting under section 3706. Such reporting shall
15 also include information on the quality of service and re-
16 lated information to demonstrate that it satisfied the re-
17 quirements of subsection (a). Information provided under
18 this section shall be according to requirements that the
19 Postal Regulatory Commission shall by regulation pre-
20 scribe.

21 “(e) DEFINITIONS.—For the purpose of this sec-
22 tion—

23 “(1) the term ‘State’ includes the District of
24 Columbia, the Commonwealth of Puerto Rico, the
25 United States Virgin Islands, Guam, American

1 Samoa, the Commonwealth of the Northern Mariana
2 Islands, and any other territory or possession of the
3 United States; and

4 “(2) the term ‘United States’, when used in a
5 geographical sense, means the States.

6 **“§ 3705. Postal Service program for other government**
7 **agencies**

8 “(a) IN GENERAL.—The Postal Service may establish
9 a program to provide property and services for other gov-
10 ernment agencies within the meaning of section 411, but
11 only if such program provides a reasonable contribution
12 to the institutional costs of the Postal Service, defined as
13 reimbursement by each agency that covers at least 100
14 percent of the attributable costs of all property and service
15 provided by the Postal Service in each year to such agency.

16 “(b) CLASSIFICATION OF SERVICES.—For each agen-
17 cy, all property and services provided by the Postal Service
18 under this section shall be classified as a separate activity
19 subject to the requirements of annual reporting under sec-
20 tion 3706. Information provided under this section shall
21 be according to requirements that the Postal Regulatory
22 Commission shall by regulation prescribe.

23 **“§ 3706. Transparency and accountability for non-**
24 **postal services**

25 “(a) ANNUAL REPORTS TO THE COMMISSION.—

1 “(1) IN GENERAL.—The Postal Service shall,
2 no later than 90 days after the end of each year,
3 prepare and submit to the Postal Regulatory Com-
4 mission a report (together with such nonpublic
5 annex to the report as the Commission may require
6 under subsection (b)) which shall analyze costs, reve-
7 nues, rates, and quality of service for this chapter,
8 using such methodologies as the Commission shall
9 by regulation prescribe, and in sufficient detail to
10 demonstrate compliance with all applicable require-
11 ments of this chapter.

12 “(2) AUDITS.—The Inspector General shall reg-
13 ularly audit the data collection systems and proce-
14 dures utilized in collecting information and pre-
15 paring such report. The results of any such audit
16 shall be submitted to the Postal Service and the
17 Postal Regulatory Commission.

18 “(b) SUPPORTING MATTER.—The Postal Regulatory
19 Commission shall have access, in accordance with such
20 regulations as the Commission shall prescribe, to the
21 working papers and any other supporting matter of the
22 Postal Service and the Inspector General in connection
23 with any information submitted under this section.

24 “(c) CONTENT AND FORM OF REPORTS.—

1 “(1) IN GENERAL.—The Postal Regulatory
2 Commission shall, by regulation, prescribe the con-
3 tent and form of the public reports (and any non-
4 public annex and supporting matter relating to the
5 report) to be provided by the Postal Service under
6 this section. Such reports shall be included with the
7 annual compliance determination reported under sec-
8 tion 3653. In carrying out this subsection, the Com-
9 mission shall give due consideration to—

10 “(A) providing the public with timely, ade-
11 quate information to assess compliance;

12 “(B) avoiding unnecessary or unwarranted
13 administrative effort and expense on the part of
14 the Postal Service; and

15 “(C) protecting the confidentiality of infor-
16 mation that is commercially sensitive or is ex-
17 empt from public disclosure under section
18 552(b) of title 5.

19 “(2) REVISED REQUIREMENTS.—The Commis-
20 sion may, on its own motion or on request of any
21 interested party, initiate proceedings (to be con-
22 ducted in accordance with regulations that the Com-
23 mission shall prescribe) to improve the quality, accu-
24 racy, or completeness of Postal Service data required

1 by the Commission under this subsection whenever
2 it shall appear that—

3 “(A) the attribution of costs or revenues to
4 property or services under this chapter has be-
5 come significantly inaccurate or can be signifi-
6 cantly improved;

7 “(B) the quality of service data provided to
8 the Commission for annual reports under this
9 chapter has become significantly inaccurate or
10 can be significantly improved; or

11 “(C) such revisions are, in the judgment of
12 the Commission, otherwise necessitated by the
13 public interest.

14 “(d) CONFIDENTIAL INFORMATION.—

15 “(1) IN GENERAL.—If the Postal Service deter-
16 mines that any document or portion of a document,
17 or other matter, which it provides to the Postal Reg-
18 ulatory Commission in a nonpublic annex under this
19 section contains information which is described in
20 section 410(c) of this title, or exempt from public
21 disclosure under section 552(b) of title 5, the Postal
22 Service shall, at the time of providing such matter
23 to the Commission, notify the Commission of its de-
24 termination, in writing, and describe with particu-
25 larity the documents (or portions of documents) or

1 other matter for which confidentiality is sought and
2 the reasons therefor.

3 “(2) TREATMENT.—Any information or other
4 matter described in paragraph (1) to which the
5 Commission gains access under this section shall be
6 subject to paragraphs (2) and (3) of section 504(g)
7 in the same way as if the Commission had received
8 notification with respect to such matter under sec-
9 tion 504(g)(1).

10 “(e) ANNUAL COMPLIANCE DETERMINATION.—

11 “(1) OPPORTUNITY FOR PUBLIC COMMENT.—
12 After receiving the reports required under subsection
13 (a) for any year, the Postal Regulatory Commission
14 shall promptly provide an opportunity for comment
15 on such reports by any interested party, and an offi-
16 cer of the Commission who shall be required to rep-
17 resent the interests of the general public.

18 “(2) DETERMINATION OF COMPLIANCE OR NON-
19 COMPLIANCE.—Not later than 90 days after receiv-
20 ing the submissions required under subsection (a)
21 with respect to a year, the Postal Regulatory Com-
22 mission shall make a written determination as to
23 whether any nonpostal activities during such year
24 were or were not in compliance with applicable pro-
25 visions of this chapter (or regulations promulgated

1 under this chapter). The Postal Regulatory Commis-
2 sion shall issue a determination of noncompliance if
3 the requirements for coverage of attributable costs
4 are not met. If, with respect to a year, no instance
5 of noncompliance is found to have occurred in such
6 year, the written determination shall be to that ef-
7 fect.

8 “(3) NONCOMPLIANCE.—If, for a year, a timely
9 written determination of noncompliance is made
10 under this chapter, the Postal Regulatory Commis-
11 sion shall take appropriate action. If the require-
12 ments for coverage of attributable costs specified by
13 this chapter are not met, the Commission shall,
14 within 60 days after the determination, prescribe re-
15 medial action to restore compliance as soon as prac-
16 ticable, which shall also include the full restoration
17 of revenue shortfalls during the following fiscal year.
18 The Commission may order the Postal Service to
19 discontinue a nonpostal service under section 3703
20 or 3704 that persistently fails to meet cost coverage
21 requirements.

22 “(4) DELIBERATE NONCOMPLIANCE.—In addi-
23 tion, in cases of deliberate noncompliance by the
24 Postal Service with the requirements of this chapter,
25 the Postal Regulatory Commission may order, based

1 on the nature, circumstances, extent, and serious-
 2 ness of the noncompliance, a fine (in the amount
 3 specified by the Commission in its order) for each
 4 incidence of such noncompliance. All receipts from
 5 fines imposed under this subsection shall be depos-
 6 ited in the general fund of the Treasury of the
 7 United States.”.

8 (2) CLERICAL AMENDMENT.—The table of
 9 chapters at the beginning of part IV is amended by
 10 adding after the item relating to chapter 36 the fol-
 11 lowing:

“37. Nonpostal Services 3701”.

12 (b) CONFORMING AMENDMENTS.—

13 (1) SECTION 404(e).—Section 404(e) is amend-
 14 ed by adding at the end the following:

15 “(6) Licensing which, before the date of enactment
 16 of this paragraph, has been authorized by the Postal Reg-
 17 ulatory Commission for continuation as a nonpostal serv-
 18 ice may not be used for any purpose other than—

19 “(A) to continue to provide licensed mailing and
 20 shipping supplies offered as of June 23, 2011; or

21 “(B) to license other goods, products, or serv-
 22 ices, the primary purpose of which is to promote and
 23 enhance the image or brand of the Postal Service.

24 “(7) Nothing in this section shall be considered to
 25 prevent the Postal Service from establishing nonpostal

1 products and services that are expressly authorized by
2 chapter 37.”.

3 (2) SECTION 409.—Section 409(f) is amended
4 by inserting at the end the following:

5 “(7) The provisions of this section shall not apply to
6 any outdoor advertising structure or sign constructed, in-
7 stalled, operated, or maintained on a facility or asset
8 owned or operated by the Postal Service except in a juris-
9 diction in which posting of off premise advertising signs
10 for all persons, entities, governmental agencies, and others
11 is prohibited by law.”.

12 (3) SECTION 411.—The last sentence of section
13 411 is amended by striking “including
14 reimbursability” and inserting “including
15 reimbursability within the limitations of chapter
16 37”.

17 (4) TREATMENT OF EXISTING NONPOSTAL
18 SERVICES.—All individual nonpostal services, pro-
19 vided directly or through licensing, that are contin-
20 ued pursuant to section 404(e) of title 39, United
21 States Code, shall be considered to be expressly au-
22 thorized by chapter 37 of such title (as added by
23 subsection (a)(1)) and shall be subject to the re-
24 quirements of such chapter.

1 **SEC. 405. ALASKA BYPASS MAIL MODERNIZATION.**

2 (a) FAIR COMPETITION FOR ALASKA BYPASS
3 MAIL.—

4 (1) IN GENERAL.—Section 5402 is amended—

5 (A) in subsection (g)(4)—

6 (i) in subparagraph (A), by striking
7 “existing”;

8 (ii) in subparagraph (B)—

9 (I) in the matter preceding clause
10 (i), by striking “an existing mainline
11 carrier” and inserting “a carrier per-
12 mitted under subparagraph (A)”; and

13 (II) in clause (i), by striking “ex-
14 isting mainline carriers” and inserting
15 “mainline carriers providing service”;
16 and

17 (iii) in subparagraph (C), by striking
18 “existing”;

19 (B) in subsection (g)(5)—

20 (i) in subparagraph (A), by striking
21 “new”;

22 (ii) in subparagraph (B), by striking
23 “new”; and

24 (iii) in subparagraph (C), by striking
25 “new”;

1 (C) in subsection (h)(3)(A), by striking
2 “new or existing”; and

3 (D) in subsection (i)(3), by striking “new”.

4 (2) CONFORMING AMENDMENT.—Paragraphs
5 (12) and (15) of section 5402(a) are repealed.

6 (b) REDUCTION OF ALASKA BYPASS MAIL SUB-
7 SIDY.—

8 (1) IN GENERAL.—Chapter 54 is amended by
9 adding at the end the following:

10 **“§ 5404. Reduction of Alaska bypass mail subsidy**

11 “(a) COMPETITIVE PRODUCT CLASSIFICATION.—

12 “(1) IN GENERAL.—Except as provided in this
13 section, Alaska bypass mail service under section
14 5402 shall be treated as a separate competitive
15 product for all purposes.

16 “(2) TRANSFER PROHIBITED.—No part of
17 Alaska bypass mail service may be transferred to the
18 market-dominant category of mail under section
19 3642.

20 “(3) LIMITATIONS.—Alaska bypass mail service
21 shall not be treated as a competitive product for
22 purposes of the implementation of sections 3633(a)
23 and 3634.

24 “(b) MINIMUM COST COVERAGE.—

1 “(1) IN GENERAL.—The Postal Service shall es-
2 tablish and maintain rates and fees for matter sent
3 by Alaska bypass mail service—

4 “(A) for fiscal year 2014, that cover at
5 least 30 percent of the costs attributable to
6 Alaska bypass mail service in that fiscal year;

7 “(B) for fiscal year 2015, that cover at
8 least 35 percent of the costs attributable to
9 Alaska bypass mail service in that fiscal year;

10 “(C) for fiscal year 2016, that cover at
11 least 40 percent of the costs attributable to
12 Alaska bypass mail service in that fiscal year;

13 “(D) for fiscal year 2017, that cover at
14 least 45 percent of the costs attributable to
15 Alaska bypass mail service in that fiscal year;
16 and

17 “(E) for fiscal year 2018 and for each fis-
18 cal year thereafter, that cover at least 50 per-
19 cent of the costs attributable to Alaska bypass
20 mail service in the applicable fiscal year.

21 “(2) COSTS ATTRIBUTABLE.—The costs attrib-
22 utable to Alaska bypass mail service for a fiscal year
23 shall include all the direct and indirect costs of Alas-
24 ka bypass mail service during that fiscal year that

1 are attributable to that service through reliably iden-
2 tified causal relationships.

3 “(3) INSTITUTIONAL COSTS.—Costs that can be
4 attributed to Alaska bypass mail service may not be
5 classified as institutional costs of the Postal Service.

6 “(c) COMPLIANCE.—

7 “(1) ANNUAL REVIEW.—At least once each fis-
8 cal year, the Postal Regulatory Commission shall de-
9 termine whether the Postal Service is in compliance
10 with the requirements under subsection (b).

11 “(2) REMEDIAL ACTIONS.—If, under paragraph
12 (1), the Postal Regulatory Commission determines
13 that the Postal Service has not complied with the re-
14 quirements under subsection (b) with respect to a
15 fiscal year, the Commission shall prescribe, not later
16 than 60 days after making such determination, ac-
17 tions to ensure—

18 “(A) the establishment and maintenance of
19 rates and fees for Alaska bypass mail service
20 that recover any costs required to have been
21 covered for such fiscal year under subsection
22 (b), but that were not covered, by the date that
23 is not later than the last day of the fiscal year
24 that follows such fiscal year; and

1 “(B) compliance with the requirements
2 under subsection (b) in subsequent fiscal years.

3 “(3) LIMITATION.—The Postal Regulatory
4 Commission may not order the Postal Service to dis-
5 continue Alaska bypass mail service.

6 “(4) REGULATIONS.—Not later than 90 days
7 after the date of enactment of this subsection, the
8 Postal Regulatory Commission shall issue regula-
9 tions to implement this subsection.”.

10 (2) CLERICAL AMENDMENT.—The table of sec-
11 tions for chapter 54 is amended by adding at the
12 end the following:

“5404. Reduction of Alaska bypass mail subsidy.”.

13 **SEC. 406. APPROPRIATIONS MODERNIZATION.**

14 (a) IN GENERAL.—Section 2401 is amended by strik-
15 ing subsections (b) through (d).

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall be effective with respect to fiscal years
18 beginning after the date of enactment of this Act.

19 (c) CONFORMING AMENDMENT.—Section 3627 is re-
20 pealed.

21 **SEC. 407. ENHANCED PRODUCT INNOVATION.**

22 (a) DOLLAR-AMOUNT LIMITATION RELATING TO
23 MARKET TESTS OF EXPERIMENTAL PRODUCTS.—Section
24 3641(e)(1) is amended by striking “\$10,000,000” and in-
25 serting “\$50,000,000”.

1 (b) DOLLAR-AMOUNT LIMITATION RELATING TO EX-
 2 EMPTION AUTHORITY.—Section 3641(e)(2) is amended by
 3 striking “\$50,000,000” and inserting “\$100,000,000”.

4 **TITLE V—POSTAL SERVICE**
 5 **FINANCE**

6 **SEC. 501. TREATMENT OF POSTAL SERVICE**
 7 **POSTEMPLOYMENT BENEFIT FUNDING PRO-**
 8 **JECTED SURPLUSES.**

9 Section 8423(b)(4) of title 5, United States Code, is
 10 amended by adding at the end the following:

11 “(C) Not later than 30 days after the end
 12 of each fiscal year, the Office of Personnel
 13 Management shall transfer from Postal Service
 14 Federal Employee Retirement System monies
 15 within the Civil Service Retirement and Dis-
 16 ability Fund to the Postal Service Retiree
 17 Health Benefits Fund an amount equal to the
 18 negative supplemental liability (if any), as cal-
 19 culated under paragraph (1)(B), for the most
 20 recent fiscal year available, less the sum of—

21 “(i) the Postal supplemental liability,
 22 calculated under section 8348(h), for the
 23 same fiscal year (if any); and

24 “(ii) any contribution required by this
 25 section that the Postal Service has not

1 made between the close of the fiscal year
2 of the calculation under paragraph (1)(B)
3 and the close of the most recent fiscal
4 year, as determined by the Office of Per-
5 sonnel Management.”.

6 **SEC. 502. RETIREE HEALTH BENEFIT LIABILITY PAYMENT**
7 **SCHEDULE.**

8 (a) **IN GENERAL.**—Subsection 8909a(d) of title 5,
9 United States Code, is amended—

10 (1) in paragraph (2)(B), by striking “2017”
11 and inserting “2015”; and

12 (2) in paragraph (3)—

13 (A) in subparagraph (A)—

14 (i) in clause (iii), by adding “and” at
15 the end;

16 (ii) in clause (iv), by striking the
17 semicolon at the end and inserting a pe-
18 riod; and

19 (iii) by striking clauses (v) through
20 (x); and

21 (B) in subparagraph (B), by striking
22 “2017” and inserting “2015”.

23 (b) **CONFORMING AMENDMENT.**—Section
24 8906(g)(2)(A) of title 5, United States Code, is amended
25 by striking “2016” and inserting “2014”.

1 (c) TECHNICAL CORRECTION.—The heading for sec-
2 tion 8909a of title 5, United States Code, is amended by
3 striking “**Benefit**” and inserting “**Benefits**”.

4 **SEC. 503. SUPPLEMENTARY BORROWING AUTHORITY DUR-**
5 **ING A CONTROL PERIOD.**

6 (a) IN GENERAL.—Chapter 20 is amended by adding
7 after section 2011 the following:

8 “§ 2012. **Supplementary borrowing authority**

9 “(a) SUPPLEMENTARY BORROWING AUTHORITY.—
10 Upon the commencement of the control period, subject to
11 the approval of the Authority, the Postal Service is author-
12 ized to borrow money and issue and sell such obligations
13 as may be necessary to carry out the purposes of this title,
14 to the same extent, in the same manner, and subject to
15 the same terms and conditions as if the maximum amount
16 allowable under the provisions of section 2005(a)(2) for
17 the fiscal year involved were equal to the maximum
18 amount which (but for this section) would otherwise be
19 allowable under such provisions, increased by
20 \$5,000,000,000.

21 “(b) SUNSET.—The authority to borrow money and
22 to issue and sell obligations under subsection (a) shall
23 cease to be available after September 30, 2022.

24 “(c) DEPOSIT.—Any amounts received under this
25 section shall be deposited in the Postal Service Fund.

1 “(d) PROPERTIES TO BE SET ASIDE.—Notwith-
2 standing section 2005(b)(2), the Postal Service shall take
3 such measures as may be necessary and appropriate so
4 that, during any period in which the Postal Service is
5 using supplemental borrowing authority under subsection
6 (a), a sufficient amount of real property has been pledged
7 or otherwise set aside by the Postal Service to carry out
8 subsection (e).

9 “(e) OUTSTANDING SUPPLEMENTAL DEBT REDUC-
10 TION.—

11 “(1) IN GENERAL.—In the case of any full fis-
12 cal year in which the Postal Service borrows funds
13 pursuant to subsection (a), the Postal Service shall,
14 not later than September 30 of such fiscal year, de-
15 posit into the Postal Service Fund an amount such
16 that the total obligations accrued and outstanding
17 pursuant to subsection (a) are, as of the close of
18 such fiscal year, at least 20 percent less than the
19 total obligations so accrued and outstanding as of
20 the start of such fiscal year.

21 “(2) SENSE OF CONGRESS.—It is the sense of
22 Congress that, to achieve the requirement of para-
23 graph (1), the Postal Service should dispose of such
24 real property as may be necessary.

25 “(f) DEFINITIONS.—For purposes of this section—

1 “(1) the term ‘Authority’ means the Postal
2 Service Financial Responsibility and Management
3 Assistance Authority, established in title II of the
4 Postal Reform Act of 2013; and

5 “(2) the term ‘control period’ has the meaning
6 given such term in section 202(b)(1) of such Act.”.

7 (b) CLERICAL AMENDMENT.—The table of sections
8 for chapter 20 is amended by adding at the end the fol-
9 lowing:

 “2012. Supplemental borrowing authority.”.

10 **SEC. 504. POSTAL SERVICE DELIVERY-POINT MODERNIZA-**
11 **TION FUND.**

12 (a) IN GENERAL.—Chapter 20 is further amended by
13 adding after section 2012 (as added by section 503(a))
14 the following:

15 **“§ 2013. Postal Service Delivery-Point Modernization**
16 **Fund**

17 “(a) ESTABLISHMENT.—There is established within
18 the Treasury of the United States a revolving fund to be
19 known as the ‘Postal Service Delivery-Point Moderniza-
20 tion Fund’, which shall be available without fiscal year
21 limitation pursuant to the requirements of this section.

22 “(b) FUNDING.—

23 “(1) AUTHORIZATION.—The Postal Service is
24 authorized to borrow money and to issue and sell
25 such obligations as it determines necessary solely to

1 carry out the purposes of section 3962. The aggregate amount of obligations issued by the Postal Service which may be outstanding at any one time under this paragraph shall not exceed \$1,000,000,000.

6 “(2) APPLICABILITY OF SECTION 2005.—The provisions of subsections 2005(b), (c), and (d) shall apply to obligations issued under this subsection.

9 “(3) DEPOSIT.—Any amounts received by the Postal Service as a result of paragraph (1) shall be deposited in the Postal Service Delivery-Point Modernization Fund.

13 “(c) SUNSET.—The authority to borrow money and to issue and sell obligations under subsection (b) shall cease to be available after September 30, 2023.

16 “(d) BUDGETARY TREATMENT.—The receipts and disbursements of the Postal Service Delivery-Point Modernization Fund shall be accorded the same budgetary treatment as is accorded to receipts and disbursements of the Postal Service Fund under section 2009a.

21 “(e) TERMINATION OF FUND.—On September 30, 2023, any funds remaining in the Postal Service Delivery-Point Modernization Fund shall be used to satisfy any remaining obligations under subsection (b)(1), and any funds in excess of such obligations shall be deposited in

1 the Postal Service Fund. After any excess funds have been
2 so deposited, the Postal Service Delivery-Point Moderniza-
3 tion Fund shall be terminated.”.

4 (b) CLERICAL AMENDMENT.—The table of sections
5 for chapter 20 is amended by adding after the item relat-
6 ing to section 2012 (as added by section 503(b)) the fol-
7 lowing:

“2013. Postal Service Delivery-Point Modernization Fund.”.

8 **SEC. 505. SPECIFIC RETIREMENT LIABILITY CALCULA-**
9 **TIONS RELATING TO THE POSTAL SERVICE.**

10 (a) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—
11 Section 8423(a) of title 5, United States Code, is amend-
12 ed—

13 (1) in paragraph (1)—

14 (A) in subparagraph (A)—

15 (i) in clause (i), by striking “subpara-
16 graph (B)),” and inserting “subparagraph
17 (B) or (C)),”; and

18 (ii) in clause (ii), by striking “and”
19 after the semicolon;

20 (B) in subparagraph (B)(ii), by striking
21 the period at the end and inserting “; and”;
22 and

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

24 “(C) the product of—

1 “(i) the normal-cost percentage, as deter-
2 mined for employees (other than employees cov-
3 ered by subparagraph (B)) of the United States
4 Postal Service under paragraph (5), multiplied
5 by

6 “(ii) the aggregate amount of basic pay
7 payable by the United States Postal Service, for
8 the period involved, to employees of the United
9 States Postal Service.”; and

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

11 “(5)(A) In determining the normal-cost percentage
12 for employees of the United States Postal Service for pur-
13 poses of paragraph (1)(C), the Office—

14 “(i) shall use demographic factors specific to
15 such employees, unless such data cannot be gen-
16 erated; and

17 “(ii) may use economic assumptions regarding
18 wage and salary growth that reflect the specific past,
19 and likely future, pay for such employees.

20 “(B) The United States Postal Service shall provide
21 any data or projections the Office requires in order to de-
22 termine the normal-cost percentage for employees of the
23 United States Postal Service, consistent with subpara-
24 graph (A).

1 “(C) The Office shall review the determination of the
2 normal-cost percentage for employees of the United States
3 Postal Service and make such adjustments as the Office
4 considers necessary—

5 “(i) upon request of the United States Postal
6 Service, but not more frequently than once each fis-
7 cal year; and

8 “(ii) at such other times as the Office considers
9 appropriate.

10 “(6) For the purpose of carrying out subsection
11 (b)(1)(B), and consistent with paragraph (5), for fiscal
12 year 2013, and each fiscal year thereafter, the Office—

13 “(A) shall use demographic factors specific to
14 current and former employees of the United States
15 Postal Service, unless such data cannot be gen-
16 erated; and

17 “(B) may use economic assumptions regarding
18 wage and salary growth that reflect the specific past,
19 and likely future, pay for current employees of the
20 United States Postal Service.”.

21 (b) CIVIL SERVICE RETIREMENT SYSTEM.—Section
22 8348(h) of title 5, United States Code, is amended by add-
23 ing at the end the following:

1 “(4) For the purpose of carrying out paragraph (1),
 2 consistent with section 8423(b)(1)(B), for fiscal year
 3 2013, and each fiscal year thereafter, the Office—

4 “(A) shall use demographic factors specific to
 5 current and former employees of the United States
 6 Postal Service, unless such data cannot be gen-
 7 erated; and

8 “(B) may use economic assumptions regarding
 9 wage and salary growth that reflect the specific past,
 10 and likely future, pay for current employees of the
 11 United States Postal Service.”.

12 **TITLE VI—POSTAL** 13 **CONTRACTING REFORM**

14 **SEC. 601. CONTRACTING PROVISIONS.**

15 (a) IN GENERAL.—Part I is amended by adding at
 16 the end the following:

17 **“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.

18 **“§ 701. Definitions**

19 “In this chapter—

20 “(1) the term ‘contracting officer’ means an
 21 employee of a covered postal entity who has author-
 22 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—

12 “(A) in the case of the Postal Service, any

13 contract (including any agreement or memo-

14 randum of understanding) entered into by the

15 Postal Service for the procurement of goods or

16 services; or

17 “(B) in the case of the Postal Regulatory

18 Commission, any contract (including any agree-

19 ment or memorandum of understanding) in an

20 amount exceeding the simplified acquisition

21 threshold (as defined in section 134 of title 41

22 and adjusted under section 1908 of such title)

23 entered into by the Postal Regulatory Commis-

24 sion for the procurement of goods or services;

25 and

1 “(5) the term ‘senior procurement executive’
2 means the senior procurement executive of a covered
3 postal entity.

4 **“§ 702. Advocate for competition**

5 “(a) ESTABLISHMENT AND DESIGNATION.—

6 “(1) There is established in each covered postal
7 entity an advocate for competition.

8 “(2) The head of each covered postal entity
9 shall designate for the covered postal entity 1 or
10 more officers or employees (other than the senior
11 procurement executive) to serve as the advocate for
12 competition.

13 “(b) RESPONSIBILITIES.—The advocate for competi-
14 tion of a covered postal entity shall—

15 “(1) be responsible for promoting—

16 “(A) the contracting out of functions of
17 the covered postal entity that the private sector
18 can perform equally well or better, and at lower
19 cost; and

20 “(B) competition to the maximum extent
21 practicable consistent with obtaining best value
22 by promoting the acquisition of commercial
23 items and challenging barriers to competition;

24 “(2) review the procurement activities of the
25 covered postal entity; and

1 “(3) prepare and transmit the annual report re-
2 quired under subsection (c).

3 “(c) ANNUAL REPORT.—

4 “(1) PREPARATION.—The advocate for competi-
5 tion of a covered postal entity shall prepare an an-
6 nual report describing the following:

7 “(A) The activities of the advocate under
8 this section.

9 “(B) Initiatives required to promote con-
10 tracting out and competition.

11 “(C) Barriers to contracting out and com-
12 petition.

13 “(D) In the case of the report prepared by
14 the competition advocate of the Postal Service,
15 the number of waivers made by the Postal Serv-
16 ice under section 704(c).

17 “(2) TRANSMISSION.—The report under this
18 subsection shall be transmitted—

19 “(A) to Congress;

20 “(B) to the head of the postal entity;

21 “(C) to the senior procurement executive
22 of the entity;

23 “(D) in the case of the competition advo-
24 cate of the Postal Service, to each member of
25 the Postal Service Board of Governors; and

1 “(E) in the case of the competition advo-
2 cate of the Postal Regulatory Commission, to
3 each of the Commissioners of the Commission.

4 **“§ 703. Delegation of contracting authority**

5 “(a) IN GENERAL.—

6 “(1) POLICY.—Not later than 60 days after the
7 date of enactment of this chapter, the head of each
8 covered postal entity shall issue a policy on con-
9 tracting officer delegations of authority for postal
10 contracts for the covered postal entity.

11 “(2) CONTENTS.—The policy issued under
12 paragraph (1) shall require that—

13 “(A) notwithstanding any delegation of au-
14 thority with respect to postal contracts, the ulti-
15 mate responsibility and accountability for the
16 award and administration of postal contracts
17 resides with the senior procurement executive;
18 and

19 “(B) a contracting officer shall maintain
20 an awareness of and engagement in the activi-
21 ties being performed on postal contracts of
22 which that officer has cognizance, notwith-
23 standing any delegation of authority that may
24 have been executed.

25 “(b) POSTING OF DELEGATIONS.—

1 “(1) IN GENERAL.—The head of each covered
2 postal entity shall make any delegation of authority
3 for postal contracts outside the functional con-
4 tracting unit readily available and accessible on the
5 Web site of the covered postal entity.

6 “(2) EFFECTIVE DATE.—This paragraph shall
7 apply to any delegation of authority made on or
8 after 30 days after the date of enactment of this
9 chapter.

10 **“§ 704. Posting of noncompetitive purchase requests**
11 **for noncompetitive contracts**

12 “(a) POSTING REQUIRED.—

13 “(1) POSTAL REGULATORY COMMISSION.—The
14 Postal Regulatory Commission shall make the non-
15 competitive purchase request for any noncompetitive
16 award for any contract (including any agreement or
17 memorandum of understanding) entered into by the
18 Postal Regulatory Commission for the procurement
19 of goods and services, in an amount of \$20,000 or
20 more, including the rationale supporting the non-
21 competitive award, publicly available on the Web site
22 of the Postal Regulatory Commission—

23 “(A) not later than 14 days after the date
24 of the award of the noncompetitive contract; or

1 “(B) not later than 30 days after the date
2 of the award of the noncompetitive contract, if
3 the basis for the award was a compelling busi-
4 ness interest.

5 “(2) POSTAL SERVICE.—The Postal Service
6 shall make the noncompetitive purchase request for
7 any noncompetitive award of a postal contract in an
8 amount of \$250,000 or more, including the rationale
9 supporting the noncompetitive award, publicly avail-
10 able on the Web site of the Postal Service—

11 “(A) not later than 14 days after the date
12 of the award; or

13 “(B) not later than 30 days after the date
14 of the award, if the basis for the award was a
15 compelling business interest.

16 “(3) ADJUSTMENTS TO THE POSTING THRESH-
17 OLD FOR THE POSTAL SERVICE.—

18 “(A) REVIEW AND DETERMINATION.—Not
19 later than January 31 of each year, the Postal
20 Service shall—

21 “(i) review the \$250,000 threshold es-
22 tablished under paragraph (2); and

23 “(ii) based on any change in the Con-
24 sumer Price Index for All Urban Con-
25 sumers of the Department of Labor, deter-

1 mine whether an adjustment to the thresh-
2 old shall be made.

3 “(B) AMOUNT OF ADJUSTMENTS.—An ad-
4 justment under subparagraph (A) shall be made
5 in increments of \$5,000. If the Postal Service
6 determines that a change in the Consumer
7 Price Index for a year would require an adjust-
8 ment in an amount that is less than \$5,000, the
9 Postal Service may not make an adjustment to
10 the threshold for the year.

11 “(4) EFFECTIVE DATE.—This subsection shall
12 apply to any noncompetitive contract awarded on or
13 after the date that is 90 days after the date of en-
14 actment of this chapter.

15 “(b) PUBLIC AVAILABILITY.—

16 “(1) IN GENERAL.—Subject to paragraph (2),
17 the information required to be made publicly avail-
18 able by a covered postal entity under subsection (a)
19 shall be readily accessible on the Web site of the cov-
20 ered postal entity.

21 “(2) PROTECTION OF PROPRIETARY INFORMA-
22 TION.—A covered postal entity shall—

23 “(A) carefully screen any description of the
24 rationale supporting a noncompetitive award re-
25 quired to be made publicly available under sub-

1 section (a) to determine whether the description
2 includes proprietary data (including any ref-
3 erence or citation to the proprietary data) or se-
4 curity-related information; and

5 “(B) remove any proprietary data or secu-
6 rity-related information before making publicly
7 available a description of the rationale sup-
8 porting a noncompetitive award.

9 “(c) WAIVERS.—

10 “(1) WAIVER PERMITTED.—If the Postal Serv-
11 ice determines that making a noncompetitive pur-
12 chase request for a postal contract of the Postal
13 Service publicly available would risk placing the
14 Postal Service at a competitive disadvantage relative
15 to a private sector competitor, the senior procure-
16 ment executive, in consultation with the advocate for
17 competition of the Postal Service, may waive the re-
18 quirements under subsection (a).

19 “(2) FORM AND CONTENT OF WAIVER.—

20 “(A) FORM.—A waiver under paragraph
21 (1) shall be in the form of a written determina-
22 tion placed in the file of the contract to which
23 the noncompetitive purchase request relates.

24 “(B) CONTENT.—A waiver under para-
25 graph (1) shall include—

1 “(i) a description of the risk associ-
2 ated with making the noncompetitive pur-
3 chase request publicly available; and

4 “(ii) a statement that redaction of
5 sensitive information in the noncompetitive
6 purchase request would not be sufficient to
7 protect the Postal Service from being
8 placed at a competitive disadvantage rel-
9 ative to a private sector competitor.

10 “(3) DELEGATION OF WAIVER AUTHORITY.—

11 The Postal Service may not delegate the authority to
12 approve a waiver under paragraph (1) to any em-
13 ployee having less authority than the senior procure-
14 ment executive.

15 **“§ 705. Review of ethical issues**

16 “‘If a contracting officer identifies any ethical issues
17 relating to a proposed contract and submits those issues
18 and that proposed contract to the designated ethics official
19 for the covered postal entity before the awarding of that
20 contract, that ethics official shall—

21 “(1) review the proposed contract; and

22 “(2) advise the contracting officer on the appro-
23 priate resolution of ethical issues.

1 **“§ 706. Ethical restrictions on participation in certain**
2 **contracting activity**

3 “(a) DEFINITIONS.—In this section—

4 “(1) the term ‘covered employee’ means—

5 “(A) a contracting officer; or

6 “(B) any employee of a covered postal en-
7 tity whose decisionmaking affects a postal con-
8 tract as determined by regulations prescribed
9 by the head of a covered postal entity;

10 “(2) the term ‘final conviction’ means a convic-
11 tion, whether entered on a verdict or plea, including
12 a plea of nolo contendere, for which a sentence has
13 been imposed; and

14 “(3) the term ‘covered relationship’ means a
15 covered relationship described in section
16 2635.502(b)(1) of title 5, Code of Federal Regula-
17 tions, or any successor thereto.

18 “(b) IN GENERAL.—

19 “(1) REGULATIONS.—The head of each covered
20 postal entity shall prescribe regulations that—

21 “(A) require a covered employee to include
22 in the file of any noncompetitive purchase re-
23 quest for a noncompetitive postal contract a
24 written certification that—

25 “(i) discloses any covered relationship
26 of the covered employee; and

1 “(ii) states that the covered employee
2 will not take any action with respect to the
3 noncompetitive purchase request that af-
4 fects the financial interests of a friend, rel-
5 ative, or person with whom the covered
6 employee is affiliated in a nongovernmental
7 capacity, or otherwise gives rise to an ap-
8 pearance of the use of public office for pri-
9 vate gain, as described in section 2635.702
10 of title 5, Code of Federal Regulations, or
11 any successor thereto;

12 “(B) require a contracting officer to con-
13 sult with the ethics counsel for the covered
14 postal entity regarding any disclosure made by
15 a covered employee under subparagraph (A)(i),
16 to determine whether participation by the cov-
17 ered employee in the noncompetitive purchase
18 request would give rise to a violation of part
19 2635 of title 5, Code of Federal Regulations
20 (commonly referred to as the Standards of Eth-
21 ical Conduct for Employees of the Executive
22 Branch), or any successor thereto;

23 “(C) require the ethics counsel for a cov-
24 ered postal entity to review any disclosure made
25 by a contracting officer under subparagraph

1 (A)(i) to determine whether participation by the
2 contracting officer in the noncompetitive pur-
3 chase request would give rise to a violation of
4 part 2635 of title 5, Code of Federal Regula-
5 tions (commonly referred to as the Standards of
6 Ethical Conduct for Employees of the Executive
7 Branch), or any successor thereto;

8 “(D) under subsections (d) and (e) of sec-
9 tion 2635.502 of title 5, Code of Federal Regu-
10 lations, or any successor thereto, require the
11 ethics counsel for a covered postal entity to—

12 “(i) authorize a covered employee that
13 makes a disclosure under subparagraph
14 (A)(i) to participate in the noncompetitive
15 postal contract; or

16 “(ii) disqualify a covered employee
17 that makes a disclosure under subpara-
18 graph (A)(i) from participating in the non-
19 competitive postal contract;

20 “(E) require a contractor to timely disclose
21 to the contracting officer in a bid, solicitation,
22 award, or performance of a postal contract any
23 conflict of interest with a covered employee; and

24 “(F) include authority for the head of the
25 covered postal entity to grant a waiver or other-

1 wise mitigate any organizational or personal
2 conflict of interest, if the head of the covered
3 postal entity determines that the waiver or miti-
4 gation is in the best interests of the covered
5 postal entity.

6 “(2) POSTING OF WAIVERS.—Not later than 30
7 days after the head of a covered postal entity grants
8 a waiver described in paragraph (1)(F), the head of
9 the covered postal entity shall make the waiver pub-
10 licly available on the Web site of the covered postal
11 entity.

12 “(c) CONTRACT VOIDANCE AND RECOVERY.—

13 “(1) UNLAWFUL CONDUCT.—In any case in
14 which there is a final conviction for a violation of
15 any provision of chapter 11 of title 18 relating to a
16 postal contract, the head of a covered postal entity
17 may—

18 “(A) void that contract; and

19 “(B) recover the amounts expended and
20 property transferred by the covered postal enti-
21 ty under that contract.

22 “(2) OBTAINING OR DISCLOSING PROCUREMENT
23 INFORMATION.—

24 “(A) IN GENERAL.—In any case in which
25 a contractor under a postal contract fails to

1 timely disclose a conflict of interest to the ap-
2 propriate contracting officer as required under
3 the regulations promulgated under subsection
4 (b)(1)(E), the head of a covered postal entity
5 may—

6 “(i) void that contract; and

7 “(ii) recover the amounts expended
8 and property transferred by the covered
9 postal entity under that contract.

10 “(B) CONVICTION OR ADMINISTRATIVE DE-
11 TERMINATION.—A case described under sub-
12 paragraph (A) is any case in which—

13 “(i) there is a final conviction for an
14 offense punishable under section 2105 of
15 title 41; or

16 “(ii) the head of a covered postal enti-
17 ty determines, based upon a preponderance
18 of the evidence, that the contractor or
19 someone acting for the contractor has en-
20 gaged in conduct constituting an offense
21 punishable under section 2105 of such
22 title.”.

23 (b) CLERICAL AMENDMENT.—The table of chapters
24 at the beginning of part I is amended by adding at the
25 end the following:

“7. Contracting Provisions 701”.

1 **SEC. 602. TECHNICAL AMENDMENT TO DEFINITION.**

2 Section 7101(8) of title 41, United States Code, is
3 amended—

4 (1) by striking “and” at the end of subpara-
5 graph (C);

6 (2) by striking the period at the end of sub-
7 paragraph (D) and inserting “; and”; and

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

9 “(E) the United States Postal Service and
10 the Postal Regulatory Commission.”.

11 **SEC. 603. CONTRACT LIMITATION.**

12 (a) IN GENERAL.—Each covered contract entered
13 into within 6 months after the date on which the Postal
14 Service commences any reduction in force shall include a
15 requirement that the contractor provide a preference in
16 the hiring of qualifying individuals for full-time positions
17 created by or as a result of the contract.

18 (b) COVERED CONTRACT.—For the purposes of this
19 section, the term “covered contract” means a contract—

20 (1) for an amount greater than \$250,000;

21 (2) entered into by the Postal Service—

22 (A) within 2 years after the date of enact-
23 ment of this Act;

24 (B) with a person other than a small busi-
25 ness concern; and

1 (C) for the procurement of goods or serv-
2 ices; and

3 (3) for which such person will hire 10 or more
4 individuals.

5 (c) QUALIFYING INDIVIDUAL.—For the purposes of
6 this section, the term “qualifying individual” means an in-
7 dividual who—

8 (1) is separated from the Postal Service due to
9 a reduction in force;

10 (2) at the time of separation—

11 (A) is a career postal employee; and

12 (B) is not a retirement-eligible individual;

13 (3) as of the date of hire (as referred to in sub-
14 section (b)(3)) has been continuously unemployed for
15 a period not exceeding 78 weeks; and

16 (4) is qualified for the position involved.

17 (d) RETIREMENT-ELIGIBLE INDIVIDUAL.—For pur-
18 poses of this section, the term “retirement-eligible indi-
19 vidual”, as used with respect to a qualifying individual,
20 means an individual who, at the time of such individual’s
21 separation (as described in subsection (c)(1)), satisfies the
22 age and service requirements for entitlement to an annuity
23 under—

24 (1) subsection (a), (b), (c), or (f) of section
25 8336 of title 5, United States Code; or

1 (2) subsection (a), (b), (c), (d), or (g) of section
2 8412 of title 5, United States Code.

3 (e) **SMALL BUSINESS CONCERN.**—For purposes of
4 this section, the term “small business concern” means a
5 small business as defined pursuant to section 3 of the
6 Small Business Act and relevant regulations prescribed
7 pursuant thereto.

8 **TITLE VII—OTHER PROVISIONS**

9 **SEC. 701. POSTAL FACILITY DESIGNATIONS.**

10 (a) **FACILITIES DESIGNATED.**—

11 (1) **OFFICER TOMMY DECKER MEMORIAL POST**
12 **OFFICE.**—

13 (A) **DESIGNATION.**—The facility of the
14 United States Postal Service located at 14 Red
15 River Avenue North in Cold Spring, Minnesota,
16 shall be known and designated as the “Officer
17 Tommy Decker Memorial Post Office”.

18 (B) **REFERENCES.**—Any reference in a
19 law, map, regulation, document, paper, or other
20 record of the United States to the facility re-
21 ferred to in subsection (a) shall be deemed to
22 be a reference to the “Officer Tommy Decker
23 Memorial Post Office”.

24 (2) **RICHARD K. SALICK POST OFFICE.**—

1 (A) DESIGNATION.—The facility of the
2 United States Postal Service located at 500
3 North Brevard Avenue in Cocoa Beach, Flor-
4 ida, shall be known and designated as the
5 “Richard K. Salick Post Office”.

6 (B) REFERENCES.—Any reference in a
7 law, map, regulation, document, paper, or other
8 record of the United States to the facility re-
9 ferred to in subsection (a) shall be deemed to
10 be a reference to the “Richard K. Salick Post
11 Office”.

12 (3) NATIONAL PARK RANGER MARGARET AN-
13 DERSON POST OFFICE.—

14 (A) DESIGNATION.—The facility of the
15 United States Postal Service located at 103
16 Center Street West in Eatonville, Washington,
17 shall be known and designated as the “National
18 Park Ranger Margaret Anderson Post Office”.

19 (B) REFERENCES.—Any reference in a
20 law, map, regulation, document, paper, or other
21 record of the United States to the facility re-
22 ferred to in subsection (a) shall be deemed to
23 be a reference to the “National Park Ranger
24 Margaret Anderson Post Office”.

1 (4) JUDGE SHIRLEY A. TOLENTINO POST OF-
2 FICE BUILDING.—

3 (A) DESIGNATION.—The facility of the
4 United States Postal Service located at 369
5 Martin Luther King Jr. Drive in Jersey City,
6 New Jersey, shall be known and designated as
7 the “Judge Shirley A. Tolentino Post Office
8 Building”.

9 (B) REFERENCES.—Any reference in a
10 law, map, regulation, document, paper, or other
11 record of the United States to the facility re-
12 ferred to in subsection (a) shall be deemed to
13 be a reference to the “Judge Shirley A.
14 Tolentino Post Office Building”.

15 (b) SENSE OF CONGRESS.—It is the sense of Con-
16 gress that additional postal facility designations be in-
17 cluded in postal reform legislation.

18 **SEC. 702. RESPONSE TO SUBMISSIONS BY THE POSTAL**
19 **SERVICE.**

20 (a) IN GENERAL.—Chapter 5 is amended by adding
21 at the end the following:

22 **“§ 506. Submissions by the Postal Service to the Post-**
23 **al Regulatory Commission**

24 “Whenever the Postal Service submits to the Postal
25 Regulatory Commission any notice, petition, request, or

1 other filing intended to initiate a new proceeding before
2 the Commission, the Commission shall make an initial de-
3 termination that such filing presents adequate information
4 upon which the Commission may make its decision or ad-
5 visory opinion. If the Commission’s initial determination
6 is that the Postal Service’s filing is inadequate, it shall
7 dismiss the filing without prejudice.”.

8 (b) CLERICAL AMENDMENT.—The table of sections
9 for chapter 5 is amended by adding at the end the fol-
10 lowing:

“506. Submissions by the Postal Service to the Postal Regulatory Commission.”.

11 **SEC. 703. FAIR STAMP-EVIDENCING COMPETITION.**

12 Section 404(a) is amended—

13 (1) in paragraph (2), by striking “or” at the
14 end;

15 (2) in paragraph (3), by striking the period at
16 the end and inserting “; or”; and

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

18 “(4) offer to the public any postage-evidencing
19 product or service that does not comply with any
20 rule or regulation that would be applicable to such
21 product or service if the product or service were of-
22 fered by a private company.”.

1 **SEC. 704. USPS INNOVATION OFFICER AND ACCOUNT-**
2 **ABILITY.**

3 (a) IN GENERAL.—Chapter 2 is amended by adding
4 at the end the following:

5 **“SEC. 209. USPS INNOVATION OFFICER AND ACCOUNT-**
6 **ABILITY.**

7 “(a) IN GENERAL.—There shall be in the Postal
8 Service a Chief Innovation Officer selected by the Post-
9 master General who shall have proven expertise and a
10 record of success in 1 or more of the following: postal and
11 shipping industry, innovation product research and devel-
12 opment, marketing brand strategy, emerging communica-
13 tions technology, or business process management. The
14 Chief Innovation Officer shall manage the Postal Service’s
15 development and implementation of innovative postal and
16 nonpostal products and services.

17 “(b) DUTIES.—The Chief Innovation Officer shall
18 have as primary duties—

19 “(1) leading the development of innovative non-
20 postal products and services that will maximize rev-
21 enue to the Postal Service;

22 “(2) developing innovative postal products and
23 services, particularly those that utilize emerging in-
24 formation technologies, to maximize revenue to the
25 Postal Service;

1 “(3) monitoring the performance of innovative
2 products and services and revising them as needed
3 to meet changing market trends; and

4 “(4) taking into consideration comments or ad-
5 visory opinions, if applicable, issued by the Postal
6 Regulatory Committee prior to the initial sale of in-
7 novative postal or nonpostal products and services.

8 “(c) DESIGNATION.—

9 “(1) DEADLINE.—As soon as practicable after
10 the date of enactment of this section, but no later
11 than January 1, 2014, the Postmaster General shall
12 designate a Chief Innovation Officer.

13 “(2) CONDITION.—Nothing in this section shall
14 be construed to prohibit an individual who holds an-
15 other office or position in the Postal Service from
16 serving as the Chief Innovation Officer under this
17 chapter. However, upon appointment to the position
18 of the Chief Innovation Officer, such individual may
19 not, while serving in such office, concurrently hold
20 any other office or position in the Postal Service.

21 “(d) INNOVATION STRATEGY.—

22 “(1) IN GENERAL.—Not later than 12 months
23 after the date on which the Chief Innovation Officer
24 is designated under subsection (c)(1), the Post-
25 master General shall submit to the Committee on

1 Homeland Security and Governmental Affairs of the
2 Senate and the Committee on Oversight and Govern-
3 ment Reform of the House of Representatives a
4 comprehensive strategy for maximizing revenues
5 through innovative postal and nonpostal products
6 and services.

7 “(2) MATTERS TO BE ADDRESSED.—At a min-
8 imum, the strategy required by this section shall ad-
9 dress—

10 “(A) the specific innovative postal and
11 nonpostal products and services to be developed
12 and offered by the Postal Service, including the
13 nature of the market to be filled by each prod-
14 uct and service and the likely date by which
15 each product and service will be introduced;

16 “(B) the cost of developing and offering
17 each product or service;

18 “(C) the anticipated sales volume of each
19 product and service;

20 “(D) the anticipated revenues and profits
21 expected to be generated by each product and
22 service;

23 “(E) the likelihood of success of each inno-
24 vative product and service as well as the risks

1 associated with the development and sale of
2 each innovative product and service;

3 “(F) the trends anticipated in market con-
4 ditions that may affect the success of each
5 product and service over the 5-year period be-
6 ginning on the date such strategy or update is
7 submitted; and

8 “(G) the metrics that will be utilized to as-
9 sess the effectiveness of the innovation strategy.

10 “(3) STRATEGY UPDATES.—On January 1,
11 2018, and every 3 years thereafter, the Chief Inno-
12 vation Officer shall submit an update to the innova-
13 tion strategy submitted under paragraph (1) to the
14 Committee on Homeland Security and Governmental
15 Affairs of the Senate, the Committee on Oversight
16 and Government Reform of the House of Represent-
17 atives, and the Postal Regulatory Commission.

18 “(e) REPORT ON PERFORMANCE.—

19 “(1) IN GENERAL.—The Postmaster General
20 shall submit to the Committee on Homeland Secu-
21 rity and Governmental Affairs of the Senate, the
22 Committee on Oversight and Government Reform of
23 the House of Representatives, and the Postal Regu-
24 latory Commission with the President’s budget sub-
25 mission under section 1105(a) of title 31 a report

1 that details the Postal Service’s progress in imple-
2 menting the innovation strategy.

3 “(2) MATTERS TO BE ADDRESSED.—At a min-
4 imum, the report required by this section shall ad-
5 dress—

6 “(A) the revenue generated by each prod-
7 uct and service developed through the innova-
8 tion strategy and the costs of developing and
9 offering each such product and service for the
10 most recent fiscal year;

11 “(B) the total sales volume and revenue
12 generated by each product and service on a
13 monthly basis for the preceding year;

14 “(C) trends in the markets filled by each
15 product and service;

16 “(D) products and services identified in
17 the innovation strategy that are to be discon-
18 tinued, the date on which the discontinuance
19 will occur, and the reasons for the discontinu-
20 ance;

21 “(E) alterations in products and services
22 identified in the innovation strategy that will be
23 made to meet changing market conditions, and
24 an explanation of how these alterations will en-

1 sure the success of the products and services;
2 and

3 “(F) the performance of the innovation
4 strategy according to the metrics identified in
5 subsection (d)(2)(G).

6 “(f) COMPTROLLER GENERAL.—

7 “(1) IN GENERAL.—The Comptroller General
8 shall conduct a study on the implementation of the
9 innovation strategy not later than 4 years after the
10 date of enactment of this section.

11 “(2) CONTENTS.—At a minimum, the Comp-
12 troller General shall assess the effectiveness of the
13 Postal Service in identifying, developing, and selling
14 innovative postal and nonpostal products and serv-
15 ices. The study shall also include—

16 “(A) an audit of the costs of developing
17 each innovative postal and nonpostal product
18 and service developed or offered by the Postal
19 Service during the period beginning on the date
20 of enactment of this section and ending 4 years
21 after such date;

22 “(B) the sales volume of each such product
23 and service;

24 “(C) the revenues and profits generated by
25 each such product and service; and

1 “(D) the likelihood of continued success of
2 each such product and service.

3 “(3) SUBMISSION.—The results of the study re-
4 quired under this subsection shall be submitted to
5 the Committee on Homeland Security and Govern-
6 mental Affairs of the Senate and the Committee on
7 Oversight and Government Reform of the House of
8 Representatives.”.

9 (b) CLERICAL AMENDMENT.—The table of sections
10 at the beginning of chapter 2 is amended by adding at
11 the end the following:

 “209. USPS innovation officer and accountability.”.

12 **SEC. 705. POSTAL REGULATORY COMMISSION TRAVEL RE-**
13 **PORTING.**

14 Section 504(d) is amended—

15 (1) by striking “(d)” and inserting “(d)(1)”;
16 and

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

18 “(2) Not later than 60 days after the end of
19 each fiscal year, the Postal Regulatory Commis-
20 sioners shall submit an itemized report describing all
21 travel and reimbursable business travel expenses
22 paid to each Commissioner, including the Chairman,
23 when performing regulatory duties to the Committee
24 on Oversight and Government Reform of the House
25 of Representatives and the Committee on Homeland

1 Security and Governmental Affairs of the Senate.
2 The report submitted under this paragraph shall in-
3 clude a detailed justification for any travel or reim-
4 bursable business travel expense that deviates from
5 the Commission's travel and reimbursable business
6 travel expense policies and guidelines.”.

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