

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 2309  
OFFERED BY MR. ROSS OF FLORIDA**

Strike all after the enacting clause and insert the following:

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

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

**5 (b) TABLE OF CONTENTS.**—The table of contents of  
**6 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.

Subtitle B—Other Provisions

- Sec. 111. Frequency of mail delivery.
- Sec. 112. Efficient and flexible universal postal service.
- Sec. 113. Enhanced reporting on Postal Service efficiency.

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.
- Sec. 215. One-time transfer of net surplus postal retirement contributions.

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.

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.

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 **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 pro-  
2 cessing 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 **Subtitle B—Other Provisions**

### 10 **SEC. 111. FREQUENCY OF MAIL DELIVERY.**

11 Section 101 is amended by adding at the end the fol-  
12 lowing:

13 “(h) Nothing in this title or any other provision of  
14 law shall be considered to prevent the Postal Service from  
15 taking whatever actions may be necessary to provide for  
16 5-day delivery of mail and a commensurate adjustment in  
17 rural delivery of mail, subject to the requirements of sec-  
18 tion 3661.”.

### 19 **SEC. 112. EFFICIENT AND FLEXIBLE UNIVERSAL POSTAL** 20 **SERVICE.**

21 (a) POSTAL POLICY.—

22 (1) IN GENERAL.—Section 101(b) is amended  
23 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.—(A) Clause  
5 (iii) of section 404(d)(2)(A) is amended to read as  
6 follows:

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) Section 2401(b)(1) is amended (in the mat-  
15 ter before subparagraph (A)) by striking “a max-  
16 imum degree of”.

17 (b) GENERAL DUTY.—Paragraph (3) of section  
18 403(b) is amended to read as follows:

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

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



1           (1) DEADLINE FOR REVIEW.—Section  
2           404(d)(5) is amended by striking “120 days” and  
3           inserting “60 days”.

4           (2) EXCLUSION FROM REVIEW.—Section 404(d)  
5           is amended by adding at the end the following:

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

10          “(B) For purposes of this paragraph—

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

13                         “(I) is not owned or operated by the Postal  
14                         Service; and

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

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

21                         “(I) begins to provide postal services to the  
22                         general public during the period—

23                                 “(aa) beginning 1 year before the date  
24                                 on which the closure or consolidation of

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

3                   “(bb) ending on the 15th day after  
4           the date on which the closure or consolida-  
5           tion of such post office is scheduled to take  
6           effect; and

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

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

21          “(ii) A decision under clause (i) not to reopen a post  
22          office may be appealed to the Postal Regulatory Commis-  
23          sion under procedures which the Commission shall by reg-  
24          ulation prescribe. Such procedures shall be based on para-  
25          graph (5), except that, for purposes of this clause, para-

1 graph (5)(C) shall be applied by substituting ‘in violation  
2 of section 101(b), leaving postal patrons without effective  
3 and regular access to postal services’ for ‘unsupported by  
4 substantial evidence on the record’.”.

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

12 (d) EXPEDITED PROCEDURES.—

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

15 “(d)(1) The Commission shall issue its opinion within  
16 90 days after the receipt of any proposal (as referred to  
17 in subsection (b)) concerning—

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

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

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

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

10          (3) APPLICABILITY.—The amendment made by  
11 this subsection shall apply with respect to any pro-  
12 posal received by the Postal Regulatory Commission  
13 on or after the earlier of—

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

16           (B) the effective date of the regulations  
17 under paragraph (2).

18 **SEC. 113. ENHANCED REPORTING ON POSTAL SERVICE EF-**  
19 **FICIENCY.**

20 Section 3652(a) is amended—

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

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

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

1           “(3) which shall provide the overall change in  
2           Postal Service productivity and the resulting effect  
3           of such change on overall Postal Service costs during  
4           such year, using such methodologies as the Commis-  
5           sion shall by regulation prescribe.”.

6   **TITLE II—POSTAL SERVICE FI-**  
7   **NANCIAL       RESPONSIBILITY**  
8   **AND MANAGEMENT ASSIST-**  
9   **ANCE AUTHORITY**  
10  **Subtitle A—Establishment and**  
11  **Organization**

12  **SEC. 201. PURPOSES.**

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

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

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

22           (3) To conduct necessary investigations and  
23           studies to determine the fiscal status and oper-  
24           ational efficiency of the Postal Service.

25           (4) To assist the Postal Service in—

1           (A) restructuring its organization and  
2           workforce to bring expenses in line with dimin-  
3           ishing revenue and generate sufficient profits  
4           for capital investment and repayment of debt;

5           (B) meeting all fiscal obligations to the  
6           Treasury of the United States; and

7           (C) ensuring the appropriate and efficient  
8           delivery of postal services.

9           (5) To provide the Postal Service with a tem-  
10          porary increase in its borrowing authority to enable  
11          the Postal Service to complete necessary restruc-  
12          turing.

13          (6) To ensure the long-term financial, fiscal,  
14          and economic vitality and operational efficiency of  
15          the Postal Service.

16          (b) RESERVATION OF POWERS.—Nothing in this title  
17          may be construed—

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

21               (2) to limit the authority of Congress to exer-  
22               cise ultimate legislative authority over the Postal  
23               Service.

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

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

7 (b) CONTROL PERIOD.—

8 (1) COMMENCEMENT OF A CONTROL PERIOD.—

9 For purposes of this title, a control period com-  
10 mences whenever the Postal Service has been in de-  
11 fault to the Treasury of the United States, with re-  
12 spect to any debts, obligations, loans, bonds, notes,  
13 or other form of borrowing, for a period of at least  
14 30 days.

15 (2) TREATMENT OF AUTHORITIES AND RESPON-  
16 SIBILITIES OF THE BOARD OF GOVERNORS, ETC.  
17 DURING A CONTROL PERIOD.—During a control pe-  
18 riod—

19 (A) all authorities and responsibilities of  
20 the Board of Governors, and the individual  
21 Governors, of the Postal Service under title 39,  
22 United States Code, and any other provision of  
23 law shall be assumed by the Authority; and

24 (B) the Board of Governors, and the indi-  
25 vidual Governors, may act in an advisory capac-  
26 ity only.

1           (3) TREATMENT OF CERTAIN POSTAL SERVICE  
2 EXECUTIVES DURING A CONTROL PERIOD.—

3           (A) DEFINITION.—For the purposes of  
4 this section, the term “Level-Two Postal Serv-  
5 ice Executive” includes the Postmaster General,  
6 the Deputy Postmaster General, and all other  
7 officers or employees of the Postal Service in  
8 level two of the Postal Career Executive Service  
9 (or the equivalent).

10          (B) TREATMENT.—Notwithstanding any  
11 other provision of law or employment contract,  
12 during a control period—

13           (i) all Level-Two Postal Service Ex-  
14 ecutives shall serve at the pleasure of the  
15 Authority;

16           (ii) the duties and responsibilities of  
17 all Level-Two Postal Service Executives, as  
18 well as the terms and conditions of their  
19 employment (including their compensa-  
20 tion), shall be subject to determination or  
21 redetermination by the Authority;

22           (iii) total compensation of a Level-  
23 Two Postal Service Executive may not, for  
24 any year in such control period, exceed the  
25 annual rate of basic pay payable for level



1 I of the Executive Schedule under section  
2 5312 of title 5, United States Code, for  
3 such year; for purposes of this clause, the  
4 term “total compensation” means basic  
5 pay, bonuses, awards, and all other mone-  
6 tary compensation;

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

20 (v) apart from basic pay, a Level-Two  
21 Postal Service Executive may not be af-  
22 farded any bonus, award, or other mone-  
23 tary compensation for any fiscal year in  
24 the control period if expenditures of the  
25 Postal Service for such fiscal year exceeded

1 revenues of the Postal Service for such fis-  
2 cal year (determined in accordance with  
3 generally accepted accounting principles);  
4 and

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

16 (C) BONUS AUTHORITY.—Section 3686 of  
17 title 39, United States Code, shall, during the  
18 period beginning on the commencement date of  
19 the control period and ending on the termi-  
20 nation date of the control period—

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

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

1           (4) TERMINATION OF A CONTROL PERIOD.—  
2           Subject to subtitle D, a control period terminates  
3           upon certification by the Authority, with the concur-  
4           rence of the Secretary of the Treasury and the Di-  
5           rector of the Office of Personnel Management,  
6           that—

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

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

20                  (C) the Postal Service financial plan and  
21                  budget (as referred to in subparagraph (B)) in-  
22                  cludes plans—

23                          (i) for the repayment of any supple-  
24                          mentary debt under section 222, in equal

1 annual installments over a period of not  
2 more than 10 years; and

3 (ii) to properly fund Postal Service  
4 pensions and retiree health benefits in ac-  
5 cordance with law.

6 **SEC. 203. MEMBERSHIP AND QUALIFICATION REQUIRE-**  
7 **MENTS.**

8 (a) MEMBERSHIP.—

9 (1) IN GENERAL.—The Authority shall consist  
10 of 5 members appointed by the President who meet  
11 the qualifications described in subsection (b), except  
12 that the Authority may take any action under this  
13 title at any time after the President has appointed  
14 4 of its members.

15 (2) RECOMMENDATIONS.—Of the 5 members so  
16 appointed—

17 (A) 1 shall be appointed from among indi-  
18 viduals recommended by the Speaker of the  
19 House of Representatives;

20 (B) 1 shall be appointed from among indi-  
21 viduals recommended by the majority leader of  
22 the Senate;

23 (C) 1 shall be appointed from among indi-  
24 viduals recommended by the minority leader of  
25 the House of Representatives;

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

4 (E) 1 shall be appointed from among indi-  
5 viduals recommended by the Comptroller Gen-  
6 eral.

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

10 (4) CHAIR.—The President shall designate 1 of  
11 the members of the Authority as the Chair of the  
12 Authority.

13 (5) SENSE OF CONGRESS REGARDING DEAD-  
14 LINE FOR APPOINTMENT.—It is the sense of Con-  
15 gress that the President should appoint the members  
16 of the Authority as soon as practicable after the  
17 date on which a control period commences, but no  
18 later than 30 days after such date.

19 (6) TERM OF SERVICE.—

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

23 (B) APPOINTMENT FOR TERM FOLLOWING  
24 INITIAL TERM.—As designated by the President  
25 at the time of appointment for the term imme-

1 diately following the initial term, of the mem-  
2 bers appointed for the term immediately fol-  
3 lowing the initial term—

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

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

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

10 (C) REMOVAL.—The President may re-  
11 move any member of the Authority only for  
12 cause.

13 (D) NO COMPENSATION FOR SERVICE.—  
14 Members of the Authority shall serve without  
15 pay, but may receive reimbursement for any  
16 reasonable and necessary expenses incurred by  
17 reason of service on the Authority.

18 (b) QUALIFICATION REQUIREMENTS.—

19 (1) IN GENERAL.—An individual meets the  
20 qualifications for membership on the Authority if the  
21 individual—

22 (A) has significant knowledge and exper-  
23 tise in finance, management, and the organiza-  
24 tion or operation of businesses having more  
25 than 500 employees; and

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

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

12 (A) has been an officer, employee, or pri-  
13 vate contractor with the Postal Service or the  
14 Postal Regulatory Commission; or

15 (B) has served as an employee or con-  
16 tractor of a labor organization representing em-  
17 ployees of the Postal Service or the Postal Reg-  
18 ulatory Commission.

19 **SEC. 204. ORGANIZATION.**

20 (a) ADOPTION OF BY-LAWS FOR CONDUCTING BUSI-  
21 NESS.—As soon as practicable after the appointment of  
22 its members, the Authority shall adopt by-laws, rules, and  
23 procedures governing its activities under this title, includ-  
24 ing procedures for hiring experts and consultants. Upon  
25 adoption, such by-laws, rules, and procedures shall be sub-

1 mitted by the Authority to the Postmaster General, the  
2 President, and Congress.

3 (b) CERTAIN ACTIVITIES REQUIRING APPROVAL OF  
4 MAJORITY OF MEMBERS.—Under its by-laws, the Author-  
5 ity may conduct its operations under such procedures as  
6 it considers appropriate, except that an affirmative vote  
7 of a majority of the members of the Authority shall be  
8 required in order for the Authority to—

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

11 (2) implement recommendations on financial  
12 stability and management responsibility under sec-  
13 tion 226;

14 (3) take any action under authority of section  
15 202(b)(3)(B)(i);

16 (4) require the immediate renegotiation of an  
17 existing collective bargaining agreement in accord-  
18 ance with section 211(g)(1);

19 (5) reject, modify, or terminate any provisions  
20 or conditions of an existing collective bargaining  
21 agreement in accordance with section 211(g)(2);

22 (6) carry out a reduction in force under section  
23 211(i); or



1           (7) initiate the establishment of a new workers'  
2           compensation system for the Postal Service in ac-  
3           cordance with section 311.

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

5           (a) EXECUTIVE DIRECTOR.—The Authority shall  
6           have an Executive Director who shall be appointed by the  
7           Chair with the consent of the Authority. The Executive  
8           Director shall be paid at a rate determined by the Author-  
9           ity, except that such rate may not exceed the rate of basic  
10          pay payable for level IV of the Executive Schedule under  
11          section 5315 of title 5, United States Code.

12          (b) STAFF.—With the approval of the Authority, the  
13          Executive Director may appoint and fix the pay of such  
14          additional personnel as the Executive Director considers  
15          appropriate, except that no individual appointed by the  
16          Executive Director may be paid at a rate greater than the  
17          rate of pay for the Executive Director. Personnel ap-  
18          pointed under this subsection shall serve at the pleasure  
19          of the Executive Director.

20          (c) INAPPLICABILITY OF CERTAIN CIVIL SERVICE  
21          LAWS.—The Executive Director and staff of the Authority  
22          may be appointed without regard to the provisions of title  
23          5, United States Code, governing appointments in the  
24          competitive service, and paid without regard to the provi-  
25          sions of chapter 51 and subchapter III of chapter 53 of

1 such title relating to classification and General Schedule  
2 pay rates.

3 (d) STAFF OF FEDERAL AGENCIES.—Upon request  
4 of the Chair, the head of any Federal department or agen-  
5 cy may detail, on a reimbursable or nonreimbursable basis,  
6 any of the personnel of such department or agency to the  
7 Authority to assist it in carrying out its duties under this  
8 title.

9 **SEC. 206. FUNDING.**

10 (a) IN GENERAL.—There are authorized to be appro-  
11 priated, out of the Postal Service Fund, such sums as may  
12 be necessary for the Authority. In requesting an appro-  
13 priation under this section for a fiscal year, the Authority  
14 shall prepare and submit to the Congress under section  
15 2009 of title 39, United States Code, a budget of the  
16 Authority's expenses, including expenses for facilities, sup-  
17 plies, compensation, and employee benefits not to exceed  
18 \$10,000,000. In years in which a control period com-  
19 mences, the Authority shall submit a budget within 30  
20 days of the appointment of the members of the Authority.

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

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

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

6                           **Subtitle B—Powers of the**  
7   **Authority**

8   **SEC. 211. POWERS.**

9           (a) **POWERS OF MEMBERS AND AGENTS.**—Any mem-  
10          ber or agent of the Authority may, if authorized by the  
11          Authority, take any action which the Authority is author-  
12          ized by this section to take.

13          (b) **OBTAINING OFFICIAL DATA FROM THE POSTAL**  
14          **SERVICE.**—Notwithstanding any other provision of law,  
15          the Authority may secure copies of such records, docu-  
16          ments, information, or data from any entity of the Postal  
17          Service necessary to enable the Authority to carry out its  
18          responsibilities under this title. At the request of the Au-  
19          thority, the Authority shall be granted direct access to  
20          such information systems, records, documents, informa-  
21          tion, or data as will enable the Authority to carry out its  
22          responsibilities under this title. The head of the relevant  
23          entity of the Postal Service shall provide the Authority  
24          with such information and assistance (including granting  
25          the Authority direct access to automated or other informa-

1 tion systems) as the Authority requires under this sub-  
2 section.

3 (c) GIFTS, BEQUESTS, AND DEVISES.—The Author-  
4 ity may accept, use, and dispose of gifts, bequests, or de-  
5 vise of services or property, both real and personal, for  
6 the purpose of aiding or facilitating the work of the Au-  
7 thority. Gifts, bequests, or devises of money and proceeds  
8 from sales of other property received as gifts, bequests,  
9 or devises shall be deposited in such account as the Au-  
10 thority may establish and shall be available for disburse-  
11 ment upon order of the Chair.

12 (d) ADMINISTRATIVE SUPPORT SERVICES.—Upon  
13 the request of the Authority, the Administrator of General  
14 Services may provide to the Authority, on a reimbursable  
15 basis, the administrative support services necessary for the  
16 Authority to carry out its responsibilities under this title.

17 (e) AUTHORITY TO ENTER INTO CONTRACTS.—The  
18 Executive Director may enter into such contracts as the  
19 Executive Director considers appropriate (subject to the  
20 approval of the Chair) to carry out the Authority's respon-  
21 sibilities under this title.

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

1 (g) COLLECTIVE BARGAINING.—Notwithstanding  
2 any other provision of law—

3 (1) the Authority may require the renegotiation  
4 of an existing collective bargaining agreement to  
5 achieve specific economic savings or workforce flexi-  
6 bility goals; and

7 (2) after meeting and conferring with the ap-  
8 propriate bargaining representative, the Authority  
9 may reject, modify, or terminate any provisions or  
10 conditions of an existing collective bargaining agree-  
11 ment if—

12 (A) a prompt and satisfactory agreement  
13 under paragraph (1) is unlikely; and

14 (B) in the judgment of the Authority, the  
15 rejection, modification, or termination—

16 (i) is reasonable and necessary for the  
17 Postal Service to be a financially viable  
18 provider of universal postal service to the  
19 Nation; and

20 (ii) is designed to achieve the specific  
21 economic savings or workforce flexibility  
22 goals (as the case may be) referred to in  
23 paragraph (1).

24 (h) PENALTIES.—

1           (1) ADMINISTRATIVE DISCIPLINE.—Any officer  
2 or employee of the Postal Service who, by action or  
3 inaction, fails to comply with any directive or other  
4 order of the Authority under section 226(c) shall be  
5 subject to appropriate administrative discipline, in-  
6 cluding suspension from duty without pay or re-  
7 moval from office, by order of either the Postmaster  
8 General or the Authority.

9           (2) REPORTING REQUIREMENT.—Whenever an  
10 officer or employee of the Postal Service takes or  
11 fails to take any action which is noncompliant with  
12 any directive or other order of the Authority under  
13 section 226(c), the Postmaster General shall imme-  
14 diately report to the Authority all pertinent facts, to-  
15 gether with a statement of any actions taken by the  
16 Postmaster General or proposed by the Postmaster  
17 General to be taken under paragraph (1).

18           (i) REDUCTIONS IN FORCE.—

19           (1) DEFINITIONS.—For purposes of this sub-  
20 section—

21           (A) the term “bargaining unit” means a  
22 bargaining unit under section 1202 of title 39,  
23 United States Code, to which the Postal Service  
24 accords exclusive recognition under section  
25 1203 of such title;

1 (B) the term “bargaining unit employee”  
2 means an employee in a bargaining unit; and

3 (C) the term “district” has the meaning  
4 given such term under regulations, directives,  
5 or other guidance of the Postal Service, as in  
6 effect on June 23, 2011.

7 (2) BARGAINING UNIT EMPLOYEES.—Notwith-  
8 standing any other provision of law, regulation, or  
9 collective-bargaining agreement, a reduction in force  
10 may be conducted with respect to bargaining unit  
11 employees if—

12 (A) in the judgment of the Authority, such  
13 reduction in force is necessary in order to carry  
14 out the purposes of this title; and

15 (B) such reduction in force is conducted in  
16 accordance with the requirements of this sub-  
17 section.

18 (3) REQUIREMENTS.—

19 (A) IN GENERAL.—Except as otherwise  
20 provided in this paragraph, a reduction in force  
21 under this subsection shall be governed by the  
22 same laws, regulations, and other requirements  
23 as would apply if such reduction in force were  
24 being conducted with respect to employees of

1 the Postal Service who are not bargaining unit  
2 employees.

3 (B) EMPLOYEES COVERED.—This para-  
4 graph shall not apply with respect to any em-  
5 ployees other than bargaining unit employees.

6 (C) LIMITATION RELATING TO SIZE OF A  
7 COMPETITIVE LEVEL.—A reduction in force  
8 under this subsection may be carried out with  
9 respect to any competitive level, defined based  
10 on appropriate geographic, organizational, or  
11 other factors, except that in no event may such  
12 competitive level exceed the boundaries of a sin-  
13 gle district.

14 (D) ORDER OF RETENTION.—

15 (i) DEFINITIONS.—For purposes of  
16 this paragraph—

17 (I) the term “retirement-eligible  
18 employee” means an employee who  
19 satisfies the age and service require-  
20 ments for retirement under—

21 (aa) subsection (a), (b), (c),  
22 or (f) of section 8336 of title 5,  
23 United States Code; or



1 (bb) subsection (a), (b), (c),  
2 (d), or (g) of section 8412 of title  
3 5, United States Code; and

4 (II) the term “non-retirement-eli-  
5 gible employee” means an employee  
6 who is not a retirement-eligible em-  
7 ployee.

8 (ii) GENERAL RULE.—A reduction in  
9 force under this subsection shall not result  
10 in the separation of any non-retirement-eli-  
11 gible employee before a retirement-eligible  
12 employee.

13 (iii) LENGTH OF SERVICE.—In deter-  
14 mining the order for the separation of  
15 competing retirement-eligible employees,  
16 individuals shall be separated in descend-  
17 ing order based on length of service.

18 (E) SEVERANCE PAY.—

19 (i) IN GENERAL.—Except as otherwise  
20 provided in this subparagraph, a retire-  
21 ment-eligible employee who is separated  
22 pursuant to a reduction in force under this  
23 subsection shall not, by virtue of that sepa-  
24 ration, be eligible for any payment in the  
25 nature of severance pay.

1                   (ii) EXCEPTION.—Subject to clause  
2                   (iii), a retirement-eligible employee who is  
3                   involuntarily separated under this sub-  
4                   section, other than for cause, shall be paid  
5                   severance pay—

6                   (I) in an amount not more than  
7                   \$25,000; and

8                   (II) in the form of a lump-sum  
9                   payment.

10                  (iii) CONDITION.—Severance pay  
11                  under this subparagraph shall be payable  
12                  only to the extent that funds are available  
13                  for that purpose under section 215.

14                  (F) LIMITATION ON REEMPLOYMENT.—An  
15                  employee described in subparagraph (D)(i)(I)  
16                  who has been separated pursuant to a reduction  
17                  in force under this subsection may not be of-  
18                  fered reemployment in any position for which  
19                  any employee, or former employee, of the Postal  
20                  Service who is described in subparagraph  
21                  (D)(i)(II)—

22                   (i) has applied; and

23                   (ii) is qualified and available.

24                  (4) REGULATIONS.—Any regulations necessary  
25                  to carry out this subsection shall be prescribed by

1 the Office of Personnel Management not later than  
2 90 days after the date of the enactment of this Act.

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

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

7 **SEC. 213. TREATMENT OF ACTIONS ARISING UNDER THIS**  
8 **TITLE.**

9 (a) JURISDICTION ESTABLISHED IN UNITED STATES  
10 COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA  
11 CIRCUIT.—A person (including the Postal Service) ad-  
12 versely affected or aggrieved by an order or decision of  
13 the Authority may, within 30 days after such order or de-  
14 cision becomes final, institute proceedings for review  
15 thereof by filing a petition in the United States Court of  
16 Appeals for the District of Columbia Circuit. The court  
17 shall review the order or decision in accordance with sec-  
18 tion 706 of title 5, United States Code, and chapter 158  
19 and section 2112 of title 28, United States Code. Judicial  
20 review shall be limited to the question of whether the Au-  
21 thority acted in excess of its statutory authority, and de-  
22 terminations of the Authority with respect to the scope  
23 of its statutory authority shall be upheld if based on a  
24 permissible construction of the statutory authority.

1 (b) PROMPT APPEAL TO THE SUPREME COURT.—

2 Notwithstanding any other provision of law, review by the  
3 Supreme Court of the United States of a decision of the  
4 Court of Appeals which is issued pursuant to subsection  
5 (a) may be had only if the petition for such review is filed  
6 within 10 days after the entry of such decision.

7 (c) TIMING OF RELIEF.—No order of any court  
8 granting declaratory or injunctive relief against the Au-  
9 thority, including relief permitting or requiring the obliga-  
10 tion, borrowing, or expenditure of funds, shall take effect  
11 during the pendency of the action before such court, dur-  
12 ing the time appeal may be taken, or (if appeal is taken)  
13 during the period before the court has entered its final  
14 order disposing of such action.

15 (d) EXPEDITED CONSIDERATION.—It shall be the  
16 duty of the United States Court of Appeals for the District  
17 of Columbia and the Supreme Court of the United States  
18 to advance on the docket and to expedite to the greatest  
19 possible extent the disposition of any matter brought  
20 under subsection (a).

21 **SEC. 214. DELIVERY POINT MODERNIZATION.**

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

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

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

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

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

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

16          (b) REDUCTION IN TOTAL NUMBER OF DELIVERY  
17 POINTS.—The Authority shall, during the first control pe-  
18 riod commencing under this title, take such measures as  
19 may be necessary and appropriate so that—

20           (1) in each fiscal year beginning at least 2  
21           years after the commencement date of such first  
22           control period—

23           (A) the total number of delivery points for  
24           which door delivery is the primary mode of mail  
25           delivery does not exceed 25 percent of the cor-

1           responding number for the fiscal year last end-  
2           ing before such commencement date; and

3           (B) the total annual costs attributable to  
4           door delivery, centralized delivery, and curbside  
5           delivery combined will be at least  
6           \$3,500,000,000 less than the corresponding  
7           total annual costs for the fiscal year last ending  
8           before such commencement date; and

9           (2) in each fiscal year beginning at least 4  
10          years after the commencement date of such first  
11          control period, the total number of delivery points  
12          for which door delivery is the primary mode of mail  
13          delivery does not exceed 10 percent of the cor-  
14          responding number for the fiscal year last ending be-  
15          fore such commencement date.

16 In making any decision under this subsection involving the  
17 continuation or termination of door delivery with respect  
18 to any locality or addresses within a locality, the Authority  
19 shall consider rates of poverty, population density, histor-  
20 ical value, and other appropriate factors.

21          (c) ORDER OF PRECEDENCE.—In order to carry out  
22 subsection (b)—

23           (1) in making conversions from door delivery to  
24           other primary modes of delivery—

1 (A) conversion shall be to centralized deliv-  
2 ery; except

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

5 (2) in the case of delivery points established  
6 after the commencement date of the first control pe-  
7 riod under this title—

8 (A) centralized delivery shall be the pri-  
9 mary mode of delivery; except

10 (B) if subparagraph (A) is impractical,  
11 curbside delivery shall be the primary mode of  
12 delivery.

13 (d) WAIVER FOR PHYSICAL HARDSHIP.—The Postal  
14 Service shall establish and maintain a waiver program  
15 under which, upon application, door delivery may be con-  
16 tinued or provided in any case in which—

17 (1) centralized or curbside delivery would, but  
18 for this subsection, otherwise be the primary mode  
19 of delivery; and

20 (2) door delivery is necessary in order to avoid  
21 causing significant physical hardship to a postal pa-  
22 tron.

23 (e) CENTRALIZED DELIVERY PLACEMENT.—It is the  
24 sense of the Congress that the Postal Service should nego-  
25 tiate with State and local governments, businesses, local

1 associations, and property owners to place centralized de-  
2 livery units in locations that maximize delivery efficiency,  
3 ease of use for postal patrons, and respect for private  
4 property rights.

5 (f) VOUCHER PROGRAM.—

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

10 (A) upon application, the Postal Service  
11 may defray all or any portion of the costs asso-  
12 ciated with conversion from door delivery under  
13 this section which would otherwise be borne by  
14 postal patrons; and

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

17 (2) CONFORMING AMENDMENT.—Section  
18 2011(a)(2) is amended—

19 (A) in subparagraph (A), by striking  
20 “and” after the semicolon;

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

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



1           “(C) vouchers under the program described in  
2           section 214(f)(1) of the Postal Reform Act of  
3           2011.”.

4           (g) AUDITS.—

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

7                   (A) shall conduct an annual audit to deter-  
8                   mine whether the Postal Service is in compli-  
9                   ance with the requirements of subsection (b);  
10                  and

11                   (B) shall make such recommendations as  
12                   the Inspector General considers appropriate to  
13                   improve the administration of such subsection.

14           (2) SUBMISSION.—The audit and recommenda-  
15           tions under paragraph (1) shall be submitted by the  
16           Inspector General to—

17                   (A) the Committee on Oversight and Gov-  
18                   ernment Reform of the House of Representa-  
19                   tives; and

20                   (B) the Committee on Homeland Security  
21                   and Governmental Affairs of the Senate.

22           (3) INFORMATION.—Upon request, the Postal  
23           Service shall furnish such information as the Inspec-  
24           tor General may require in order to carry out this  
25           subsection.

1 **SEC. 215. 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, with the approval of the Authority, be  
23 used only for the purpose described in section  
24 211(i)(3)(E), except that

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

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

7                   (B) second, to satisfy any supplemental li-  
8           ability computed under section 8348(h) of title  
9           5, United States Code; and

10                   (C) third, to satisfy any obligations of the  
11           Postal Service under section 2005 of title 39,  
12           United States Code.

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

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

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

1 **Subtitle C—Establishment and En-**  
2 **forcement of Financial Plan and**  
3 **Budget for the Postal Service**

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

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

11 (b) CONTENTS OF FINANCIAL PLAN AND BUDGET.—  
12 A financial plan and budget for the Postal Service for a  
13 fiscal year shall specify the budget for the Postal Service  
14 as required by section 2009 of title 39, United States  
15 Code, for the applicable fiscal year and the next 3 fiscal  
16 years, in accordance with the following requirements:

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

20 (2) The financial plan and budget shall—

21 (A) include the Postal Service’s annual  
22 budget program (under section 2009 of title 39,  
23 United States Code) and the Postal Service’s  
24 plan commonly referred to as its “Integrated  
25 Financial Plan”;

1 (B) describe lump-sum expenditures by all  
2 categories traditionally used by the Postal Serv-  
3 ice;

4 (C) describe capital expenditures (together  
5 with a schedule of projected capital commit-  
6 ments and cash outlays of the Postal Service  
7 and proposed sources of funding);

8 (D) contain estimates of overall debt (both  
9 outstanding and anticipated to be issued); and

10 (E) contain cash flow and liquidity fore-  
11 casts for the Postal Service at such intervals as  
12 the Authority may require.

13 (3) The financial plan and budget shall include  
14 a statement describing methods of estimations and  
15 significant assumptions.

16 (4) The financial plan and budget shall include  
17 any other provisions and shall meet such other cri-  
18 teria as the Authority considers appropriate to meet  
19 the purposes of this title, including provisions for—

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

22 (B) management initiatives to promote  
23 productivity, improvement in the delivery of  
24 services, or cost savings.

1           (c) REQUIREMENTS TO PROMOTE FINANCIAL STA-  
2 BILITY.—

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

7                   (A) In each fiscal year (following the first  
8 full fiscal year) in a control period, budgeted  
9 expenditures of the Postal Service for the fiscal  
10 year involved may not exceed budgeted revenues  
11 of the Postal Service for the fiscal year in-  
12 volved.

13                   (B) In each fiscal year in a control period,  
14 the Postal Service shall make continuous, sub-  
15 stantial progress towards long-term fiscal sol-  
16 vency and shall have substantially greater net  
17 income than in the previous fiscal year.

18                   (C) The Postal Service shall provide for  
19 the orderly liquidation of any supplementary  
20 debt under section 222.

21                   (D) The financial plan and budget shall  
22 assure the continuing long-term financial sta-  
23 bility of the Postal Service, as indicated by fac-  
24 tors such as the efficient management of the

1           Postal Service’s workforce and the effective pro-  
2           vision of services by the Postal Service.

3           (2) APPLICATION OF SOUND BUDGETARY PRAC-  
4           TICES.—In meeting the requirement described in  
5           paragraph (1) with respect to a financial plan and  
6           budget for a fiscal year, the Postal Service shall  
7           apply sound budgetary practices, including reducing  
8           costs and other expenditures, improving productivity,  
9           increasing revenues, or a combination of such prac-  
10          tices.

11          (3) ASSUMPTIONS BASED ON CURRENT LAW.—  
12          In meeting the requirements described in paragraph  
13          (1) with respect to a financial plan and budget for  
14          a fiscal year, the Postal Service shall base estimates  
15          of revenues and expenditures on Federal law as in  
16          effect at the time of the preparation of such finan-  
17          cial plan and budget.

18 **SEC. 222. SUPPLEMENTARY BORROWING AUTHORITY DUR-**  
19 **ING A CONTROL PERIOD.**

20          (a) IN GENERAL.—Upon the commencement of a  
21          control period, subject to the approval of the Authority,  
22          the Postal Service is authorized to borrow money and issue  
23          and sell such obligations as may be necessary to carry out  
24          the purposes of this title, to the same extent, in the same  
25          manner, and subject to the same terms and conditions as

1 if the maximum amount allowable under the provisions of  
2 section 2005(a)(2) of title 39, United States Code, for the  
3 fiscal year involved were equal to the maximum amount  
4 which (but for this section) would otherwise be allowable  
5 under such provisions, increased by \$10,000,000,000.

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

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

14 (d) COLLATERAL.—For the purposes of funds ac-  
15 quired under subsection (a), the Postal Service shall pro-  
16 vide an appropriate level of collateral in the form of  
17 pledged Postal Service property assets.

18 **SEC. 223. PROCESS FOR SUBMISSION AND APPROVAL OF FI-**  
19 **NANCIAL PLAN AND BUDGET.**

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

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



1           (2) by August 1 before the start of such fiscal  
2           year, a final financial plan and budget under section  
3           221 for such fiscal year.

4           (b) REVIEW BY AUTHORITY.—Upon receipt of a fi-  
5           nancial plan and budget under subsection (a) (whether  
6           preliminary or final), the Authority shall promptly review  
7           such financial plan and budget. In conducting the review,  
8           the Authority may request any additional information it  
9           considers necessary and appropriate to carry out its duties  
10          under this subtitle.

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

13           (1) CERTIFICATION TO POSTMASTER GEN-  
14          ERAL.—

15           (A) IN GENERAL.—If the Authority deter-  
16           mines that the final financial plan and budget  
17           for the fiscal year submitted by the Postmaster  
18           General under subsection (a) meets the require-  
19           ments of section 221—

20                   (i) the Authority shall approve the fi-  
21                   nancial plan and budget and shall provide  
22                   the Postmaster General, the President, and  
23                   Congress with a notice certifying its ap-  
24                   proval; and

1 (ii) the Postmaster General shall  
2 promptly submit the annual budget pro-  
3 gram to the Office of Management and  
4 Budget pursuant to section 2009 of title  
5 39, United States Code.

6 (B) DEEMED APPROVAL AFTER 30 DAYS.—

7 (i) IN GENERAL.—If the Authority  
8 has not provided the Postmaster General,  
9 the President, and Congress with a notice  
10 certifying approval under subparagraph  
11 (A)(i) or a statement of disapproval under  
12 subsection (d) before the expiration of the  
13 30-day period which begins on the date the  
14 Authority receives the financial plan and  
15 budget from the Postmaster General under  
16 subsection (a), the Authority shall be  
17 deemed to have approved the financial plan  
18 and budget and to have provided the Post-  
19 master General, the President, and Con-  
20 gress with the notice certifying approval  
21 under subparagraph (A)(i).

22 (ii) EXPLANATION OF FAILURE TO  
23 RESPOND.—If clause (i) applies with re-  
24 spect to a financial plan and budget, the  
25 Authority shall provide the Postmaster

1           General, the President and Congress with  
2           an explanation for its failure to provide the  
3           notice certifying approval or the statement  
4           of disapproval during the 30-day period de-  
5           scribed in such clause.

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

14           (1) the reasons for such disapproval;

15           (2) the amount of any shortfall in the budget  
16           or financial plan; and

17           (3) any recommendations for revisions to the  
18           budget the Authority considers appropriate to ensure  
19           that the budget is consistent with the financial plan  
20           and budget.

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

24           (1) SUBMISSION OF POSTMASTER GENERAL'S  
25           REVISED FINAL FINANCIAL PLAN AND BUDGET.—

1 Not later than 15 days after receiving the statement  
2 from the Authority under subsection (d), the Post-  
3 master General shall promptly adopt a revised final  
4 financial plan and budget for the fiscal year which  
5 addresses the reasons for the Authority's disapproval  
6 cited in the statement, and shall submit such finan-  
7 cial plan and budget to the Authority.

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

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

21 (B) the Postmaster General shall promptly  
22 submit the annual budget program to the Office  
23 of Management and Budget pursuant to section  
24 2009 of title 39, United States Code.

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

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

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

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

20                   (iii) approve and recommend a finan-  
21      cial plan and budget for the Postal Service  
22      which meets the applicable requirements  
23      under section 221, and submit such finan-  
24      cial plan and budget to the Postmaster  
25      General, the President, and Congress.

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

8 (4) DEEMED APPROVAL AFTER 15 DAYS.—

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

23 (B) EXPLANATION OF FAILURE TO RE-  
24 SPOND.—If subparagraph (A) applies with re-  
25 spect to a financial plan and budget, the Au-

1           thority shall provide the Postmaster General,  
2           the President and Congress with an explanation  
3           for its failure to provide the notice certifying  
4           approval or the statement of disapproval during  
5           the 15-day period described in such subpara-  
6           graph.

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

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

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

20                 (3) submit to Congress an approved and rec-  
21                 ommended financial plan and budget of the Author-  
22                 ity for the Postal Service for the fiscal year under  
23                 subsection (e)(3)(A)(iii).

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

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

6           (2) PROCESS FOR REVIEW, APPROVAL, DIS-  
7           APPROVAL, AND POSTMASTER GENERAL ACTION.—  
8           Except as provided in paragraph (3), the procedures  
9           described in subsections (b), (c), (d), and (e) shall  
10          apply with respect to a proposed revision to a finan-  
11          cial plan and budget in the same manner as such  
12          procedures apply with respect to the original finan-  
13          cial plan and budget.

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

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

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



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

3           (2) determining its organizational structure,  
4 particularly for senior management at the level of  
5 vice president and higher;

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

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

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

21          (6) approving substantial capital projects and  
22 any substantial disposition of capital assets, such as  
23 surplus property;

24          (7) approving changes in rates and classifica-  
25 tions, new products and services, policy regarding

1 other substantial matters before the Postal Regu-  
2 latory Commission, and any appeals of its decisions  
3 or orders to the Federal courts;

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

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

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

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

20 (12) carrying out any responsibility, not other-  
21 wise listed in this subsection, that was the responsi-  
22 bility of the Board of Governors at any time during  
23 the 5-year period ending on the date of the enact-  
24 ment of this Act.

25 (b) REVIEW OF POSTAL SERVICE PROPOSALS.—

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

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

12          (3) ACTIONS BY AUTHORITY.—

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

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

22                        (i) notify the Postmaster General of  
23                        its finding;

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

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

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

21 (c) EFFECT OF APPROVED FINANCIAL PLAN AND  
22 BUDGET ON CONTRACTS AND LEASES.—

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

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

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

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

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

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

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

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

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

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

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”; 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 **SEC. 305. MODIFICATIONS RELATING TO COLLECTIVE BAR-**  
16 **GAINING.**

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

19 “(c)(1) If no agreement is reached within 30 days  
20 after the appointment of a mediator under subsection (b),  
21 or if the parties decide upon arbitration before the expira-  
22 tion of the 30-day period, an arbitration board shall be  
23 established consisting of 1 member selected by the Postal  
24 Service (from the list under paragraph (2)), 1 member se-  
25 lected by the bargaining representative of the employees

1 (from the list under paragraph (2)), and the mediator ap-  
2 pointed under subsection (b).

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

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

22 “(4) No more than 7 days after the hearing is con-  
23 cluded, each party shall submit to the arbitration board  
24 2 offer packages, each of which packages shall specify the  
25 terms of a proposed final agreement.

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

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

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

13                 “(i) The offer complies with the requirements of  
14 sections 101(e) and 1003(a).

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

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

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

24                 “(I) select the package that best meets such  
25 conditions; and

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

3           “(ii) If modification (as described in subparagraph  
4 (B)(i)(II)) is necessary, the board shall have an additional  
5 7 days to render its tentative award under this subpara-  
6 graph.

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

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

24          “(10) If, under paragraph (5), neither party submits  
25 a final offer package by the last day allowable under such

1 paragraph, the arbitration board shall develop and issue  
2 a final award no later than 20 days after such last day.

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

5 “(12) Costs of the arbitration board and mediation  
6 shall be shared equally by the Postal Service and the bar-  
7 gaining representative.

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



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           propriate 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                 fered 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.—Paragraph (1) of section 3622(d)  
10 is amended—

11           (1) by redesignating subparagraphs (B)  
12 through (E) as subparagraph (E) through (H), re-  
13 spectively; and

14           (2) by inserting after subparagraph (A) the fol-  
15 lowing:

16                   “(B) subject to the limitation under para-  
17 graph (A), establish postal rates to fulfill the  
18 requirement that each market-dominant class,  
19 product, and type of mail service (except for an  
20 experimental product or service) bear the direct  
21 and indirect postal costs attributable to such  
22 class, product, or type through reliably identi-  
23 fied causal relationships plus that portion of all  
24 other costs of the Postal Service reasonably as-  
25 signable to such class, product, or type;

1           “(C) establish postal rates for each loss-  
2           making class of mail to eliminate such losses by  
3           exhausting all unused rate authority for each  
4           class under this section as well as maximizing  
5           incentives to reduce costs and increase effi-  
6           ciency; with—

7                   “(i) the term ‘loss-making’, as used  
8                   with respect to a class of mail, meaning a  
9                   class of mail that bears less than 100 per-  
10                  cent of its costs attributable (as described  
11                  in subparagraph (B)), according to the  
12                  most recent annual determination of the  
13                  Postal Regulatory Commission under sec-  
14                  tion 3653; and

15                   “(ii) unused rate authority annually  
16                   increased by 5 percent for each class of  
17                   mail that bore less than 90 percent of its  
18                   costs attributable (as described in subpara-  
19                   graph (B)), according to the most recent  
20                   annual determination by the Postal Regu-  
21                   latory Commission under section 3653,  
22                   with such increase in unused rate authority  
23                   to take effect 30 days after issuance of  
24                   such Commission determination;

1           “(D) 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          (b) CONFORMING AMENDMENT.—Subparagraph (A)  
14 of section 3622(e)(10) is amended to read as follows:

15           “(A) improve the net financial position of  
16           the Postal Service through reducing Postal  
17           Service costs or increasing the overall contribu-  
18           tion to the institutional costs of the Postal  
19           Service; and”.

20          (c) EXCEPTION.—Section 3622(d) is amended by  
21 adding at the end the following:

22           “(4) EXCEPTION.—The requirements of para-  
23           graph (1)(B) shall not apply to a market-dominant  
24           product for which a substantial portion of the prod-  
25           uct’s mail volume consists of inbound international

1 mail with terminal dues rates determined by the  
2 Universal Postal Union (and not by bilateral agree-  
3 ments or other arrangements).”.

4 **SEC. 402. REPEAL OF RATE PREFERENCES FOR QUALIFIED**  
5 **POLITICAL COMMITTEES.**

6 Subsection (e) of section 3626 is repealed.

7 **SEC. 403. RATE PREFERENCES FOR NONPROFIT ADVER-**  
8 **TISING.**

9 (a) PROVISIONS RELATING TO FORMER SECTION  
10 4358(f).—Section 3626(a)(5) is amended by adding at the  
11 end the following: “Notwithstanding any other provision  
12 of this paragraph, the percentage specified in the pre-  
13 ceding sentence shall be increased by an additional 5 per-  
14 centage points as of the first day of each calendar year  
15 beginning after the date of the enactment of the Postal  
16 Reform Act of 2011, until such percentage reaches 90 per-  
17 cent.”.

18 (b) PROVISIONS RELATING TO FORMER SECTION  
19 4452 (b) AND (c).—Section 3626(a)(6) is amended by in-  
20 serting after subparagraph (C) the following (as a flush  
21 left sentence):

22 “Notwithstanding any other provision of this paragraph,  
23 the percentage specified in subparagraph (A) shall be in-  
24 creased by an additional 5 percentage points as of the first  
25 day of each calendar year beginning after the date of the



1 enactment of the Postal Reform Act of 2011, until such  
2 percentage reaches 90 percent.”.

3 **SEC. 404. STREAMLINED REVIEW OF QUALIFYING SERVICE**  
4 **AGREEMENTS FOR COMPETITIVE PRODUCTS.**

5 Section 3633 is amended by adding at the end the  
6 following:

7 “(c) **STREAMLINED REVIEW.**—Within 90 days after  
8 the date of the enactment of this subsection, after notice  
9 and opportunity for public comment, the Postal Regu-  
10 latory Commission shall promulgate (and may from time  
11 to time thereafter revise) regulations for streamlined  
12 after-the-fact review of new agreements between the Post-  
13 al Service and users of the mail that provide rates not  
14 of general applicability for competitive products, and are  
15 functionally equivalent to existing agreements that have  
16 collectively covered attributable costs and collectively im-  
17 proved the net financial position of the Postal Service.  
18 Streamlined review will be concluded within 5 working  
19 days after the agreement is filed with the Commission and  
20 shall be limited to approval or disapproval of the agree-  
21 ment as a whole based on the Commission’s determination  
22 of its functional equivalence. Agreements not approved  
23 may be resubmitted without prejudice under section  
24 3632(b)(3).”.

1 **SEC. 405. SUBMISSION OF SERVICE AGREEMENTS FOR**  
2 **STREAMLINED REVIEW.**

3 Section 3632(b) is amended—

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

6 (2) by inserting paragraph (3) the following:

7 “(4) RATES FOR STREAMLINED REVIEW.—In  
8 the case of rates not of general applicability for com-  
9 petitive products that the Postmaster General con-  
10 siders eligible for streamlined review under section  
11 3633(c), the Postmaster General shall cause each  
12 agreement to be filed with the Postal Regulatory  
13 Commission by such date, on or before the effective  
14 date of any new rate, as the Postmaster General  
15 considered appropriate.”.

16 **SEC. 406. TRANSPARENCY AND ACCOUNTABILITY FOR**  
17 **SERVICE AGREEMENTS.**

18 Section 3653 is amended—

19 (1) by redesignating subsections (e) through (e)  
20 as subsections (d) through (f), respectively; and

21 (2) by inserting after subsection (b) the fol-  
22 lowing:

23 “(c) Each annual written determination of the Com-  
24 mission under section 3653 shall include the following  
25 written determinations:

1           “(1) whether each product covered its costs,  
2           and if it did not, the determination shall state that  
3           such product is in noncompliance under section  
4           3653(e); and

5           “(2) for each group of functionally equivalent  
6           agreements between the Postal Service and users of  
7           the mail, whether it fulfilled requirements to—

8                   “(A) cover attributable costs; and

9                   “(B) improve the net financial position of  
10           the Postal Service.

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

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

23 **SEC. 407. NONPOSTAL SERVICES.**

24           (a) NONPOSTAL SERVICES.—

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

3           **“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.

4           **“§ 3701. Purpose**

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

10          **“§ 3702. Definitions**

11          “As used in this chapter—

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

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

21                 “(3) the term ‘Postal Service program for State  
22                 governments’ means a program, managed by the

1 Postal Service, by which the Postal Service receives  
2 revenue from State governments (including their  
3 agencies) for providing services on their behalf at  
4 Postal Service facilities;

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

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

8 **“§ 3703. Postal Service advertising program**

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

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

17 “(2) Any advertising program is required to  
18 cover a minimum of 200 percent of its attributable  
19 costs in each year.

20 “(3) All advertising expenditures and revenues  
21 are subject to annual compliance determination (in-  
22 cluding remedies for noncompliance) applicable to  
23 nonpostal products.

1           “(4) Total advertising expenditures and reve-  
2           nues must be disclosed in Postal Service annual re-  
3           ports.

4   **“§ 3704. Postal Service program for State govern-**  
5                           **ments**

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

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

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

16           “(A) the cost and efficiency of postal serv-  
17           ices; and

18           “(B) access to postal retail service, such as  
19           customer waiting time and access to parking;  
20           and

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

1           “(b) PUBLIC NOTICE.—At least 90 days before offer-  
2 ing any services under this section, the Postal Service shall  
3 make each agreement with State agencies readily available  
4 to the public on its website, including a business plan that  
5 describes the specific services to be provided, the enhanced  
6 value to the public, terms of reimbursement, the estimated  
7 annual reimbursement to the Postal Service, and the esti-  
8 mated percentage of attributable Postal Service costs that  
9 will be covered by reimbursement (with documentation to  
10 support these estimates). The Postal Service shall solicit  
11 public comment for at least 30 days, with comments post-  
12 ed on its website, followed by its written response posted  
13 on its website at least 30 days before offering such serv-  
14 ices.

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

20           “(d) CLASSIFICATION OF SERVICES.—All services for  
21 a given agency provided under this section shall be classi-  
22 fied as a separate activity subject to the requirements of  
23 annual reporting under section 3706. Such reporting shall  
24 also include information on the quality of service and re-  
25 lated information to demonstrate that it satisfied the re-

1 requirements of subsection (a). Information provided under  
2 this section shall be according to requirements that the  
3 Postal Regulatory Commission shall by regulation pre-  
4 scribe.

5 “(e) DEFINITIONS.—For the purpose of this sec-  
6 tion—

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

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

15 **“§ 3705. Postal Service program for other government**  
16 **agencies**

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



1 “(b) CLASSIFICATION OF SERVICES.—For each agen-  
2 cy, all property and services provided by the Postal Service  
3 under this section shall be classified as a separate activity  
4 subject to the requirements of annual reporting under sec-  
5 tion 3706. Information provided under this section shall  
6 be according to requirements that the Postal Regulatory  
7 Commission shall by regulation prescribe.

8 **“§ 3706. Transparency and accountability for non-**  
9 **postal services**

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

11 “(1) IN GENERAL.—The Postal Service shall,  
12 no later than 90 days after the end of each year,  
13 prepare and submit to the Postal Regulatory Com-  
14 mission a report (together with such nonpublic  
15 annex to the report as the Commission may require  
16 under subsection (b)) which shall analyze costs, reve-  
17 nues, rates, and quality of service for this chapter,  
18 using such methodologies as the Commission shall  
19 by regulation prescribe, and in sufficient detail to  
20 demonstrate compliance with all applicable require-  
21 ments of this chapter.

22 “(2) AUDITS.—The Inspector General shall reg-  
23 ularly audit the data collection systems and proce-  
24 dures utilized in collecting information and pre-  
25 paring such report. The results of any such audit

1 shall be submitted to the Postal Service and the  
2 Postal Regulatory Commission.

3 “(b) SUPPORTING MATTER.—The Postal Regulatory  
4 Commission shall have access, in accordance with such  
5 regulations as the Commission shall prescribe, to the  
6 working papers and any other supporting matter of the  
7 Postal Service and the Inspector General in connection  
8 with any information submitted under this section.

9 “(c) CONTENT AND FORM OF REPORTS.—

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

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

21 “(B) avoiding unnecessary or unwarranted  
22 administrative effort and expense on the part of  
23 the Postal Service; and

24 “(C) protecting the confidentiality of infor-  
25 mation that is commercially sensitive or is ex-

1           empt from public disclosure under section  
2           552(b) of title 5.

3           “(2) REVISED REQUIREMENTS.—The Commis-  
4           sion may, on its own motion or on request of any  
5           interested party, initiate proceedings (to be con-  
6           ducted in accordance with regulations that the Com-  
7           mission shall prescribe) to improve the quality, accu-  
8           racy, or completeness of Postal Service data required  
9           by the Commission under this subsection whenever  
10          it shall appear that—

11                   “(A) the attribution of costs or revenues to  
12                   property or services under this chapter has be-  
13                   come significantly inaccurate or can be signifi-  
14                   cantly improved;

15                   “(B) the quality of service data provided to  
16                   the Commission for annual reports under this  
17                   chapter has become significantly inaccurate or  
18                   can be significantly improved; or

19                   “(C) such revisions are, in the judgment of  
20                   the Commission, otherwise necessitated by the  
21                   public interest.

22          “(d) CONFIDENTIAL INFORMATION.—

23                   “(1) IN GENERAL.—If the Postal Service deter-  
24                   mines that any document or portion of a document,  
25                   or other matter, which it provides to the Postal Reg-

1       ulatory Commission in a nonpublic annex under this  
2       section contains information which is described in  
3       section 410(c) of this title, or exempt from public  
4       disclosure under section 552(b) of title 5, the Postal  
5       Service shall, at the time of providing such matter  
6       to the Commission, notify the Commission of its de-  
7       termination, in writing, and describe with particu-  
8       larity the documents (or portions of documents) or  
9       other matter for which confidentiality is sought and  
10      the reasons therefor.

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

18           “(e) ANNUAL COMPLIANCE DETERMINATION.—

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

1           “(2) DETERMINATION OF COMPLIANCE OR NON-  
2 COMPLIANCE.—Not later than 90 days after receiv-  
3 ing the submissions required under subsection (a)  
4 with respect to a year, the Postal Regulatory Com-  
5 mission shall make a written determination as to  
6 whether any nonpostal activities during such year  
7 were or were not in compliance with applicable pro-  
8 visions of this chapter (or regulations promulgated  
9 under this chapter). The Postal Regulatory Commis-  
10 sion shall issue a determination of noncompliance if  
11 the requirements for coverage of attributable costs  
12 are not met. If, with respect to a year, no instance  
13 of noncompliance is found to have occurred in such  
14 year, the written determination shall be to that ef-  
15 fect.

16           “(3) NONCOMPLIANCE.—If, for a year, a timely  
17 written determination of noncompliance is made  
18 under this chapter, the Postal Regulatory Commis-  
19 sion shall take appropriate action. If the require-  
20 ments for coverage of attributable costs specified by  
21 this chapter are not met, the Commission shall,  
22 within 60 days after the determination, prescribe re-  
23 medial action to restore compliance as soon as prac-  
24 ticable, which shall also include the full restoration  
25 of revenue shortfalls during the following fiscal year.

1 The Commission may order the Postal Service to  
 2 discontinue a nonpostal service under section 3703  
 3 or 3704 that persistently fails to meet cost coverage  
 4 requirements.

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

16 (2) CLERICAL AMENDMENT.—The table of  
 17 chapters at the beginning of part IV is amended by  
 18 adding after the item relating to chapter 36 the fol-  
 19 lowing:

**“37. Nonpostal services ..... 3701”.**

20 (b) CONFORMING AMENDMENTS.—

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

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

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

3 (2) SECTION 411.—The last sentence of section  
4 411 is amended by striking “including  
5 reimbursability” and inserting “including  
6 reimbursability within the limitations of chapter  
7 37”.

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

15 **SEC. 408. REIMBURSEMENT OF ALASKA BYPASS MAIL**  
16 **COSTS.**

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

19 (1) by redesignating paragraph (2) as para-  
20 graph (3); and

21 (2) by inserting after paragraph (1) the fol-  
22 lowing:

23 “(2) ALASKA BYPASS MAIL COSTS.—In addition  
24 to the information required under subsection (a),  
25 each report under this section shall also include,

1 with respect to the period covered by such report, an  
2 estimate of the costs incurred by the Postal Service  
3 in providing Alaska bypass mail service under sec-  
4 tion 5402 of this title.”.

5 (b) REIMBURSEMENTS.—

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

8 **“§ 5404. Reimbursement of Alaska bypass mail costs**

9 “(a) IN GENERAL.—The State of Alaska, on an an-  
10 nual basis, shall make a payment to the Postal Service  
11 to reimburse the Postal Service for its costs in providing  
12 Alaska bypass mail service under section 5402 of this title.

13 “(b) DATE OF FIRST PAYMENT.—The State of Alas-  
14 ka shall make its first payment under subsection (a) on  
15 or before the last day of the first fiscal year of the State  
16 of Alaska beginning after the date of enactment of this  
17 section.

18 “(c) PAYMENT AMOUNTS.—

19 “(1) DETERMINATION OF AMOUNTS.—The  
20 amount of a payment under subsection (a) shall be  
21 determined based on the most recent cost estimate  
22 prepared by the Postal Regulatory Commission  
23 under section 3651(b)(2) of this title (in this sub-  
24 section referred to as the ‘cost estimate’).



1           “(2) FIRST PAYMENT.—The first payment  
2           under subsection (a) shall be in an amount equal to  
3           20 percent of the cost estimate.

4           “(3) SUBSEQUENT PAYMENTS.—Each subse-  
5           quent payment under subsection (a) shall be in an  
6           amount equal to a percentage of the cost estimate  
7           determined by adding 20 percent to the percentage  
8           due in the prior year, except that no payment shall  
9           exceed 100 percent of the cost estimate.

10          “(d) NOTICE OF PAYMENT AMOUNTS.—Not later  
11          than 30 days after the date of issuance of a cost estimate  
12          by the Postal Regulatory Commission under section  
13          3651(b)(2) of this title, the Postal Service shall furnish  
14          the State of Alaska with written notice of the amount of  
15          the next payment due under subsection (a).

16          “(e) DEPOSIT OF PAYMENTS.—Not later than the  
17          last day of the fiscal year of the State of Alaska in which  
18          notice of a payment is provided under subsection (d)—

19                 “(1) the State of Alaska shall transmit the pay-  
20                 ment to the Postal Service; and

21                 “(2) the Postal Service shall deposit the pay-  
22                 ment in the Postal Service Fund.”.

23                 (2) CLERICAL AMENDMENT.—The table of sec-  
24                 tions at the beginning of chapter 54 is amended by  
25                 adding at the end the following:

“5404. Reimbursement of Alaska bypass mail costs.”.

1 **SEC. 409. APPROPRIATIONS MODERNIZATION.**

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

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

7 **TITLE V—POSTAL CONTRACTING**  
8 **REFORM**

9 **SEC. 501. CONTRACTING PROVISIONS.**

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

12 **“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.

13 **“§ 701. Definitions**

14 “In this chapter—

15 “(1) the term ‘contracting officer’ means an  
16 employee of a covered postal entity who has author-  
17 ity to enter into a postal contract;

18 “(2) the term ‘covered postal entity’ means—

19 “(A) the Postal Service; or

20 “(B) the Postal Regulatory Commission;

21 “(3) the term ‘head of a covered postal entity’

22 means—

1           “(A) in the case of the Postal Service, the  
2 Postmaster General; or

3           “(B) in the case of the Postal Regulatory  
4 Commission, the Chairman of the Postal Regu-  
5 latory Commission;

6           “(4) the term ‘postal contract’ means—

7           “(A) in the case of the Postal Service, any  
8 contract (including any agreement or memo-  
9 randum of understanding) entered into by the  
10 Postal Service for the procurement of goods or  
11 services; or

12           “(B) in the case of the Postal Regulatory  
13 Commission, any contract (including any agree-  
14 ment or memorandum of understanding) in an  
15 amount exceeding the simplified acquisition  
16 threshold (as defined in section 134 of title 41  
17 and adjusted under section 1908 of such title)  
18 entered into by the Postal Regulatory Commis-  
19 sion for the procurement of goods or services.

20           “(5) the term ‘senior procurement executive’  
21 means the senior procurement executive of a covered  
22 postal entity.

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

24           “(a) ESTABLISHMENT AND DESIGNATION.—

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

3           “(2) The head of each covered postal entity  
4           shall designate for the covered postal entity 1 or  
5           more officers or employees (other than the senior  
6           procurement executive) to serve as the advocate for  
7           competition.

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

10           “(1) be responsible for promoting—

11                   “(A) the contracting out of functions of  
12                   the covered postal entity that the private sector  
13                   can perform equally well or better, and at lower  
14                   cost; and

15                   “(B) competition to the maximum extent  
16                   practicable consistent with obtaining best value  
17                   by promoting the acquisition of commercial  
18                   items and challenging barriers to competition;

19           “(2) review the procurement activities of the  
20           covered postal entity; and

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

23           “(c) ANNUAL REPORT.—

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

4                   “(A) The activities of the advocate under  
5           this section.

6                   “(B) Initiatives required to promote con-  
7           tracting out and competition.

8                   “(C) Barriers to contracting out and com-  
9           petition.

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

14           “(2) TRANSMISSION.—The report under this  
15           subsection shall be transmitted—

16                   “(A) to Congress;

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

18                   “(C) to the senior procurement executive  
19           of the entity;

20                   “(D) in the case of the competition advo-  
21           cate of the Postal Service, to each member of  
22           the Postal Service Board of Governors; and

23                   “(E) in the case of the competition advo-  
24           cate of the Postal Regulatory Commission, to  
25           each of the Commissioners of the Commission.

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

2 “(a) IN GENERAL.—

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

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

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

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

22 “(b) POSTING OF DELEGATIONS.—

23 “(1) IN GENERAL.—The head of each covered  
24 postal entity shall make any delegation of authority  
25 for postal contracts outside the functional con-

1       tracting unit readily available and accessible on the  
2       website of the covered postal entity.

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

7       **“§ 704. Posting of noncompetitive purchase requests**  
8           **for noncompetitive contracts**

9           “(a) POSTING REQUIRED.—

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

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

22           “(B) not later than 30 days after the date  
23       of the award of the noncompetitive contract, if  
24       the basis for the award was a compelling busi-  
25       ness interest.

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

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

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

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

14           “(A) REVIEW AND DETERMINATION.—Not  
15 later than January 31 of each year, the Postal  
16 Service shall—

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

19           “(ii) based on any change in the Con-  
20 sumer Price Index for all-urban consumers  
21 of the Department of Labor, determine  
22 whether an adjustment to the threshold  
23 shall be made.

24           “(B) AMOUNT OF ADJUSTMENTS.—An ad-  
25 justment under subparagraph (A) shall be made



1 in increments of \$5,000. If the Postal Service  
2 determines that a change in the Consumer  
3 Price Index for a year would require an adjust-  
4 ment in an amount that is less than \$5,000, the  
5 Postal Service may not make an adjustment to  
6 the threshold for the year.

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

11 “(b) PUBLIC AVAILABILITY.—

12 “(1) IN GENERAL.—Subject to paragraph (2),  
13 the information required to be made publicly avail-  
14 able by a covered postal entity under subsection (a)  
15 shall be readily accessible on the website of the cov-  
16 ered postal entity.

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

19 “(A) carefully screen any description of the  
20 rationale supporting a noncompetitive award re-  
21 quired to be made publicly available under sub-  
22 section (a) to determine whether the description  
23 includes proprietary data (including any ref-  
24 erence or citation to the proprietary data) or se-  
25 curity-related information; and

1           “(B) remove any proprietary data or secu-  
2           rity-related information before making publicly  
3           available a description of the rationale sup-  
4           porting a noncompetitive award.

5           “(c) WAIVERS.—

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

15          “(2) FORM AND CONTENT OF WAIVER.—

16                 “(A) FORM.—A waiver under paragraph  
17                 (1) shall be in the form of a written determina-  
18                 tion placed in the file of the contract to which  
19                 the noncompetitive purchase agreement relates.

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

22                         “(i) a description of the risk associ-  
23                         ated with making the noncompetitive pur-  
24                         chase request publicly available; and

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

7           “(3) DELEGATION OF WAIVER AUTHORITY.—  
8           The Postal Service may not delegate the authority to  
9           approve a waiver under paragraph (1) to any em-  
10          ployee having less authority than the senior procure-  
11          ment executive.

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

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

18               “(1) review the proposed contract; and

19               “(2) advise the contracting officer on the appro-  
20          prium resolution of ethical issues.

21       **“§ 706. Ethical restrictions on participation in certain**  
22                               **contracting activity**

23          “(a) DEFINITIONS.—In this section—

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

25                       “(A) a contracting officer; or

1           “(B) any employee of a covered postal en-  
2           tity whose decision making affects a postal con-  
3           tract as determined by regulations prescribed  
4           by the head of a covered postal entity;

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

9           “(3) the term ‘covered relationship’ means a  
10          covered relationship described in section  
11          2635.502(b)(1) of title 5, Code of Federal Regula-  
12          tions, or any successor thereto.

13          “(b) IN GENERAL.—

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

16                         “(A) require a covered employee to include  
17                         in the file of any noncompetitive purchase re-  
18                         quest for a noncompetitive postal contract a  
19                         written certification that—

20                                 “(i) discloses any covered relationship  
21                                 of the covered employee; and

22                                 “(ii) states that the covered employee  
23                                 will not take any action with respect to the  
24                                 noncompetitive purchase request that af-  
25                                 fects the financial interests of a friend, rel-

1           ative, or person with whom the covered  
2           employee is affiliated in a nongovernmental  
3           capacity, or otherwise gives rise to an ap-  
4           pearance of the use of public office for pri-  
5           vate gain, as described in section 2635.702  
6           of title 5, Code of Federal Regulations, or  
7           any successor thereto;

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

19          “(C) require the ethics counsel for a cov-  
20          ered postal entity to review any disclosure made  
21          by a contracting officer under subparagraph  
22          (A)(i) to determine whether participation by the  
23          contracting officer in the noncompetitive pur-  
24          chase request would give rise to a violation of  
25          part 2635 of title 5, Code of Federal Regula-

1           tions (commonly referred to as the Standards of  
2           Ethical Conduct for Employees of the Executive  
3           Branch), or any successor thereto;

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

8           “(i) authorize a covered employee that  
9           makes a disclosure under subparagraph  
10          (A)(i) to participate in the noncompetitive  
11          postal contract; or

12          “(ii) disqualify a covered employee  
13          that makes a disclosure under subpara-  
14          graph (A)(i) from participating in the non-  
15          competitive postal contract;

16          “(E) require a contractor to timely disclose  
17          to the contracting officer in a bid, solicitation,  
18          award, or performance of a postal contract any  
19          conflict of interest with a covered employee; and

20          “(F) include authority for the head of the  
21          covered postal entity to grant a waiver or other-  
22          wise mitigate any organizational or personal  
23          conflict of interest, if the head of the covered  
24          postal entity determines that the waiver or miti-

1           gation is in the best interests of the covered  
2           postal entity.

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

9           “(c) CONTRACT VOIDANCE AND RECOVERY.—

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

15                   “(A) void that contract; and

16                   “(B) recover the amounts expended and  
17           property transferred by the covered postal enti-  
18           ty under that contract.

19           “(2) OBTAINING OR DISCLOSING PROCUREMENT  
20           INFORMATION.—

21           “(A) IN GENERAL.—In any case in which  
22           a contractor under a postal contract fails to  
23           timely disclose a conflict of interest to the ap-  
24           propriate contracting officer as required under  
25           the regulations promulgated under subsection

1 (b)(1)(E), the head of a covered postal entity  
2 may—

3 “(i) void that contract; and

4 “(ii) recover the amounts expended  
5 and property transferred by the covered  
6 postal entity under that contract.

7 “(B) CONVICTION OR ADMINISTRATIVE DE-  
8 TERMINATION.—A case described under sub-  
9 paragraph (A) is any case in which—

10 “(i) there is a final conviction for an  
11 offense punishable under section 2105 of  
12 title 41; or

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

20 (b) CLERICAL AMENDMENT.—The table of chapters  
21 at the beginning of part I is amended by adding at the  
22 end the following:

“7. Contracting Provisions ..... 701”.

23 **SEC. 502. TECHNICAL AMENDMENT TO DEFINITION.**

24 Section 7101(8) of title 41, United States Code, is  
25 amended—



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

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

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

6                   “(E) the United States Postal Service and  
7           the Postal Regulatory Commission.”.

