

AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 2309
OFFERED BY M . _____

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS; REF-
2 ERENCES.

(a) SHORT TITLE.—This Act may be cited as the
“Postal Reform Act of 2011”.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

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

TITLE I—POSTAL SERVICE MODERNIZATION

Subtitle A—Commission on Postal Reorganization

Sec. 101. Short title.

Sec. 102. Definitions.

Sec. 103. Commission on Postal Reorganization.

Sec. 104. Recommendations for closures and consolidations.

Sec. 105. Implementation of closures and consolidations.

Sec. 106. Congressional consideration of final CPR reports.

Sec. 107. Nonappealability of decisions.

Sec. 108. Rules of construction.

Sec. 109. GAO study and report.

Subtitle B—Other Provisions

Sec. 111. Implementation of discretionary non-mail delivery days.
 Sec. 112. Efficient and flexible universal postal service.
 Sec. 113. Enhanced reporting on Postal Service efficiency.
 Sec. 114. Applicability of procedures relating to closures and consolidations.

TITLE II—POSTAL SERVICE FINANCIAL RESPONSIBILITY AND
MANAGEMENT ASSISTANCE AUTHORITY

Subtitle A—Establishment and Organization

- Sec. 201. Purposes.
- Sec. 202. Establishment of the Authority.
- Sec. 203. Membership and qualification requirements.
- Sec. 204. Organization.
- Sec. 205. Executive Director and staff.
- Sec. 206. Funding.

Subtitle B—Powers of the Authority

- Sec. 211. Powers.
- Sec. 212. Exemption from liability for claims.
- Sec. 213. Treatment of actions arising under this title.
- Sec. 214. Delivery point modernization.

Subtitle C—Establishment and Enforcement of Financial Plan and Budget for the Postal Service

- Sec. 221. Development of financial plan and budget for the Postal Service.
- Sec. 222. Supplementary borrowing authority during a control period.
- Sec. 223. Process for submission and approval of financial plan and budget.
- Sec. 224. Responsibilities of the Authority.
- Sec. 225. Effect of finding noncompliance with financial plan and budget.
- Sec. 226. Recommendations regarding financial stability, etc.
- Sec. 227. Special rules for fiscal year in which control period commences.
- Sec. 228. Assistance in achieving financial stability, etc.
- Sec. 229. Obtaining reports.
- Sec. 230. Reports and comments.

Subtitle D—Termination of a Control Period

- Sec. 231. Termination of control period, etc.
- Sec. 232. Congressional consideration of recommendation.

TITLE III—POSTAL SERVICE WORKFORCE

Subtitle A—General Provisions

- Sec. 301. Modifications relating to determination of pay comparability.
- Sec. 302. Limitation on postal contributions under FEGLI and FEHBP.
- Sec. 303. Repeal of provision relating to overall value of fringe benefits.
- Sec. 304. Applicability of reduction-in-force procedures.
- Sec. 305. Modifications relating to collective bargaining.
- Sec. 306. One-time transfer of net surplus postal retirement contributions.

Subtitle B—Postal Service Workers' Compensation Reform

- Sec. 311. Postal Service workers' compensation reform.

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. Rate preferences for nonprofit advertising.
- Sec. 404. Streamlined review of qualifying service agreements for competitive products.
- Sec. 405. Submission of service agreements for streamlined review.
- Sec. 406. Transparency and accountability for service agreements.
- Sec. 407. Nonpostal services.

Sec. 408. Reimbursement of Alaska bypass mail costs.
Sec. 409. Appropriations modernization.
Sec. 410. Retiree health care benefit payment deferral.

TITLE V—POSTAL CONTRACTING REFORM

Sec. 501. Contracting provisions.
Sec. 502. Technical amendment to definition.

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 **TITLE I—POSTAL SERVICE** 8 **MODERNIZATION**

9 **Subtitle A—Commission on Postal** 10 **Reorganization**

11 **SEC. 101. SHORT TITLE.**

12 This subtitle may be cited as the “Commission on
13 Postal Reorganization Act” or the “CPR Act”.

14 **SEC. 102. DEFINITIONS.**

15 For purposes of this title—

16 (1) the term “Postal Service” means the United
17 States Postal Service;

18 (2) the term “postal retail facility” means a
19 post office, post office branch, post office classified
20 station, or other facility which is operated by the
21 Postal Service, and the primary function of which is
22 to provide retail postal services;

1 (3) the term “mail processing facility” means a
2 processing and distribution center, processing and
3 distribution facility, network distribution center, or
4 other facility which is operated by the Postal Serv-
5 ice, and the primary function of which is to sort and
6 process mail;

7 (4) the term “district office” means the central
8 office of an administrative field unit with responsi-
9 bility for postal operations in a designated geo-
10 graphic area (as defined under regulations, direc-
11 tives, or other guidance of the Postal Service, as in
12 effect on June 23, 2011);

13 (5) the term “area office” means the central of-
14 fice of an administrative field unit with responsibility
15 for postal operations in a designated geographic area
16 which is comprised of designated geographic areas
17 as referred to in paragraph (4);

18 (6) the term “baseline year” means the fiscal
19 year last ending before the date of the enactment of
20 this Act; and

21 (7) the term “Member of Congress” has the
22 meaning given such term by section 2106 of title 5,
23 United States Code.

1 **SEC. 103. COMMISSION ON POSTAL REORGANIZATION.**

2 (a) ESTABLISHMENT.—There shall be established,
3 not later than 90 days after the date of the enactment
4 of this Act, an independent commission to be known as
5 the “Commission on Postal Reorganization” (hereinafter
6 in this section referred to as the “Commission”).

7 (b) DUTIES.—The Commission shall carry out the
8 duties specified for it in this subtitle.

9 (c) MEMBERS.—

10 (1) IN GENERAL.—The Commission shall be
11 composed of 5 members who shall be appointed by
12 the President, and of whom—

13 (A) 1 shall be appointed from among indi-
14 viduals recommended by the Speaker of the
15 House of Representatives;

16 (B) 1 shall be appointed from among indi-
17 viduals recommended by the majority leader of
18 the Senate;

19 (C) 1 shall be appointed from among indi-
20 viduals recommended by the minority leader of
21 the House of Representatives;

22 (D) 1 shall be appointed from among indi-
23 viduals recommended by the minority leader of
24 the Senate; and

1 (E) 1 shall be appointed from among indi-
2 viduals recommended by the Comptroller Gen-
3 eral.

4 (2) QUALIFICATIONS.—

5 (A) IN GENERAL.—Members of the Com-
6 mission shall be chosen to represent the public
7 interest generally, and shall not be representa-
8 tives of specific interests using the Postal Serv-
9 ice.

10 (B) INELIGIBILITY.—An individual may
11 not be appointed to serve as a member of the
12 Commission if such individual is a Member of
13 Congress or served as an employee of the Postal
14 Service or the Postal Regulatory Commission,
15 or of a labor organization representing employ-
16 ees of the Postal Service or the Postal Regu-
17 latory Commission, during the 3-year period
18 ending on the date of such appointment.

19 (3) POLITICAL AFFILIATION.—Not more than 3
20 members of the Commission may be of the same po-
21 litical party.

22 (d) TERMS.—Each member of the Commission shall
23 be appointed for the life of the Commission and may be
24 removed only for cause.

1 (e) VACANCIES.—A vacancy in the Commission shall
2 be filled in the same manner as the original appointment.

3 (f) CHAIRMAN.—The President shall, at the time of
4 making appointments under subsection (c), designate one
5 of the members to serve as chairman of the Commission.

6 (g) COMPENSATION AND TRAVEL EXPENSES.—

7 (1) COMPENSATION.—

8 (A) IN GENERAL.—Except as provided in
9 subparagraph (B), each member of the Com-
10 mission shall be paid at a rate equal to the
11 daily equivalent of \$40,000 per year for each
12 day (including travel time) during which the
13 member is engaged in the actual performance of
14 duties vested in the Commission.

15 (B) EXCEPTION.—Any member of the
16 Commission who is a full-time officer or em-
17 ployee of the United States may not receive ad-
18 ditional pay, allowances, or benefits by reason
19 of such member's service on the Commission.

20 (2) TRAVEL EXPENSES.—Each member shall
21 receive travel expenses, including per diem in lieu of
22 subsistence, in accordance with applicable provisions
23 of subchapter I of chapter 57 of title 5, United
24 States Code.

1 (h) DIRECTOR.—The Commission shall have a Direc-
2 tor who shall be appointed by the Commission. The Direc-
3 tor shall be paid at the rate of basic pay for level IV of
4 the Executive Schedule under section 5315 of title 5,
5 United States Code. An appointment under this sub-
6 section shall be subject to the requirements of subsection
7 (c)(2).

8 (i) ADDITIONAL PERSONNEL.—With the approval of
9 the Commission, the Director may appoint and fix the pay
10 of such additional personnel as the Director considers ap-
11 propriate. Such additional personnel may be appointed
12 without regard to the provisions of title 5, United States
13 Code, governing appointments in the competitive service,
14 and may be paid without regard to the provisions of chap-
15 ter 51 and subchapter III of chapter 53 of such title relat-
16 ing to classification and General Schedule pay rates, ex-
17 cept that an individual so appointed may not receive pay
18 at a rate of basic pay in excess of the rate of basic pay
19 payable to the Director. An individual appointed under
20 this subsection shall serve at the pleasure of the Director.

21 (j) PROVISIONS RELATING TO DETAILS.—

22 (1) IN GENERAL.—Upon request of the Direc-
23 tor, the head of any Federal department or agency
24 may detail any of the personnel of such department
25 or agency to the Commission to assist the Commis-

1 sion in carrying out its duties under this subtitle.
2 Notwithstanding any other provision of law, to pro-
3 vide continuity in the work of the Commission, such
4 details may be extended beyond 1 year at the re-
5 quest of the Director.

6 (2) NUMERICAL LIMITATION.—Not more than
7 $\frac{1}{3}$ of the personnel of the Commission may consist
8 of the number of individuals on detail from the Post-
9 al Service and the Postal Regulatory Commission
10 combined.

11 (3) OTHER LIMITATIONS.—A person may not
12 be detailed to the Commission from the Postal Serv-
13 ice or the Postal Regulatory Commission if such per-
14 son participated personally and substantially on any
15 matter, within the Postal Service or the Postal Reg-
16 ulatory Commission, concerning the preparation of
17 recommendations for closures or consolidations of
18 postal facilities under this subtitle. No employee of
19 the Postal Service or the Postal Regulatory Commis-
20 sion (including a detailee to the Postal Service or
21 the Postal Regulatory Commission) may—

22 (A) prepare any report concerning the ef-
23 fectiveness, fitness, or efficiency of the perform-
24 ance, on the staff of the Commission, of any

1 person detailed from the Postal Service or the
2 Postal Regulatory Commission to such staff;

3 (B) review the preparation of such a re-
4 port; or

5 (C) approve or disapprove such a report.

6 (k) OTHER AUTHORITIES.—

7 (1) EXPERTS AND CONSULTANTS.—The Com-
8 mission may procure by contract, to the extent funds
9 are available, temporary or intermittent services
10 under section 3109 of title 5, United States Code.

11 (2) LEASING, ETC.—The Commission may lease
12 space and acquire personal property to the extent
13 funds are available.

14 (l) AUTHORIZATION OF APPROPRIATIONS.—In order
15 to carry out this section, there are authorized to be appro-
16 priated out of the Postal Service Fund \$20,000,000,
17 which funds shall remain available until expended.

18 (m) FINANCIAL REPORTING.—

19 (1) AUDIT AND EXPENDITURES.—The Commis-
20 sion shall be responsible for issuing annual financial
21 statements and for establishing and maintaining
22 adequate controls over its financial reporting.

23 (2) INTERNAL AUDITS.—The Commission shall
24 maintain an adequate internal audit of its financial
25 transactions.

1 (3) ANNUAL CERTIFICATION.—The Commission
2 shall obtain an annual certification for each fiscal
3 year from an independent, certified public account-
4 ing firm of the accuracy of its financial statements.

5 (4) COMPTROLLER GENERAL.—The accounts
6 and operations of the Commission shall be audited
7 by the Comptroller General and reports thereon
8 made to the Congress to the extent and at such
9 times as the Comptroller General may determine.

10 (n) TERMINATION.—The Commission shall terminate
11 60 days after submitting its final reports under section
12 104(d)(3).

13 **SEC. 104. RECOMMENDATIONS FOR CLOSURES AND CON-**
14 **SOLIDATIONS.**

15 (a) PLAN FOR THE CLOSURE OR CONSOLIDATION OF
16 POSTAL RETAIL FACILITIES.—

17 (1) IN GENERAL.—Not later than 120 days
18 after the date of the enactment of this Act, the Post-
19 al Service, in consultation with the Postal Regu-
20 latory Commission, shall develop and submit to the
21 Commission on Postal Reorganization a plan for the
22 closure or consolidation of such postal retail facilities
23 as the Postal Service considers necessary and appro-
24 priate so that the total annual costs attributable to
25 the operation of postal retail facilities will be, for

1 each fiscal year beginning at least 2 years after the
2 date on which the Commission transmits to Con-
3 gress its final report under subsection (d)(3)(A) re-
4 lating to this subsection, at least \$1,000,000,000
5 less than the corresponding total annual costs for
6 the baseline year.

7 (2) CONTENTS.—The plan shall include—

8 (A) a list of the postal retail facilities pro-
9 posed for closure or consolidation under this
10 subtitle;

11 (B) a proposed schedule under which—

12 (i) closures and consolidations of post-
13 al retail facilities would be carried out
14 under this subtitle; and

15 (ii) all closures and consolidations of
16 postal retail facilities under this subtitle
17 would be completed by not later than 2
18 years after the date on which the Commis-
19 sion transmits to Congress its final report
20 under subsection (d)(3)(A) relating to such
21 plan;

22 (C) the estimated total annual cost savings
23 attributable to the proposed closures and con-
24 solidations described in the plan;

1 (D) the criteria and process used to de-
2 velop the information described in subpara-
3 graphs (A) and (B);

4 (E) the methodology and assumptions used
5 to derive the estimates described in subpara-
6 graph (C); and

7 (F) any changes to the processing, trans-
8 portation, delivery, or other postal operations
9 anticipated as a result of the proposed closures
10 and consolidations described in the plan.

11 (3) CONSISTENCY.—The methodology and as-
12 sumptions used to derive the cost estimates de-
13 scribed in paragraph (2)(C) shall be consistent with
14 the methodology and assumptions which would have
15 been used by the Postal Service if those closures and
16 consolidations had instead taken effect in the base-
17 line year.

18 (b) PLAN FOR THE CLOSURE OR CONSOLIDATION OF
19 MAIL PROCESSING FACILITIES.—

20 (1) IN GENERAL.—Not later than 300 days
21 after the date of the enactment of this Act, the Post-
22 al Service, in consultation with the Inspector Gen-
23 eral of the United States Postal Service, shall de-
24 velop and submit to the Commission on Postal Reor-
25 ganization a plan for the closure or consolidation of

1 such mail processing facilities as the Postal Service
2 considers necessary and appropriate so that—

3 (A) the total annual costs attributable to
4 the operation of mail processing facilities will
5 be, for each fiscal year beginning at least 2
6 years after the date on which the Commission
7 transmits to Congress its final report under
8 subsection (d)(3)(A) relating to this subsection,
9 at least \$2,000,000,000 less than the cor-
10 responding total annual costs for the baseline
11 year; and

12 (B) the Postal Service has, for fiscal years
13 beginning at least 2 years after the date on
14 which the Commission transmits to Congress its
15 final report under subsection (d)(3)(A) relating
16 to this subsection, no more than 10 percent ex-
17 cess mail processing capacity.

18 (2) CONTENTS.—The plan shall include—

19 (A) a list of the mail processing facilities
20 proposed for closure or consolidation under this
21 subtitle;

22 (B) a proposed schedule under which—

23 (i) closures and consolidations of mail
24 processing facilities would be carried out
25 under this subtitle; and

1 (ii) all closures and consolidations of
2 mail processing facilities under this sub-
3 title would be completed by not later than
4 2 years after the date on which the Com-
5 mission transmits to Congress its final re-
6 port under subsection (d)(3)(A) relating to
7 such plan;

8 (C) the estimated total annual cost savings
9 attributable to the proposed closures and con-
10 solidations described in the plan;

11 (D) the criteria and process used to de-
12 velop the information described in subpara-
13 graphs (A) and (B);

14 (E) the methodology and assumptions used
15 to derive the estimates described in subpara-
16 graph (C); and

17 (F) any changes to the processing, trans-
18 portation, delivery, or other postal operations
19 anticipated as a result of the proposed closures
20 and consolidations described in the plan.

21 (3) CONSISTENCY.—The methodology and as-
22 sumptions used to derive the cost estimates de-
23 scribed in paragraph (2)(C) shall be consistent with
24 the methodology and assumptions which would have
25 been used by the Postal Service if those closures and

1 consolidations had instead taken effect in the base-
2 line year.

3 (4) EXCESS MAIL PROCESSING CAPACITY.—The
4 Commission shall cause to be published in the Fed-
5 eral Register notice of a proposed definition of “ex-
6 cess mail processing capacity” for purposes of this
7 section within 120 days after the date of the enact-
8 ment of this Act, and shall provide a period of 30
9 days for public comment on the proposed definition.
10 Not later than 180 days after the date of the enact-
11 ment of this Act, the Commission shall issue and
12 cause to be published in the Federal Register a final
13 definition of “excess mail processing capacity” for
14 purposes of this section. Such definition shall in-
15 clude an estimate of the total amount of excess mail
16 processing capacity in mail processing facilities as of
17 the date of the enactment of this Act.

18 (5) UNDERUTILIZED MAIL PROCESSING FACILI-
19 TIES.—In developing a plan under this subsection,
20 the Postal Service may include the estimated total
21 cost savings that would result from moving mail
22 processing operations to any mail processing facility
23 that, as of the date of introduction of this Act—

24 (A) is not currently used by the Postal
25 Service; and

1 (B) is capable of processing mail to the
2 Postal Service's standards.

3 (c) PLAN FOR THE CLOSURE OR CONSOLIDATION OF
4 AREA AND DISTRICT OFFICES.—

5 (1) IN GENERAL.—Not later than 300 days
6 after the date of the enactment of this Act, the Post-
7 al Service, in consultation with the Inspector Gen-
8 eral of the United States Postal Service, shall de-
9 velop and submit to the Commission on Postal Reor-
10 ganization a plan for the closure or consolidation of
11 such area and district offices as the Postal Service
12 considers necessary and appropriate so that the com-
13 bined total number of area and district offices will
14 be, for each fiscal year beginning at least 2 years
15 after the date on which the Commission transmits to
16 Congress its final report under subsection (d)(3)(A)
17 relating to this subsection, at least 30 percent less
18 than the corresponding combined total for the base-
19 line year.

20 (2) CONTENTS.—The plan shall include—

21 (A) a list of the area and district offices
22 proposed for closure or consolidation under this
23 subtitle;

24 (B) a proposed schedule under which—

1 (i) closures and consolidations of area
2 and district offices would be carried out
3 under this subtitle; and

4 (ii) all closures and consolidations of
5 area and district offices under this subtitle
6 would be completed by not later than 2
7 years after the date on which the Commis-
8 sion transmits to Congress its final report
9 under subsection (d)(3)(A) relating to such
10 plan;

11 (C) the estimated total annual cost savings
12 attributable to the proposed closures and con-
13 solidations described in the plan;

14 (D) the criteria and process used to de-
15 velop the information described in subpara-
16 graphs (A) and (B);

17 (E) the methodology and assumptions used
18 to derive the estimates described in subpara-
19 graph (C); and

20 (F) any changes to the processing, trans-
21 portation, delivery, or other postal operations
22 anticipated as a result of the proposed closures
23 and consolidations described in the plan.

24 (3) CONSISTENCY.—The methodology and as-
25 sumptions used to derive the cost estimates de-

1 scribed in paragraph (2)(C) shall be consistent with
2 the methodology and assumptions which would have
3 been used by the Postal Service if those closures and
4 consolidations had instead taken effect in the base-
5 line year.

6 (d) REVIEW AND RECOMMENDATIONS OF THE COM-
7 MISSION.—

8 (1) INITIAL REPORTS.—

9 (A) IN GENERAL.—After receiving the plan
10 of the Postal Service under subsection (a), (b),
11 or (c), the Commission on Postal Reorganiza-
12 tion shall transmit to Congress and publish in
13 the Federal Register a report under this para-
14 graph, which shall contain the Commission's
15 findings based on a review and analysis of such
16 plan, together with the Commission's initial rec-
17 ommendations for closures and consolidations
18 of postal facilities, mail processing facilities, or
19 area and district offices (as the case may be).

20 (B) EXPLANATION OF CHANGES.—The
21 Commission shall explain and justify in its re-
22 port any recommendations made by the Com-
23 mission that are different from those contained
24 in the Postal Service plan to which such report
25 pertains.

1 (C) DEADLINES.—A report of the Commis-
2 sion under this paragraph shall be transmitted
3 and published, in accordance with subparagraph
4 (A), within—

5 (i) if the report pertains to the plan
6 under subsection (a), 60 days after the
7 date on which the Commission receives
8 such plan; or

9 (ii) if the report pertains to the plan
10 under subsection (b) or (c), 90 days after
11 the date on which the Commission receives
12 such plan.

13 (2) PUBLIC HEARINGS.—

14 (A) IN GENERAL.—After receiving the plan
15 of the Postal Service under subsection (a), (b),
16 or (c), the Commission on Postal Reorganiza-
17 tion shall conduct at least 5 public hearings on
18 such plan. The hearings shall be conducted in
19 geographic areas chosen so as to reflect a
20 broadly representative range of needs and inter-
21 ests.

22 (B) TESTIMONY.—All testimony before the
23 Commission at a public hearing conducted
24 under this paragraph shall be given under oath.

1 (C) DEADLINES.—All hearings under this
2 paragraph shall be completed within 60 days
3 after the date as of which the Commission sat-
4 isfies the requirements of paragraph (1) with
5 respect to such plan.

6 (3) FINAL REPORTS.—

7 (A) IN GENERAL.—After satisfying the re-
8 quirements of paragraph (2) with respect to the
9 plan of the Postal Service under subsection (a),
10 (b), or (c) (as the case may be), the Commis-
11 sion shall transmit to Congress and publish in
12 the Federal Register a report under this para-
13 graph containing a summary of the hearings
14 conducted with respect to such plan, together
15 with the Commission's final recommendations
16 for closures and consolidations of postal facili-
17 ties, mail processing facilities, or area and dis-
18 trict offices (as the case may be).

19 (B) APPROVAL.—Recommendations under
20 subparagraph (A) shall not be considered to be
21 final recommendations unless they are made
22 with—

23 (i) except as provided in clause (ii),
24 the concurrence of at least 4 members of
25 the Commission; or

1 (ii) to the extent that the require-
2 ments of subsection (b)(1)(A) or (c)(1) are
3 not met, the concurrence of all sitting
4 members, but only if the shortfall (relative
5 to the requirements of subsection (b)(1)(A)
6 or (c)(1), as the case may be) does not ex-
7 ceed 25 percent.

8 (C) CONTENTS.—A report under this para-
9 graph shall include—

10 (i) the information required by para-
11 graph (2) of subsection (a), (b), or (c) (as
12 the case may be); and

13 (ii) a description of the operations
14 that will be affected by the closure or con-
15 solidation and the facilities or offices which
16 will be performing or ceasing to perform
17 such operations as a result of such closure
18 or consolidation.

19 (D) DEADLINES.—A report of the Com-
20 mission under this paragraph shall be trans-
21 mitted and published, in accordance with sub-
22 paragraph (A), within 60 days after the date as
23 of which the Commission satisfies the require-
24 ments of paragraph (2) with respect to the plan
25 involved.

1 (e) LIMITATION RELATING TO POSTAL RETAIL FA-
2 CILITIES IDENTIFIED FOR CLOSURE OR CONSOLIDA-
3 TION.—

4 (1) APPLICABILITY.—This subsection applies to
5 any plan of the Postal Service under subsection (a)
6 and any report of the Commission under subsection
7 (d) (whether initial or final) pertaining to such plan.

8 (2) LIMITATION.—Of the total number of postal
9 retail facilities recommended for closure or consoli-
10 dation (combined) under any plan or report to which
11 this subsection applies, the number of such facilities
12 that are within the K or L cost ascertainment
13 grouping (combined) shall account for not more than
14 10 percent of such total number.

15 (3) REFERENCES.—For purposes of this sub-
16 section—

17 (A) any reference to a “cost ascertainment
18 grouping” shall be considered to refer to a cost
19 ascertainment grouping as described in section
20 123.11 of the Postal Operations Manual (as in
21 effect on June 23, 2011); and

22 (B) any reference to a particular category
23 (designated by a letter) of a cost ascertainment
24 grouping shall be considered to refer to such
25 category, as described in such section 123.11

1 (as in effect on the date specified in subpara-
2 graph (A)).

3 (f) ANNUAL REPORTS.—

4 (1) IN GENERAL.—There shall be included in
5 the next 5 annual reports submitted under section
6 2402 of title 39, United States Code, beginning with
7 the report covering any period of time occurring
8 after the date of enactment of this Act, the following
9 (shown on a State-by-State basis):

10 (A) In connection with closures and con-
11 solidations taking effect in the year covered by
12 the report, the total number of individuals sepa-
13 rated from employment with the Postal Service,
14 including, if separation occurs in a year other
15 than the year in which the closing or consolida-
16 tion occurs, the year in which separation oc-
17 curs.

18 (B) Of the total numbers under subpara-
19 graph (A)—

20 (i) the number and percentage com-
21 prising preference eligibles or veterans; and

22 (ii) the number and percentage com-
23 prising individuals other than preference
24 eligibles or veterans.

1 (C) Of the total numbers under subpara-
2 graph (A), the number and percentage reem-
3 ployed in a position within the general com-
4 muting area of the facility or office involved (in-
5 cluding, if reemployment occurs in a year other
6 than the year in which the closing or consolida-
7 tion occurs, the year in which reemployment oc-
8 curs)—

9 (i) with the Postal Service; or

10 (ii) with an employer other than the
11 Postal Service.

12 (D) The methodology and assumptions
13 used to derive the estimates described in sub-
14 paragraph (B).

15 (E) The criteria and process used to de-
16 velop the information described in subpara-
17 graph (C).

18 (2) DEFINITIONS.—For purposes of this sub-
19 section—

20 (A) the term “preference eligible” has the
21 meaning given such term in section 2108(3) of
22 title 5, United States Code; and

23 (B) the term “veteran” has the meaning
24 given such term in section 101(2) of title 38,
25 United States Code.

1 **SEC. 105. IMPLEMENTATION OF CLOSURES AND CONSOLI-**
2 **DATIONS.**

3 (a) IN GENERAL.—Subject to subsection (b), the
4 Postal Service shall—

5 (1) close or consolidate (as the case may be) the
6 facilities and offices recommended by the Commis-
7 sion in each of its final reports under section
8 104(d)(3); and

9 (2) carry out those closures and consolidations
10 in accordance with the timetable recommended by
11 the Commission in such report, except that in no
12 event shall any such closure or consolidation be com-
13 pleted later than 2 years after the date on which
14 such report is submitted to Congress.

15 (b) CONGRESSIONAL DISAPPROVAL.—

16 (1) IN GENERAL.—The Postal Service may not
17 carry out any closure or consolidation recommended
18 by the Commission in a final report if a joint resolu-
19 tion disapproving the recommendations of the Com-
20 mission is enacted, in accordance with section 106,
21 before the earlier of—

22 (A) the end of the 30-day period beginning
23 on the date on which the Commission transmits
24 those recommendations to Congress under sec-
25 tion 104(d)(3); or

1 (B) the adjournment of the Congress sine
2 die for the session during which such report is
3 transmitted.

4 (2) DAYS OF SESSION.—For purposes of para-
5 graph (1) and subsections (a) and (c) of section 106,
6 the days on which either House of Congress is not
7 in session because of an adjournment of more than
8 7 days to a day certain shall be excluded in the com-
9 putation of a period.

10 **SEC. 106. CONGRESSIONAL CONSIDERATION OF FINAL CPR**
11 **REPORTS.**

12 (a) TERMS OF THE RESOLUTION.—For purposes of
13 this subtitle, the term “joint resolution”, as used with re-
14 spect to a report under section 104(d)(3), means only a
15 joint resolution—

16 (1) which is introduced within the 10-day pe-
17 riod beginning on the date on which such report is
18 received by Congress;

19 (2) the matter after the resolving clause of
20 which is as follows: “That Congress disapproves the
21 recommendations of the Commission on Postal Reor-
22 ganization, submitted by such Commission on ____,
23 and pertaining to the closure or consolidation of
24 ____.”, the first blank space being filled in with the
25 appropriate date and the second blank space being

1 filled in with “postal retail facilities”, “mail proc-
2 essing facilities”, or “area and district offices” (as
3 the case may be);

4 (3) the title of which is as follows: “Joint reso-
5 lution disapproving the recommendations of the
6 Commission on Postal Reorganization.”; and

7 (4) which does not have a preamble.

8 (b) REFERRAL.—A resolution described in subsection
9 (a) that is introduced in the House of Representatives or
10 the Senate shall be referred to the appropriate committees
11 of the House of Representatives or the Senate, respec-
12 tively.

13 (c) DISCHARGE.—If the committee to which a resolu-
14 tion described in subsection (a) is referred has not re-
15 ported such resolution (or an identical resolution) by the
16 end of the 20-day period beginning on the date on which
17 the Commission transmits the report (to which such reso-
18 lution pertains) to Congress under section 104(d)(3), such
19 committee shall, at the end of such period, be discharged
20 from further consideration of such resolution, and such
21 resolution shall be placed on the appropriate calendar of
22 the House involved.

23 (d) CONSIDERATION.—

24 (1) IN GENERAL.—On or after the third day
25 after the date on which the committee to which such

1 a resolution is referred has reported, or has been
2 discharged (under subsection (c)) from further con-
3 sideration of, such a resolution, it is in order (even
4 though a previous motion to the same effect has
5 been disagreed to) for any Member of the respective
6 House to move to proceed to the consideration of the
7 resolution. A Member may make the motion only on
8 the day after the calendar day on which the Member
9 announces to the House concerned the Member's in-
10 tention to make the motion, except that, in the case
11 of the House of Representatives, the motion may be
12 made without such prior announcement if the mo-
13 tion is made by direction of the committee to which
14 the resolution was referred. All points of order
15 against the resolution (and against consideration of
16 the resolution) are waived. The motion is highly
17 privileged in the House of Representatives and is
18 privileged in the Senate and is not debatable. The
19 motion is not subject to amendment, or to a motion
20 to postpone, or to a motion to proceed to the consid-
21 eration of other business. A motion to reconsider the
22 vote by which the motion is agreed to or disagreed
23 to shall not be in order. If a motion to proceed to
24 the consideration of the resolution is agreed to, the
25 respective House shall immediately proceed to con-

1 sideration of the joint resolution without intervening
2 motion, order, or other business, and the resolution
3 shall remain the unfinished business of the respec-
4 tive House until disposed of.

5 (2) DEBATE.—Debate on the resolution, and on
6 all debatable motions and appeals in connection
7 therewith, shall be limited to not more than 2 hours,
8 which shall be divided equally between those favoring
9 and those opposing the resolution. An amendment to
10 the resolution is not in order. A motion further to
11 limit debate is in order and not debatable. A motion
12 to postpone, or a motion to proceed to the consider-
13 ation of other business, or a motion to recommit the
14 resolution is not in order. A motion to reconsider the
15 vote by which the resolution is agreed to or dis-
16 agreed to is not in order.

17 (3) VOTE ON FINAL PASSAGE.—Immediately
18 following the conclusion of the debate on a resolu-
19 tion described in subsection (a) and a single quorum
20 call at the conclusion of the debate if requested in
21 accordance with the rules of the appropriate House,
22 the vote on final passage of the resolution shall
23 occur.

24 (4) APPEALS.—Appeals from the decisions of
25 the Chair relating to the application of the rules of

1 the Senate or the House of Representatives, as the
2 case may be, to the procedure relating to a resolu-
3 tion described in subsection (a) shall be decided
4 without debate.

5 (e) CONSIDERATION BY OTHER HOUSE.—

6 (1) IN GENERAL.—If, before the passage by one
7 House of a resolution of that House described in
8 subsection (a), that House receives from the other
9 House a resolution (described in subsection (a)) re-
10 lating to the same report, then the following proce-
11 dures shall apply:

12 (A) The resolution of the other House shall
13 not be referred to a committee and may not be
14 considered in the House receiving it except in
15 the case of final passage as provided in sub-
16 paragraph (B)(ii).

17 (B) With respect to the resolution de-
18 scribed in subsection (a) (relating to the report
19 in question) of the House receiving the resolu-
20 tion—

21 (i) the procedure in that House shall
22 be the same as if no resolution (relating to
23 the same report) had been received from
24 the other House; but

1 (ii) the vote on final passage shall be
2 on the resolution of the other House.

3 (2) DISPOSITION OF A RESOLUTION.—Upon
4 disposition of the resolution received from the other
5 House, it shall no longer be in order to consider the
6 resolution that originated in the receiving House.

7 (f) RULES OF THE SENATE AND HOUSE.—This sec-
8 tion is enacted by Congress—

9 (1) as an exercise of the rulemaking power of
10 the Senate and House of Representatives, respec-
11 tively, and as such it is deemed a part of the rules
12 of each House, respectively, but applicable only with
13 respect to the procedure to be followed in that
14 House in the case of a resolution described in sub-
15 section (a), and it supersedes other rules only to the
16 extent that it is inconsistent with such rules; and

17 (2) with full recognition of the constitutional
18 right of either House to change the rules (so far as
19 relating to the procedure of that House) at any time,
20 in the same manner, and to the same extent as in
21 the case of any other rule of that House.

22 **SEC. 107. NONAPPEALABILITY OF DECISIONS.**

23 (a) To PRC.—The closing or consolidation of any fa-
24 cility or office under this subtitle may not be appealed to
25 the Postal Regulatory Commission under section 404(d)

1 or any other provision of title 39, United States Code, or
2 be the subject of an advisory opinion issued by the Postal
3 Regulatory Commission under section 3661 of such title.

4 (b) JUDICIAL REVIEW.—No process, report, rec-
5 ommendation, or other action of the Commission on Postal
6 Reorganization shall be subject to judicial review.

7 **SEC. 108. RULES OF CONSTRUCTION.**

8 (a) CONTINUED AVAILABILITY OF AUTHORITY TO
9 CLOSE OR CONSOLIDATE POSTAL FACILITIES.—

10 (1) IN GENERAL.—Nothing in this subtitle shall
11 be considered to prevent the Postal Service from
12 closing or consolidating any postal facilities, in ac-
13 cordance with otherwise applicable provisions of law,
14 either before or after the implementation of any clo-
15 sures or consolidations under this subtitle.

16 (2) COORDINATION RULE.—No appeal or deter-
17 mination under section 404(d) of title 39, United
18 States Code, or any other provision of law shall
19 delay, prevent, or otherwise affect any closure or
20 consolidation under this subtitle.

21 (b) INAPPLICABILITY OF CERTAIN PROVISIONS.—

22 (1) IN GENERAL.—The provisions of law identi-
23 fied in paragraph (2)—

24 (A) shall not apply to any closure or con-
25 solidation carried out under this subtitle; and

1 (B) shall not be taken into account for
2 purposes of carrying out section 103 or 104.

3 (2) PROVISIONS IDENTIFIED.—The provisions
4 of law under this paragraph are—

5 (A) section 101(b) of title 39, United
6 States Code; and

7 (B) section 404(d) of title 39, United
8 States Code.

9 **SEC. 109. GAO STUDY AND REPORT.**

10 (a) STUDY.—Not later than 1 year after the date of
11 enactment of this Act, the Comptroller General of the
12 United States shall conduct a study on the effects, with
13 respect to the unemployment rate of minority commu-
14 nities, of the proposed closures and consolidations of post-
15 al retail facilities, mail processing facilities, and area or
16 district offices under this subtitle.

17 (b) REPORT.—Upon completion of the study required
18 under subsection (a), the Comptroller General of the
19 United States shall submit a report to Congress regarding
20 the findings of such study.

21 **Subtitle B—Other Provisions**

22 **SEC. 111. IMPLEMENTATION OF DISCRETIONARY NON-MAIL**
23 **DELIVERY DAYS.**

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

1 “(f)(1) The Postmaster General may, with respect to
2 any year for which 6-day delivery is otherwise required,
3 declare up to 12 non-mail delivery days. Not later than
4 1 month before the beginning of the year, the Postmaster
5 General shall submit to the Board of Governors a report
6 listing the non-mail delivery days in such year.

7 “(2) A non-mail delivery day under this subsection
8 shall be a day other than—

9 “(A) a Sunday;

10 “(B) a legal public holiday listed in section
11 6103(a) of title 5 or any other day declared to be
12 a holiday by Federal statute or Executive order; or

13 “(C) during the 30-day period that ends on the
14 date of a regularly scheduled general election for
15 Federal office.

16 “(3) Any day which is declared under this subsection
17 to be a non-mail delivery day—

18 “(A) shall, for purposes of mail delivery and
19 such other postal operations as the Postal Service
20 may by regulation prescribe, be treated as if it were
21 a Sunday; except that

22 “(B) an employee of the Postal Service (other
23 than one who is prevented from working on such day
24 by reason of this subsection) shall be entitled to the

1 same pay and benefits for that day as if this sub-
2 section had not been enacted.

3 “(4)(A) The 6-day mail delivery requirement shall
4 not apply with respect to a week in which a non-mail deliv-
5 ery day under this subsection occurs.

6 “(B) The authority to declare a non-mail delivery day
7 under this subsection shall be considered to be within the
8 right of the Postal Service to determine the methods,
9 means, and personnel by which postal operations are to
10 be conducted.

11 “(5) Not less than 6 months after the date of enact-
12 ment of this subsection, the Postal Service may submit
13 a proposal under section 3661 for a nationwide change
14 in service to reduce mail delivery from 6 days to 5 days
15 each week. Notwithstanding any other provision of law,
16 the Postal Service shall maintain 6-day delivery service as
17 the standard mail delivery schedule until 90 days following
18 the rendering of an advisory opinion on 5-day delivery by
19 the Postal Regulatory Commission.”.

20 **SEC. 112. EFFICIENT AND FLEXIBLE UNIVERSAL POSTAL**
21 **SERVICE.**

22 (a) POSTAL POLICY.—

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

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

4 (2) CONFORMING AMENDMENTS.—Clause (iii)
5 of section 404(d)(2)(A) is amended to read as fol-
6 lows:

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

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

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

20 (c) PRC REVIEW OF DETERMINATIONS TO CLOSE
21 OR CONSOLIDATE A POST OFFICE.—

22 (1) DEADLINE FOR REVIEW.—Section
23 404(d)(5) is amended by striking “120 days” and
24 inserting “60 days”.

1 (2) EXCLUSION FROM REVIEW.—Section 404(d)

2 is amended by adding at the end the following:

3 “(7)(A) The appeals process set forth in paragraph
4 (5) shall not apply to a determination of the Postal Service
5 to close a post office if there is located, within 2 miles
6 of such post office, a qualified contract postal unit.

7 “(B) For purposes of this paragraph—

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

10 “(I) is not owned or operated by the Postal
11 Service; and

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

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

18 “(I) begins to provide postal services to the
19 general public during the period—

20 “(aa) beginning 1 year before the date
21 on which the closure or consolidation of
22 such post office is scheduled to take effect;
23 and

24 “(bb) ending on the 15th day after
25 the date on which the closure or consolida-

1 tion of such post office is scheduled to take
2 effect; and

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

7 “(C)(i) If the contract postal unit (which is providing
8 postal services that had been previously provided by the
9 post office that was closed) does not continue to provide
10 postal services, as required by subparagraph (B)(i)(II), for
11 at least the 2-year period beginning on the date on which
12 such post office was closed, the contract postal unit shall
13 be subject to a closure determination by the Postal Service
14 to decide whether a post office must be reopened within
15 the area (delimited by the 2-mile radius referred to in sub-
16 paragraph (A)).

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

1 (3) APPLICABILITY.—The amendments made
2 by this subsection shall not apply with respect to
3 any appeal, notice of which is received by the Postal
4 Regulatory Commission before the date of the enact-
5 ment of this Act (determined applying the rules set
6 forth in section 404(d)(6) of title 39, United States
7 Code).

8 (d) EXPEDITED PROCEDURES.—

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

11 “(d)(1) The Commission shall issue its opinion within
12 90 days after the receipt of any proposal (as referred to
13 in subsection (b)) concerning—

14 “(A) the closing or consolidation of postal retail
15 facilities (as that term is defined in section 102(2)
16 of the Postal Reform Act of 2011) to a degree that
17 will generally affect service on a nationwide or sub-
18 stantially nationwide basis; or

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

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

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

6 (3) APPLICABILITY.—The amendment made by
7 this subsection shall apply with respect to any pro-
8 posal received by the Postal Regulatory Commission
9 on or after the earlier of—

10 (A) the 90th day after the date of the en-
11 actment of this Act; or

12 (B) the effective date of the regulations
13 under paragraph (2).

14 **SEC. 113. ENHANCED REPORTING ON POSTAL SERVICE EF-**
15 **FICIENCY.**

16 Section 3652(a) is amended—

17 (1) in paragraph (1), by striking “and” after
18 the semicolon;

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

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

22 “(3) which shall provide the overall change in
23 Postal Service productivity and the resulting effect
24 of such change on overall Postal Service costs during

1 such year, using such methodologies as the Commis-
2 sion shall by regulation prescribe.”.

3 **SEC. 114. APPLICABILITY OF PROCEDURES RELATING TO**
4 **CLOSURES AND CONSOLIDATIONS.**

5 (a) IN GENERAL.—Section 404(d) is amended by
6 adding after paragraph (7) (as added by section
7 112(c)(2)) the following:

8 “(8) For purposes of this subsection, the term ‘post
9 office’ means a post office and any other facility described
10 in section 102(2) of the Postal Reform Act of 2011.”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 subsection (a) shall be effective with respect to any closure
13 or consolidation, the proposed effective date of which oc-
14 curs on or after the 60th day following the date of enact-
15 ment of this Act.

16 **TITLE II—POSTAL SERVICE FI-**
17 **NANCIAL RESPONSIBILITY**
18 **AND MANAGEMENT ASSIST-**
19 **ANCE AUTHORITY**
20 **Subtitle A—Establishment and**
21 **Organization**

22 **SEC. 201. PURPOSES.**

23 (a) PURPOSES.—The purposes of this title are as fol-
24 lows:

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

5 (2) To ensure the universal service mandate de-
6 tailed in section 101 of title 39, United States Code,
7 is maintained during a period of fiscal emergency.

8 (3) To conduct necessary investigations and
9 studies to determine the fiscal status and oper-
10 ational efficiency of the Postal Service.

11 (4) To assist the Postal Service in—

12 (A) restructuring its organization and
13 workforce to bring expenses in line with dimin-
14 ishing revenue and generate sufficient profits
15 for capital investment and repayment of debt;

16 (B) meeting all fiscal obligations to the
17 Treasury of the United States; and

18 (C) ensuring the appropriate and efficient
19 delivery of postal services.

20 (5) To provide the Postal Service with a tem-
21 porary increase in its borrowing authority to enable
22 the Postal Service to complete necessary restruc-
23 turing.

1 (6) To ensure the long-term financial, fiscal,
2 and economic vitality and operational efficiency of
3 the Postal Service.

4 (b) RESERVATION OF POWERS.—Nothing in this title
5 may be construed—

6 (1) to relieve any obligations existing as of the
7 date of the enactment of this Act of the Postal Serv-
8 ice to the Treasury of the United States; or

9 (2) to limit the authority of Congress to exer-
10 cise ultimate legislative authority over the Postal
11 Service.

12 **SEC. 202. ESTABLISHMENT OF THE AUTHORITY.**

13 (a) ESTABLISHMENT.—There shall be established,
14 upon the commencement of any control period, an entity
15 to be known as the “Postal Service Financial Responsi-
16 bility and Management Assistance Authority” (hereinafter
17 in this title referred to as the “Authority”).

18 (b) CONTROL PERIOD.—

19 (1) COMMENCEMENT OF A CONTROL PERIOD.—

20 (A) IN GENERAL.—For the purposes of
21 this title, a control period commences whenever
22 the Postal Service has been in default to the
23 Treasury of the United States, with respect to
24 any debts, obligations, loans, bonds, notes, or
25 other form of borrowing, or any scheduled pay-

1 ments to any fund in the Treasury of the
2 United States, for a period of at least 30 days.

3 (B) ADVISORY PERIOD.—For purposes of
4 the first control period, the Authority shall op-
5 erate exclusively in an advisory period for two
6 full fiscal years after the commencement of the
7 control period. At the completion of the second
8 full fiscal year or any year thereafter during the
9 length of the control period, if the Postal Serv-
10 ice’s annual deficit is greater than
11 \$2,000,000,000, the Authority shall be fully in
12 force according to the provisions of this title.
13 During an advisory period—

14 (i) the Authority is not authorized to
15 employ any staff and the Postal Service
16 shall designate a Level-Two Postal Service
17 Executive as a liaison with the members of
18 the Authority;

19 (ii) any provision of this title that re-
20 quires the Authority or the Postal Service
21 to take any action shall be considered only
22 to take effect in the event the Authority
23 comes into full force and that effective
24 date shall be considered to be the date of
25 the commencement of the control period

1 for the purposes any provision not mention
2 in this subparagraph; and

3 (iii) the Postal Service shall have ac-
4 cess to the funds available under section
5 222 according to applicable provisions of
6 this Act, subject to the approval of the
7 Postal Service Board of Governors without
8 the approval of the Authority.

9 (2) TREATMENT OF AUTHORITIES AND RESPON-
10 SIBILITIES OF THE BOARD OF GOVERNORS, ETC.
11 DURING A CONTROL PERIOD.—During a control pe-
12 riod—

13 (A) all authorities and responsibilities of
14 the Board of Governors, and the individual
15 Governors, of the Postal Service under title 39,
16 United States Code, and any other provision of
17 law shall be assumed by the Authority; and

18 (B) the Board of Governors, and the indi-
19 vidual Governors, may act in an advisory capac-
20 ity only.

21 (3) TREATMENT OF CERTAIN POSTAL SERVICE
22 EXECUTIVES DURING A CONTROL PERIOD.—

23 (A) DEFINITION.—For the purposes of
24 this section, the term “Level-Two Postal Serv-
25 ice Executive” includes the Postmaster General,

1 the Deputy Postmaster General, and all other
2 officers or employees of the Postal Service in
3 level two of the Postal Career Executive Service
4 (or the equivalent).

5 (B) TREATMENT.—Notwithstanding any
6 other provision of law or employment contract,
7 during a control period—

8 (i) all Level-Two Postal Service Ex-
9 ecutives shall serve at the pleasure of the
10 Authority;

11 (ii) the duties and responsibilities of
12 all Level-Two Postal Service Executives, as
13 well as the terms and conditions of their
14 employment (including their compensa-
15 tion), shall be subject to determination or
16 redetermination by the Authority;

17 (iii) total compensation of a Level-
18 Two Postal Service Executive may not, for
19 any year in such control period, exceed the
20 annual rate of basic pay payable for level
21 I of the Executive Schedule under section
22 5312 of title 5, United States Code, for
23 such year; for purposes of this clause, the
24 term “total compensation” means basic

1 pay, bonuses, awards, and all other mone-
2 tary compensation;

3 (iv) the percentage by which the rate
4 of basic pay of a Level-Two Postal Service
5 Executive is increased during any year in
6 such control period may not exceed the
7 percentage change in the Consumer Price
8 Index for All Urban Consumers, unadjust-
9 ed for seasonal variation, for the most re-
10 cent 12-month period available, except
11 that, in the case of a Level-Two Postal
12 Service Executive who has had a signifi-
13 cant change in job responsibilities, a great-
14 er change shall be allowable if approved by
15 the Authority;

16 (v) apart from basic pay, a Level-Two
17 Postal Service Executive may not be af-
18 farded any bonus, award, or other mone-
19 tary compensation for any fiscal year in
20 the control period if expenditures of the
21 Postal Service for such fiscal year exceeded
22 revenues of the Postal Service for such fis-
23 cal year (determined in accordance with
24 generally accepted accounting principles);
25 and

1 (vi) no deferred compensation may be
2 paid, accumulated, or recognized in the
3 case of any Level-Two Postal Service Exec-
4 utive, with respect to any year in a control
5 period, which is not generally paid, accu-
6 mulated, or recognized in the case of em-
7 ployees of the United States (outside of the
8 Postal Service) in level I of the Executive
9 Schedule under section 5312 of title 5,
10 United States Code, with respect to such
11 year.

12 (C) BONUS AUTHORITY.—Section 3686 of
13 title 39, United States Code, shall, during the
14 period beginning on the commencement date of
15 the control period and ending on the termi-
16 nation date of the control period—

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

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

22 (4) TERMINATION OF A CONTROL PERIOD.—
23 Subject to subtitle D, a control period terminates
24 upon certification by the Authority, with the concu-
25 rrence of the Secretary of the Treasury and the Di-

1 rector of the Office of Personnel Management,
2 that—

3 (A) for 2 consecutive fiscal years (occur-
4 ring after the date of the enactment of this
5 Act), expenditures of the Postal Service did not
6 exceed revenues of the Postal Service (as deter-
7 mined in accordance with generally accepted ac-
8 counting principles);

9 (B) the Authority has approved a Postal
10 Service financial plan and budget that shows
11 expenditures of the Postal Service not exceeding
12 revenues of the Postal Service (as so deter-
13 mined) for the fiscal year to which such budget
14 pertains and each of the next 3 fiscal years;
15 and

16 (C) the Postal Service financial plan and
17 budget (as referred to in subparagraph (B)) in-
18 cludes plans—

19 (i) for the repayment of any supple-
20 mentary debt under section 222, in equal
21 annual installments over a period of not
22 more than 5 years; and

23 (ii) to properly fund Postal Service
24 pensions and retiree health benefits in ac-
25 cordance with law.

1 **SEC. 203. MEMBERSHIP AND QUALIFICATION REQUIRE-**
2 **MENTS.**

3 (a) MEMBERSHIP.—

4 (1) IN GENERAL.—The Authority shall consist
5 of 5 members appointed by the President who meet
6 the qualifications described in subsection (b), except
7 that the Authority may take any action under this
8 title at any time after the President has appointed
9 4 of its members.

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

12 (A) 1 shall be appointed from among indi-
13 viduals recommended by the Speaker of the
14 House of Representatives;

15 (B) 1 shall be appointed from among indi-
16 viduals recommended by the majority leader of
17 the Senate;

18 (C) 1 shall be appointed from among indi-
19 viduals recommended by the minority leader of
20 the House of Representatives;

21 (D) 1 shall be appointed from among indi-
22 viduals recommended by the minority leader of
23 the Senate; and

24 (E) 1 shall be appointed from among indi-
25 viduals recommended by the Comptroller Gen-
26 eral.

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

4 (4) CHAIR.—The President shall designate 1 of
5 the members of the Authority as the Chair of the
6 Authority.

7 (5) SENSE OF CONGRESS REGARDING DEAD-
8 LINE FOR APPOINTMENT.—It is the sense of Con-
9 gress that the President should appoint the members
10 of the Authority as soon as practicable after the
11 date on which a control period commences, but no
12 later than 30 days after such date.

13 (6) TERM OF SERVICE.—

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

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

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

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

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

5 (C) REMOVAL.—The President may re-
6 move any member of the Authority only for
7 cause.

8 (D) NO COMPENSATION FOR SERVICE.—
9 Members of the Authority shall serve without
10 pay, but may receive reimbursement for any
11 reasonable and necessary expenses incurred by
12 reason of service on the Authority.

13 (b) QUALIFICATION REQUIREMENTS.—

14 (1) IN GENERAL.—An individual meets the
15 qualifications for membership on the Authority if the
16 individual—

17 (A) has significant knowledge and exper-
18 tise in finance, management, and the organiza-
19 tion or operation of businesses having more
20 than 500 employees; and

21 (B) represents the public interest gen-
22 erally, is not a representative of specific inter-
23 ests using or belonging to the Postal Service,
24 and does not have any business or financial in-
25 terest in any enterprise in the private sector of

1 the economy engaged in the delivery of mail
2 matter.

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

7 (A) has been an officer, employee, or pri-
8 vate contractor with the Postal Service or the
9 Postal Regulatory Commission; or

10 (B) has served as an employee or con-
11 tractor of a labor organization representing em-
12 ployees of the Postal Service or the Postal Reg-
13 ulatory Commission.

14 **SEC. 204. ORGANIZATION.**

15 (a) ADOPTION OF BY-LAWS FOR CONDUCTING BUSI-
16 NESS.—As soon as practicable after the appointment of
17 its members, the Authority shall adopt by-laws, rules, and
18 procedures governing its activities under this title, includ-
19 ing procedures for hiring experts and consultants. Upon
20 adoption, such by-laws, rules, and procedures shall be sub-
21 mitted by the Authority to the Postmaster General, the
22 President, and Congress.

23 (b) CERTAIN ACTIVITIES REQUIRING APPROVAL OF
24 MAJORITY OF MEMBERS.—Under its by-laws, the Author-
25 ity may conduct its operations under such procedures as

1 it considers appropriate, except that an affirmative vote
2 of a majority of the members of the Authority shall be
3 required in order for the Authority to—

4 (1) approve or disapprove a financial plan and
5 budget as described by subtitle C;

6 (2) implement recommendations on financial
7 stability and management responsibility under sec-
8 tion 226;

9 (3) take any action under authority of section
10 202(b)(3)(B)(i); or

11 (4) initiate the establishment of a new workers'
12 compensation system for the Postal Service in ac-
13 cordance with section 311.

14 **SEC. 205. EXECUTIVE DIRECTOR AND STAFF.**

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

22 (b) **STAFF.**—With the approval of the Authority, the
23 Executive Director may appoint and fix the pay of such
24 additional personnel as the Executive Director considers
25 appropriate, except that no individual appointed by the

1 Executive Director may be paid at a rate greater than the
2 rate of pay for the Executive Director. Personnel ap-
3 pointed under this subsection shall serve at the pleasure
4 of the Executive Director.

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

13 (d) STAFF OF FEDERAL AGENCIES.—Upon request
14 of the Chair, the head of any Federal department or agen-
15 cy may detail, on a reimbursable or nonreimbursable basis,
16 any of the personnel of such department or agency to the
17 Authority to assist it in carrying out its duties under this
18 title.

19 **SEC. 206. FUNDING.**

20 (a) IN GENERAL.—There are authorized to be appro-
21 priated, out of the Postal Service Fund, such sums as may
22 be necessary for the Authority. In requesting an appro-
23 priation under this section for a fiscal year, the Authority
24 shall prepare and submit to the Congress under section
25 2009 of title 39, United States Code, a budget of the

1 Authority's expenses, including expenses for facilities, sup-
2 plies, compensation, and employee benefits not to exceed
3 \$10,000,000. In years in which a control period com-
4 mences, the Authority shall submit a budget within 30
5 days of the appointment of the members of the Authority.

6 (b) AMENDMENT TO SECTION 2009.—Section 2009
7 is amended in the next to last sentence—

8 (1) by striking “, and (3)” and inserting “,
9 (3)”; and

10 (2) by striking the period and inserting “, and
11 (4) the Postal Service Financial Responsibility and
12 Management Assistance Authority requests to be ap-
13 propriated, out of the Postal Service Fund, under
14 section 206 of the Postal Reform Act of 2011.”.

15 **Subtitle B—Powers of the** 16 **Authority**

17 **SEC. 211. POWERS.**

18 (a) POWERS OF MEMBERS AND AGENTS.—Any mem-
19 ber or agent of the Authority may, if authorized by the
20 Authority, take any action which the Authority is author-
21 ized by this section to take.

22 (b) OBTAINING OFFICIAL DATA FROM THE POSTAL
23 SERVICE.—Notwithstanding any other provision of law,
24 the Authority may secure copies of such records, docu-
25 ments, information, or data from any entity of the Postal

1 Service necessary to enable the Authority to carry out its
2 responsibilities under this title. At the request of the Au-
3 thority, the Authority shall be granted direct access to
4 such information systems, records, documents, informa-
5 tion, or data as will enable the Authority to carry out its
6 responsibilities under this title. The head of the relevant
7 entity of the Postal Service shall provide the Authority
8 with such information and assistance (including granting
9 the Authority direct access to automated or other informa-
10 tion systems) as the Authority requires under this sub-
11 section.

12 (c) GIFTS, BEQUESTS, AND DEVISES.—The Author-
13 ity may accept, use, and dispose of gifts, bequests, or de-
14 vises of services or property, both real and personal, for
15 the purpose of aiding or facilitating the work of the Au-
16 thority. Gifts, bequests, or devises of money and proceeds
17 from sales of other property received as gifts, bequests,
18 or devises shall be deposited in such account as the Au-
19 thority may establish and shall be available for disburse-
20 ment upon order of the Chair.

21 (d) ADMINISTRATIVE SUPPORT SERVICES.—Upon
22 the request of the Authority, the Administrator of General
23 Services may provide to the Authority, on a reimbursable
24 basis, the administrative support services necessary for the
25 Authority to carry out its responsibilities under this title.

1 (e) AUTHORITY TO ENTER INTO CONTRACTS.—The
2 Executive Director may enter into such contracts as the
3 Executive Director considers appropriate (subject to the
4 approval of the Chair) to carry out the Authority's respon-
5 sibilities under this title.

6 (f) CIVIL ACTIONS TO ENFORCE POWERS.—The Au-
7 thority may seek judicial enforcement of its authority to
8 carry out its responsibilities under this title.

9 (g) PENALTIES.—

10 (1) ADMINISTRATIVE DISCIPLINE.—Any officer
11 or employee of the Postal Service who, by action or
12 inaction, fails to comply with any directive or other
13 order of the Authority under section 226(c) shall be
14 subject to appropriate administrative discipline, in-
15 cluding suspension from duty without pay or re-
16 moval from office, by order of either the Postmaster
17 General or the Authority.

18 (2) REPORTING REQUIREMENT.—Whenever an
19 officer or employee of the Postal Service takes or
20 fails to take any action which is noncompliant with
21 any directive or other order of the Authority under
22 section 226(c), the Postmaster General shall imme-
23 diately report to the Authority all pertinent facts, to-
24 gether with a statement of any actions taken by the

1 Postmaster General or proposed by the Postmaster
2 General to be taken under paragraph (1).

3 (h) SENSE OF CONGRESS.—It is the sense of Con-
4 gress that, in making determinations that affect prior col-
5 lective bargaining agreements and prior agreements on
6 workforce reduction, any rightsizing effort within the
7 Postal Service that results in a decrease in the number
8 of postal employees should ensure that such employees can
9 receive their full pensions, are fully compensated, and that
10 the collective bargaining agreements and prior agreements
11 on workforce reduction that they entered into with Postal
12 Service management are fully honored.

13 **SEC. 212. EXEMPTION FROM LIABILITY FOR CLAIMS.**

14 The Authority and its members may not be liable for
15 any obligation of or claim against the Postal Service re-
16 sulting from actions taken to carry out this title.

17 **SEC. 213. TREATMENT OF ACTIONS ARISING UNDER THIS**
18 **TITLE.**

19 (a) JURISDICTION ESTABLISHED IN UNITED STATES
20 COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA
21 CIRCUIT.—A person (including the Postal Service) ad-
22 versely affected or aggrieved by an order or decision of
23 the Authority may, within 30 days after such order or de-
24 cision becomes final, institute proceedings for review
25 thereof by filing a petition in the United States Court of

1 Appeals for the District of Columbia Circuit. The court
2 shall review the order or decision in accordance with sec-
3 tion 706 of title 5, United States Code, and chapter 158
4 and section 2112 of title 28, United States Code. Judicial
5 review shall be limited to the question of whether the Au-
6 thority acted in excess of its statutory authority, and de-
7 terminations of the Authority with respect to the scope
8 of its statutory authority shall be upheld if based on a
9 permissible construction of the statutory authority.

10 (b) PROMPT APPEAL TO THE SUPREME COURT.—
11 Notwithstanding any other provision of law, review by the
12 Supreme Court of the United States of a decision of the
13 Court of Appeals which is issued pursuant to subsection
14 (a) may be had only if the petition for such review is filed
15 within 10 days after the entry of such decision.

16 (c) TIMING OF RELIEF.—No order of any court
17 granting declaratory or injunctive relief against the Au-
18 thority, including relief permitting or requiring the obliga-
19 tion, borrowing, or expenditure of funds, shall take effect
20 during the pendency of the action before such court, dur-
21 ing the time appeal may be taken, or (if appeal is taken)
22 during the period before the court has entered its final
23 order disposing of such action.

24 (d) EXPEDITED CONSIDERATION.—It shall be the
25 duty of the United States Court of Appeals for the District

1 of Columbia and the Supreme Court of the United States
2 to advance on the docket and to expedite to the greatest
3 possible extent the disposition of any matter brought
4 under subsection (a).

5 **SEC. 214. DELIVERY POINT MODERNIZATION.**

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

7 (1) the term “delivery point” means a mailbox
8 or other receptacle to which mail is delivered;

9 (2) the term “primary mode of delivery” means
10 the typical method by which the Postal Service deliv-
11 ers letter mail to the delivery point of a postal pa-
12 tron;

13 (3) the term “door delivery” means a primary
14 mode of mail delivery whereby mail is placed into a
15 slot or receptacle at or near the postal patron’s door
16 or is hand delivered to a postal patron, but does not
17 include curbside or centralized delivery;

18 (4) the term “centralized delivery” means a pri-
19 mary mode of mail delivery whereby mail receptacles
20 are grouped or clustered at a single location; and

21 (5) the term “curbside delivery” means a pri-
22 mary mode of mail delivery whereby a mail recep-
23 tacle is situated at the edge of a roadway or curb.

24 (b) REDUCTION IN TOTAL NUMBER OF DELIVERY
25 POINTS.—The Authority shall, during the first control pe-

1 riod commencing under this title, take such measures as
2 may be necessary and appropriate so that—

3 (1) in each fiscal year beginning at least 2
4 years after the commencement date of such first
5 control period—

6 (A) the total number of delivery points for
7 which door delivery is the primary mode of mail
8 delivery does not exceed 25 percent of the cor-
9 responding number for the fiscal year last end-
10 ing before such commencement date; and

11 (B) the total annual costs attributable to
12 door delivery, centralized delivery, and curbside
13 delivery combined will be at least
14 \$3,500,000,000 less than the corresponding
15 total annual costs for the fiscal year last ending
16 before such commencement date; and

17 (2) in each fiscal year beginning at least 4
18 years after the commencement date of such first
19 control period, the total number of delivery points
20 for which door delivery is the primary mode of mail
21 delivery does not exceed 10 percent of the cor-
22 responding number for the fiscal year last ending be-
23 fore such commencement date.

24 In making any decision under this subsection involving the
25 continuation or termination of door delivery with respect

1 to any locality or addresses within a locality, the Authority
2 shall consider rates of poverty, population density, histor-
3 ical value, whether such locality is in a registered historic
4 district (as that term is defined in section 47(c)(3)(B) of
5 the Internal Revenue Code of 1986), whether such address
6 is another place on the National Register of Historic
7 Places, and other appropriate factors.

8 (c) ORDER OF PRECEDENCE.—In order to carry out
9 subsection (b)—

10 (1) in making conversions from door delivery to
11 other primary modes of delivery—

12 (A) conversion shall be to centralized deliv-
13 ery; except

14 (B) if subparagraph (A) is impractical,
15 conversion shall be to curbside delivery; and

16 (2) in the case of delivery points established
17 after the commencement date of the first control pe-
18 riod under this title—

19 (A) centralized delivery shall be the pri-
20 mary mode of delivery; except

21 (B) if subparagraph (A) is impractical,
22 curbside delivery shall be the primary mode of
23 delivery.

24 (d) WAIVER FOR PHYSICAL HARDSHIP.—The Postal
25 Service shall establish and maintain a waiver program

1 under which, upon application, door delivery may be con-
2 tinued or provided in any case in which—

3 (1) centralized or curbside delivery would, but
4 for this subsection, otherwise be the primary mode
5 of delivery; and

6 (2) door delivery is necessary in order to avoid
7 causing significant physical hardship to a postal pa-
8 tron.

9 (e) CENTRALIZED DELIVERY PLACEMENT.—It is the
10 sense of the Congress that the Postal Service should nego-
11 tiate with State and local governments, businesses, local
12 associations, and property owners to place centralized de-
13 livery units in locations that maximize delivery efficiency,
14 ease of use for postal patrons, and respect for private
15 property rights.

16 (f) VOUCHER PROGRAM.—

17 (1) IN GENERAL.—The Postal Service may, in
18 accordance with such standards and procedures as
19 the Postal Service shall by regulation prescribe, pro-
20 vide for a voucher program under which—

21 (A) upon application, the Postal Service
22 may defray all or any portion of the costs asso-
23 ciated with conversion from door delivery under
24 this section which would otherwise be borne by
25 postal patrons; and

1 (B) the Postal Service Competitive Prod-
2 ucts Fund is made available for that purpose.

3 (2) CONFORMING AMENDMENT.—Section
4 2011(a)(2) is amended—

5 (A) in subparagraph (A), by striking
6 “and” after the semicolon;

7 (B) in subparagraph (B), by striking the
8 period and inserting “; and”; and

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

10 “(C) vouchers under the program described in
11 section 214(f)(1) of the Postal Reform Act of
12 2011.”.

13 (g) AUDITS.—

14 (1) IN GENERAL.—The Inspector General of
15 the United States Postal Service—

16 (A) shall conduct an annual audit to deter-
17 mine whether the Postal Service is in compli-
18 ance with the requirements of subsection (b);
19 and

20 (B) shall make such recommendations as
21 the Inspector General considers appropriate to
22 improve the administration of such subsection.

23 (2) SUBMISSION.—The audit and recommenda-
24 tions under paragraph (1) shall be submitted by the
25 Inspector General to—

1 (A) the Committee on Oversight and Gov-
2 ernment Reform of the House of Representa-
3 tives; and

4 (B) the Committee on Homeland Security
5 and Governmental Affairs of the Senate.

6 (3) INFORMATION.—Upon request, the Postal
7 Service shall furnish such information as the Inspec-
8 tor General may require in order to carry out this
9 subsection.

10 (h) SAVINGS REPORT.—

11 (1) IN GENERAL.—In the event that a reduction
12 in door delivery points is required under this section,
13 the Authority shall submit a report to Congress, not
14 later than 1 year after the date on which such re-
15 ductions commence, describing the cost savings real-
16 ized to the date of such submission and the esti-
17 mated additional cost savings anticipated as a result
18 of such reductions occurring after such submission.

19 The report shall include—

20 (A) the measures taken to achieve the real-
21 ized savings and the assumptions and meth-
22 odologies used to compute the estimated cost
23 savings; and

1 (B) information with respect to what addi-
2 tional measures might be necessary to achieve
3 the cost savings required under this section.

4 (2) REDUCTION LIMITATION.—Notwithstanding
5 any other provision of this Act, if the Authority de-
6 termines that the measures described pursuant to
7 subparagraphs (A) and (B) of paragraph (1) are not
8 feasible, not cost effective, or otherwise detrimental
9 to the mail delivery policy of the Postal Service, the
10 Authority shall submit a report to Congress stating
11 any legislative changes recommended for door deliv-
12 ery modernization procedures under this section, in-
13 cluding increasing flexibility of this section's require-
14 ments or the postponement of further conversion.

15 **Subtitle C—Establishment and En-**
16 **forcement of Financial Plan and**
17 **Budget for the Postal Service**

18 **SEC. 221. DEVELOPMENT OF FINANCIAL PLAN AND BUDG-**
19 **ET FOR THE POSTAL SERVICE.**

20 (a) DEVELOPMENT OF FINANCIAL PLAN AND BUDG-
21 ET.—For each fiscal year for which the Postal Service is
22 in a control period, the Postmaster General shall develop
23 and submit to the Authority a financial plan and budget
24 for the Postal Service in accordance with this section.

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

2 A financial plan and budget for the Postal Service for a
3 fiscal year shall specify the budget for the Postal Service
4 as required by section 2009 of title 39, United States
5 Code, for the applicable fiscal year and 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 title, including provisions for—

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

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

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

18 (1) IN GENERAL.—The requirements to pro-
19 mote the financial stability of the Postal Service ap-
20 plicable to the financial plan and budget for a fiscal
21 year are as follows:

22 (A) In each fiscal year (following the first
23 full fiscal year) in a control period, budgeted
24 expenditures of the Postal Service for the fiscal
25 year involved may not exceed budgeted revenues

1 of the Postal Service for the fiscal year in-
2 volved.

3 (B) In each fiscal year in a control period,
4 the Postal Service shall make continuous, sub-
5 stantial progress towards long-term fiscal sol-
6 vency and shall have substantially greater net
7 income than in the previous fiscal year.

8 (C) The Postal Service shall provide for
9 the orderly liquidation of any supplementary
10 debt under section 222.

11 (D) The financial plan and budget shall
12 assure the continuing long-term financial sta-
13 bility of the Postal Service, as indicated by fac-
14 tors such as the efficient management of the
15 Postal Service's workforce and the effective pro-
16 vision of services by the Postal Service.

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

1 (3) ASSUMPTIONS BASED ON CURRENT LAW.—

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

8 **SEC. 222. SUPPLEMENTARY BORROWING AUTHORITY DUR-**
9 **ING A CONTROL PERIOD.**

10 (a) IN GENERAL.—Upon the commencement of a
11 control period, subject to the approval of the Authority,
12 the Postal Service is authorized to borrow money and issue
13 and sell such obligations as may be necessary to carry out
14 the purposes of this title, to the same extent, in the same
15 manner, and subject to the same terms and conditions as
16 if the maximum amount allowable under the provisions of
17 section 2005(a)(2) of title 39, United States Code, for the
18 fiscal year involved were equal to the maximum amount
19 which (but for this section) would otherwise be allowable
20 under such provisions, increased by \$10,000,000,000. The
21 authorization to issue obligations under this section shall
22 extend for a period of not more than 10 years beginning
23 on the date of commencement of a control period, as de-
24 scribed in section 202(b). At the end of such a 10-year
25 period, the Postal Service shall dispose of real property

1 of the Postal Service generating sufficient proceeds to
2 repay any outstanding obligation incurred under this sub-
3 section in its entirety.

4 (b) EXCLUSION.—The last sentence of section
5 2005(a)(1) of title 39, United States Code, shall not apply
6 with respect to any amounts borrowed or obligations
7 issued or sold under authority of this section (which, but
8 for subsection (a), would not otherwise have been allow-
9 able).

10 (c) DEPOSIT.—Any amounts received under this sec-
11 tion shall be deposited in the Postal Service Fund.

12 (d) COLLATERAL.—For the purposes of funds ac-
13 quired under subsection (a), the Postal Service shall pro-
14 vide an appropriate level of collateral in the form of
15 pledged Postal Service property assets. For each fiscal
16 year in which there remain funds made available to the
17 Postal Service under subsection (a), the Postal Service
18 shall dispose of real property equal to an amount that is
19 at least 10 percent of the total funds obligated by the
20 Postal Service under subsection (a), and the proceeds of
21 such disposal shall be used to repay any outstanding obli-
22 gation made by the Postal Service under subsection (a)
23 in its entirety.

1 **SEC. 223. PROCESS FOR SUBMISSION AND APPROVAL OF FI-**
2 **NANCIAL PLAN AND BUDGET.**

3 (a) IN GENERAL.—For each fiscal year for which the
4 Postal Service is in a control period, the Postmaster Gen-
5 eral shall submit to the Authority—

6 (1) by February 1 before the start of such fiscal
7 year, a preliminary financial plan and budget under
8 section 221 for such fiscal year; and

9 (2) by August 1 before the start of such fiscal
10 year, a final financial plan and budget under section
11 221 for such fiscal year.

12 (b) REVIEW BY AUTHORITY.—Upon receipt of a fi-
13 nancial plan and budget under subsection (a) (whether
14 preliminary or final), the Authority shall promptly review
15 such financial plan and budget. In conducting the review,
16 the Authority may request any additional information it
17 considers necessary and appropriate to carry out its duties
18 under this subtitle.

19 (c) APPROVAL OF POSTMASTER GENERAL'S FINAN-
20 CIAL PLAN AND BUDGET.—

21 (1) IN GENERAL.—If the Authority determines
22 that the final financial plan and budget for the fiscal
23 year submitted by the Postmaster General under
24 subsection (a) meets the requirements of section
25 221—

1 (A) the Authority shall approve the finan-
2 cial plan and budget and shall provide the Post-
3 master General, the President, and Congress
4 with a notice certifying its approval; and

5 (B) the Postmaster General shall promptly
6 submit the annual budget program to the Office
7 of Management and Budget pursuant to section
8 2009 of title 39, United States Code.

9 (2) DEEMED APPROVAL AFTER 30 DAYS.—

10 (A) IN GENERAL.—If the Authority has
11 not provided the Postmaster General, the Presi-
12 dent, and Congress with a notice certifying ap-
13 proval under paragraph (1)(A) or a statement
14 of disapproval under subsection (d) before the
15 expiration of the 30-day period which begins on
16 the date the Authority receives the financial
17 plan and budget from the Postmaster General
18 under subsection (a), the Authority shall be
19 deemed to have approved the financial plan and
20 budget and to have provided the Postmaster
21 General, the President, and Congress with the
22 notice certifying approval under paragraph
23 (1)(A).

24 (B) EXPLANATION OF FAILURE TO RE-
25 SPOND.—If subparagraph (A) applies with re-

1 spect to a financial plan and budget, the Au-
2 thority shall provide the Postmaster General,
3 the President and Congress with an explanation
4 for its failure to provide the notice certifying
5 approval or the statement of disapproval during
6 the 30-day period described in such subpara-
7 graph.

8 (d) DISAPPROVAL OF POSTMASTER GENERAL'S
9 BUDGET.—If the Authority determines that the final fi-
10 nancial plan and budget for the fiscal year submitted by
11 the Postmaster General under subsection (a) does not
12 meet the requirements applicable under section 221, the
13 Authority shall disapprove the financial plan and budget,
14 and shall provide the Postmaster General, the President,
15 and Congress with a statement containing—

16 (1) the reasons for such disapproval;
17 (2) the amount of any shortfall in the budget
18 or financial plan; and
19 (3) any recommendations for revisions to the
20 budget the Authority considers appropriate to ensure
21 that the budget is consistent with the financial plan
22 and budget.

23 (e) AUTHORITY REVIEW OF POSTMASTER GEN-
24 ERAL'S REVISED FINAL FINANCIAL PLAN AND BUDG-
25 ET.—

1 (1) SUBMISSION OF POSTMASTER GENERAL'S
2 REVISED FINAL FINANCIAL PLAN AND BUDGET.—
3 Not later than 15 days after receiving the statement
4 from the Authority under subsection (d), the Post-
5 master General shall promptly adopt a revised final
6 financial plan and budget for the fiscal year which
7 addresses the reasons for the Authority's disapproval
8 cited in the statement, and shall submit such finan-
9 cial plan and budget to the Authority.

10 (2) APPROVAL OF POSTMASTER GENERAL'S RE-
11 VISED FINAL FINANCIAL PLAN AND BUDGET.—If,
12 after reviewing the revised final financial plan and
13 budget for a fiscal year submitted by the Postmaster
14 General under paragraph (1) in accordance with the
15 procedures described in this section, the Authority
16 determines that the revised final financial plan and
17 budget meets the requirements applicable under sec-
18 tion 221—

19 (A) the Authority shall approve the finan-
20 cial plan and budget and shall provide the Post-
21 master General, the President, and Congress
22 with a notice certifying its approval; and

23 (B) the Postmaster General shall promptly
24 submit the annual budget program to the Office

1 of Management and Budget pursuant to section
2 2009 of title 39, United States Code.

3 (3) DISAPPROVAL OF POSTMASTER GENERAL'S
4 REVISED FINAL FINANCIAL PLAN AND BUDGET.—

5 (A) IN GENERAL.—If, after reviewing the
6 revised final financial plan and budget for a fis-
7 cal year submitted by the Postmaster General
8 under paragraph (1) in accordance with the
9 procedures described in this subsection, the Au-
10 thority determines that the revised final finan-
11 cial plan and budget does not meet the applica-
12 ble requirements under section 221, the Author-
13 ity shall—

14 (i) disapprove the financial plan and
15 budget;

16 (ii) provide the Postmaster General,
17 the President, and Congress with a state-
18 ment containing the reasons for such dis-
19 approval and describing the amount of any
20 shortfall in the financial plan and budget;
21 and

22 (iii) approve and recommend a finan-
23 cial plan and budget for the Postal Service
24 which meets the applicable requirements
25 under section 221, and submit such finan-

1 cial plan and budget to the Postmaster
2 General, the President, and Congress.

3 (B) SUBMISSION TO OMB.—Upon receipt
4 of the recommended financial plan and budget
5 under subparagraph (A)(iii), the Postmaster
6 General shall promptly submit the rec-
7 ommended annual budget program to the Office
8 of Management and Budget pursuant to section
9 2009 of title 39, United States Code.

10 (4) DEEMED APPROVAL AFTER 15 DAYS.—

11 (A) IN GENERAL.—If the Authority has
12 not provided the Postmaster General, the Presi-
13 dent, and Congress with a notice certifying ap-
14 proval under paragraph (2)(A) or a statement
15 of disapproval under paragraph (3) before the
16 expiration of the 15-day period which begins on
17 the date the Authority receives the revised final
18 financial plan and budget submitted by the
19 Postmaster General under paragraph (1), the
20 Authority shall be deemed to have approved the
21 revised final financial plan and budget and to
22 have provided the Postmaster General, the
23 President, and Congress with the notice certi-
24 fying approval described in paragraph (2)(A).

1 (B) EXPLANATION OF FAILURE TO RE-
2 SPOND.—If subparagraph (A) applies with re-
3 spect to a financial plan and budget, the Au-
4 thority shall provide the Postmaster General,
5 the President and Congress with an explanation
6 for its failure to provide the notice certifying
7 approval or the statement of disapproval during
8 the 15-day period described in such subpara-
9 graph.

10 (f) DEADLINE FOR TRANSMISSION OF FINANCIAL
11 PLAN AND BUDGET BY AUTHORITY.—Notwithstanding
12 any other provision of this section, not later than Sep-
13 tember 30th before each fiscal year which is in a control
14 period, the Authority shall—

15 (1) provide Congress with a notice certifying its
16 approval of the Postmaster General’s initial financial
17 plan and budget for the fiscal year under subsection
18 (c);

19 (2) provide Congress with a notice certifying its
20 approval of the Postmaster General’s revised final fi-
21 nancial plan and budget for the fiscal year under
22 subsection (e)(2); or

23 (3) submit to Congress an approved and rec-
24 ommended financial plan and budget of the Author-

1 ity for the Postal Service for the fiscal year under
2 subsection (e)(3)(A)(iii).

3 (g) REVISIONS TO FINANCIAL PLAN AND BUDGET.—

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

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

11 Except as provided in paragraph (3), the procedures
12 described in subsections (b), (c), (d), and (e) shall
13 apply with respect to a proposed revision to a finan-
14 cial plan and budget in the same manner as such
15 procedures apply with respect to the original finan-
16 cial plan and budget.

17 (3) EXCEPTION FOR REVISIONS NOT AFFECT-
18 ING SPENDING.—To the extent that a proposed revi-
19 sion to a financial plan and budget adopted by the
20 Postmaster General pursuant to this subsection does
21 not increase the amount of spending with respect to
22 any account of the Postal Service, the revision shall
23 become effective upon the Authority's approval of
24 such revision.

1 **SEC. 224. RESPONSIBILITIES OF THE AUTHORITY.**

2 (a) IN GENERAL.—The Authority shall direct the ex-
3 ercise of the powers of the Postal Service, including—

4 (1) determining its overall strategies (both long-
5 term and short-term);

6 (2) determining its organizational structure,
7 particularly for senior management at the level of
8 vice president and higher;

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

13 (4) approving major policies, particularly those
14 that have an important effect on the Postal Service's
15 financial position and the provision of universal
16 postal service;

17 (5) approving corporate budgets, financial and
18 capital plans, operational and service performance
19 standards and targets, human resources strategies,
20 collective bargaining strategies, negotiation param-
21 eters, and collective bargaining agreements, and the
22 compensation structure for nonbargaining employ-
23 ees;

24 (6) approving substantial capital projects and
25 any substantial disposition of capital assets, such as
26 surplus property;

1 (7) approving changes in rates and classifica-
2 tions, new products and services, policy regarding
3 other substantial matters before the Postal Regu-
4 latory Commission, and any appeals of its decisions
5 or orders to the Federal courts;

6 (8) approving the Postal Service Annual Re-
7 port, Annual Comprehensive Statement, and stra-
8 tegic plans, performance plans, and performance
9 program reports under chapter 28 of title 39,
10 United States Code;

11 (9) formulating and communicating organiza-
12 tional policy and positions on legislative and other
13 public policy matters to Congress and the public;

14 (10) ensuring organizational responsiveness to
15 oversight by Congress, the Postal Regulatory Com-
16 mission, the Treasury of the United States, and
17 other audit entities;

18 (11) ensuring adequate internal controls and
19 selecting, monitoring, and compensating an inde-
20 pendent public accounting firm to conduct an annual
21 audit of the Postal Service; and

22 (12) carrying out any responsibility, not other-
23 wise listed in this subsection, that was the responsi-
24 bility of the Board of Governors at any time during

1 the 5-year period ending on the date of the enact-
2 ment of this Act.

3 (b) REVIEW OF POSTAL SERVICE PROPOSALS.—

4 (1) SUBMISSION OF POSTAL SERVICE PRO-
5 POSALS TO THE AUTHORITY.—During a control pe-
6 riod, the Postmaster General shall submit to the Au-
7 thority any proposal that has a substantial effect on
8 any item listed in subsection (a).

9 (2) PROMPT REVIEW BY AUTHORITY.—Upon re-
10 ceipt of a proposal from the Postmaster General
11 under paragraph (1), the Authority shall promptly
12 review the proposal to determine whether it is con-
13 sistent with the applicable financial plan and budget
14 approved under this title.

15 (3) ACTIONS BY AUTHORITY.—

16 (A) APPROVAL.—If the Authority deter-
17 mines that a proposal is consistent with the ap-
18 plicable financial plan and budget, the Author-
19 ity shall notify the Postmaster General that it
20 approves the proposal.

21 (B) FINDING OF INCONSISTENCY.—If the
22 Authority determines that a proposal is signifi-
23 cantly inconsistent with the applicable financial
24 plan and budget, the Authority shall—

1 (i) notify the Postmaster General of
2 its finding;

3 (ii) provide the Postmaster General
4 with an explanation of the reasons for its
5 finding; and

6 (iii) to the extent the Authority con-
7 siders appropriate, provide the Postmaster
8 General with recommendations for modi-
9 fications to the proposal.

10 (4) DEEMED APPROVAL.—If the Authority does
11 not notify the Postmaster General that it approves
12 or disapproves a proposal submitted under this sub-
13 section during the 7-day period which begins on the
14 date the Postmaster General submits the proposal to
15 the Authority, the Authority shall be deemed to have
16 approved the proposal in accordance with paragraph
17 (3)(A). At the option of the Authority, the previous
18 sentence shall be applied as if the reference in such
19 sentence to “7-day period” were a reference to “14-
20 day period” if, during the 7-day period referred to
21 in the preceding sentence, the Authority so notifies
22 the Postmaster General.

23 (c) EFFECT OF APPROVED FINANCIAL PLAN AND
24 BUDGET ON CONTRACTS AND LEASES.—

1 (1) MANDATORY PRIOR APPROVAL FOR CER-
2 TAIN CONTRACTS AND LEASES.—

3 (A) IN GENERAL.—In the case of a con-
4 tract or lease described in subparagraph (B)
5 which is proposed to be entered into, renewed,
6 modified, or extended by the Postal Service dur-
7 ing a control period, the Postmaster General
8 (or the appropriate officer or agent of the Post-
9 al Service) shall submit the proposed contract
10 or lease to the Authority. The Authority shall
11 review each contract or lease submitted under
12 this subparagraph, and the Postmaster General
13 (or the appropriate officer or agent of the Post-
14 al Service) may not enter into the contract or
15 lease unless the Authority determines that the
16 proposed contract or lease is consistent with the
17 financial plan and budget for the fiscal year.

18 (B) CONTRACTS AND LEASES DE-
19 SCRIBED.—A contract or lease described in this
20 subparagraph is—

- 21 (i) a labor contract entered into
22 through collective bargaining; or
23 (ii) such other type of contract or
24 lease as the Authority may specify for pur-
25 poses of this subparagraph.

1 (2) AUTHORITY TO REVIEW OTHER CONTRACTS
2 AFTER EXECUTION.—

3 (A) IN GENERAL.—In addition to the prior
4 approval of certain contracts and leases, the
5 Postal Service shall submit to the Authority—

6 (i) any Level-Two Post Career Execu-
7 tive Service employee contract that is in ef-
8 fect during a control period; and

9 (ii) any collective bargaining agree-
10 ment entered into by the Postal Service
11 that is in effect during a control period.

12 Any such contract or agreement shall be sub-
13 mitted to the Authority upon the commence-
14 ment of a control period and at such other
15 times as the Authority may require.

16 (B) REVIEW BY AUTHORITY.—The Author-
17 ity shall review each contract submitted under
18 subparagraph (A) to determine if the contract
19 is consistent with the financial plan and budget
20 for the fiscal year. If the Authority determines
21 that the contract is not consistent with the fi-
22 nancial plan and budget, the Authority shall
23 take such actions as are within the Authority's
24 powers to revise the contract.

1 **SEC. 225. EFFECT OF FINDING NONCOMPLIANCE WITH FI-**
2 **NANCIAL PLAN AND BUDGET.**

3 (a) SUBMISSION OF REPORTS.—Not later than 30
4 days after the expiration of each quarter of each fiscal
5 year beginning in a control period, the Postmaster General
6 shall submit reports to the Authority describing the actual
7 revenues obtained and expenditures made by the Postal
8 Service during the quarter with its cash flows during the
9 quarter, and comparing such actual revenues, expendi-
10 tures, and cash flows with the most recent projections for
11 these items.

12 (b) ADDITIONAL INFORMATION.—If the Authority
13 determines, based on reports submitted by the Postmaster
14 General under subsection (a), independent audits, or such
15 other information as the Authority may obtain, that the
16 revenues or expenditures of the Postal Service during a
17 control period are not consistent with the financial plan
18 and budget for the year, the Authority shall require the
19 Postmaster General to provide such additional information
20 as the Authority determines to be necessary to explain the
21 inconsistency.

22 (c) CERTIFICATION OF VARIANCE.—

23 (1) IN GENERAL.—After requiring the Post-
24 master General to provide additional information
25 under subsection (b), the Authority shall certify to
26 the Postmaster General, the President, the Secretary

1 of the Treasury, and Congress that the Postal Serv-
2 ice is at variance with the financial plan and budget
3 unless—

4 (A) the additional information provides an
5 explanation for the inconsistency which the Au-
6 thority finds reasonable and appropriate; or

7 (B)(i) the Postal Service adopts or imple-
8 ments remedial action (including revising the fi-
9 nancial plan and budget pursuant to section
10 223(g)) to correct the inconsistency which the
11 Authority finds reasonable and appropriate,
12 taking into account the terms of the financial
13 plan and budget; and

14 (ii) the Postmaster General agrees to sub-
15 mit the reports described in subsection (a) on
16 a monthly basis for such period as the Author-
17 ity may require.

18 (2) SPECIAL RULE FOR INCONSISTENCIES AT-
19 TRIBUTABLE TO ACTS OF CONGRESS.—

20 (A) DETERMINATION BY AUTHORITY.—If
21 the Authority determines that the revenues or
22 expenditures of the Postal Service during a con-
23 trol period are not consistent with the financial
24 plan and budget for the year as approved by
25 the Authority under section 223 as a result of

1 the terms and conditions of any law enacted by
2 Congress which affects the Postal Service, the
3 Authority shall so notify the Postmaster Gen-
4 eral.

5 (B) CERTIFICATION.—In the case of an in-
6 consistency described in subparagraph (A), the
7 Authority shall certify to the Postmaster Gen-
8 eral, the President, the Secretary of the Treas-
9 ury, and Congress that the Postal Service is at
10 variance with the financial plan and budget un-
11 less the Postal Service adopts or implements re-
12 medial action (including revising the financial
13 plan and budget pursuant to section 202(e)) to
14 correct the inconsistency which the Authority
15 finds reasonable and appropriate, taking into
16 account the terms of the financial plan and
17 budget.

18 (d) EFFECT OF CERTIFICATION.—If the Authority
19 certifies to the Secretary of the Treasury that a variance
20 exists, the Authority or the Secretary may withhold access
21 by the Postal Service to additional supplementary debt au-
22 thorized by this title.

1 **SEC. 226. RECOMMENDATIONS REGARDING FINANCIAL**
2 **STABILITY, ETC.**

3 (a) IN GENERAL.—The Authority may at any time
4 submit recommendations to the Postmaster General, the
5 President, and Congress on actions the Postal Service or
6 any other entity of the Federal Government should take
7 to ensure compliance by the Postal Service with a financial
8 plan and budget or to otherwise promote the financial sta-
9 bility, management responsibility, and service delivery effi-
10 ciency of the Postal Service, including recommendations
11 relating to—

12 (1) the management of the Postal Service's fi-
13 nancial affairs, including cash forecasting, informa-
14 tion technology, placing controls on expenditures for
15 personnel, reducing benefit costs, reforming procure-
16 ment practices, and placing other controls on ex-
17 penditures;

18 (2) the relationship between the Postal Service
19 and other entities of the Federal Government;

20 (3) the structural relationship of subdivisions
21 within the Postal Service;

22 (4) the modification of existing revenue struc-
23 tures, or the establishment of additional revenue
24 structures;

25 (5) the establishment of alternatives for meet-
26 ing obligations to pay for the pensions and retire-

1 ment benefits of current and future Postal Service
2 retirees;

3 (6) modifications of services which are the re-
4 sponsibility of and are delivered by the Postal Serv-
5 ice;

6 (7) modifications of the types of services which
7 are delivered by entities other than the Postal Serv-
8 ice under alternative service delivery mechanisms;

9 (8) the effects of Federal Government laws and
10 court orders on the operations of the Postal Service;

11 (9) the increased use of a personnel system for
12 employees of the Postal Service which is based upon
13 employee performance standards; and

14 (10) the improvement of personnel training and
15 proficiency, the adjustment of staffing levels, and
16 the improvement of training and performance of
17 management and supervisory personnel.

18 (b) RESPONSE TO RECOMMENDATIONS FOR ACTIONS
19 WITHIN AUTHORITY OF POSTAL SERVICE.—

20 (1) IN GENERAL.—In the case of any rec-
21 ommendations submitted under subsection (a) dur-
22 ing a control period which are within the authority
23 of the Postal Service to adopt, not later than 90
24 days after receiving the recommendations, the Post-
25 master General shall submit a statement to the Au-

1 thority, the President, and Congress which provides
2 notice as to whether the Postal Service will adopt
3 the recommendations.

4 (2) IMPLEMENTATION PLAN REQUIRED FOR
5 ADOPTED RECOMMENDATIONS.—If the Postmaster
6 General notifies the Authority and Congress under
7 paragraph (1) that the Postal Service will adopt any
8 of the recommendations submitted under subsection
9 (a), the Postmaster General shall include in the
10 statement a written plan to implement the rec-
11 ommendation which includes—

12 (A) specific performance measures to de-
13 termine the extent to which the Postal Service
14 has adopted the recommendation; and

15 (B) a schedule for auditing the Postal
16 Service's compliance with the plan.

17 (3) EXPLANATIONS REQUIRED FOR REC-
18 OMMENDATIONS NOT ADOPTED.—If the Postmaster
19 General notifies the Authority, the President, and
20 Congress under paragraph (1) that the Postal Serv-
21 ice will not adopt any recommendation submitted
22 under subsection (a) which the Postal Service has
23 authority to adopt, the Postmaster General shall in-
24 clude in the statement explanations for the rejection
25 of the recommendations.

1 (c) IMPLEMENTATION OF REJECTED RECOMMENDA-
2 TIONS BY AUTHORITY.—

3 (1) IN GENERAL.—If the Postmaster General
4 notifies the Authority, the President, and Congress
5 under subsection (b)(1) that the Postal Service will
6 not adopt any recommendation submitted under sub-
7 section (a) which the Postal Service has authority to
8 adopt, the Authority may by a majority vote of its
9 members take such action concerning the rec-
10 ommendation as it deems appropriate, after con-
11 sulting with the Committee on Oversight and Gov-
12 ernment Reform of the House of Representatives
13 and the Committee on Homeland Security and Gov-
14 ernmental Affairs of the Senate.

15 (2) EFFECTIVE DATE.—This subsection shall
16 apply with respect to recommendations of the Au-
17 thority made after the expiration of the 6-month pe-
18 riod which begins on the date of the commencement
19 of a control period.

20 **SEC. 227. SPECIAL RULES FOR FISCAL YEAR IN WHICH**
21 **CONTROL PERIOD COMMENCES.**

22 (a) ADOPTION OF TRANSITION BUDGET.—Notwith-
23 standing any provision of section 223 to the contrary, in
24 the case of a fiscal year in which a control period com-
25 mences, the following rules shall apply:

1 (1) Not later than 45 days after the appoint-
2 ment of its members, the Authority shall review the
3 proposed Integrated Financial Plan for the Postal
4 Service for such fiscal year and shall submit any rec-
5 ommendations for modifications to such plan to pro-
6 mote the financial stability of the Postal Service to
7 the Postmaster General, the President, and Con-
8 gress.

9 (2) Not later than 15 days after receiving the
10 recommendations of the Authority submitted under
11 paragraph (1), the Postmaster General shall
12 promptly adopt a revised budget for the fiscal year
13 (in this section referred to as the “transition budg-
14 et”), and shall submit the transition budget to the
15 Authority, the President, and Congress.

16 (3) Not later than 15 days after receiving the
17 transition budget from the Postmaster General
18 under paragraph (2), the Authority shall submit a
19 report to the Postmaster General, the President, and
20 Congress analyzing the budget (taking into account
21 any items or provisions disapproved by the Post-
22 master General) and shall include in the report such
23 recommendations for revisions to the transition
24 budget as the Authority considers appropriate to

1 promote the financial stability of the Postal Service
2 during the fiscal year.

3 (b) FINANCIAL PLAN AND BUDGET.—

4 (1) DEADLINE FOR SUBMISSION.—For purposes
5 of section 223, the Postmaster General shall submit
6 the financial plan and budget for the applicable fis-
7 cal year as soon as practicable after the commence-
8 ment of a control period (in accordance with guide-
9 lines established by the Authority).

10 (2) ADOPTION BY POSTMASTER GENERAL.—In
11 accordance with the procedures applicable under sec-
12 tion 223 (including procedures providing for review
13 by the Authority) the Postmaster General shall
14 adopt the financial plan and budget for the applica-
15 ble fiscal year (including the transition budget incor-
16 porated in the financial plan and budget).

17 (3) TRANSITION BUDGET AS TEMPORARY FI-
18 NANCIAL PLAN AND BUDGET.—Until the approval of
19 the financial plan and budget for the applicable fis-
20 cal year by the Authority under this subsection, the
21 transition budget established under subsection (a)
22 shall serve as the financial plan and budget adopted
23 under this subtitle for purposes of this Act (and any
24 provision of law amended by this Act) for the appli-
25 cable fiscal year.

1 **SEC. 228. ASSISTANCE IN ACHIEVING FINANCIAL STA-**
2 **BILITY, ETC.**

3 In addition to any other actions described in this title,
4 the Authority may undertake cooperative efforts to assist
5 the Postal Service in achieving financial stability and man-
6 agement efficiency, including—

7 (1) assisting the Postal Service in avoiding de-
8 faults, eliminating and liquidating deficits, maintain-
9 ing sound budgetary practices, and avoiding inter-
10 ruptions in the delivery of services;

11 (2) assisting the Postal Service in improving
12 the delivery of services, the training and effective-
13 ness of personnel of the Postal Service, and the effi-
14 ciency of management and supervision; and

15 (3) making recommendations to the President
16 for transmission to Congress on changes to this Act
17 or other Federal laws, or other actions of the Fed-
18 eral Government, which would assist the Postal
19 Service in complying with an approved financial plan
20 and budget under subtitle B.

21 **SEC. 229. OBTAINING REPORTS.**

22 The Authority may require the Postmaster General,
23 the Chief Financial Officer of the Postal Service, and the
24 Inspector General of the Postal Service, to prepare and
25 submit such reports as the Authority considers appro-
26 priate to assist it in carrying out its responsibilities under

1 this title, including submitting copies of any reports re-
2 garding revenues, expenditures, budgets, costs, plans, op-
3 erations, estimates, and other financial or budgetary mat-
4 ters of the Postal Service.

5 **SEC. 230. REPORTS AND COMMENTS.**

6 (a) ANNUAL REPORTS TO CONGRESS.—Not later
7 than 30 days after the last day of each fiscal year which
8 is a control year, the Authority shall submit a report to
9 Congress describing—

10 (1) the progress made by the Postal Service in
11 meeting the objectives of this title during the fiscal
12 year;

13 (2) the assistance provided by the Authority to
14 the Postal Service in meeting the purposes of this
15 title for the fiscal year; and

16 (3) any other activities of the Authority during
17 the fiscal year.

18 (b) REVIEW AND ANALYSIS OF PERFORMANCE AND
19 FINANCIAL ACCOUNTABILITY REPORTS.—The Authority
20 shall review each yearly report prepared and submitted by
21 the Postmaster General to the Postal Regulatory Commis-
22 sion and Congress and shall submit a report to Congress
23 analyzing the completeness and accuracy of such reports.

24 (c) COMMENTS REGARDING ACTIVITIES OF POSTAL
25 SERVICE.—At any time during a control period, the Au-

1 thority may submit a report to Congress describing any
2 action taken by the Postal Service (or any failure to act
3 by the Postal Service) which the Authority determines will
4 adversely affect the Postal Service's ability to comply with
5 an approved financial plan and budget under subtitle B
6 or will otherwise have a significant adverse impact on the
7 best interests of the Postal Service.

8 (d) REPORTS ON EFFECT OF FEDERAL LAWS ON
9 THE POSTAL SERVICE.—At any time during any year, the
10 Authority may submit a report to the Postmaster General,
11 the President, and Congress on the effect of laws enacted
12 by Congress on the financial plan and budget for the year
13 and on the financial stability and management efficiency
14 of the Postal Service in general.

15 (e) MAKING REPORTS PUBLICLY AVAILABLE.—The
16 Authority shall make any report submitted under this sec-
17 tion available to the public, except to the extent that the
18 Authority determines that the report contains confidential
19 material.

20 **Subtitle D—Termination of a** 21 **Control Period**

22 **SEC. 231. TERMINATION OF CONTROL PERIOD, ETC.**

23 (a) IN GENERAL.—After the completion of the re-
24 quirements for the termination of a control period de-
25 scribed in section 202(b)(4), the Authority shall submit

1 a recommendation to Congress requesting the termination
2 of such control period, the dissolution of the Authority,
3 and the reinstatement to the Board of Governors (and the
4 individual Governors) of the Postal Service of the authori-
5 ties and responsibilities referred to in section
6 202(b)(2)(A).

7 (b) CONGRESSIONAL APPROVAL.—

8 (1) IN GENERAL.—A control period shall not be
9 terminated unless a joint resolution approving of the
10 recommendation in subsection (a) is enacted, in ac-
11 cordance with section 232, before the earlier of—

12 (A) the end of the 30-day period beginning
13 on the date on which the Authority transmits
14 the recommendation to Congress under sub-
15 section (a); or

16 (B) the adjournment of the Congress sine
17 die for the session during which such rec-
18 ommendation is transmitted.

19 (2) DAYS OF SESSION.—For purposes of para-
20 graph (1) and subsections (a) and (c) of section 232,
21 the days on which either House of Congress is not
22 in session because of an adjournment of more than
23 3 days to a day certain shall be excluded in the com-
24 putation of a period.

1 **SEC. 232. CONGRESSIONAL CONSIDERATION OF REC-**
2 **OMMENDATION.**

3 (a) **TERMS OF THE RESOLUTION.**—For purposes of
4 this subtitle, the term “joint resolution” means only a
5 joint resolution which is introduced within the 10-day pe-
6 riod beginning on the date on which the recommendation
7 referred to in section 231(a) is received by Congress—

8 (1) the matter after the resolving clause of
9 which is as follows: “That Congress approves the
10 recommendation of the Postal Service Financial Re-
11 sponsibility and Management Assistance Authority,
12 submitted by such Authority on ____.”, the blank
13 space being filled in with the appropriate date;

14 (2) the title of which is as follows: “Joint reso-
15 lution approving the recommendation of Postal Serv-
16 ice Financial Responsibility and Management Assist-
17 ance Authority.”; and

18 (3) which does not have a preamble.

19 (b) **REFERRAL.**—A resolution described in subsection
20 (a) that is introduced in the House of Representatives or
21 the Senate shall be referred to the appropriate committees
22 of the House of Representatives or the Senate, respec-
23 tively.

24 (c) **DISCHARGE.**—If the committee to which a resolu-
25 tion described in subsection (a) is referred has not re-
26 ported such resolution (or an identical resolution) by the

1 end of the 20-day period beginning on the date on which
2 the Authority transmits its recommendation to Congress
3 under section 231(a) such committee shall, at the end of
4 such period, be discharged from further consideration of
5 such resolution, and such resolution shall be placed on the
6 appropriate calendar of the House involved.

7 (d) CONSIDERATION.—

8 (1) IN GENERAL.—On or after the third day
9 after the date on which the committee to which such
10 a resolution is referred has reported, or has been
11 discharged (under subsection (c)) from further con-
12 sideration of, such a resolution, it is in order (even
13 though a previous motion to the same effect has
14 been disagreed to) for any Member of the respective
15 House to move to proceed to the consideration of the
16 resolution. A Member may make the motion only on
17 the day after the calendar day on which the Member
18 announces to the House concerned the Member's in-
19 tention to make the motion, except that, in the case
20 of the House of Representatives, the motion may be
21 made without such prior announcement if the mo-
22 tion is made by direction of the committee to which
23 the resolution was referred. All points of order
24 against the resolution (and against consideration of
25 the resolution) are waived. The motion is highly

1 privileged in the House of Representatives and is
2 privileged in the Senate and is not debatable. The
3 motion is not subject to amendment, or to a motion
4 to postpone, or to a motion to proceed to the consid-
5 eration of other business. A motion to reconsider the
6 vote by which the motion is agreed to or disagreed
7 to shall not be in order. If a motion to proceed to
8 the consideration of the resolution is agreed to, the
9 respective House shall immediately proceed to con-
10 sideration of the joint resolution without intervening
11 motion, order, or other business, and the resolution
12 shall remain the unfinished business of the respec-
13 tive House until disposed of.

14 (2) DEBATE.—Debate on the resolution, and on
15 all debatable motions and appeals in connection
16 therewith, shall be limited to not more than 2 hours,
17 which shall be divided equally between those favoring
18 and those opposing the resolution. An amendment to
19 the resolution is not in order. A motion further to
20 limit debate is in order and not debatable. A motion
21 to postpone, or a motion to proceed to the consider-
22 ation of other business, or a motion to recommit the
23 resolution is not in order. A motion to reconsider the
24 vote by which the resolution is agreed to or dis-
25 agreed to is not in order.

1 (3) VOTE ON FINAL PASSAGE.—Immediately
2 following the conclusion of the debate on a resolu-
3 tion described in subsection (a) and a single quorum
4 call at the conclusion of the debate if requested in
5 accordance with the rules of the appropriate House,
6 the vote on final passage of the resolution shall
7 occur.

8 (4) APPEALS.—Appeals from the decisions of
9 the Chair relating to the application of the rules of
10 the Senate or the House of Representatives, as the
11 case may be, to the procedure relating to a resolu-
12 tion described in subsection (a) shall be decided
13 without debate.

14 (e) CONSIDERATION BY OTHER HOUSE.—

15 (1) IN GENERAL.—If, before the passage by one
16 House of a resolution of that House described in
17 subsection (a), that House receives from the other
18 House a resolution described in subsection (a), then
19 the following procedures shall apply:

20 (A) The resolution of the other House shall
21 not be referred to a committee and may not be
22 considered in the House receiving it except in
23 the case of final passage as provided in sub-
24 paragraph (B)(ii).

1 (B) With respect to a resolution described
2 in subsection (a) of the House receiving the res-
3 olution—

4 (i) the procedure in that House shall
5 be the same as if no resolution had been
6 received from the other House; but

7 (ii) the vote on final passage shall be
8 on the resolution of the other House.

9 (2) DISPOSITION OF A RESOLUTION.—Upon
10 disposition of the resolution received from the other
11 House, it shall no longer be in order to consider the
12 resolution that originated in the receiving House.

13 (f) RULES OF THE SENATE AND HOUSE.—This sec-
14 tion is enacted by Congress—

15 (1) as an exercise of the rulemaking power of
16 the Senate and House of Representatives, respec-
17 tively, and as such it is deemed a part of the rules
18 of each House, respectively, but applicable only with
19 respect to the procedure to be followed in that
20 House in the case of a resolution described in sub-
21 section (a), and it supersedes other rules only to the
22 extent that it is inconsistent with such rules; and

23 (2) with full recognition of the constitutional
24 right of either House to change the rules (so far as
25 relating to the procedure of that House) at any time,

1 in the same manner, and to the same extent as in
2 the case of any other rule of that House.

3 **TITLE III—POSTAL SERVICE**
4 **WORKFORCE**

5 **Subtitle A—General Provisions**

6 **SEC. 301. MODIFICATIONS RELATING TO DETERMINATION**
7 **OF PAY COMPARABILITY.**

8 (a) POSTAL POLICY.—The first sentence of section
9 101(c) is amended—

10 (1) by inserting “total” before “rates and types
11 of compensation”; and

12 (2) by inserting “entire” before “private sec-
13 tor”.

14 (b) EMPLOYMENT POLICY.—The second sentence of
15 section 1003(a) is amended—

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

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

20 (c) CONSIDERATIONS.—For purposes of the amend-
21 ments made by this section, any determination of “total
22 rates and types of compensation” or “total compensation
23 and benefits” shall, at a minimum, take into account pay,
24 health benefits, retirement benefits, life insurance benefits,

1 leave, holidays, and continuity and stability of employ-
2 ment.

3 **SEC. 302. LIMITATION ON POSTAL CONTRIBUTIONS UNDER**
4 **FEGLI AND FEHBP.**

5 Section 1003 is amended by adding at the end the
6 following:

7 “(e)(1) At least 1 month before the start of each fis-
8 cal year as described in paragraph (2), the Postmaster
9 General shall transmit to the Postal Regulatory Commis-
10 sion certification (together with such supporting docu-
11 mentation as the Postal Regulatory Commission may re-
12 quire) that contributions of the Postal Service for such
13 fiscal year will not exceed—

14 “(A) in the case of life insurance under chapter
15 87 of title 5, the Government contributions deter-
16 mined under section 8708 of such title; and

17 “(B) in the case of health insurance under
18 chapter 89 of title 5, the Government contributions
19 determined under 8906 of such title.

20 “(2) This subsection applies with respect to—

21 “(A) except as provided in subparagraph (B),
22 each fiscal year beginning after September 30, 2013;
23 and

24 “(B) in the case of officers and employees of
25 the Postal Service covered by a collective bargaining

1 agreement which is in effect on the date of the en-
2 actment of this subsection—

3 “(i) each fiscal year beginning after the ex-
4 piration date of such agreement, including

5 “(ii) for the fiscal year in which such expi-
6 ration date occurs, any portion of such fiscal
7 year remaining after such expiration date.

8 “(3)(A) If, after reasonable notice and opportunity
9 for hearing is afforded to the Postal Service, the Postal
10 Regulatory Commission finds that the contributions of the
11 Postal Service for a fiscal year will exceed or are exceeding
12 the limitation specified in subparagraph (A) or (B) of
13 paragraph (1), the Commission shall order that the Postal
14 Service take such action as the Commission considers nec-
15 essary to achieve full and immediate compliance with the
16 applicable limitation or limitations.

17 “(B) Sections 3663 and 3664 shall apply with respect
18 to any order issued by the Postal Regulatory Commission
19 under subparagraph (A).

20 “(C) Nothing in this paragraph shall be considered
21 to permit the issuance of an order requiring reduction of
22 contributions below the level specified by the provision of
23 law cited in subparagraph (A) or (B) of paragraph (1),
24 as applicable.”.

1 **SEC. 303. REPEAL OF PROVISION RELATING TO OVERALL**
2 **VALUE OF FRINGE BENEFITS.**

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

4 **SEC. 304. APPLICABILITY OF REDUCTION-IN-FORCE PROCE-**
5 **DURES.**

6 Section 1206 is amended by adding at the end the
7 following:

8 “(d) Collective-bargaining agreements between the
9 Postal Service and bargaining representatives recognized
10 under section 1203, ratified after the date of enactment
11 of this subsection, shall contain no provision restricting
12 the applicability of reduction-in-force procedures under
13 title 5 with respect to members of the applicable bar-
14 gaining unit.

15 “(e) Any collective-bargaining agreement between the
16 Postal Service and the bargaining representatives recog-
17 nized under section 1203 ratified before the date of enact-
18 ment of this Act that contain any provision violating sub-
19 section (d) shall be renegotiated with a new collective-bar-
20 gaining agreement to be ratified or imposed through an
21 arbitration decision under section 1207 within 9 months
22 after such date of enactment.

23 “(f)(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-
26 ment of this subsection, includes reduction-in-force proce-

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

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

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

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

18 **SEC. 305. MODIFICATIONS RELATING TO COLLECTIVE BAR-**
19 **GAINING.**

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

22 “(c)(1) If no agreement is reached within 30 days
23 after the appointment of a mediator under subsection (b),
24 or if the parties decide upon arbitration before the expira-
25 tion of the 30-day period, an arbitration board shall be

1 established consisting of 1 member selected by the Postal
2 Service (from the list under paragraph (2)), 1 member se-
3 lected by the bargaining representative of the employees
4 (from the list under paragraph (2)), and the mediator ap-
5 pointed under subsection (b).

6 “(2) Upon receiving a request from either of the par-
7 ties referred to in paragraph (1), the Director of the Fed-
8 eral Mediation and Conciliation Service shall provide a list
9 of not less than 9 individuals who are well qualified to
10 serve as neutral arbitrators. Each person listed shall be
11 an arbitrator of nationwide reputation and professional
12 nature, a member of the National Academy of Arbitrators,
13 and an individual whom the Director has determined to
14 be willing and available to serve. If, within 7 days after
15 the list is provided, either of the parties has not selected
16 an individual from the list, the Director shall make the
17 selection within 3 days.

18 “(3) The arbitration board shall give the parties a
19 full and fair hearing, including an opportunity to present
20 evidence in support of their claims, and an opportunity
21 to present their case in person, by counsel, or by other
22 representative as they may elect. The hearing shall be con-
23 cluded no more than 40 days after the arbitration board
24 is established.

1 “(4) No more than 7 days after the hearing is con-
2 cluded, each party shall submit to the arbitration board
3 2 offer packages, each of which packages shall specify the
4 terms of a proposed final agreement.

5 “(5) If no agreement is reached within 7 days after
6 the last day date for the submission of an offer package
7 under paragraph (4), each party shall submit to the arbi-
8 tration board a single final offer package specifying the
9 terms of a proposed final agreement.

10 “(6) No later than 3 days after the submission of
11 the final offer packages under paragraph (5), the arbitra-
12 tion board shall select 1 of those packages as its tentative
13 award, subject to paragraph (7).

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

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

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

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

23 “(B)(i) If the board unanimously determines, based
24 on clear and convincing evidence presented during the
25 hearing under paragraph (3), that neither final offer pack-

1 age satisfies the conditions set forth in subparagraph (A),
2 the board shall by majority vote—

3 “(I) select the package that best meets such
4 conditions; and

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

7 “(ii) If modification (as described in subparagraph
8 (B)(i)(II)) is necessary, the board shall have an additional
9 7 days to render its tentative award under this subpara-
10 graph.

11 “(8) The parties may negotiate a substitute award
12 to replace the tentative award selected under paragraph
13 (6) or rendered under paragraph (7) (as the case may be).
14 If no agreement on a substitute award is reached within
15 10 days after the date on which the tentative award is
16 so selected or rendered, the tentative award shall become
17 final.

18 “(9) The arbitration board shall review any substitute
19 award negotiated under paragraph (8) to determine if it
20 satisfies the conditions set forth in paragraph (7)(A). If
21 the arbitration board, by a unanimous vote taken within
22 3 days after the date on which the agreement on the sub-
23 stitute award is reached under paragraph (8), determines
24 that the substitute award does not satisfy such conditions,
25 the tentative award shall become final. In the absence of

1 a vote, as described in the preceding sentence, the sub-
2 stitute agreement shall become final.

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

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

9 “(12) Costs of the arbitration board and mediation
10 shall be shared equally by the Postal Service and the bar-
11 gaining representative.

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

1 **SEC. 306. ONE-TIME TRANSFER OF NET SURPLUS POSTAL**
2 **RETIREMENT CONTRIBUTIONS.**

3 (a) **TRANSFER REQUIREMENT.**—Not later than 2
4 weeks after the date of enactment of this Act, there shall
5 be appropriated to the Postal Service Fund, from the
6 Postal Service Federal Employee Retirement System ac-
7 count within the Civil Service Retirement and Disability
8 Fund, an amount equal to the absolute value of the
9 amount computed as of September 30, 2010, under sec-
10 tion 8423(b)(1)(B) of title 5, United States Code, less the
11 sum of—

12 (1) the Postal supplemental liability, calculated
13 as of September 30, 2010, under section 8348(h) of
14 title 5, United States Code; and

15 (2) any contribution required by section 8423
16 of such title that the Postal Service has not made
17 during fiscal years 2011 or 2012, as determined by
18 the Office of Personnel Management no later than
19 one week after the date of enactment of this Act

20 (b) **LIMITATIONS ON USE.**—The amount transferred
21 to the Postal Service Fund under this section—

22 (1) may be used for such purposes as the Post-
23 al Service considers appropriate; except that

24 (2) if any amounts so transferred remain in the
25 Postal Service Fund after September 30, 2015, such
26 amounts shall be used—

1 (A) first, to satisfy any supplemental liabil-
2 ity computed under section 8423(b)(1)(B) of
3 title 5, United States Code;

4 (B) second, to satisfy any supplemental li-
5 ability computed under section 8348(h) of title
6 5, United States Code; and

7 (C) third, to satisfy any obligations of the
8 Postal Service under section 2005 of title 39,
9 United States Code.

10 (c) DEFINITIONS.—For purposes of this section—

11 (1) the term “Civil Service Retirement and Dis-
12 ability Fund” refers to the fund under section 8348
13 of title 5, United States Code; and

14 (2) the term “Postal Service Fund” refers to
15 the fund under section 2003 of title 39, United
16 States Code.

17 (d) SENSE OF CONGRESS.—It is the sense of Con-
18 gress that the Postal Service should use any funds under
19 subsection (b)(1) for separation incentives for Postal em-
20 ployees.

1 **Subtitle B—Postal Service Workers’**
2 **Compensation Reform**

3 **SEC. 311. POSTAL SERVICE WORKERS’ COMPENSATION RE-**
4 **FORM.**

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

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

10 “(A) the term ‘postal employee’ means an offi-
11 cer or employee of the Postal Service or the former
12 Post Office Department;

13 “(B) the term ‘retirement age’ has the meaning
14 given such term under section 216(l)(1) of the Social
15 Security Act; and

16 “(C) the term ‘appropriate committees of Con-
17 gress’ means—

18 “(i) the Committee on Oversight and Gov-
19 ernment Reform of the House of Representa-
20 tives; and

21 “(ii) the Committee on Homeland Security
22 and Governmental Affairs of the Senate.

23 “(2) The Postal Service shall design and administer
24 a program for the payment of benefits for the disability
25 or death of an individual resulting from personal injury

1 sustained while in the performance of such individual's du-
2 ties as a postal employee.

3 “(3) The program under this subsection—

4 “(A) shall be designed by the Postal Service in
5 consultation with appropriate employee representa-
6 tives;

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

10 “(C) shall include provisions for automatic
11 transition, upon attainment of retirement age, to
12 benefits involving, coordinated with, or otherwise de-
13 termined by reference to retirement benefits.”.

14 (b) RECOMMENDATIONS.—Not later than 6 months
15 after the triggering date—

16 (1) the Office of Personnel Management shall
17 submit to the appropriate committees of Congress
18 recommendations for any legislation or administra-
19 tive actions which the Office considers necessary to
20 carry out the purposes of this section with respect
21 to any matter within the jurisdiction of the Office,
22 including any amendments which may be necessary
23 with respect to chapter 87 or 89 of title 5, United
24 States Code; and

1 (2) the Postal Service shall submit to the ap-
2 appropriate committees of Congress recommendations
3 for any legislation which the Postal Service considers
4 necessary to carry out the purposes of this section
5 with respect to any matter within the jurisdiction of
6 the Postal Service.

7 (c) NOTIFICATION REQUIREMENTS.—Not later than
8 9 months after the triggering date, the Postal Service shall
9 submit to the appropriate committees of Congress and
10 shall cause to be published in the Federal Register a de-
11 scription of the program proposed by the Postal Service
12 for implementation under section 1005(c) of title 39,
13 United States Code, as amended by subsection (a). In-
14 cluded in the notification provided under the preceding
15 sentence shall be—

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

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

21 (3) such other information as the Postal Service
22 considers appropriate.

23 (d) COMMENCEMENT DATE.—The program under
24 section 1005(c) of title 39, United States Code, as amend-
25 ed by this section—

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

4 (A) not earlier than 12 months after the
5 triggering date; and

6 (B) not later than 24 months after the
7 triggering date; and

8 (2) shall apply with respect to amounts payable
9 for periods beginning on or after the date on which
10 the program begins to operate, irrespective of date
11 of the disability or death to which such amounts re-
12 late.

13 (e) CONDITION PRECEDENT.—

14 (1) IN GENERAL.—The preceding provisions of
15 this section shall not become effective until the date
16 on which a Postal Service Financial Responsibility
17 and Management Assistance Authority (established
18 under section 202)—

19 (A) makes a written determination that
20 conditions warrant their implementation; and

21 (B) submits such written determination to
22 the Postal Service, the Office of Personnel
23 Management, and the appropriate committees
24 of Congress (within the meaning of the amend-
25 ment made by subsection (a)).

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

5 **TITLE IV—POSTAL SERVICE**
6 **REVENUE**

7 **SEC. 401. ADEQUACY, EFFICIENCY, AND FAIRNESS OF POST-**
8 **AL RATES.**

9 (a) IN GENERAL.—Section 3622(d) is amended—
10 (1) in paragraph (1)—
11 (A) by redesignating subparagraphs (B)
12 through (E) as subparagraph (D) through (G),
13 respectively; and
14 (B) by inserting after subparagraph (A)
15 the following:
16 “(B) subject to the limitation under sub-
17 paragraph (A), establish postal rates to fulfill
18 the requirement that each market-dominant
19 class, product, and type of mail service (except
20 for an experimental product or service) bear the
21 direct and indirect postal costs attributable to
22 such class, product, or type through reliably
23 identified causal relationships plus that portion
24 of all other costs of the Postal Service reason-
25 ably assignable to such class, product, or type;

1 “(C) establish postal rates for each group
2 of functionally equivalent agreements between
3 the Postal Service and users of the mail that—

4 “(i) cover attributable cost; and

5 “(ii) improve the net financial position
6 of the Postal Service;

7 for purposes of this subparagraph, a group of
8 functionally equivalent agreements shall consist
9 of all service agreements that are functionally
10 equivalent to each other within the same mar-
11 ket-dominant product, but shall not include
12 agreements within an experimental product;”;
13 and

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

15 “(4) PRC STUDY.—

16 “(A) IN GENERAL.—Within 90 days after
17 the end of the first fiscal year beginning after
18 the date of enactment of the Postal Reform Act
19 of 2011, the Postal Regulatory Commission
20 shall complete a study to determine the quan-
21 titative impact of the Postal Service’s excess ca-
22 pacity on the direct and indirect postal costs at-
23 tributable to any class that bears less than 100
24 percent of its costs attributable (as described in
25 paragraph (1)(B)), according to the most recent

1 annual determination of the Postal Regulatory
2 Commission under section 3653.

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

5 “(i) be conducted pursuant to regula-
6 tions that the Postal Regulatory Commis-
7 sion shall prescribe within 90 days after
8 the date of enactment of the Postal Re-
9 form Act of 2011, taking into account ex-
10 isting regulations for proceedings to im-
11 prove the quality, accuracy, or complete-
12 ness of ratemaking information under sec-
13 tion 3652(e)(2) in effect on such date; and

14 “(ii) for any year in which any class
15 of mail bears less than 100 percent of its
16 costs attributable (as described in para-
17 graph (1)(B)), be updated annually by the
18 Postal Service and included in its annual
19 report to the Commission under section
20 3652, using such methodologies as the
21 Commission shall by regulation prescribe.

22 “(5) ADDITIONAL RATES.—Starting not earlier
23 than 12 months and not later than 18 months after
24 the date on which the first study described in para-
25 graph (4) is completed, and at least once in each

1 subsequent 12-month period, the Postal Service shall
2 establish postal rates for each loss-making class of
3 mail to eliminate such losses (other than those
4 caused by the Postal Service's excess capacity) by
5 exhausting all unused rate authority as well as maxi-
6 mizing incentives to reduce costs and increase effi-
7 ciency, subject to the following:

8 “(A) The term ‘loss-making’, as used in
9 this paragraph with respect to a class of mail,
10 means a class of mail that bears less than 100
11 percent of its costs attributable (as described in
12 paragraph (1)(B)), according to the most recent
13 annual determination of the Postal Regulatory
14 Commission under section 3653, adjusted to ac-
15 count for the quantitative effect of excess ca-
16 pacity on the costs attributable of the class (as
17 described in paragraph (1)(C)).

18 “(B) Unused rate authority shall be annu-
19 ally increased by 2 percent for each class of
20 mail that bears less than 90 percent of its costs
21 attributable (as described in paragraph (1)(B)),
22 according to the most recent annual determina-
23 tion of the Postal Regulatory Commission
24 under section 3653, adjusted to account for the
25 quantitative effect of excess capacity on the

1 costs attributable of the class (as described in
2 paragraph (1)(C)), with such increase in un-
3 used rate authority to take effect 30 days after
4 the date that the Commission issues such deter-
5 mination.”.

6 (b) CONFORMING AMENDMENT.—Subparagraph (A)
7 of section 3622(c)(10) is amended to read as follows:

8 “(A) improve the net financial position of
9 the Postal Service through reducing Postal
10 Service costs or increasing the overall contribu-
11 tion to the institutional costs of the Postal
12 Service; and”.

13 (c) EXCEPTION.—Section 3622(d) is amended by
14 adding after paragraph (5) (as added by subsection
15 (a)(2)) the following:

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

23 **SEC. 402. REPEAL OF RATE PREFERENCES FOR QUALIFIED**
24 **POLITICAL COMMITTEES.**

25 Subsection (e) of section 3626 is repealed.

1 **SEC. 403. RATE PREFERENCES FOR NONPROFIT ADVER-**
2 **TISING.**

3 (a) PROVISIONS RELATING TO FORMER SECTION
4 4358(f).—Section 3626(a)(5) is amended by adding at the
5 end the following: “Notwithstanding any other provision
6 of this paragraph, the percentage specified in the pre-
7 ceding sentence shall be increased by an additional 2 per-
8 centage points as of the first day of each calendar year
9 beginning at least 3 years after the date of the enactment
10 of the Postal Reform Act of 2011, until such percentage
11 reaches 80 percent.”.

12 (b) PROVISIONS RELATING TO FORMER SECTION
13 4452 (b) AND (c).—Section 3626(a)(6) is amended by in-
14 serting after subparagraph (C) the following (as a flush
15 left sentence):

16 “Notwithstanding any other provision of this paragraph,
17 the percentage specified in subparagraph (A) shall be in-
18 creased by an additional 2 percentage points as of the first
19 day of each calendar year beginning at least 3 years after
20 the date of the enactment of the Postal Reform Act of
21 2011, until such percentage reaches 80 percent.”.

22 **SEC. 404. STREAMLINED REVIEW OF QUALIFYING SERVICE**
23 **AGREEMENTS FOR COMPETITIVE PRODUCTS.**

24 Section 3633 is amended by adding at the end the
25 following:

1 “(c) STREAMLINED REVIEW.—Within 90 days after
2 the date of the enactment of this subsection, after notice
3 and opportunity for public comment, the Postal Regu-
4 latory Commission shall promulgate (and may from time
5 to time thereafter revise) regulations for streamlined
6 after-the-fact review of new agreements between the Post-
7 al Service and users of the mail that provide rates not
8 of general applicability for competitive products, and are
9 functionally equivalent to existing agreements that have
10 collectively covered attributable costs and collectively im-
11 proved the net financial position of the Postal Service.
12 Streamlined review will be concluded within 5 working
13 days after the agreement is filed with the Commission and
14 shall be limited to approval or disapproval of the agree-
15 ment as a whole based on the Commission’s determination
16 of its functional equivalence. Agreements not approved
17 may be resubmitted without prejudice under section
18 3632(b)(3).”.

19 **SEC. 405. SUBMISSION OF SERVICE AGREEMENTS FOR**
20 **STREAMLINED REVIEW.**

21 Section 3632(b) is amended—

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

24 (2) by inserting after paragraph (3) the fol-
25 lowing:

1 “(4) RATES FOR STREAMLINED REVIEW.—In
2 the case of rates not of general applicability for com-
3 petitive products that the Postmaster General con-
4 siders eligible for streamlined review under section
5 3633(c), the Postmaster General shall cause each
6 agreement to be filed with the Postal Regulatory
7 Commission by such date, on or before the effective
8 date of any new rate, as the Postmaster General
9 considered appropriate.”.

10 **SEC. 406. TRANSPARENCY AND ACCOUNTABILITY FOR**
11 **SERVICE AGREEMENTS.**

12 Section 3653 is amended—

13 (1) by redesignating subsections (c) through (e)
14 as subsections (d) through (f), respectively; and

15 (2) by inserting after subsection (b) the fol-
16 lowing:

17 “(c) Each annual written determination of the Com-
18 mission under section 3653 shall include the following
19 written determinations:

20 “(1) Whether each product covered its costs,
21 and if it did not, the determination shall state that
22 such product is in noncompliance under section
23 3653(c).

1 “(2) For each group of functionally equivalent
2 agreements between the Postal Service and users of
3 the mail, whether it fulfilled requirements to—

4 “(A) cover attributable costs; and

5 “(B) improve the net financial position of
6 the Postal Service.

7 “(3) Any group of functionally equivalent agree-
8 ments (as referred to in subparagraph (B)) not
9 meeting subparagraphs (A) and (B) of paragraph
10 (2) shall be determined to be in noncompliance
11 under this subsection.

12 “(4) For purposes of this subsection, a group of
13 functionally equivalent agreements (as referred to in
14 paragraph (2)) shall consist of all service agreements
15 that are functionally equivalent to each other within
16 the same market-dominant or competitive product,
17 but shall not include agreements within an experi-
18 mental product.”.

19 **SEC. 407. NONPOSTAL SERVICES.**

20 (a) NONPOSTAL SERVICES.—

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

23 **“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.

1 **“§ 3701. Purpose**

2 “This chapter is intended to enable the Postal Service
3 to increase its net revenues through specific nonpostal
4 products and services that are expressly authorized by this
5 chapter. Postal Service revenues and expenses under this
6 chapter shall be funded through the Postal Service Fund.

7 **“§ 3702. Definitions**

8 “As used in this chapter—

9 “(1) the term ‘nonpostal services’ is limited to
10 services offered by the Postal Service that are ex-
11 pressly authorized by this chapter and are not postal
12 products or services;

13 “(2) the term ‘Postal Service advertising pro-
14 gram’ means a program, managed by the Postal
15 Service, by which the Postal Service receives reve-
16 nues from entities which advertise at Postal Service
17 facilities and on Postal Service vehicles;

18 “(3) the term ‘Postal Service program for State
19 governments’ means a program, managed by the
20 Postal Service, by which the Postal Service receives
21 revenue from State governments (including their
22 agencies) for providing services on their behalf at
23 Postal Service facilities;

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

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

4 **“§ 3703. Postal Service advertising program**

5 “Notwithstanding any other provision of this title,
6 the Postal Service may establish and manage a program
7 that allows entities to advertise at Postal Service facilities
8 and on Postal Service vehicles. Such a program shall be
9 subject to the following requirements:

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

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

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

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

1 **“§ 3704. Postal Service program for State govern-**
2 **ments**

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

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

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

13 “(A) the cost and efficiency of postal serv-
14 ices; and

15 “(B) access to postal retail service, such as
16 customer waiting time and access to parking;
17 and

18 “(3) provide a reasonable contribution to the in-
19 stitutional costs of the Postal Service, defined as re-
20 imbursement for each service and to each agency
21 covering at least 150 percent of the attributable
22 costs of such service in each year.

23 “(b) PUBLIC NOTICE.—At least 90 days before offer-
24 ing any services under this section, the Postal Service shall
25 make each agreement with State agencies readily available
26 to the public on its website, including a business plan that

1 describes the specific services to be provided, the enhanced
2 value to the public, terms of reimbursement, the estimated
3 annual reimbursement to the Postal Service, and the esti-
4 mated percentage of attributable Postal Service costs that
5 will be covered by reimbursement (with documentation to
6 support these estimates). The Postal Service shall solicit
7 public comment for at least 30 days, with comments post-
8 ed on its website, followed by its written response posted
9 on its website at least 30 days before offering such serv-
10 ices.

11 “(c) APPROVAL REQUIRED.—The Governors of the
12 Postal Service shall approve the provision of services
13 under this section by a recorded vote, with at least $\frac{2}{3}$ of
14 its membership voting for approval, with the vote publicly
15 disclosed on the Postal Service website.

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

1 “(e) DEFINITIONS.—For the purpose of this sec-
2 tion—

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

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

11 **“§ 3705. Postal Service program for other government**
12 **agencies**

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

22 “(b) CLASSIFICATION OF SERVICES.—For each agen-
23 cy, all property and services provided by the Postal Service
24 under this section shall be classified as a separate activity
25 subject to the requirements of annual reporting under sec-

tion 3706. Information provided under this section shall be according to requirements that the Postal Regulatory Commission shall by regulation prescribe.

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

“(a) ANNUAL REPORTS TO THE COMMISSION.—

“(1) IN GENERAL.—The Postal Service shall, no later than 90 days after the end of each year, prepare and submit to the Postal Regulatory Commission a report (together with such nonpublic annex to the report as the Commission may require under subsection (b)) which shall analyze costs, revenues, rates, and quality of service for this chapter, using such methodologies as the Commission shall by regulation prescribe, and in sufficient detail to demonstrate compliance with all applicable requirements of this chapter.

“(2) AUDITS.—The Inspector General shall regularly audit the data collection systems and procedures utilized in collecting information and preparing such report. The results of any such audit shall be submitted to the Postal Service and the Postal Regulatory Commission.

“(b) SUPPORTING MATTER.—The Postal Regulatory Commission shall have access, in accordance with such

1 regulations as the Commission shall prescribe, to the
2 working papers and any other supporting matter of the
3 Postal Service and the Inspector General in connection
4 with any information submitted under this section.

5 “(c) CONTENT AND FORM OF REPORTS.—

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

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

17 “(B) avoiding unnecessary or unwarranted
18 administrative effort and expense on the part of
19 the Postal Service; and

20 “(C) protecting the confidentiality of infor-
21 mation that is commercially sensitive or is ex-
22 empt from public disclosure under section
23 552(b) of title 5.

24 “(2) REVISED REQUIREMENTS.—The Commis-
25 sion may, on its own motion or on request of any

1 interested party, initiate proceedings (to be con-
2 ducted in accordance with regulations that the Com-
3 mission shall prescribe) to improve the quality, accu-
4 racy, or completeness of Postal Service data required
5 by the Commission under this subsection whenever
6 it shall appear that—

7 “(A) the attribution of costs or revenues to
8 property or services under this chapter has be-
9 come significantly inaccurate or can be signifi-
10 cantly improved;

11 “(B) the quality of service data provided to
12 the Commission for annual reports under this
13 chapter has become significantly inaccurate or
14 can be significantly improved; or

15 “(C) such revisions are, in the judgment of
16 the Commission, otherwise necessitated by the
17 public interest.

18 “(d) CONFIDENTIAL INFORMATION.—

19 “(1) IN GENERAL.—If the Postal Service deter-
20 mines that any document or portion of a document,
21 or other matter, which it provides to the Postal Reg-
22 ulatory Commission in a nonpublic annex under this
23 section contains information which is described in
24 section 410(c) of this title, or exempt from public
25 disclosure under section 552(b) of title 5, the Postal

1 Service shall, at the time of providing such matter
2 to the Commission, notify the Commission of its de-
3 termination, in writing, and describe with particu-
4 larity the documents (or portions of documents) or
5 other matter for which confidentiality is sought and
6 the reasons therefor.

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

14 “(e) ANNUAL COMPLIANCE DETERMINATION.—

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

22 “(2) DETERMINATION OF COMPLIANCE OR NON-
23 COMPLIANCE.—Not later than 90 days after receiv-
24 ing the submissions required under subsection (a)
25 with respect to a year, the Postal Regulatory Com-

1 mission shall make a written determination as to
2 whether any nonpostal activities during such year
3 were or were not in compliance with applicable pro-
4 visions of this chapter (or regulations promulgated
5 under this chapter). The Postal Regulatory Commis-
6 sion shall issue a determination of noncompliance if
7 the requirements for coverage of attributable costs
8 are not met. If, with respect to a year, no instance
9 of noncompliance is found to have occurred in such
10 year, the written determination shall be to that ef-
11 fect.

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

1 “(4) ANY DELIBERATE NONCOMPLIANCE.—In
2 addition, in cases of deliberate noncompliance by the
3 Postal Service with the requirements of this chapter,
4 the Postal Regulatory Commission may order, based
5 on the nature, circumstances, extent, and serious-
6 ness of the noncompliance, a fine (in the amount
7 specified by the Commission in its order) for each
8 incidence of noncompliance. All receipts from fines
9 imposed under this subsection shall be deposited in
10 the general fund of the Treasury of the United
11 States.”.

12 (2) CLERICAL AMENDMENT.—The table of
13 chapters at the beginning of part IV is amended by
14 adding after the item relating to chapter 36 the fol-
15 lowing:

“37. Nonpostal Services 3701”.

16 (b) CONFORMING AMENDMENTS.—

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

19 “(6) Nothing in this section shall be considered to
20 prevent the Postal Service from establishing nonpostal
21 products and services that are expressly authorized by
22 chapter 37.”.

23 (2) SECTION 411.—The last sentence of section
24 411 is amended by striking “including
25 reimbursability” and inserting “including

1 reimbursability within the limitations of chapter
2 37”.

3 (3) TREATMENT OF EXISTING NONPOSTAL
4 SERVICES.—All nonpostal services continued pursu-
5 ant to section 404(e) of title 39, United States Code,
6 shall be considered to be expressly authorized by
7 chapter 37 of such title (as added by subsection
8 (a)(1)) and shall be subject to the requirements of
9 such chapter.

10 **SEC. 408. REIMBURSEMENT OF ALASKA BYPASS MAIL**
11 **COSTS.**

12 (a) COST ESTIMATES BY POSTAL REGULATORY COM-
13 MISSION.—Section 3651(b) is amended—

14 (1) by redesignating paragraph (2) as para-
15 graph (3); and

16 (2) by inserting after paragraph (1) the fol-
17 lowing:

18 “(2) ALASKA BYPASS MAIL COSTS.—In addition
19 to the information required under subsection (a),
20 each report under this section shall also include,
21 with respect to the period covered by such report, an
22 estimate of the costs incurred by the Postal Service
23 in providing Alaska bypass mail service under sec-
24 tion 5402.”.

25 (b) REIMBURSEMENTS.—

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

3 **“§ 5404. Reimbursement of Alaska bypass mail costs**

4 “(a) IN GENERAL.—The State of Alaska, on an an-
5 nual basis, shall make a payment to the Postal Service
6 to reimburse the Postal Service for its costs in providing
7 Alaska bypass mail service under section 5402 of this title.

8 “(b) DATE OF FIRST PAYMENT.—The State of Alas-
9 ka shall make its first payment under subsection (a) on
10 or before the last day of the first fiscal year of the State
11 of Alaska beginning after the date of enactment of this
12 section.

13 “(c) PAYMENT AMOUNTS.—

14 “(1) DETERMINATION OF AMOUNTS.—The
15 amount of a payment under subsection (a) shall be
16 determined based on the most recent cost estimate
17 prepared by the Postal Regulatory Commission
18 under section 3651(b)(2) of this title (in this sub-
19 section referred to as the ‘cost estimate’).

20 “(2) FIRST PAYMENT.—The first payment
21 under subsection (a) shall be in an amount equal to
22 20 percent of the cost estimate.

23 “(3) SUBSEQUENT PAYMENTS.—Each subse-
24 quent payment under subsection (a) shall be in an
25 amount equal to a percentage of the cost estimate

1 determined by adding 20 percent to the percentage
2 due in the prior year, except that no payment shall
3 exceed 100 percent of the cost estimate.

4 “(d) NOTICE OF PAYMENT AMOUNTS.—Not later
5 than 30 days after the date of issuance of a cost estimate
6 by the Postal Regulatory Commission under section
7 3651(b)(2) of this title, the Postal Service shall furnish
8 the State of Alaska with written notice of the amount of
9 the next payment due under subsection (a).

10 “(e) DEPOSIT OF PAYMENTS.—Not later than the
11 last day of the fiscal year of the State of Alaska in which
12 notice of a payment is provided under subsection (d)—

13 “(1) the State of Alaska shall transmit the pay-
14 ment to the Postal Service; and

15 “(2) the Postal Service shall deposit the pay-
16 ment in the Postal Service Fund.”.

17 (2) CLERICAL AMENDMENT.—The table of sec-
18 tions at the beginning of chapter 54 is amended by
19 adding at the end the following:

“5404. Reimbursement of Alaska bypass mail costs.”.

20 **SEC. 409. APPROPRIATIONS MODERNIZATION.**

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

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

1 **SEC. 410. RETIREE HEALTH CARE BENEFIT PAYMENT DE-**
2 **FERRAL.**

3 Section 8909a of title 5, United States Code, is
4 amended—

5 (1) in the section heading, by striking “**Ben-**
6 **efit**” and inserting “**Benefits**”;

7 (2) in subsection (d)(3)(A)(v), by striking
8 “\$5,500,000,000” and inserting “\$1,000,000,000”;

9 (3) in subsection (d)(3)(A)(ix), by striking
10 “\$5,700,000,000” and inserting “\$7,950,000,000”;
11 and

12 (4) in subsection (d)(3)(A)(x), by striking
13 “\$5,800,000,000” and inserting “\$8,050,000,000”.

14 **TITLE V—POSTAL CONTRACTING**
15 **REFORM**

16 **SEC. 501. CONTRACTING PROVISIONS.**

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

19 **“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.

20 **“§ 701. Definitions**

21 “In this chapter—

1 “(1) the term ‘contracting officer’ means an
2 employee of a covered postal entity who has author-
3 ity to enter into a postal contract;

4 “(2) the term ‘covered postal entity’ means—

5 “(A) the Postal Service; or

6 “(B) the Postal Regulatory Commission;

7 “(3) the term ‘head of a covered postal entity’
8 means—

9 “(A) in the case of the Postal Service, the
10 Postmaster General; or

11 “(B) in the case of the Postal Regulatory
12 Commission, the Chairman of the Postal Regu-
13 latory Commission;

14 “(4) the term ‘postal contract’ means—

15 “(A) in the case of the Postal Service, any
16 contract (including any agreement or memo-
17 randum of understanding) entered into by the
18 Postal Service for the procurement of goods or
19 services; or

20 “(B) in the case of the Postal Regulatory
21 Commission, any contract (including any agree-
22 ment or memorandum of understanding) in an
23 amount exceeding the simplified acquisition
24 threshold (as defined in section 134 of title 41
25 and adjusted under section 1908 of such title)

1 entered into by the Postal Regulatory Commis-
2 sion for the procurement of goods or services;
3 and

4 “(5) the term ‘senior procurement executive’
5 means the senior procurement executive of a covered
6 postal entity.

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

8 “(a) ESTABLISHMENT AND DESIGNATION.—

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

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

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

18 “(1) be responsible for promoting—

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

23 “(B) competition to the maximum extent
24 practicable consistent with obtaining best value

1 by promoting the acquisition of commercial
2 items and challenging barriers to competition;

3 “(2) review the procurement activities of the
4 covered postal entity; and

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

7 “(c) ANNUAL REPORT.—

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

11 “(A) The activities of the advocate under
12 this section.

13 “(B) Initiatives required to promote con-
14 tracting out and competition.

15 “(C) Barriers to contracting out and com-
16 petition.

17 “(D) In the case of the report prepared by
18 the competition advocate of the Postal Service,
19 the number of waivers made by the Postal Serv-
20 ice under section 704(c).

21 “(2) TRANSMISSION.—The report under this
22 subsection shall be transmitted—

23 “(A) to Congress;

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

1 “(C) to the senior procurement executive
2 of the entity;

3 “(D) in the case of the competition advo-
4 cate of the Postal Service, to each member of
5 the Postal Service Board of Governors; and

6 “(E) in the case of the competition advo-
7 cate of the Postal Regulatory Commission, to
8 each of the Commissioners of the Commission.

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

10 “(a) IN GENERAL.—

11 “(1) POLICY.—Not later than 60 days after the
12 date of enactment of this chapter, the head of each
13 covered postal entity shall issue a policy on con-
14 tracting officer delegations of authority for postal
15 contracts for the covered postal entity.

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

18 “(A) notwithstanding any delegation of au-
19 thority with respect to postal contracts, the ulti-
20 mate responsibility and accountability for the
21 award and administration of postal contracts
22 resides with the senior procurement executive;
23 and

24 “(B) a contracting officer shall maintain
25 an awareness of and engagement in the activi-

1 ties being performed on postal contracts of
2 which that officer has cognizance, notwith-
3 standing any delegation of authority that may
4 have been executed.

5 “(b) POSTING OF DELEGATIONS.—

6 “(1) IN GENERAL.—The head of each covered
7 postal entity shall make any delegation of authority
8 for postal contracts outside the functional con-
9 tracting unit readily available and accessible on the
10 website of the covered postal entity.

11 “(2) EFFECTIVE DATE.—This paragraph shall
12 apply to any delegation of authority made on or
13 after 30 days after the date of enactment of this
14 chapter.

15 **“§ 704. Posting of noncompetitive purchase requests**
16 **for noncompetitive contracts**

17 “(a) POSTING REQUIRED.—

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

1 competitive award, publicly available on the website
2 of the Postal Regulatory Commission—

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

5 “(B) not later than 30 days after the date
6 of the award of the noncompetitive contract, if
7 the basis for the award was a compelling busi-
8 ness interest.

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

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

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

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

22 “(A) REVIEW AND DETERMINATION.—Not
23 later than January 31 of each year, the Postal
24 Service shall—

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

3 “(ii) based on any change in the Con-
4 sumer Price Index for all-urban consumers
5 of the Department of Labor, determine
6 whether an adjustment to the threshold
7 shall be made.

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

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

20 “(b) PUBLIC AVAILABILITY.—

21 “(1) IN GENERAL.—Subject to paragraph (2),
22 the information required to be made publicly avail-
23 able by a covered postal entity under subsection (a)
24 shall be readily accessible on the website of the cov-
25 ered postal entity.

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

3 “(A) carefully screen any description of the
4 rationale supporting a noncompetitive award re-
5 quired to be made publicly available under sub-
6 section (a) to determine whether the description
7 includes proprietary data (including any ref-
8 erence or citation to the proprietary data) or se-
9 curity-related information; and

10 “(B) remove any proprietary data or secu-
11 rity-related information before making publicly
12 available a description of the rationale sup-
13 porting a noncompetitive award.

14 “(c) WAIVERS.—

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

24 “(2) FORM AND CONTENT OF WAIVER.—

1 “(A) FORM.—A waiver under paragraph
2 (1) shall be in the form of a written determina-
3 tion placed in the file of the contract to which
4 the noncompetitive purchase agreement relates.

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

7 “(i) a description of the risk associ-
8 ated with making the noncompetitive pur-
9 chase request publicly available; and

10 “(ii) a statement that redaction of
11 sensitive information in the noncompetitive
12 purchase request would not be sufficient to
13 protect the Postal Service from being
14 placed at a competitive disadvantage rel-
15 ative to a private sector competitor.

16 “(3) DELEGATION OF WAIVER AUTHORITY.—
17 The Postal Service may not delegate the authority to
18 approve a waiver under paragraph (1) to any em-
19 ployee having less authority than the senior procure-
20 ment executive.

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

22 “If a contracting officer identifies any ethical issues
23 relating to a proposed contract and submits those issues
24 and that proposed contract to the designated ethics official

1 for the covered postal entity before the awarding of that
2 contract, that ethics official shall—

3 “(1) review the proposed contract; and

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

6 **“§ 706. Ethical restrictions on participation in certain**
7 **contracting activity**

8 “(a) DEFINITIONS.—In this section—

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

10 “(A) a contracting officer; or

11 “(B) any employee of a covered postal en-
12 tity whose decision making affects a postal con-
13 tract as determined by regulations prescribed
14 by the head of a covered postal entity;

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

19 “(3) the term ‘covered relationship’ means a
20 covered relationship described in section
21 2635.502(b)(1) of title 5, Code of Federal Regula-
22 tions, or any successor thereto.

23 “(b) IN GENERAL.—

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

1 “(A) require a covered employee to include
2 in the file of any noncompetitive purchase re-
3 quest for a noncompetitive postal contract a
4 written certification that—

5 “(i) discloses any covered relationship
6 of the covered employee; and

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

18 “(B) require a contracting officer to con-
19 sult with the ethics counsel for the covered
20 postal entity regarding any disclosure made by
21 a covered employee under subparagraph (A)(i),
22 to determine whether participation by the cov-
23 ered employee in the noncompetitive purchase
24 request would give rise to a violation of part
25 2635 of title 5, Code of Federal Regulations

1 (commonly referred to as the Standards of Eth-
2 ical Conduct for Employees of the Executive
3 Branch), or any successor thereto;

4 “(C) require the ethics counsel for a cov-
5 ered postal entity to review any disclosure made
6 by a contracting officer under subparagraph
7 (A)(i) to determine whether participation by the
8 contracting officer in the noncompetitive pur-
9 chase request would give rise to a violation of
10 part 2635 of title 5, Code of Federal Regula-
11 tions (commonly referred to as the Standards of
12 Ethical Conduct for Employees of the Executive
13 Branch), or any successor thereto;

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

18 “(i) authorize a covered employee that
19 makes a disclosure under subparagraph
20 (A)(i) to participate in the noncompetitive
21 postal contract; or

22 “(ii) disqualify a covered employee
23 that makes a disclosure under subpara-
24 graph (A)(i) from participating in the non-
25 competitive postal contract;

1 “(E) require a contractor to timely disclose
2 to the contracting officer in a bid, solicitation,
3 award, or performance of a postal contract any
4 conflict of interest with a covered employee; and

5 “(F) include authority for the head of the
6 covered postal entity to grant a waiver or other-
7 wise mitigate any organizational or personal
8 conflict of interest, if the head of the covered
9 postal entity determines that the waiver or miti-
10 gation is in the best interests of the covered
11 postal entity.

12 “(2) POSTING OF WAIVERS.—Not later than 30
13 days after the head of a covered postal entity grants
14 a waiver described in paragraph (1)(F), the head of
15 the covered postal entity shall make the waiver pub-
16 licly available on the website of the covered postal
17 entity.

18 “(c) CONTRACT VOIDANCE AND RECOVERY.—

19 “(1) UNLAWFUL CONDUCT.—In any case in
20 which there is a final conviction for a violation of
21 any provision of chapter 11 of title 18 relating to a
22 postal contract, the head of a covered postal entity
23 may—

24 “(A) void that contract; and

1 “(B) recover the amounts expended and
2 property transferred by the covered postal enti-
3 ty under that contract.

4 “(2) OBTAINING OR DISCLOSING PROCUREMENT
5 INFORMATION.—

6 “(A) IN GENERAL.—In any case in which
7 a contractor under a postal contract fails to
8 timely disclose a conflict of interest to the ap-
9 propriate contracting officer as required under
10 the regulations promulgated under subsection
11 (b)(1)(E), the head of a covered postal entity
12 may—

13 “(i) void that contract; and

14 “(ii) recover the amounts expended
15 and property transferred by the covered
16 postal entity under that contract.

17 “(B) CONVICTION OR ADMINISTRATIVE DE-
18 TERMINATION.—A case described under sub-
19 paragraph (A) is any case in which—

20 “(i) there is a final conviction for an
21 offense punishable under section 2105 of
22 title 41; or

23 “(ii) the head of a covered postal enti-
24 ty determines, based upon a preponderance
25 of the evidence, that the contractor or

1 someone acting for the contractor has en-
2 gaged in conduct constituting an offense
3 punishable under section 2105 of such
4 title.”.

5 (b) CLERICAL AMENDMENT.—The table of chapters
6 at the beginning of part I is amended by adding at the
7 end the following:

“7. Contracting Provisions 701”.

8 **SEC. 502. TECHNICAL AMENDMENT TO DEFINITION.**

9 Section 7101(8) of title 41, United States Code, is
10 amended—

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

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

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

16 “(E) the United States Postal Service and
17 the Postal Regulatory Commission.”.

