

112TH CONGRESS
2^D SESSION

S. 1789

AN ACT

To improve, sustain, and transform the United States Postal
Service.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “21st Century Postal
3 Service Act of 2012”.

4 **SEC. 2. TABLE OF CONTENTS.**

5 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Definitions.

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- Sec. 101. Treatment of postal funding surplus for Federal Employees Retirement System.
- Sec. 102. Incentives for voluntary separation.
- Sec. 103. Restructuring of payments for retiree health benefits.
- Sec. 104. Postal Service Health Benefits Program.
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TITLE III—FEDERAL EMPLOYEES’ COMPENSATION ACT

- Sec. 301. Short title; references.
- Sec. 302. Federal workers compensation reforms for retirement-age employees.
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- Sec. 501. Government sponsored conferences.

1 **SEC. 3. DEFINITIONS.**

2 In this Act, the following definitions shall apply:

3 (1) COMMISSION.—The term “Commission”
 4 means the Postal Regulatory Commission.

5 (2) POSTAL SERVICE.—The term “Postal Serv-
 6 ice” means the United States Postal Service.

7 **TITLE I—POSTAL WORKFORCE** 8 **MATTERS**

9 **SEC. 101. TREATMENT OF POSTAL FUNDING SURPLUS FOR** 10 **FEDERAL EMPLOYEES RETIREMENT SYSTEM.**

11 Section 8423(b) of title 5, United States Code, is
 12 amended—

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

3 (2) by inserting after paragraph (4) the fol-
4 lowing:

5 “(5)(A) In this paragraph, the term ‘postal funding
6 surplus’ means the amount by which the amount com-
7 puted under paragraph (1)(B) is less than zero.

8 “(B)(i) Beginning with fiscal year 2011, for each fis-
9 cal year in which the amount computed under paragraph
10 (1)(B) is less than zero, upon request of the Postmaster
11 General, the Director shall transfer to the United States
12 Postal Service from the Fund an amount equal to the
13 postal funding surplus for that fiscal year for use in ac-
14 cordance with this paragraph.

15 “(ii) The Office shall calculate the amount under
16 paragraph (1)(B) for a fiscal year by not later than June
17 15 after the close of the fiscal year, and shall transfer
18 any postal funding surplus to the United States Postal
19 Service within 10 days after a request by the Postmaster
20 General.

21 “(C) For each of fiscal years 2011, 2012, 2013, and
22 2014 if the amount computed under paragraph (1)(B) is
23 less than zero, a portion of the postal funding surplus for
24 the fiscal year shall be used by the United States Postal
25 Service for the cost of providing incentives for voluntary

1 separation, in accordance with section 102 of the 21st
2 Century Postal Service Act of 2012 and sections 8332(p)
3 and 8411(m) of this title, to employees of the United
4 States Postal Service who voluntarily separate from serv-
5 ice before October 1, 2015.

6 “(D) Any postal funding surplus for a fiscal year not
7 expended under subparagraph (C) may be used by the
8 United States Postal Service for the purposes of—

9 “(i) repaying any obligation issued under sec-
10 tion 2005 of title 39; or

11 “(ii) making required payments to—

12 “(I) the Employees’ Compensation Fund
13 established under section 8147;

14 “(II) the Postal Service Retiree Health
15 Benefits Fund established under section 8909a;

16 “(III) the Employees Health Benefits
17 Fund established under section 8909; or

18 “(IV) the Civil Service Retirement and
19 Disability Fund.”.

20 **SEC. 102. INCENTIVES FOR VOLUNTARY SEPARATION.**

21 (a) VOLUNTARY SEPARATION INCENTIVE PAY-
22 MENTS.—The Postal Service may provide voluntary sepa-
23 ration incentive payments to employees of the Postal Serv-
24 ice who voluntarily separate from service before October
25 1, 2015 (including payments to employees who retire

1 under section 8336(d)(2) or 8414(b)(1)(B) of title 5,
2 United States Code, before October 1, 2015), which may
3 not exceed the maximum amount provided under section
4 3523(b)(3)(B) of title 5, United States Code, for any em-
5 ployee.

6 (b) ADDITIONAL SERVICE CREDIT.—

7 (1) CIVIL SERVICE RETIREMENT SYSTEM.—Sec-
8 tion 8332 of title 5, United States Code, is amended
9 by adding at the end the following:

10 “(p)(1)(A) For an employee of the United States
11 Postal Service who is covered under this subchapter and
12 voluntarily separates from service before October 1, 2015,
13 the Office, if so directed by the United States Postal Serv-
14 ice, shall add not more than 1 year to the total creditable
15 service of the employee for purposes of determining enti-
16 tlement to and computing the amount of an annuity under
17 this subchapter (except for a disability annuity under sec-
18 tion 8337).

19 “(B) An employee who receives additional creditable
20 service under this paragraph may not receive a voluntary
21 separation incentive payment from the United States
22 Postal Service.

23 “(2) The United States Postal Service shall ensure
24 that the average actuarial present value of the additional
25 liability of the United States Postal Service to the Fund

1 resulting from additional creditable service provided under
2 paragraph (1) or section 8411(m)(1) is not more than
3 \$25,000 per employee provided additional creditable serv-
4 ice under paragraph (1) or section 8411(m)(1).

5 “(3)(A) Subject to subparagraph (B), and notwith-
6 standing any other provision of law, no deduction, deposit,
7 or contribution shall be required for service credited under
8 this subsection.

9 “(B) The actuarial present value of the additional li-
10 ability of the United States Postal Service to the Fund
11 resulting from this subsection shall be included in the
12 amount calculated under section 8348(h)(1)(A).”.

13 (2) FEDERAL EMPLOYEES RETIREMENT SYS-
14 TEM.—Section 8411 of title 5, United States Code,
15 is amended by adding at the end the following:

16 “(m)(1)(A) For an employee of the United States
17 Postal Service who is covered under this chapter and vol-
18 untarily separates from service before October 1, 2015,
19 the Office, if so directed by the United States Postal Serv-
20 ice, shall add not more than 2 years to the total creditable
21 service of the employee for purposes of determining enti-
22 tlement to and computing the amount of an annuity under
23 this chapter (except for a disability annuity under sub-
24 chapter V of that chapter).

1 “(B) An employee who receives additional creditable
2 service under this paragraph may not receive a voluntary
3 separation incentive payment from the United States
4 Postal Service.

5 “(2) The United States Postal Service shall ensure
6 that the average actuarial present value of the additional
7 liability of the United States Postal Service to the Fund
8 resulting from additional creditable service provided under
9 paragraph (1) or section 8332(p)(1) is not more than
10 \$25,000 per employee provided additional creditable serv-
11 ice under paragraph (1) or section 8332(p)(1).

12 “(3)(A) Subject to subparagraph (B), and notwith-
13 standing any other provision of law, no deduction, deposit,
14 or contribution shall be required for service credited under
15 this subsection.

16 “(B) The actuarial present value of the additional li-
17 ability of the United States Postal Service to the Fund
18 resulting from this subsection shall be included in the
19 amount calculated under section 8423(b)(1)(B).”.

20 (c) GOALS.—

21 (1) IN GENERAL.—The Postal Service shall
22 offer incentives for voluntary separation under this
23 section and the amendments made by this section as
24 a means of ensuring that the size and cost of the
25 workforce of the Postal Service is appropriate to the

1 work required of the Postal Service, including con-
2 sideration of—

3 (A) the closure and consolidation of postal
4 facilities;

5 (B) the ability to operate existing postal
6 facilities more efficiently, including by reducing
7 the size or scope of operations of postal facili-
8 ties in lieu of closing postal facilities; and

9 (C) the number of employees eligible, or
10 projected in the near-term to be eligible, for re-
11 tirement, including early retirement.

12 (2) PERCENTAGE GOAL.—The Postal Service
13 shall offer incentives for voluntary separation under
14 this section to a sufficient number of employees as
15 would reasonably be expected to lead to an 18 per-
16 cent reduction in the total number of career employ-
17 ees of the Postal Service by the end of fiscal year
18 2015.

19 (3) DEFINITION.—In this subsection, the term
20 “career employee of the Postal Service” means an
21 employee of the Postal Service—

22 (A) whose appointment is not for a limited
23 period; and

1 (B) who is eligible for benefits, including
 2 retirement coverage under chapter 83 or 84 of
 3 title 5, United States Code.

4 (d) FUNDING.—The Postal Service shall carry out
 5 subsection (a) and sections 8332(p) and 8411(m) of title
 6 5, United States Code, as added by subsection (b) of this
 7 section, using funds made available under section
 8 8423(b)(5)(C) of title 5, United States Code, as amended
 9 by section 101 of this Act.

10 **SEC. 103. RESTRUCTURING OF PAYMENTS FOR RETIREE**
 11 **HEALTH BENEFITS.**

12 (a) CONTRIBUTIONS.—Section 8906(g)(2)(A) of title
 13 5, United States Code, is amended by striking “through
 14 September 30, 2016, be paid by the United States Postal
 15 Service, and thereafter shall” and inserting “after the date
 16 of enactment of the 21st Century Postal Service Act of
 17 2012”.

18 (b) POSTAL SERVICE RETIREE HEALTH BENEFITS
 19 FUND.—Section 8909a of title 5, United States Code, is
 20 amended—

21 (1) in subsection (d)—

22 (A) by striking paragraph (2) and insert-
 23 ing the following:

24 “(2)(A) Not later than 180 days after the date of
 25 enactment of the 21st Century Postal Service Act of 2012,

1 or March 31, 2013, whichever is later, the Office shall
2 compute, and by June 30 of each succeeding year, the Of-
3 fice shall recompute, a schedule including a series of an-
4 nual installments which provide for the liquidation of the
5 amount described under subparagraph (B) (regardless of
6 whether the amount is a liability or surplus) by September
7 30, 2052, or within 15 years, whichever is later, including
8 interest at the rate used in the computations under this
9 subsection.

10 “(B) The amount described in this subparagraph is
11 the amount, as of the date on which the applicable com-
12 putation or recomputation under subparagraph (A) is
13 made, that is equal to the difference between—

14 “(i) 80 percent of the Postal Service actuarial
15 liability as of September 30 of the most recently
16 ended fiscal year; and

17 “(ii) the value of the assets of the Postal Re-
18 tiree Health Benefits Fund as of September 30 of
19 the most recently ended fiscal year.”.

20 (B) in paragraph (3)—

21 (i) in subparagraph (A)—

22 (I) in clause (iii), by adding

23 “and” at the end;

1 (II) in clause (iv), by striking the
2 semicolon at the end and inserting a
3 period; and

4 (III) by striking clauses (v)
5 through (x); and

6 (ii) in subparagraph (B), by striking
7 “2017” and inserting “2013”;

8 (C) by amending paragraph (4) to read as
9 follows:

10 “(4) Computations under this subsection shall be
11 based on—

12 “(A) economic and actuarial methods and as-
13 sumptions consistent with the methods and assump-
14 tions used in determining the Postal surplus or sup-
15 plemental liability under section 8348(h); and

16 “(B) any other methods and assumptions, in-
17 cluding a health care cost trend rate, that the Direc-
18 tor of the Office determines to be appropriate.”; and

19 (D) by adding at the end the following:

20 “(7) In this subsection, the term ‘Postal Service actu-
21 arial liability’ means the difference between—

22 “(A) the net present value of future payments
23 required under section 8906(g)(2)(A) for current
24 and future United States Postal Service annuitants;
25 and

1 “(B) the net present value as computed under
2 paragraph (1) attributable to the future service of
3 United States Postal Service employees.”; and

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

5 “(e) Subsections (a) through (d) of this section shall
6 be subject to section 104 of the 21st Century Postal Serv-
7 ice Act of 2012.”.

8 **SEC. 104. POSTAL SERVICE HEALTH BENEFITS PROGRAM.**

9 (a) DEFINITIONS.—In this section—

10 (1) the term “covered employee” means an offi-
11 cer or employee of the Postal Service who is—

12 (A) represented by a bargaining represent-
13 ative recognized under section 1203 of title 39,
14 United States Code; or

15 (B) a member of the Postal Career Execu-
16 tive Service;

17 (2) the term “Federal Employee Health Bene-
18 fits Program” means the health benefits program
19 under chapter 89 of title 5, United States Code;

20 (3) the term “participants” means—

21 (A) covered employees; and

22 (B) officers and employees of the Postal
23 Service who are not covered employees and who
24 elect to participate in the Postal Service Health
25 Benefits Program; and

1 (4) the term “Postal Service Health Benefits
2 Program” means the health benefits program that
3 may be agreed to under subsection (b)(1).

4 (b) COLLECTIVE BARGAINING.—

5 (1) IN GENERAL.—Consistent with section
6 1005(f) of title 39, United States Code, the Postal
7 Service may negotiate jointly with all bargaining
8 representatives recognized under section 1203 of
9 title 39, United States Code, and enter into a joint
10 collective bargaining agreement with those bar-
11 gaining representatives to establish the Postal Serv-
12 ice Health Benefits Program that satisfies the condi-
13 tions under subsection (c). The Postal Service and
14 the bargaining representatives shall negotiate in con-
15 sultation with the Director of the Office of Per-
16 sonnel Management.

17 (2) CONSULTATION WITH SUPERVISORY AND
18 MANAGERIAL PERSONNEL.—In the course of nego-
19 tiations under paragraph (1), the Postal Service
20 shall consult with each of the organizations of super-
21 visory and other managerial personnel that are rec-
22 ognized under section 1004 of title 39, United
23 States Code, concerning the views of the personnel
24 represented by each of those organizations.

1 (3) ARBITRATION LIMITATION.—Notwith-
2 standing chapter 12 of title 39, United States Code,
3 there shall not be arbitration of any dispute in the
4 negotiations under this subsection.

5 (4) TIME LIMITATION.—The authority under
6 this subsection shall extend until September 30,
7 2012.

8 (c) POSTAL SERVICE HEALTH BENEFITS PRO-
9 GRAM.—The Postal Service Health Benefits Program—

10 (1) shall—

11 (A) be available for participation by all
12 covered employees;

13 (B) be available for participation by any
14 officer or employee of the Postal Service who is
15 not a covered employee, at the option solely of
16 that officer or employee;

17 (C) provide coverage that is actuarially
18 equivalent to the types of plans available under
19 the Federal Employee Health Benefits Pro-
20 gram, as determined by the Director of the Of-
21 fice of Personnel Management;

22 (D) be administered in a manner deter-
23 mined in a joint agreement reached under sub-
24 section (b); and

1 (E) provide for transition of coverage
2 under the Federal Employee Health Benefits
3 Program of all participants to coverage under
4 the Postal Service Health Benefits Program on
5 January 1, 2013;

6 (2) may provide dental benefits; and

7 (3) may provide vision benefits.

8 (d) AGREEMENT AND IMPLEMENTATION.—If a joint
9 agreement is reached under subsection (b)—

10 (1) the Postal Service shall implement the Post-
11 al Service Health Benefits Program;

12 (2) the Postal Service Health Benefits Program
13 shall constitute an agreement between the collective
14 bargaining representatives and the Postal Service for
15 purposes of section 1005(f) of title 39, United
16 States Code; and

17 (3) participants may not participate as employ-
18 ees in the Federal Employees Health Benefits Pro-
19 gram.

20 (e) GOVERNMENT PLAN.—The Postal Service Health
21 Benefits Program shall be a government plan as that term
22 is defined under section 3(32) of Employee Retirement In-
23 come Security Act of 1974 (29 U.S.C. 1002(32)).

24 (f) REPORT.—Not later than June 30, 2013, the
25 Postal Service shall submit a report to the Committee on

1 Homeland Security and Governmental Affairs of the Sen-
2 ate and the Committee on Oversight and Government Re-
3 form of the House of Representatives that—

4 (1) reports on the implementation of this sec-
5 tion; and

6 (2) requests any additional statutory authority
7 that the Postal Service determines is necessary to
8 carry out the purposes of this section.

9 (g) **RULE OF CONSTRUCTION.**—Nothing in this sec-
10 tion shall be construed as an endorsement by Congress
11 for withdrawing officers and employees of the Postal Serv-
12 ice from the Federal Employee Health Benefits Program.

13 **SEC. 105. MEDICARE EDUCATIONAL PROGRAM FOR POSTAL**
14 **SERVICE EMPLOYEES AND RETIREES.**

15 (a) **EDUCATIONAL PROGRAM.**—The Postmaster Gen-
16 eral, in consultation with the Director of the Office of Per-
17 sonnel Management and the Administrator of the Centers
18 for Medicare & Medicaid Services, shall develop an edu-
19 cational program for Postal Service employees and annu-
20 itants who may be eligible to enroll in the Medicare pro-
21 gram for hospital insurance benefits under part A of title
22 XVIII of the Social Security Act (42 U.S.C. 1395c et seq.)
23 (commonly known as “Medicare Part A”) and the Medi-
24 care program for supplementary medical insurance bene-
25 fits under part B of title XVIII of the Social Security Act

1 (42 U.S.C. 1395j et seq.) (commonly known as “Medicare
 2 Part B”), the objective of which shall be to educate em-
 3 ployees and annuitants on how Medicare benefits interact
 4 with and can supplement the benefits of the employee or
 5 annuitant under the Federal Employees Health Benefit
 6 Program.

7 (b) **RULE OF CONSTRUCTION.**—Nothing in this sec-
 8 tion may be construed to authorize the Postal Service to
 9 require a Postal Service employee or annuitant (as defined
 10 in subsection (c)) to enroll in Medicare.

11 (c) **DEFINITION OF POSTAL SERVICE EMPLOYEE OR**
 12 **ANNUITANT.**—In this section, the term “Postal Service
 13 employee or annuitant” means an individual who is—

- 14 (1) an employee of the Postal Service; or
 15 (2) an annuitant covered under chapter 89 of
 16 title 5, United States Code, whose Government con-
 17 tribution is paid by the Postal Service under section
 18 8906(g)(2) of such title.

19 **SEC. 106. ARBITRATION; LABOR DISPUTES.**

20 Section 1207(c) of title 39, United States Code, is
 21 amended—

- 22 (1) in paragraph (2)—
 23 (A) by inserting “(A)” after “(2)”;
 24 (B) by striking the last sentence and in-
 25 serting “The arbitration board shall render a

1 decision not later than 45 days after the date
2 of its appointment.”; and

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

4 “(B) In rendering a decision under this paragraph,
5 the arbitration board shall consider such relevant factors
6 as the financial condition of the Postal Service.”; and

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

8 “(4) Nothing in this section may be construed to limit
9 the relevant factors that the arbitration board may take
10 into consideration in rendering a decision under paragraph
11 (2).”.

12 **SEC. 107. RETIREMENT REPORTING.**

13 (a) **TIMELINESS AND PENDING APPLICATIONS.**—Not
14 later than 60 days after the date of enactment of this Act,
15 and every month thereafter, the Director of the Office of
16 Personnel Management shall submit to Congress, the
17 Comptroller General of the United States, and issue pub-
18 licly (including on the website of the Office of Personnel
19 Management) a report that—

20 (1) evaluates the timeliness, completeness, and
21 accuracy of information submitted by the Postal
22 Service relating to employees of the Postal Service
23 who are retiring, as compared with such information
24 submitted by agencies (as defined under section 551
25 of title 5, United States Code); and

1 (2) includes—

2 (A) the total number of applications for re-
3 tirement benefits for employees of the Postal
4 Service that are pending action by the Office of
5 Personnel Management; and

6 (B) the number of months each such appli-
7 cation has been pending.

8 (b) ELECTRONIC DATA TIMETABLE.—

9 (1) IN GENERAL.—Not later than 60 days after
10 the date of enactment of this Act, the Office of Per-
11 sonnel Management shall submit to Congress and
12 the Comptroller General of the United States a
13 timetable for completion of each component of a re-
14 tirement systems modernization project of the Office
15 of Personnel Management, including all data ele-
16 ments required for accurate completion of adjudica-
17 tion and the date by which electronic transmission of
18 all personnel data to the Office of Personnel Man-
19 agement by the Postal Service shall commence.

20 (2) TIMETABLE CONSIDERATIONS.—In pro-
21 viding a timetable for the commencing of the elec-
22 tronic transmission of all personnel data by the
23 Postal Service under paragraph (1), the Office of
24 Personnel Management shall consider the milestones
25 established by other payroll processors participating

1 in the retirement systems modernization project of
2 the Office of Personnel Management.

3 **SEC. 108. EXECUTIVE COMPENSATION.**

4 (a) LIMITATIONS ON COMPENSATION.—Section 1003
5 of title 39, United States Code, is amended—

6 (1) in subsection (a), by striking the last sen-
7 tence; and

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

9 “(e) LIMITATIONS ON COMPENSATION.—

10 “(1) RATES OF BASIC PAY.—

11 “(A) IN GENERAL.—Subject to subpara-
12 graph (B), an officer or employee of the Postal
13 Service may not be paid at a rate of basic pay
14 that exceeds the rate of basic pay for level II
15 of the Executive Schedule under section 5313
16 of title 5.

17 “(B) VERY SENIOR EXECUTIVES.—Not
18 more than 6 officers or employees of the Postal
19 Service that are in very senior executive posi-
20 tions, as determined by the Board of Governors,
21 may be paid at a rate of basic pay that does not
22 exceed the rate of basic pay for level I of the
23 Executive Schedule under section 5312 of title
24 5.

1 “(2) BENEFITS.—For any fiscal year, an officer
2 or employee of the Postal Service who is in a critical
3 senior executive or equivalent position, as designated
4 under section 3686(e), may not receive fringe bene-
5 fits (within the meaning given that term under sec-
6 tion 1005(f)) that are greater than the fringe bene-
7 fits received by supervisory and other managerial
8 personnel who are not subject to collective-bar-
9 gaining agreements under chapter 12.”.

10 (b) LIMITATION ON BONUS AUTHORITY.—Section
11 3686 of title 39, United States Code, is amended—

12 (1) in subsection (a), by striking “The Postal
13 Service” and inserting “Subject to subsection (f),
14 the Postal Service”; and

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

16 “(f) LIMITATION ON BONUS AUTHORITY.—

17 “(1) DEFINITION.—In this subsection, the term
18 ‘covered year’ means the fiscal year following a fiscal
19 year relating to which the Office of Management and
20 Budget determines the Postal Service has not imple-
21 mented the measures needed to achieve long-term
22 solvency, as defined in section 208(e) of the 21st
23 Century Postal Service Act of 2012.

24 “(2) LIMITATION.—The Postal Service may not
25 provide a bonus or other reward under this section

1 to an officer or employee of the Postal service in a
2 critical senior executive or equivalent position, as
3 designated under subsection (c), during a covered
4 year.”.

5 (c) EFFECTIVE DATE; APPLICABILITY.—The amend-
6 ments made by subsections (a) and (b) shall—

7 (1) take effect on the date of enactment of this
8 Act; and

9 (2) apply to any contract entered or modified
10 by the Postal Service on or after the date of enact-
11 ment of this Act.

12 (d) SUNSET.—Effective 2 years after the date of en-
13 actment of this Act—

14 (1) section 1003 of title 39, United States
15 Code, is amended—

16 (A) in subsection (a), by adding at the end
17 the following: “No officer or employee shall be
18 paid compensation at a rate in excess of the
19 rate for level I of the Executive Schedule under
20 section 5312 of title 5.”; and

21 (B) by striking subsection (e); and

22 (2) section 3686 of title 39, United States
23 Code, is amended—

1 (A) in subsection (a), by striking “Subject
2 to subsection (f), the Postal Service” and in-
3 serting “The Postal Service”; and

4 (B) by striking subsection (f).

5 **TITLE II—POSTAL SERVICES**
6 **AND OPERATIONS**

7 **SEC. 201. MAINTENANCE OF DELIVERY SERVICE STAND-**
8 **ARDS.**

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

10 (1) the term “plant service area” means the ge-
11 ographic area served by a single sectional center fa-
12 cility, or a corresponding successor facility, as des-
13 ignated by the Postal Service; and

14 (2) the term “continental United States” means
15 the 48 contiguous States and the District of Colum-
16 bia.

17 (b) INTERIM MAINTENANCE OF STANDARDS.—Dur-
18 ing the 3-year period beginning on the date of enactment
19 of this Act, the Postal Service—

20 (1) shall maintain the service standards de-
21 scribed in subsection (c);

22 (2) may not establish a new or revised service
23 standard for market-dominant products under sec-
24 tion 3691 of title 39, United States Code, that is in-

1 consistent with the requirements under subsection
2 (c); and

3 (3) shall include in any new or revised over-
4 night service standard established for market-domi-
5 nant products under section 3691 of title 39, United
6 States Code, a policy on changes to critical entry
7 times at post offices and business mail entry units
8 that ensures that any such changes maintain mean-
9 ingful access to the services provided under the serv-
10 ice standard required to be maintained under sub-
11 section (c).

12 (c) SERVICE STANDARDS.—

13 (1) OVERNIGHT STANDARD FOR FIRST-CLASS
14 MAIL AND PERIODICALS.—

15 (A) IN GENERAL.—Except as provided in
16 subparagraph (B), the Postal Service shall
17 maintain an overnight service standard that
18 provides overnight service for first-class mail
19 and periodicals that—

20 (i) originate and destinate in the same
21 plant service area; and

22 (ii) enter the mails before the critical
23 entry time established and published by
24 the Postal Service.

1 (B) AREAS OUTSIDE THE CONTINENTAL
2 UNITED STATES.—The requirements of sub-
3 paragraph (A) shall not apply to areas outside
4 the continental United States—

5 (i) in the case of mail that originates
6 or destines in a territory or possession of
7 the United States that is part of a plant
8 service area having a sectional center facil-
9 ity that—

10 (I) is not located in the territory
11 or possession; and

12 (II) was not located in the terri-
13 tory or possession on January 1,
14 2012; and

15 (ii) in the case of mail not described
16 in clause (i), except to the extent that the
17 requirements are consistent with the serv-
18 ice standards under part 121 of title 39,
19 Code of Federal Regulations, as in effect
20 on January 1, 2012.

21 (2) TWO-DAY DELIVERY FOR FIRST-CLASS
22 MAIL.—The Postal Service shall maintain a service
23 standard that provides that first-class mail not deliv-
24 ered overnight will be delivered within 2 delivery
25 days, to the maximum extent feasible using the net-

1 work of postal facilities maintained to meet the re-
2 quirements under paragraph (1).

3 (3) MAXIMUM DELIVERY TIME FOR FIRST-
4 CLASS MAIL.—

5 (A) IN GENERAL.—The Postal Service
6 shall maintain a service standard that provides
7 that first-class mail will be delivered—

8 (i) within a maximum of 3 delivery
9 days, for mail that originates and des-
10 tinates within the continental United
11 States; and

12 (ii) within a maximum period of time
13 consistent with service standards under
14 part 121 of title 39, Code of Federal Regu-
15 lations, as in effect on January 1, 2012,
16 for mail originating or destinating outside
17 the continental United States.

18 (B) REVISIONS.—Notwithstanding sub-
19 paragraph (A)(ii), the Postal Service may revise
20 the service standards under part 121 of title
21 39, Code of Federal Regulations for mail de-
22 scribed in subparagraph (A)(ii) to take into ac-
23 count transportation conditions (including the
24 availability of transportation) or other cir-

1 cumstances outside the control of the Postal
2 Service.

3 **SEC. 202. PRESERVING MAIL PROCESSING CAPACITY.**

4 (a) CLOSING OR CONSOLIDATING CERTAIN POSTAL
5 FACILITIES.—Section 404 of title 39, United States Code,
6 is amended by adding after subsection (e) the following:

7 “(f) CLOSING OR CONSOLIDATION OF CERTAIN
8 POSTAL FACILITIES.—

9 “(1) POSTAL FACILITY.—In this subsection, the
10 term ‘postal facility’—

11 “(A) means any Postal Service facility that
12 is primarily involved in the preparation, dis-
13 patch, or other physical processing of mail; and

14 “(B) does not include—

15 “(i) any post office, station, or
16 branch; or

17 “(ii) any facility used only for admin-
18 istrative functions.

19 “(2) AREA MAIL PROCESSING STUDY.—

20 “(A) NEW AREA MAIL PROCESSING STUD-
21 IES.—After the date of enactment of this sub-
22 section, before making a determination under
23 subsection (a)(3) as to the necessity for the
24 closing or consolidation of any postal facility,
25 the Postal Service shall—

1 “(i) conduct an area mail processing
2 study relating to that postal facility that
3 includes—

4 “(I) a plan to reduce the capacity
5 of the postal facility, but not close the
6 postal facility; and

7 “(II) consideration of the effect
8 of the closure or consolidation of the
9 postal facility on the ability of individ-
10 uals served by the postal facility to
11 vote by mail and the ability of the
12 Postal Service to timely deliver ballots
13 by mail in accordance with the dead-
14 line to return ballots established
15 under applicable State law;

16 “(ii) publish the study on the Postal
17 Service website; and

18 “(iii) publish a notice that the study
19 is complete and available to the public, in-
20 cluding on the Postal Service website.

21 “(B) COMPLETED OR ONGOING AREA MAIL
22 PROCESSING STUDIES.—

23 “(i) IN GENERAL.—In the case of a
24 postal facility described in clause (ii), the
25 Postal Service shall—

1 “(I) consider a plan to reduce the
2 capacity of the postal facility without
3 closing the postal facility;

4 “(II) consider the effect of the
5 closure or consolidation of the postal
6 facility on the ability of individuals
7 served by the postal facility to vote by
8 mail and the ability of the Postal
9 Service to timely deliver ballots by
10 mail in accordance with the deadline
11 to return ballots established under ap-
12 plicable State law; and

13 “(III) publish the results of the
14 consideration under subclause (I) with
15 or as an amendment to the area mail
16 processing study relating to the postal
17 facility.

18 “(ii) POSTAL FACILITIES.—A postal
19 facility described in this clause is a postal
20 facility for which, on or before the date of
21 enactment of this subsection—

22 “(I) an area mail processing
23 study that does not include a plan to
24 reduce the capacity of the postal facil-
25 ity without closing the postal facility

1 or consideration of the effect of the
2 closure or consolidation of the postal
3 facility on the ability of individuals
4 served by the postal facility to vote by
5 mail and the ability of the Postal
6 Service to timely deliver ballots by
7 mail in accordance with the deadline
8 to return ballots established under ap-
9 plicable State law has been completed;

10 “(II) an area mail processing
11 study is in progress; or

12 “(III) a determination as to the
13 necessity for the closing or consolida-
14 tion of the postal facility has not been
15 made.

16 “(3) NOTICE, PUBLIC COMMENT, AND PUBLIC
17 HEARING.—If the Postal Service makes a determina-
18 tion under subsection (a)(3) to close or consolidate
19 a postal facility, the Postal Service shall—

20 “(A) provide notice of the determination
21 to—

22 “(i) Congress;

23 “(ii) the Postal Regulatory Commis-
24 sion; and

1 “(iii) the chief executive of each State
2 whose residents are served by the postal
3 facility, to allow the chief executive to ap-
4 point a citizen’s service protection advocate
5 under section 417;

6 “(B) provide adequate public notice of the
7 intention of the Postal Service to close or con-
8 solidate the postal facility;

9 “(C) ensure that interested persons have
10 an opportunity to submit public comments dur-
11 ing a 45-day period after the notice of intention
12 is provided under subparagraph (B);

13 “(D) before the 45-day period described in
14 subparagraph (C), provide for public notice of
15 that opportunity by—

16 “(i) publication on the Postal Service
17 website;

18 “(ii) posting at the affected postal fa-
19 cility; and

20 “(iii) advertising the date and location
21 of the public community meeting under
22 subparagraph (E); and

23 “(E) during the 45-day period described in
24 subparagraph (C), conduct a public community
25 meeting that provides an opportunity for public

1 comments to be submitted verbally or in writ-
2 ing.

3 “(4) FURTHER CONSIDERATIONS.—Not earlier
4 than 30 days after the end of the 45-day period for
5 public comment under paragraph (3), the Postal
6 Service, in making a determination to close or con-
7 solidate a postal facility, shall consider—

8 “(A) the views presented by interested per-
9 sons under paragraph (3);

10 “(B) the effect of the closing or consolida-
11 tion on the affected community, including any
12 disproportionate impact the closing or consoli-
13 dation may have on a State, region, or locality;

14 “(C) the effect of the closing or consolida-
15 tion on the travel times and distances for af-
16 fected customers to access services under the
17 proposed closing or consolidation;

18 “(D) the effect of the closing or consolida-
19 tion on delivery times for all classes of mail;

20 “(E) any characteristics of certain geo-
21 graphical areas, such as remoteness, broadband
22 internet availability, and weather-related obsta-
23 cles to using alternative facilities, that may re-
24 sult in the closing or consolidation having a
25 unique effect;

1 “(F) the effect of the closing or consolida-
2 tion on small businesses in the area, including
3 shipping and communications with customers
4 and suppliers and the corresponding impact on
5 revenues, operations, and growth; and

6 “(G) any other factor the Postal Service
7 determines is necessary.

8 “(5) JUSTIFICATION STATEMENT.—Before the
9 date on which the Postal Service closes or consoli-
10 dates a postal facility, the Postal Service shall post
11 on the Postal Service website a closing or consolida-
12 tion justification statement that includes—

13 “(A) a response to all public comments re-
14 ceived with respect to the considerations de-
15 scribed under paragraph (4);

16 “(B) a description of the considerations
17 made by the Postal Service under paragraph
18 (4); and

19 “(C) the actions that will be taken by the
20 Postal Service to mitigate any negative effects
21 identified under paragraph (4).

22 “(6) CLOSING OR CONSOLIDATION OF POSTAL
23 FACILITIES.—

24 “(A) IN GENERAL.—Not earlier than the
25 15 days after posting the final determination

1 and the justification statement under paragraph
2 (5) with respect to a postal facility, the Postal
3 Service may close or consolidate the postal facil-
4 ity.

5 “(B) ALTERNATIVE INTAKE OF MAIL.—If
6 the Postal Service closes or consolidates a post-
7 al facility under subparagraph (A), the Postal
8 Service shall make reasonable efforts to ensure
9 continued mail receipt from customers of the
10 closed or consolidated postal facility at the
11 same location or at another appropriate location
12 in close geographic proximity to the closed or
13 consolidated postal facility.

14 “(C) LIMITATIONS.—

15 “(i) IN GENERAL.—Except as pro-
16 vided in clause (ii), during the 3-year pe-
17 riod beginning on the date of enactment of
18 the 21st Century Postal Service Act of
19 2012, the Postal Service may not close or
20 consolidate a postal facility if—

21 “(I) the closing or consolidation
22 prevents the Postal Service from
23 maintaining service standards as re-
24 quired under section 201 of the 21st

1 Century Postal Service Act of 2012;

2 or

3 “(II) the Postal Service—

4 “(aa) did not close or con-
5 solidate the postal facility before
6 May 15, 2012; and

7 “(bb) conducted an area
8 mail processing study with re-
9 spect to the postal facility after
10 January 1, 2006 that—

11 “(AA) was terminated;

12 or

13 “(BB) concluded that
14 no significant cost savings
15 or efficiencies would result
16 from closing or consolidating
17 the postal facility.

18 “(ii) EXCEPTION.—Clause (i) shall
19 not apply with respect to a postal facility
20 described in clause (i)(II) for which—

21 “(I) an audit under clause (iii)
22 concludes that the mail volume and
23 operations of the facility have changed
24 since the date of termination or com-
25 pletion of an area mail processing

1 study described in clause (i)(II)(bb) to
2 such an extent that the study is no
3 longer valid; and

4 “(II) an area mail processing
5 study completed under this subsection
6 concludes that the closing or consoli-
7 dation or the postal facility is justi-
8 fied, taking into consideration the sav-
9 ings to the Postal Service and the im-
10 pact of the closing or consolidation on
11 postal customers.

12 “(iii) AUDIT BY INSPECTOR GEN-
13 ERAL.—

14 “(I) IN GENERAL.—Upon the
15 written request of the Postmaster
16 General, the Inspector General shall
17 conduct an audit of the mail volume
18 and operations of a postal facility.

19 “(II) COMPLETION.—Not later
20 than 90 days after the date on which
21 the Inspector General receives a re-
22 quest under subclause (I), the Inspec-
23 tor General shall submit to the Post-
24 master General and the Postal Regu-
25 latory Commission a report containing

1 the conclusions of the audit under
2 subclause (I).

3 “(7) REVIEW BY POSTAL REGULATORY COMMIS-
4 SION.—In accordance with section 3662—

5 “(A) an interested person may lodge a
6 complaint with the Postal Regulatory Commis-
7 sion if the person believes that the closure or
8 consolidation of a postal facility is not in con-
9 formance with applicable service standards, in-
10 cluding the service standards established under
11 section 201 of the 21st Century Postal Service
12 Act of 2012, or with the requirements of sec-
13 tion 417 of this title;

14 “(B) if a complaint described in subpara-
15 graph (A) is lodged relating to the closure or
16 consolidation of a postal facility, upon request
17 by the person lodging the complaint, the Postal
18 Regulatory Commission shall determine wheth-
19 er—

20 “(i) the area mail processing study re-
21 lating to the postal facility used an appro-
22 priate methodology; and

23 “(ii) the cost savings identified in the
24 area mail processing study relating to the
25 postal facility are accurate;

1 “(C) the Postal Regulatory Commission
2 may direct the Postal Service to conduct an-
3 other area mail processing study or direct the
4 Postal Service to take action as described under
5 subparagraph (D) if the Postal Regulatory
6 Commission determines that—

7 “(i) the area mail processing study re-
8 lating to the postal facility used an inap-
9 propriate methodology; or

10 “(ii) the cost savings identified in the
11 area mail processing study relating to the
12 postal facility are inaccurate; and

13 “(D) if the Postal Regulatory Commission
14 finds a complaint lodged by an interested per-
15 son to be justified, the Commission shall order
16 the Postal Service to take appropriate action to
17 achieve compliance with applicable service
18 standards, including the service standards es-
19 tablished under section 201 of the 21st Century
20 Postal Service Act of 2012, or with the require-
21 ments of section 417 of this title, or to remedy
22 the effects of any noncompliance.

23 “(8) POSTAL SERVICE WEBSITE.—For purposes
24 of any notice required to be published on the Postal
25 Service website under this subsection, the Postal

1 Service shall ensure that the Postal Service
2 website—

3 “(A) is updated routinely; and

4 “(B) provides any person, at the option of
5 the person, the opportunity to receive relevant
6 updates by electronic mail.

7 “(9) PROTECTION OF CERTAIN INFORMA-
8 TION.—Nothing in this subsection may be construed
9 to require the Postal Service to disclose—

10 “(A) any proprietary data, including any
11 reference or citation to proprietary data; or

12 “(B) any information relating to the secu-
13 rity of a postal facility.”.

14 (b) COMPLAINTS RELATING TO CLOSING OR CON-
15 SOLIDATION OF POSTAL FACILITIES.—Section 3662 of
16 title 39, United States Code, is amended—

17 (1) in subsection (b), by adding at the end the
18 following:

19 “(3) SUSPENSION OF EFFECTIVENESS OF DE-
20 TERMINATION TO CLOSE OR CONSOLIDATE POSTAL
21 FACILITIES.—The Postal Regulatory Commission
22 shall suspend the effectiveness of a determination by
23 the Postal Service to close or consolidate a postal fa-
24 cility until the disposition of any complaint chal-

1 lenging the closing or consolidation on the basis that
2 the closing or consolidation is—

3 “(A) not in conformance with service
4 standards issued under section 3691, including
5 the service standards required to be maintained
6 under section 201 of the 21st Century Postal
7 Service Act of 2012; or

8 “(B) unsupported by evidence on the
9 record that substantial economic savings are
10 likely to be achieved as a result of the closing
11 or consolidation.”; and

12 (2) in subsection (e), by inserting “ordering the
13 Postal Service to keep a postal facility open,” after
14 “loss-making products,”.

15 **SEC. 203. ESTABLISHMENT OF RETAIL SERVICE STAND-**
16 **ARDS.**

17 (a) DEFINITION.—In this section, the term “retail
18 postal service” means service that allows a postal cus-
19 tomer to—

20 (1) purchase postage;

21 (2) enter packages into the mail; and

22 (3) procure other services offered by the Postal
23 Service.

24 (b) ESTABLISHMENT OF RETAIL SERVICE STAND-
25 ARDS.—Not later than 6 months after the date of enact-

1 ment of this Act, the Postal Service shall exercise its au-
2 thority under section 3691 of title 39, United States Code,
3 to establish service standards for market-dominant prod-
4 ucts in order to guarantee customers of the Postal Service
5 regular and effective access to retail postal services nation-
6 wide (including in territories and possessions of the United
7 States) on a reasonable basis.

8 (c) CONTENTS.—The service standards established
9 under subsection (b) shall—

10 (1) be consistent with—

11 (A) the obligations of the Postal Service
12 under section 101(b) of title 39, United States
13 Code; and

14 (B) the contents of the plan developed
15 under section 302 of the Postal Accountability
16 and Enhancement Act of 2006 (39 U.S.C. 3691
17 note), and any updated or revised plan devel-
18 oped under section 204 of this Act; and

19 (2) take into account factors including—

20 (A) geography, including the establishment
21 of standards for the proximity of retail postal
22 services to postal customers, including a consid-
23 eration of the reasonable maximum time a post-
24 al customer should expect to travel to access a
25 postal retail location;

1 (B) the importance of facilitating commu-
2 nications for communities with limited or no ac-
3 cess to Internet, broadband, or cellular tele-
4 phone services;

5 (C) population, including population den-
6 sity, demographic factors such as the age, dis-
7 ability status, and degree of poverty of individ-
8 uals in the area to be served by a location pro-
9 viding postal retail services, and other factors
10 that may impact the ability of postal customers,
11 including businesses, to travel to a postal retail
12 location;

13 (D) the feasibility of offering retail access
14 to postal services in addition to post offices, as
15 described in section 302(d) of the Postal Ac-
16 countability and Enhancement Act of 2006 (39
17 U.S.C. 3691 note);

18 (E) the requirement that the Postal Serv-
19 ice serve remote areas and communities with
20 transportation challenges, including commu-
21 nities in which the effects of inclement weather
22 or other natural conditions might obstruct or
23 otherwise impede access to retail postal serv-
24 ices; and

1 (F) the ability of postal customers to ac-
2 cess retail postal services in areas that were
3 served by a post office that was closed or con-
4 solidated during the 1 year period ending on
5 the date of enactment of this Act.

6 **SEC. 204. EXPANDED RETAIL ACCESS.**

7 (a) **UPDATED PLAN.**—Not later than 1 year after the
8 date of enactment of this Act, the Postal Service shall,
9 in consultation with the Commission, develop and submit
10 to Congress a revised and updated version of the plan to
11 expand and market retail access to postal services required
12 under section 302(d) of the Postal Accountability and En-
13 hancement Act of 2006 (39 U.S.C. 3691 note).

14 (b) **CONTENTS.**—The plan required under subsection
15 (a) shall—

16 (1) include a consideration of methods to ex-
17 pand and market retail access to postal services de-
18 scribed in paragraphs (1) through (8) of section
19 302(d) of the Postal Accountability and Enhance-
20 ment Act of 2006 (39 U.S.C. 3691 note);

21 (2) where possible, provide for an improvement
22 in customer access to postal services;

23 (3) consider the impact of any decisions by the
24 Postal Service relating to the implementation of the

1 plan on rural areas, communities, and small towns;
2 and

3 (4) ensure that—

4 (A) rural areas, communities, and small
5 towns continue to receive regular and effective
6 access to retail postal services after implemen-
7 tation of the plan; and

8 (B) the Postal Service solicits community
9 input in accordance with applicable provisions
10 of Federal law.

11 (c) FURTHER UPDATES.—The Postal Service, in con-
12 sultation with the Commission, shall—

13 (1) update the plan required under subsection
14 (a) as the Postal Service determines is appropriate;
15 and

16 (2) submit each update under paragraph (1) to
17 Congress.

18 **SEC. 205. PRESERVING COMMUNITY POST OFFICES.**

19 (a) CLOSING POST OFFICES.—Section 404(d) of title
20 39, United States Code, is amended to read as follows:

21 “(d)(1) The Postal Service, prior to making a deter-
22 mination under subsection (a)(3) of this section as to the
23 necessity for the closing or consolidation of any post office
24 and, with respect to a determination to close a post office
25 in a rural area, as defined by the Census Bureau, prior

1 to making the determinations required by paragraph (4),
2 shall—

3 “(A) consider whether—

4 “(i) to close the post office or consolidate
5 the post office and another post office located
6 within a reasonable distance;

7 “(ii) instead of closing or consolidating the
8 post office—

9 “(I) to reduce the number of hours a
10 day that the post office operates; or

11 “(II) to continue operating the post
12 office for the same number of hours a day;

13 “(iii) to procure a contract providing full,
14 or less than full, retail services in the commu-
15 nity served by the post office; or

16 “(iv) to provide postal services to the com-
17 munity served by the post office—

18 “(I) through a rural carrier; or

19 “(II) by co-locating an employee of
20 the Postal Service at a commercial or gov-
21 ernment entity;

22 “(B) provide postal customers served by the
23 post office an opportunity to participate in a non-
24 binding survey conducted by mail on a preference for
25 an option described in subparagraph (A); and

1 “(C) if the Postal Service determines to close or
2 consolidate the post office, provide adequate notice
3 of its intention to close or consolidate such post of-
4 fice at least 60 days prior to the proposed date of
5 such closing or consolidation to—

6 “(i) persons served by such post office to ensure that
7 such persons will have an opportunity to present their
8 views; and

9 “(ii) the chief executive of each State whose residents
10 are served by such post office to allow the chief executive
11 to appoint a citizen’s service protection advocate under
12 section 417.

13 “(2) The Postal Service, in making a determination
14 whether or not to close or consolidate a post office—

15 “(A) shall consider—

16 “(i) the effect of such closing or consolida-
17 tion on the community served by such post of-
18 fice;

19 “(ii) the effect of the closing or consolida-
20 tion on small businesses in the area, including
21 shipping and communications with customers
22 and suppliers and the corresponding impact on
23 revenues, operations, and growth; and

1 “(iii) the effect of such closing or consoli-
2 dation on employees of the Postal Service em-
3 ployed at such office;

4 “(iv) whether such closing or consolidation
5 is consistent with—

6 “(I) the policy of the Government, as
7 stated in section 101(b) of this title, that
8 the Postal Service shall provide a max-
9 imum degree of effective and regular postal
10 services to rural areas, communities, and
11 small towns where post offices are not self-
12 sustaining; and

13 “(II) the retail service standards es-
14 tablished under section 203 of the 21st
15 Century Postal Service Act of 2012;

16 “(v) the extent to which the community
17 served by the post office lacks access to Inter-
18 net, broadband and cellular phone service;

19 “(vi) whether substantial economic savings
20 to the Postal Service would result from such
21 closing or consolidation; and

22 “(vii) such other factors as the Postal
23 Service determines are necessary; and

1 “(B) may not consider compliance with any
2 provision of the Occupational Safety and Health Act
3 of 1970 (29 U.S.C. 651 et seq.).

4 “(3) Any determination of the Postal Service to close
5 or consolidate a post office shall be in writing and shall
6 include the findings of the Postal Service with respect to
7 the considerations required to be made under paragraph
8 (2) of this subsection and, with respect to a determination
9 to close a post office located in a rural area, as defined
10 by the Census Bureau, a summary of the determinations
11 required under paragraph (4). Such determination and
12 findings shall be made available to persons served by such
13 post office.

14 “(4) The Postal Service may not make a determina-
15 tion under subsection (a)(3) to close a post office located
16 in a rural area, as defined by the Census Bureau, unless
17 the Postal Service—

18 “(A)(i) determines that postal customers served
19 by the post office would continue after the closing to
20 receive substantially similar access to essential
21 items, such as prescription medications and time-
22 sensitive communications, that are sent through the
23 mail; or

1 “(ii) takes action to substantially ameliorate
2 any projected reduction in access to essential items
3 described in clause (i); and

4 “(B) determines that—

5 “(i) businesses located in the community
6 served by the post office would not suffer sub-
7 stantial financial loss as a result of the closing;

8 “(ii) any economic loss to the community
9 served by the post office as a result of the clos-
10 ing does not exceed the cost to the Postal Serv-
11 ice of not closing the post office;

12 “(iii) the area served by the post office has
13 adequate access to wired broadband Internet
14 service, as identified on the National
15 Broadband Map of the National Telecommuni-
16 cations and Information Administration; and

17 “(iv) there is a road connecting the com-
18 munity to another post office that is not more
19 than 10 miles from the post office proposed to
20 be closed (as measured on roads with year-
21 round access).

22 “(5)(A) The Postal Service shall take no action to
23 close or consolidate a post office until 60 days after its
24 written determination is made available to persons served
25 by such post office.

1 “(B) The Postal Service shall take no action to close
2 or consolidate a post office until 60 days after the Postal
3 Service provides written notice of the determination under
4 paragraph (3) to—

5 “(i) the State board of elections for the State
6 in which the post office is located; and

7 “(ii) each local board of elections (or equivalent
8 local entity) having jurisdiction of an area served by
9 the post office.

10 “(6) A determination of the Postal Service to close
11 or consolidate any post office, station, or branch may be
12 appealed by any person served by such office, station, or
13 branch to the Postal Regulatory Commission within 30
14 days after such determination is made available to such
15 person. The Commission shall review such determination
16 on the basis of the record before the Postal Service in the
17 making of such determination. The Commission shall
18 make a determination based upon such review no later
19 than 120 days after receiving any appeal under this para-
20 graph. The Commission shall set aside any determination,
21 findings, and conclusions found to be—

22 “(A) arbitrary, capricious, an abuse of discre-
23 tion, or otherwise not in accordance with the law;

24 “(B) without observance of procedure required
25 by law;

1 “(C) inconsistent with the delivery service
2 standards required to be maintained under section
3 201 of the 21st Century Postal Service Act of 2012
4 or not in conformance with the retail service stand-
5 ards established under section 203 of the 21st Cen-
6 tury Postal Service Act of 2012; or

7 “(D) unsupported by substantial evidence on
8 the record, including that substantial economic sav-
9 ings are likely to be achieved as a result of the clos-
10 ing or consolidation.

11 The Commission may affirm or reverse the determination
12 of the Postal Service or order that the entire matter be
13 returned for further consideration, but the Commission
14 may not modify the determination of the Postal Service.
15 The determination of the Postal Service shall be sus-
16 pended until the final disposition of the appeal. The provi-
17 sions of section 556, section 557, and chapter 7 of title
18 5 shall not apply to any review carried out by the Commis-
19 sion under this paragraph.

20 “(7) For purposes of paragraph (6), any appeal re-
21 ceived by the Commission shall—

22 “(A) if sent to the Commission through the
23 mails, be considered to have been received on the
24 date of the Postal Service postmark on the envelope
25 or other cover in which such appeal is mailed; or

1 “(B) if otherwise lawfully delivered to the Com-
2 mission, be considered to have been received on the
3 date determined based on any appropriate docu-
4 mentation or other indicia (as determined under reg-
5 ulations of the Commission).

6 “(8) Nothing in this subsection shall be construed to
7 limit the right under section 3662—

8 “(A) of an interested person to lodge a com-
9 plaint with the Postal Regulatory Commission under
10 section 3662 concerning nonconformance with serv-
11 ice standards, including the retail service standards
12 established under section 203 of the 21st Century
13 Postal Service Act of 2012; or

14 “(B) of the Postal Regulatory Commission, if
15 the Commission finds a complaint lodged by an in-
16 terested person to be justified, to order the Postal
17 Service to take appropriate action to achieve compli-
18 ance with applicable requirements, including the re-
19 tail service standards established under section 203
20 of the 21st Century Postal Service Act of 2012, or
21 to remedy the effects of any noncompliance.”.

22 (b) PROHIBITION ON CLOSING POST OFFICES.—

23 (1) MORATORIUM PENDING ESTABLISHMENT OF
24 SERVICE STANDARDS.—Notwithstanding section
25 404(d) of title 39, United States Code, as amended

1 by this section, during the period beginning on the
2 date of enactment of this Act and ending on the
3 date on which the Postal Service establishes the
4 service standards under section 203 of this Act, the
5 Postal Service may not close a post office, except as
6 required for the immediate protection of health and
7 safety.

8 (2) MORATORIUM ON CLOSING RURAL POST OF-
9 FICES.—

10 (A) IN GENERAL.—Notwithstanding para-
11 graph (1) of this subsection or section 404(d)
12 of title 39, United States Code, during the 12-
13 month period beginning on the date of enact-
14 ment of this Act, the Postal Service may not
15 close a post office located in a rural area, as de-
16 fined by the Census Bureau, except as required
17 for the immediate protection of health and safe-
18 ty, or unless there is no significant community
19 opposition to such closure.

20 (B) RULE OF CONSTRUCTION.—Nothing in
21 this paragraph shall be construed to limit the
22 authority of the Postal Service to implement,
23 consistent with the procedures under section
24 404(d)(1)(B) of title 39, United States Code, as
25 amended by this Act, cost-saving measures with

1 respect to the post offices described in subpara-
2 graph (A), including, as appropriate, the meas-
3 ures required to be considered under clauses
4 (ii), (iii), and (iv) of section 404(d)(1)(A) of
5 title 39, United States Code, as amended by
6 this Act.

7 (c) MORATORIUM TO PROTECT THE ABILITY OF
8 VOTERS TO VOTE ABSENTEE OR BY MAIL.—Notwith-
9 standing subsection (b) of this subsection or subsection
10 (d) or (f) of section 404 of title 39, United States Code,
11 as amended by this Act, during the period beginning on
12 the date of enactment of this Act and ending on November
13 13, 2012, the Postal Service may not close or consolidate
14 a post office or postal facility located in a State that con-
15 ducts all elections by mail or permits no-excuse absentee
16 voting, except as required for the immediate protection of
17 health and safety.

18 (d) HISTORIC POST OFFICES.—Section 404(d) of
19 title 39, United States Code, as amended by this section,
20 is amended by adding at the end the following:

21 “(9)(A) In this paragraph, the term ‘historic post of-
22 fice building’ means a post office building that is a cer-
23 tified historic structure, as that term is defined in section
24 47(c)(3) of the Internal Revenue Code of 1986.

1 “(B) In the case of a post office that has been closed
2 and that is located within a historic post office building,
3 the Postal Service shall provide Federal agencies and
4 State and local government entities the opportunity to
5 lease the historic post office building, if—

6 “(i) the Postal Service is unable to sell the
7 building at an acceptable price within a reasonable
8 period of time after the post office has been closed;
9 and

10 “(ii) the Federal agency or State or local gov-
11 ernment entity that leases the building agrees to—

12 “(I) restore the historic post office building
13 at no cost to the Postal Service;

14 “(II) assume responsibility for the mainte-
15 nance of the historic post office building; and

16 “(III) make the historic post office build-
17 ing available for public use.”.

18 **SEC. 206. AREA AND DISTRICT OFFICE STRUCTURE.**

19 (a) **PLAN REQUIRED.**—Not later than 1 year after
20 the date of enactment of this Act, the Postal Service shall
21 submit to the Committee on Homeland Security and Gov-
22 ernmental Affairs of the Senate and the Committee on
23 Oversight and Governmental Reform of the House of Rep-
24 resentatives—

1 (1) a comprehensive strategic plan to govern
2 decisions relating to area and district office struc-
3 ture that considers efficiency, costs, redundancies,
4 mail volume, technological advancements, oper-
5 ational considerations, and other issues that may be
6 relevant to establishing an effective area and district
7 office structure; and

8 (2) a 10-year plan, including a timetable, that
9 provides for consolidation of area and district offices
10 within the continental United States (as defined in
11 section 201(a)) wherever the Postal Service deter-
12 mines a consolidation would—

13 (A) be cost effective; and

14 (B) not substantially and adversely affect
15 the operations of the Postal Service.

16 (b) CONSOLIDATION.—Beginning not later than 1
17 year after the date of enactment of this Act, the Postal
18 Service shall, consistent with the plans required under and
19 the criteria described in subsection (a)—

20 (1) consolidate district offices that are located
21 within 50 miles of each other;

22 (2) consolidate area and district offices that
23 have less than the mean mail volume and number of
24 work hours for all area and district offices; and

25 (3) relocate area offices to headquarters.

1 (c) UPDATES.—The Postal Service shall update the
2 plans required under subsection (a) not less frequently
3 than once every 5 years.

4 (d) STATE LIAISON.—If the Postal Service does not
5 maintain a district office in a State, the Postal Service
6 shall designate at least 1 employee of the district office
7 responsible for Postal Service operations in the State to
8 represent the needs of Postal Service customers in the
9 State. An employee designated under this subsection to
10 represent the needs of Postal Service customers in a State
11 shall be located in that State.

12 **SEC. 207. LIMITATIONS ON CHANGES TO MAIL DELIVERY**
13 **SCHEDULE.**

14 (a) LIMITATION ON CHANGE IN SCHEDULE.—Not-
15 withstanding any other provision of law—

16 (1) the Postal Service may not establish a gen-
17 eral, nationwide delivery schedule of 5 or fewer days
18 per week to street addresses under the authority of
19 the Postal Service under title 39, United States
20 Code, earlier than the date that is 24 months after
21 the date of enactment of this Act; and

22 (2) on or after the date that is 24 months after
23 the date of enactment of this Act, the Postal Service
24 may establish a general, nationwide 5-day-per-week
25 delivery schedule to street addresses under the au-

1 thority of the Postal Service under section 3691 of
2 title 39, United States Code, only in accordance with
3 the requirements and limitations under this section.

4 (b) PRECONDITIONS.—If the Postal Service intends
5 to establish a change in delivery schedule under subsection
6 (a)(2), the Postal Service shall—

7 (1) identify customers, communities, and small
8 businesses for whom the change may have a dis-
9 proportionate, negative impact, including the cus-
10 tomers identified as “particularly affected” in the
11 Advisory Opinion on Elimination of Saturday Deliv-
12 ery issued by the Commission on March 24, 2011;

13 (2) develop, to the maximum extent possible,
14 measures to ameliorate any disproportionate, nega-
15 tive impact the change would have on customers and
16 communities identified under paragraph (1), includ-
17 ing, where appropriate, providing or expanding ac-
18 cess to mailboxes for periodical mailers on days on
19 which the Postal Service does not provide delivery;

20 (3) implement measures to increase revenue
21 and reduce costs, including the measures authorized
22 under the amendments made by sections 101, 102,
23 103, 207, and 211 of this Act;

24 (4) evaluate whether any increase in revenue or
25 reduction in costs resulting from the measures im-

1 plemented under paragraph (3) are sufficient to
2 allow the Postal Service, without implementing a
3 change in delivery schedule under subsection (a), to
4 achieve long-term solvency; and

5 (5) not earlier than 15 months after the date
6 of enactment of this Act and not later than 9
7 months before the effective date proposed by the
8 Postal Service for the change, submit a report on
9 the steps the Postal Service has taken to carry out
10 this subsection to—

11 (A) the Committee on Homeland Security
12 and Governmental Affairs of the Senate and the
13 Committee on Oversight and Government Re-
14 form of the House of Representatives;

15 (B) the Comptroller General of the United
16 States; and

17 (C) the Commission.

18 (c) REVIEW.—

19 (1) GOVERNMENT ACCOUNTABILITY OFFICE.—

20 Not later than 3 months after the date on which the
21 Postal Service submits a report under subsection
22 (b)(5), the Comptroller General shall submit to the
23 Commission and to the Committee on Homeland Se-
24 curity and Governmental Affairs of the Senate and
25 the Committee on Oversight and Government Re-

1 form of the House of Representatives a report that
2 contains findings relating to each of the following:

3 (A) Whether the Postal Service has ade-
4 quately complied with subsection (b)(3), taking
5 into consideration the statutory authority of
6 and limitations on the Postal Service.

7 (B) The accuracy of any statement by the
8 Postal Service that the measures implemented
9 under subsection (b)(3) have increased revenues
10 or reduced costs, and the accuracy of any pro-
11 jection by the Postal Service relating to in-
12 creased revenue or reduced costs resulting from
13 the measures implemented under subsection
14 (b)(3).

15 (C) The adequacy and methodological
16 soundness of any evaluation conducted by the
17 Postal Service under subsection (b)(4) that led
18 the Postal Service to assert the necessity of a
19 change in delivery schedule under subsection
20 (a)(2).

21 (D) Whether, based on an analysis of the
22 measures implemented by the Postal Service to
23 increase revenues and reduce costs, projections
24 of increased revenue and cost savings, and the
25 details of the profitability plan required under

1 section 401, a change in delivery schedule is
2 necessary to allow the Postal Service to achieve
3 long-term solvency.

4 (2) POSTAL REGULATORY COMMISSION.—

5 (A) REQUEST.—Not later than 6 months
6 before the proposed effective date of a change
7 in delivery schedule under subsection (a), the
8 Postal Service shall submit to the Commission
9 a request for an advisory opinion relating to the
10 change.

11 (B) ADVISORY OPINION.—

12 (i) IN GENERAL.—The Commission
13 shall—

14 (I) issue an advisory opinion with
15 respect to a request under subpara-
16 graph (A), in accordance with the
17 time limits for the issuance of advi-
18 sory opinions under section
19 3661(b)(2) of title 39, United States
20 Code, as amended by this Act; and

21 (II) submit the advisory opinion
22 to the Committee on Homeland Secu-
23 rity and Governmental Affairs of the
24 Senate and the Committee on Over-

1 sight and Government Reform of the
2 House of Representatives.

3 (ii) REQUIRED DETERMINATIONS.—
4 An advisory opinion under clause (i) shall
5 determine—

6 (I) whether the measures devel-
7 oped under subsection (b)(2) amelio-
8 rate any disproportionate, negative
9 impact that a change in schedule may
10 have on customers, communities, and
11 small businesses identified under sub-
12 section (b)(1); and

13 (II) based on the report sub-
14 mitted by the Comptroller General
15 under paragraph (1)—

16 (aa) whether the Postal
17 Service has implemented meas-
18 ures to increase revenue and re-
19 duce costs as required under sub-
20 section (b)(3);

21 (bb) whether the implemen-
22 tation of the measures described
23 in item (aa) has increased reve-
24 nues or reduced costs, or is pro-
25 jected to further increase reve-

1 nues or reduce costs in the fu-
2 ture; and

3 (cc) whether a change in
4 schedule under subsection (a)(2)
5 is necessary to allow the Postal
6 Service to achieve long-term sol-
7 vency.

8 (3) PROHIBITION ON IMPLEMENTATION OF
9 CHANGE IN SCHEDULE.—The Postal Service may
10 not implement a change in delivery schedule under
11 subsection (a)(2)—

12 (A) before the date on which the Comp-
13 troller General submits the report required
14 under paragraph (1); and

15 (B) unless the Commission determines
16 under paragraph (2)(B)(ii)(II)(cc) that the
17 Comptroller General has concluded that the
18 change is necessary to allow the Postal Service
19 to become profitable by fiscal year 2015 and to
20 achieve long-term solvency, without regard to
21 whether the Commission determines that the
22 change is advisable.

23 (d) ADDITIONAL LIMITATIONS.—

24 (1) RULES OF CONSTRUCTION.—Nothing in
25 this subsection shall be construed to—

1 (A) authorize the reduction, or require an
2 increase, in delivery frequency for any route for
3 which the Postal Service provided delivery on
4 fewer than 6 days per week on the date of en-
5 actment of this Act;

6 (B) authorize any change in—

7 (i) the days and times that postal re-
8 tail service or any mail acceptance is avail-
9 able at postal retail facilities or processing
10 facilities; or

11 (ii) the locations at which postal retail
12 service or mail acceptance occurs at postal
13 retail facilities or processing facilities;

14 (C) authorize any change in the frequency
15 of delivery to a post office box;

16 (D) prohibit the collection or delivery of a
17 competitive mail product on a weekend, a recog-
18 nized Federal holiday, or any other specific day
19 of the week; or

20 (E) prohibit the Postal Service from exer-
21 cising its authority to make changes to proc-
22 essing or retail networks.

23 (2) PROHIBITION ON CONSECUTIVE DAYS WITH-
24 OUT MAIL DELIVERY.—The Postal Service shall en-
25 sure that, under any change in schedule under sub-

1 section (a)(2), at no time shall there be more than
2 2 consecutive days without mail delivery to street
3 addresses, including recognized Federal holidays.

4 (e) DEFINITION.—In this section, the term “long-
5 term solvency” means the ability of the Postal Service to
6 pay debts and meet expenses, including the ability to per-
7 form maintenance and repairs, make investments, and
8 maintain financial reserves, as necessary to fulfill the re-
9 quirements and comply with the policies of title 39, United
10 States Code, and other obligations of the Postal Service
11 over the long term.

12 **SEC. 208. TIME LIMITS FOR CONSIDERATION OF SERVICE**
13 **CHANGES.**

14 Section 3661 of title 39, United States Code, is
15 amended by striking subsections (b) and (c) and inserting
16 the following:

17 “(b) PROPOSED CHANGES FOR MARKET-DOMINANT
18 PRODUCTS.—

19 “(1) SUBMISSION OF PROPOSAL.—If the Postal
20 Service determines that there should be a change in
21 the nature of postal services relating to market-dom-
22 inant products that will generally affect service on a
23 nationwide or substantially nationwide basis, the
24 Postal Service shall submit a proposal to the Postal

1 Regulatory Commission requesting an advisory opin-
2 ion on the change.

3 “(2) ADVISORY OPINION.—Upon receipt of a
4 proposal under paragraph (1), the Postal Regulatory
5 Commission shall—

6 “(A) provide an opportunity for public
7 comment on the proposal; and

8 “(B) issue an advisory opinion not later
9 than—

10 “(i) 90 days after the date on which
11 the Postal Regulatory Commission receives
12 the proposal; or

13 “(ii) a date that the Postal Regu-
14 latory Commission and the Postal Service
15 may, not later than 1 week after the date
16 on which the Postal Regulatory Commis-
17 sion receives the proposal, determine joint-
18 ly.

19 “(3) RESPONSE TO OPINION.—The Postal Serv-
20 ice shall submit to the President and to Congress a
21 response to an advisory opinion issued under para-
22 graph (2) that includes—

23 “(A) a statement of whether the Postal
24 Service plans to modify the proposal to address

1 any concerns or implement any recommenda-
2 tions made by the Commission; and

3 “(B) for any concern that the Postal Serv-
4 ice determines not to address and any rec-
5 ommendation that the Postal Service deter-
6 mines not to implement, the reasons for the de-
7 termination.

8 “(4) ACTION ON PROPOSAL.—The Postal Serv-
9 ice may take action regarding a proposal submitted
10 under paragraph (1)—

11 “(A) on or after the date that is 30 days
12 after the date on which the Postal Service sub-
13 mits the response required under paragraph
14 (3);

15 “(B) on or after a date that the Postal
16 Regulatory Commission and the Postal Service
17 may, not later than 1 week after the date on
18 which the Postal Regulatory Commission re-
19 ceives a proposal under paragraph (2), deter-
20 mine jointly; or

21 “(C) after the date described in paragraph
22 (2)(B), if—

23 “(i) the Postal Regulatory Commis-
24 sion fails to issue an advisory opinion on

1 or before the date described in paragraph
2 (2)(B); and

3 “(ii) the action is not otherwise pro-
4 hibited under Federal law.

5 “(5) MODIFICATION OF TIMELINE.—At any
6 time, the Postal Service and the Postal Regulatory
7 Commission may jointly redetermine a date deter-
8 mined under paragraph (2)(B)(ii) or (4)(B).”.

9 **SEC. 209. PUBLIC PROCEDURES FOR SIGNIFICANT**
10 **CHANGES TO MAILING SPECIFICATIONS.**

11 (a) NOTICE AND OPPORTUNITY FOR COMMENT RE-
12 QUIRED.—Effective on the date on which the Postal Serv-
13 ice issues a final rule under subsection (c), before making
14 a change to mailing specifications that could pose a sig-
15 nificant burden to the customers of the Postal Service and
16 that is not reviewed by the Commission, the Postal Service
17 shall—

18 (1) publish a notice of the proposed change to
19 the specification in the Federal Register;

20 (2) provide an opportunity for the submission
21 of written comments concerning the proposed change
22 for a period of not less than 30 days;

23 (3) after considering any comments submitted
24 under paragraph (2) and making any modifications

1 to the proposed change that the Postal Service de-
2 termines are necessary, publish—

3 (A) the final change to the specification in
4 the Federal Register;

5 (B) responses to any comments submitted
6 under paragraph (2); and

7 (C) an analysis of the financial impact that
8 the proposed change would have on—

9 (i) the Postal Service; and

10 (ii) the customers of the Postal Serv-
11 ice that would be affected by the proposed
12 change; and

13 (4) establish an effective date for the change to
14 mailing specifications that is not earlier than 30
15 days after the date on which the Postal Service pub-
16 lishes the final change under paragraph (3).

17 (b) EXCEPTION FOR GOOD CAUSE.—If the Postal
18 Service determines that there is an urgent and compelling
19 need for a change to a mailing specification described in
20 subsection (a) in order to avoid demonstrable harm to the
21 operations of the Postal Service or to the public interest,
22 the Postal Service may—

23 (1) change the mailing specifications by—

24 (A) issuing an interim final rule that—

1 (i) includes a finding by the Postal
2 Service that there is good cause for the in-
3 terim final rule;

4 (ii) provides an opportunity for the
5 submission of written comments on the in-
6 terim final rule for a period of not less
7 than 30 days; and

8 (iii) establishes an effective date for
9 the interim final rule that is not earlier
10 than 30 days after the date on which the
11 interim final rule is issued; and

12 (B) publishing in the Federal Register a
13 response to any comments submitted under
14 subparagraph (A)(ii); and

15 (2) waive the requirement under paragraph
16 (1)(A)(iii) or subsection (a)(4).

17 (c) RULES RELATING TO NOTICE AND COMMENT.—

18 (1) IN GENERAL.—Not later than 180 days
19 after the date of enactment of this Act, the Postal
20 Service shall issue rules governing the provision of
21 notice and opportunity for comment for changes in
22 mailing specifications under subsection (a).

23 (2) RULES.—In issuing the rules required
24 under paragraph (1), the Postal Service shall—

1 (A) publish a notice of proposed rule-
2 making in the Federal Register that includes
3 proposed definitions of the terms “mailing spec-
4 ifications” and “significant burden”;

5 (B) provide an opportunity for the submis-
6 sion of written comments concerning the pro-
7 posed change for a period of not less than 30
8 days; and

9 (C) publish—

10 (i) the rule in final form in the Fed-
11 eral Register; and

12 (ii) responses to the comments sub-
13 mitted under subparagraph (B).

14 **SEC. 210. NONPOSTAL PRODUCTS AND SERVICES.**

15 (a) IN GENERAL.—Section 404 of title 39, United
16 States Code, is amended—

17 (1) in subsection (a)—

18 (A) by redesignating paragraphs (6)
19 through (8) as paragraphs (7) through (9), re-
20 spectively; and

21 (B) by inserting after paragraph (5) the
22 following:

23 “(6) after the date of enactment of the 21st
24 Century Postal Service Act of 2012, and except as
25 provided in subsection (e), to provide other services

1 that are not postal services, after the Postal Regu-
2 latory Commission—

3 “(A) makes a determination that the provi-
4 sion of such services—

5 “(i) uses the processing, transpor-
6 tation, delivery, retail network, or tech-
7 nology of the Postal Service;

8 “(ii) is consistent with the public in-
9 terest and a demonstrated or potential
10 public demand for—

11 “(I) the Postal Service to provide
12 the services instead of another entity
13 providing the services; or

14 “(II) the Postal Service to pro-
15 vide the services in addition to an-
16 other entity providing the services;

17 “(iii) would not create unfair competi-
18 tion with the private sector, taking into
19 consideration the extent to which the Post-
20 al Service will not, either by legal obliga-
21 tion or voluntarily, comply with any State
22 or local requirements that are generally ap-
23 plicable to persons that provide the serv-
24 ices;

1 “(iv) will be undertaken in accordance
2 with all Federal laws generally applicable
3 to the provision of such services; and

4 “(v) has the potential to improve the
5 net financial position of the Postal Service,
6 based on a market analysis provided to the
7 Postal Regulatory Commission by the
8 Postal Service; and

9 “(B) for services that the Postal Regu-
10 latory Commission determines meet the criteria
11 under subparagraph (A), classifies each such
12 service as a market-dominant product, competi-
13 tive product, or experimental product, as re-
14 quired under chapter 36 of title 39, United
15 States Code;” and

16 (2) in subsection (e)(2), by striking “Nothing”
17 and all that follows through “except that the” and
18 inserting “The”.

19 (b) COMPLAINTS.—Section 3662(a) of title 39,
20 United States Code, is amended by inserting
21 “404(a)(6)(A),” after “403(c),”.

22 (c) MARKET ANALYSIS.—During the 5-year period
23 beginning on the date of enactment of this Act, the Postal
24 Service shall submit a copy of any market analysis pro-
25 vided to the Commission under section 404(a)(6)(A)(v) of

1 title 39, United States Code, as amended by this section,
2 to the Committee on Homeland Security and Govern-
3 mental Affairs of the Senate and the Committee on Over-
4 sight and Government Reform of the House of Represent-
5 atives.

6 **SEC. 211. CHIEF INNOVATION OFFICER; INNOVATION**
7 **STRATEGY.**

8 (a) CHIEF INNOVATION OFFICER.—

9 (1) IN GENERAL.—Chapter 2 of title 39, United
10 States Code, is amended by adding at the end the
11 following:

12 **“§ 209. Chief innovation officer**

13 “(a) ESTABLISHMENT.—There shall be in the Postal
14 Service a Chief Innovation Officer appointed by the Post-
15 master General.

16 “(b) QUALIFICATIONS.—The Chief Innovation Offi-
17 cer shall have proven expertise and a record of accomplish-
18 ment in areas such as—

19 “(1) the postal and shipping industry;

20 “(2) innovative product research and develop-
21 ment;

22 “(3) brand marketing strategy;

23 “(4) new and emerging technology, including
24 communications technology; or

25 “(5) business process management.

1 “(c) DUTIES.—The Chief Innovation Officer shall
2 lead the development and implementation of—

3 “(1) innovative postal products and services,
4 particularly products and services that use new and
5 emerging technology, including communications
6 technology, to improve the net financial position of
7 the Postal Service; and

8 “(2) nonpostal products and services authorized
9 under section 404(a)(6) that have the potential to
10 improve the net financial position of the Postal Serv-
11 ice.

12 “(d) DEADLINE.—The Postmaster General shall ap-
13 point a Chief Innovation Officer not later than 90 days
14 after the date of enactment of the 21st Century Postal
15 Service Act of 2012.

16 “(e) CONDITION.—

17 “(1) IN GENERAL.—The Chief Innovation Offi-
18 cer may not hold any other office or position in the
19 Postal Service while serving as Chief Innovation Of-
20 ficer.

21 “(2) RULE OF CONSTRUCTION.—Nothing in
22 this section shall be construed to prohibit an indi-
23 vidual who holds another office or position in the
24 Postal Service at the time the individual is appointed

1 Chief Innovation Officer from serving as the Chief
2 Innovation Officer under this section.”.

3 (2) TECHNICAL AND CONFORMING AMEND-
4 MENT.—The table of sections for chapter 2 of title
5 39, United States Code, is amended by adding at
6 the end the following:

“209. Chief innovation officer.”.

7 (b) INNOVATION STRATEGY.—

8 (1) INITIAL REPORT ON INNOVATION STRAT-
9 EGY.—

10 (A) IN GENERAL.—Not later than 1 year
11 after the date of enactment of this Act, the
12 Postmaster General, acting through the Chief
13 Innovation Officer, shall submit a report that
14 contains a comprehensive strategy (referred to
15 in this subsection as the “innovation strategy”)
16 for improving the net financial position of the
17 Postal Service through innovation, including the
18 offering of new postal and nonpostal products
19 and services, to—

20 (i) the Committee on Homeland Secu-
21 rity and Governmental Affairs of the Sen-
22 ate; and

23 (ii) the Committee on Oversight and
24 Government Reform of the House of Rep-
25 resentatives.

1 (B) MATTERS TO BE ADDRESSED.—At a
2 minimum, the report on innovation strategy re-
3 quired under subparagraph (A) shall describe—

4 (i) the specific innovative postal and
5 nonpostal products and services to be de-
6 veloped and offered by the Postal Service,
7 including—

8 (I) the nature of the market de-
9 mand to be satisfied by each product
10 or service; and

11 (II) the estimated date by which
12 each product or service will be intro-
13 duced;

14 (ii) the cost of developing and offering
15 each product or service;

16 (iii) the anticipated sales volume for
17 each product or service;

18 (iv) the anticipated revenues and prof-
19 its to be generated by each product or
20 service;

21 (v) the likelihood of success of each
22 product or service and the risks associated
23 with the development and sale of each
24 product or service;

1 (vi) the trends anticipated in market
2 conditions that may affect the success of
3 each product or service during the 5-year
4 period beginning on the date of the sub-
5 mission of the report under subparagraph
6 (A);

7 (vii) any innovations designed to im-
8 prove the net financial position of the
9 Postal Service, other than the offering of
10 new products and services; and

11 (viii) the metrics that will be used to
12 assess the effectiveness of the innovation
13 strategy.

14 (2) ANNUAL REPORT.—

15 (A) IN GENERAL.—Not later than 1 year
16 after the date of the submission of the initial
17 report containing the innovation strategy under
18 paragraph (1), and annually thereafter for 10
19 years, the Postmaster General, acting through
20 the Chief Innovation Officer, shall submit a re-
21 port on the implementation of the innovation
22 strategy to—

23 (i) the Committee on Homeland Secu-
24 rity and Governmental Affairs of the Sen-
25 ate; and

1 (ii) the Committee on Oversight and
2 Government Reform of the House of Rep-
3 resentatives.

4 (B) MATTERS TO BE ADDRESSED.—At a
5 minimum, an annual report submitted under
6 subparagraph (A) shall include—

7 (i) an update of the initial report on
8 innovation strategy submitted under para-
9 graph (1);

10 (ii) a description of the progress made
11 by the Postal Service in implementing the
12 products, services, and other innovations
13 described in the initial report on innovation
14 strategy;

15 (iii) an analysis of the performance of
16 each product, service, or other innovation
17 described in the initial report on innovation
18 strategy, including—

19 (I) the revenue generated by each
20 product or service developed in ac-
21 cordance with the innovation strategy
22 under this section and the cost of de-
23 veloping and offering each product or
24 service for the preceding year;

1 (II) trends in each market in
2 which a product or service is intended
3 to satisfy a demand;

4 (III) each product or service
5 identified in the innovation strategy
6 that is to be discontinued, the date on
7 which each discontinuance will occur,
8 and the reasons for each discontinu-
9 ance;

10 (IV) each alteration that the
11 Postal Service plans to make to a
12 product or service identified in the in-
13 novation strategy to address changing
14 market conditions and an explanation
15 of how each alteration will ensure the
16 success of the product or service;

17 (V) the performance of innova-
18 tions other than new products and
19 services that are designed to improve
20 the net financial position of the Postal
21 Service; and

22 (VI) the performance of the inno-
23 vation strategy according to the
24 metrics described in paragraph
25 (1)(B)(viii).

1 **SEC. 212. STRATEGIC ADVISORY COMMISSION ON POSTAL**
2 **SERVICE SOLVENCY AND INNOVATION.**

3 (a) ESTABLISHMENT.—

4 (1) IN GENERAL.—There is established in the
5 Postal Service a Strategic Advisory Commission on
6 Postal Service Solvency and Innovation (in this sec-
7 tion referred to as the “Advisory Commission”).

8 (2) INDEPENDENCE.—The Advisory Commis-
9 sion shall not be subject to the supervision of the
10 Board of Governors of the Postal Service (in this
11 section referred to as the “Board of Governors”),
12 the Postmaster General, or any other officer or em-
13 ployee of the Postal Service.

14 (b) PURPOSE.—The purpose of the Advisory Com-
15 mission is—

16 (1) to provide strategic guidance to the Presi-
17 dent, Congress, the Board of Governors, and the
18 Postmaster General on enhancing the long-term sol-
19 vency of the Postal Service; and

20 (2) to foster innovative thinking to address the
21 challenges facing the Postal Service.

22 (c) MEMBERSHIP.—

23 (1) COMPOSITION.—The Advisory Commission
24 shall be composed of 7 members, of whom—

25 (A) 3 members shall be appointed by the
26 President, who shall designate 1 member ap-

1 pointed under this subparagraph to serve as
2 Chairperson of the Advisory Commission; and

3 (B) 1 member shall be appointed by each
4 of—

5 (i) the majority leader of the Senate;

6 (ii) the minority leader of the Senate;

7 (iii) the Speaker of the House of Rep-
8 resentatives; and

9 (iv) the minority leader of the House
10 of Representatives.

11 (2) QUALIFICATIONS.—Members of the Advi-
12 sory Commission shall be prominent citizens hav-
13 ing—

14 (A) significant depth of experience in such
15 fields as business and public administration;

16 (B) a reputation for innovative thinking;

17 (C) familiarity with new and emerging
18 technologies; and

19 (D) experience with revitalizing organiza-
20 tions that experienced significant financial chal-
21 lenges or other challenges.

22 (3) INCOMPATIBLE OFFICES.—An individual
23 who is appointed to the Advisory Commission may
24 not serve as an elected official or an officer or em-
25 ployee of the Federal Government while serving as

1 a member of the Advisory Commission, except in the
2 capacity of that individual as a member of the Advi-
3 sory Commission.

4 (4) DEADLINE FOR APPOINTMENT.—Each
5 member of the Advisory Commission shall be ap-
6 pointed not later than 45 days after the date of en-
7 actment of this Act.

8 (5) MEETINGS; QUORUM; VACANCIES.—

9 (A) MEETINGS.—The Advisory Commis-
10 sion shall meet at the call of the Chairperson or
11 a majority of the members of the Advisory
12 Commission.

13 (B) QUORUM.—4 members of the Advisory
14 Commission shall constitute a quorum.

15 (C) VACANCIES.—Any vacancy in the Advi-
16 sory Commission shall not affect the powers of
17 the Advisory Commission, but shall be filled as
18 soon as practicable in the same manner in
19 which the original appointment was made.

20 (d) DUTIES AND POWERS.—

21 (1) DUTIES.—The Advisory Commission
22 shall—

23 (A) study matters that the Advisory Com-
24 mission determines are necessary and appro-
25 priate to develop a strategic blueprint for the

1 long-term solvency of the Postal Service, includ-
2 ing—

3 (i) the financial, operational, and
4 structural condition of the Postal Service;

5 (ii) alternative strategies and business
6 models that the Postal Service could adopt;

7 (iii) opportunities for additional postal
8 and nonpostal products and services that
9 the Postal Service could offer;

10 (iv) innovative services that postal
11 services in foreign countries have offered,
12 including services that respond to the in-
13 creasing use of electronic means of commu-
14 nication; and

15 (v) the governance structure, manage-
16 ment structure, and management of the
17 Postal Service, including—

18 (I) the appropriate method of ap-
19 pointment, qualifications, duties, and
20 compensation for senior officials of
21 the Postal Service, including the Post-
22 master General; and

23 (II) the number and functions of
24 senior officials of the Postal Service

1 and the number of levels of manage-
2 ment of the Postal Service; and

3 (B) submit the report required under sub-
4 section (f).

5 (2) HEARINGS.—The Advisory Commission may
6 hold such hearings, take such testimony, and receive
7 such evidence as is necessary to carry out this sec-
8 tion.

9 (3) ACCESS TO INFORMATION.—The Advisory
10 Commission may secure directly from the Postal
11 Service, the Board of Governors, the Postal Regu-
12 latory Commission, and any other Federal depart-
13 ment or agency such information as the Advisory
14 Commission considers necessary to carry out this
15 section. Upon request of the Chairperson of the Ad-
16 visory Commission, the head of the department or
17 agency shall furnish the information described in the
18 preceding sentence to the Advisory Commission.

19 (e) PERSONNEL MATTERS.—

20 (1) ADVISORY COMMISSION MEMBERS.—

21 (A) COMPENSATION OF MEMBERS.—Each
22 member of the Advisory Commission shall be
23 compensated at a rate equal to the daily equiva-
24 lent of the annual rate of basic pay prescribed
25 for level IV of the Executive Schedule under

1 section 5315 of title 5, United States Code, for
2 each day during which the member is engaged
3 in the actual performance of the duties of the
4 Advisory Commission.

5 (B) TRAVEL EXPENSES.—Members of the
6 Advisory Commission shall be allowed travel ex-
7 penses, including per diem in lieu of subsist-
8 ence, at rates authorized for employees serving
9 intermittently in the Government service under
10 section 5703 of title 5, United States Code,
11 while away from their homes or regular places
12 of business in the performance of services for
13 the Advisory Commission.

14 (2) STAFF.—

15 (A) APPOINTMENT AND COMPENSATION.—
16 The Chairperson, in accordance with rules
17 agreed upon by the Advisory Commission, shall
18 appoint and fix the compensation of an execu-
19 tive director and such other personnel as may
20 be necessary to enable the Advisory Commission
21 to carry out the functions of the Advisory Com-
22 mission, without regard to the provisions of title
23 5, United States Code, governing appointments
24 in the competitive service, and without regard
25 to the provisions of chapter 51 and subchapter

1 III of chapter 53 of such title relating to classi-
2 fication of positions and General Schedule pay
3 rates, except that a rate of pay fixed under this
4 subsection may not exceed the rate payable for
5 level V of the Executive Schedule under section
6 5316 of title 5, United States Code.

7 (B) DETAILEES.—Any Federal employee,
8 including an employee of the Postal Service,
9 may be detailed to the Advisory Commission
10 without reimbursement, and such detail shall be
11 without interruption or loss of the civil service
12 rights, status, or privilege of the employee.

13 (C) CONSULTANT SERVICES.—The Advi-
14 sory Commission may procure the services of
15 experts and consultants in accordance with sec-
16 tion 3109 of title 5, United States Code, at
17 rates for individuals that do not exceed the
18 daily equivalent of the annual rate of basic pay
19 prescribed for level IV of the Executive Sched-
20 ule under section 5315 of such title.

21 (f) STRATEGIC BLUEPRINT FOR LONG-TERM SOL-
22 VENCY.—

23 (1) IN GENERAL.—Not later than 18 months
24 after the date of enactment of this Act, the Advisory

1 Commission shall submit a report that contains a
2 strategic blueprint to—

3 (A) the President;

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

6 (C) the Committee on Oversight and Gov-
7 ernment Reform of the House of Representa-
8 tives;

9 (D) the Board of Governors; and

10 (E) the Postmaster General.

11 (2) CONTENTS.—The report submitted under
12 paragraph (1) shall contain a strategic blueprint for
13 the long-term solvency of the Postal Service that in-
14 cludes—

15 (A) an assessment of the business model of
16 the Postal Service as of the date on which the
17 report is submitted;

18 (B) an assessment of potential future busi-
19 ness models for the Postal Service, including an
20 evaluation of the appropriate balance between—

21 (i) necessary reductions in costs and
22 services; and

23 (ii) additional opportunities for
24 growth and revenue;

1 (C) a strategy for addressing significant
2 current and future liabilities;

3 (D) identification of opportunities for fur-
4 ther reductions in costs;

5 (E) identification of opportunities for new
6 and innovative products and services;

7 (F) a strategy for future growth;

8 (G) a vision of how the Postal Service will
9 operate in a sustainable manner 20 years after
10 the date of enactment of this Act; and

11 (H) recommendations for any legislative
12 changes necessary to implement the strategic
13 blueprint described in this paragraph.

14 (g) STUDY AND STRATEGIC PLAN ON INTER-AGENCY
15 AGREEMENTS FOR POST OFFICES.—

16 (1) DUTIES OF ADVISORY COMMISSION.—

17 (A) STUDY.—

18 (i) IN GENERAL.—The Advisory Com-
19 mission shall conduct a study concerning
20 the advisability of the Postal Service enter-
21 ing into inter-agency agreements with Fed-
22 eral, State, and local agencies, with respect
23 to post offices, that—

1 (I) streamline and consolidate
2 services provided by Federal, State,
3 and local agencies;

4 (II) decrease the costs incurred
5 by Federal agencies in providing serv-
6 ices to the general public; and

7 (III) improve the efficiency and
8 maintain the customer service stand-
9 ards of the Federal, State, and local
10 agencies.

11 (ii) CLARIFICATION OF INTER-AGENCY
12 AGREEMENTS.—The study under clause (i)
13 shall include consideration of the advis-
14 ability of the Postal Service entering into
15 an inter-agency agreement with—

16 (I) the Bureau of the Census for
17 the provision of personnel and re-
18 sources for the 2020 decennial census;

19 (II) the department of motor ve-
20 hicles, or an equivalent agency, of
21 each State for the provision of driver
22 licenses, vehicle registration, and voter
23 registration;

24 (III) the division of wildlife, the
25 department of natural resources, or

1 an equivalent agency, of each State
2 for the provision of hunting and fish-
3 ing licenses; and

4 (IV) other Federal agencies re-
5 sponsible for providing services to the
6 general public.

7 (B) FINDINGS.—The Advisory Commission
8 shall—

9 (i) not later than 1 year after the date
10 of enactment of this Act, submit to the
11 Postal Service the findings of the study
12 conducted under subparagraph (A); and

13 (ii) incorporate the findings described
14 in clause (i) into the strategic blueprint re-
15 quired under subsection (f).

16 (2) POSTAL SERVICE STRATEGIC PLAN.—

17 (A) IN GENERAL.—Not later than 6
18 months after the date on which the Advisory
19 Commission submits to the Postal Service the
20 findings under paragraph (1)(B), the Postal
21 Service shall submit a strategic plan for enter-
22 ing into inter-agency agreements concerning
23 post offices to—

1 (i) the Committee on Homeland Security and Governmental Affairs of the Senate; and

2
3
4 (ii) the Committee on Oversight and Government Reform of the House of Representatives.

5
6
7 (B) LIMITATIONS.—The strategic plan submitted under subparagraph (A)—

8 (i) shall be consistent with—

9 (I) the retail service standards established under section 203 of this Act;

10 (II) section 411 of title 39, United States Code, as amended by this Act; and

11 (III) public interest and demand; and

12 (ii) may not prevent the implementation of Postal Service initiatives with respect to retail access to postal services under sections 203 and 204 of this Act.

13 (C) COST SAVINGS PROJECTIONS.—The strategic plan submitted under subparagraph (A) shall include, for each proposed inter-agency agreement, a projection of cost savings to be

1 realized by the Postal Service and by any other
2 Federal agency that is a party to the agree-
3 ment.

4 (h) TERMINATION OF THE COMMISSION.—The Advi-
5 sory Commission shall terminate 90 days after the later
6 of—

7 (1) the date on which the Advisory Commission
8 submits the report on the strategic blueprint for
9 long-term solvency under subsection (f); and

10 (2) the date on which the Advisory Commission
11 submits the findings on inter-agency agreements for
12 post offices under subsection (g).

13 (i) AUTHORIZATION OF APPROPRIATIONS.—There
14 are authorized to be appropriated for fiscal years 2013
15 and 2014 such sums as may be necessary to carry out
16 this section.

17 **SEC. 213. CITIZEN'S SERVICE PROTECTION ADVOCATES.**

18 (a) IN GENERAL.—Chapter 4 of title 39, United
19 States Code, is amended by adding at the end the fol-
20 lowing:

21 **“§ 417. Citizen's service protection advocates**

22 “(a) DEFINITIONS.—In this section—

23 “(1) the term ‘citizen's service protection advo-
24 cate’ means an individual appointed or designated
25 under applicable State law, in the manner described

1 in subsection (b), by the chief executive of a State
2 affected by the closing or consolidation of a post of-
3 fice or postal facility to represent the interests of
4 postal customers affected by the closing or consoli-
5 dation; and

6 “(2) the term ‘postal facility’ has the meaning
7 given the term in section 404(f).

8 “(b) APPOINTMENT OF ADVOCATE.—

9 “(1) IN GENERAL.—The chief executive of a
10 State affected by the proposed closing or consolida-
11 tion of a post office or postal facility may appoint
12 or designate a citizen’s service protection advocate to
13 represent the interests of postal customers affected
14 by the proposed closing or consolidation.

15 “(2) CONSULTATION.—To be considered a citi-
16 zen’s service protection advocate for purposes of this
17 section, an individual must have been appointed or
18 designated by the chief executive of a State in con-
19 sultation with—

20 “(A) the mayor (or equivalent official) of
21 any city affected by the closing or consolidation;
22 and

23 “(B) the commissioner (or equivalent offi-
24 cial) of any county or parish affected by the
25 closing or consolidation.

1 “(c) ACCESS TO INFORMATION AND ASSISTANCE.—

2 “(1) IN GENERAL.—Subject to paragraph (2),
3 upon the request of any citizen’s service protection
4 advocate appointed under this section, the Postal
5 Service shall provide to the citizen’s service protec-
6 tion advocate—

7 “(A) not later than 15 days after the re-
8 quest, access to any records, reports, audits, re-
9 views, documents, papers, recommendations, or
10 other materials of the Postal Service relating to
11 the closing or consolidation of the relevant post
12 office or postal facility; and

13 “(B) technical assistance in carrying out
14 the duties of the citizen’s service protection ad-
15 vocate.

16 “(2) LIMITATIONS.—Nothing in this section
17 may be construed to require the Postal Service to
18 provide to a citizen’s service protection advocate any
19 information that is exempt from disclosure under
20 section 552(b) of title 5.

21 “(d) COMMUNICATION AND CONSULTATION.—The
22 Postal Service shall—

23 “(1) provide for regular and efficient commu-
24 nication between a citizen’s service protection advo-
25 cate and the officer or employee of the Postal Serv-

1 ice responsible for the closing or consolidation of the
2 relevant post office or postal facility; and

3 “(2) consult with the citizen’s service protection
4 advocate in developing and implementing service
5 changes that affect postal customers affected by the
6 closing or consolidation of the relevant post office or
7 postal facility.

8 “(e) TERMINATION OF SERVICE.—An individual may
9 not serve as a citizen’s service protection advocate with
10 respect to the closing or consolidation of a post office or
11 postal facility after the later of—

12 “(1) the date on which the Postal Service deter-
13 mines not to close or consolidate the post office or
14 postal facility; and

15 “(2) the date on which the Postal Service deter-
16 mines to close or consolidate the post office or postal
17 facility.”.

18 (b) TABLE OF SECTIONS.—The table of sections for
19 chapter 4 of title 39, United States Code, is amended by
20 adding at the end the following:

“417. Citizen’s service protection advocates.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall take effect on the date on which the
23 Postal Service establishes retail service standards under
24 section 203.

1 **SEC. 214. CAPITOL COMPLEX POST OFFICES.**

2 (a) HOUSE OF REPRESENTATIVES.—

3 (1) IN GENERAL.—The Postal Service shall not
4 maintain or operate more than 1 post office in the
5 United States Capitol Complex, as defined in section
6 310(a)(3)(B) of the Legislative Branch Appropria-
7 tions Act, 1990 (2 U.S.C. 130e(a)(3)(B)), which
8 shall be located in a House Office Building.

9 (2) CLOSING OF CAPITOL POST OFFICES.—The
10 Postal Service shall close any post office in the
11 United States Capitol Complex, as defined in section
12 310(a)(3)(B) of the Legislative Branch Appropria-
13 tions Act, 1990 (2 U.S.C. 130e(a)(3)(B)), not per-
14 mitted under this subsection, without regard to the
15 requirements under section 404(d) of title 39,
16 United States Code.

17 (b) SENATE.—

18 (1) IN GENERAL.—The Sergeant at Arms and
19 Doorkeeper of the Senate may not enter into, mod-
20 ify, or renew a contract with the Postal Service to
21 maintain or operate more than 1 post office in a
22 Senate Office Building.

23 (2) EXISTING CONTRACTS.—Nothing in para-
24 graph (1) may be construed to affect a contract en-
25 tered into by the Sergeant at Arms and Doorkeeper

1 of the Senate and the Postal Service before the date
2 of enactment of this Act.

3 **TITLE III—FEDERAL EMPLOY-**
4 **EES’ COMPENSATION ACT**

5 **SEC. 301. SHORT TITLE; REFERENCES.**

6 (a) **SHORT TITLE.**—This title may be cited as the
7 “Workers’ Compensation Reform Act of 2012”.

8 (b) **REFERENCES.**—Except as otherwise expressly
9 provided, whenever in this title an amendment or repeal
10 is expressed in terms of an amendment to, or a repeal
11 of, a section or other provision, the reference shall be con-
12 sidered to be made to a section or other provision of title
13 5, United States Code.

14 **SEC. 302. FEDERAL WORKERS COMPENSATION REFORMS**
15 **FOR RETIREMENT-AGE EMPLOYEES.**

16 (a) **CONVERSION OF ENTITLEMENT AT RETIREMENT**
17 **AGE.**—

18 (1) **DEFINITIONS.**—Section 8101 is amended—

19 (A) in paragraph (18), by striking “and”
20 at the end;

21 (B) in paragraph (19), by striking “and”
22 at the end;

23 (C) in paragraph (20), by striking the pe-
24 riod at the end and inserting a semicolon; and

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

1 “(21) ‘retirement age’ has the meaning given
2 that term under section 216(l)(1) of the Social Secu-
3 rity Act (42 U.S.C. 416(l)(1));

4 “(22) ‘covered claim for total disability’ means
5 a claim for a period of total disability that com-
6 menced before the date of enactment of the Work-
7 ers’ Compensation Reform Act of 2012;

8 “(23) ‘covered claim for partial disability’
9 means a claim for a period of partial disability that
10 commenced before the date of enactment of the
11 Workers’ Compensation Reform Act of 2012; and

12 “(24) ‘individual who has an exempt disability
13 condition’ means an individual—

14 “(A) who—

15 “(i) is eligible to receive continuous
16 periodic compensation for total disability
17 under section 8105 on the date of enact-
18 ment of the Workers’ Compensation Re-
19 form Act of 2012; and

20 “(ii) meets the criteria under section
21 8105(c);

22 “(B) who, on the date of enactment of the
23 Workers’ Compensation Reform Act of 2012—

1 “(i) is eligible to receive continuous
2 periodic compensation for total disability
3 under section 8105; and

4 “(ii) has sustained a currently irre-
5 versible severe mental or physical disability
6 for which the Secretary of Labor has au-
7 thorized, for at least the 1-year period end-
8 ing on the date of enactment of the Work-
9 ers’ Compensation Reform Act of 2012,
10 constant in-home care or custodial care,
11 such as placement in a nursing home; or

12 “(C) who is eligible to receive continuous
13 periodic compensation for total disability under
14 section 8105—

15 “(i) for not less than the 3-year pe-
16 riod ending on the date of enactment of
17 the Workers’ Compensation Reform Act of
18 2012; or

19 “(ii) if the individual became eligible
20 to receive continuous periodic compensa-
21 tion for total disability under section 8105
22 during the period beginning on the date
23 that is 3 years before the date of enact-
24 ment of the Workers’ Compensation Re-
25 form Act of 2012 and ending on such date

1 of enactment, for not less than the 3-year
2 period beginning on the date on which the
3 individual became eligible.”.

4 (2) TOTAL DISABILITY.—Section 8105 is
5 amended—

6 (A) in subsection (a), by striking “If” and
7 inserting “IN GENERAL.—Subject to subsection
8 (b), if”;

9 (B) by redesignating subsection (b) as sub-
10 section (c); and

11 (C) by inserting after subsection (a) the
12 following:

13 “(b) CONVERSION OF ENTITLEMENT AT RETIRE-
14 MENT AGE.—

15 “(1) IN GENERAL.—Except as provided in para-
16 graph (2), the basic compensation for total disability
17 for an employee who has attained retirement age
18 shall be 50 percent of the monthly pay of the em-
19 ployee.

20 “(2) EXCEPTIONS.—

21 “(A) COVERED RECIPIENTS WHO ARE RE-
22 TIREMENT AGE, HAVE AN EXEMPT DISABILITY
23 CONDITION, OR FACE FINANCIAL HARDSHIP.—

24 Paragraph (1) shall not apply to a covered

1 claim for total disability by an employee if the
2 employee—

3 “(i) on the date of enactment of the
4 Workers’ Compensation Reform Act of
5 2012, has attained retirement age;

6 “(ii) is an individual who has an ex-
7 empt disability condition; or

8 “(iii) is a member of a household that
9 would meet the income and assets require-
10 ments for eligibility for the supplemental
11 nutrition assistance program as described
12 in section 5 of the Food and Nutrition Act
13 of 2008 (7 U.S.C. 2014) (not including
14 any provisions permitting eligibility due to
15 benefits received under any other law) if
16 the basic compensation for total disability
17 of the employee were provided in accord-
18 ance with paragraph (1).

19 “(B) TRANSITION PERIOD FOR CERTAIN
20 EMPLOYEES.—For a covered claim for total dis-
21 ability by an employee who is not an employee
22 described in subparagraph (A), the employee
23 shall receive the basic compensation for total
24 disability provided under subsection (a) until
25 the later of—

1 “(i) the date on which the employee
2 attains retirement age; and

3 “(ii) the date that is 3 years after the
4 date of enactment of the Workers’ Com-
5 pensation Reform Act of 2012.”.

6 (3) PARTIAL DISABILITY.—Section 8106 is
7 amended—

8 (A) in subsection (a), by striking “If” and
9 inserting “IN GENERAL.—Subject to subsection
10 (b), if”;

11 (B) by redesignating subsections (b) and
12 (c) as subsections (c) and (d), respectively; and

13 (C) by inserting after subsection (a) the
14 following:

15 “(b) CONVERSION OF ENTITLEMENT AT RETIRE-
16 MENT AGE.—

17 “(1) IN GENERAL.—Except as provided in para-
18 graph (2), the basic compensation for partial dis-
19 ability for an employee who has attained retirement
20 age shall be 50 percent of the difference between the
21 monthly pay of the employee and the monthly wage-
22 earning capacity of the employee after the beginning
23 of the partial disability.

24 “(2) EXCEPTIONS.—

1 “(A) COVERED RECIPIENTS WHO ARE RE-
2 TIREMENT AGE OR FACE FINANCIAL HARD-
3 SHIP.—Paragraph (1) shall not apply to a cov-
4 ered claim for partial disability by an employee
5 if the employee—

6 “(i) on the date of enactment of the
7 Workers’ Compensation Reform Act of
8 2012, has attained retirement age; or

9 “(ii) is a member of a household that
10 would meet the income and assets require-
11 ments for eligibility for the supplemental
12 nutrition assistance program as described
13 in section 5 of the Food and Nutrition Act
14 of 2008 (7 U.S.C. 2014) (not including
15 any provisions permitting eligibility due to
16 benefits received under any other law) if
17 the basic compensation for total disability
18 of the employee were provided in accord-
19 ance with paragraph (1).

20 “(B) TRANSITION PERIOD FOR CERTAIN
21 EMPLOYEES.—For a covered claim for partial
22 disability by an employee who is not an em-
23 ployee described in subparagraph (A), the em-
24 ployee shall receive basic compensation for par-

1 tial disability in accordance with subsection (a)
2 until the later of—

3 “(i) the date on which the employee
4 attains retirement age; and

5 “(ii) the date that is 3 years after the
6 date of enactment of the Workers’ Com-
7 pensation Reform Act of 2012.”.

8 **SEC. 303. AUGMENTED COMPENSATION FOR DEPENDENTS.**

9 (a) IN GENERAL.—Section 8110 is amended—

10 (1) by redesignating subsection (b) as sub-
11 section (c); and

12 (2) by inserting after subsection (a) the fol-
13 lowing:

14 “(b) TERMINATION OF AUGMENTED COMPENSA-
15 TION.—

16 “(1) IN GENERAL.—Subject to paragraph (2),
17 augmented compensation for dependants under sub-
18 section (c) shall not be provided.

19 “(2) EXCEPTIONS.—

20 “(A) TOTAL DISABILITY.—For a covered
21 claim for total disability by an employee—

22 “(i) the employee shall receive aug-
23 mented compensation under subsection (c)
24 if the employee is an individual who has an
25 exempt disability condition; and

1 “(ii) the employee shall receive aug-
2 mented compensation under subsection (c)
3 until the date that is 3 years after the date
4 of enactment of the Workers’ Compensa-
5 tion Reform Act of 2012 if the employee is
6 not an employee described in clause (i).

7 “(B) PARTIAL DISABILITY.—For a covered
8 claim for partial disability by an employee, the
9 employee shall receive augmented compensation
10 under subsection (c) until the date that is 3
11 years after the date of enactment of the Work-
12 ers’ Compensation Reform Act of 2012.

13 “(C) PERMANENT DISABILITY COM-
14 PENSATED BY A SCHEDULE.—For a claim for a
15 permanent disability described in section
16 8107(a) by an employee that commenced before
17 the date of enactment of the Workers’ Com-
18 pensation Reform Act of 2012, the employee
19 shall receive augmented compensation under
20 subsection (c).”.

21 (b) MAXIMUM AND MINIMUM MONTHLY PAY-
22 MENTS.—Section 8112 is amended—

23 (1) in subsection (a)—

24 (A) by inserting “subsections (b) and (c)
25 and” before “section 8138”;

1 (B) by striking “including augmented com-
2 pensation under section 8110 of this title but”;
3 and

4 (C) by striking “75 percent” each place it
5 appears and inserting “66²/₃ percent”;

6 (2) by redesignating subsection (b) as sub-
7 section (c);

8 (3) by inserting after subsection (a) the fol-
9 lowing:

10 “(b) EXCEPTIONS.—

11 “(1) COVERED DISABILITY CONDITION.—For a
12 covered claim for total disability by an employee, if
13 the employee is an individual who has an exempt
14 disability condition—

15 “(A) the monthly rate of compensation for
16 disability that is subject to the maximum and
17 minimum monthly amounts under subsection
18 (a) shall include any augmented compensation
19 under section 8110; and

20 “(B) subsection (a) shall be applied by
21 substituting ‘75 percent’ for ‘66²/₃ percent’
22 each place it appears.

23 “(2) PARTIAL DISABILITY.—For a covered
24 claim for partial disability by an employee, until the

1 date that is 3 years after the date of enactment of
2 the Workers' Compensation Reform Act of 2012—

3 “(A) the monthly rate of compensation for
4 disability that is subject to the maximum and
5 minimum monthly amounts under subsection
6 (a) shall include any augmented compensation
7 under section 8110; and

8 “(B) subsection (a) shall be applied by
9 substituting ‘75 percent’ for ‘66 $\frac{2}{3}$ percent’
10 each place it appears.”; and

11 (4) in subsection (c), as redesignated by para-
12 graph (2), by striking “subsection (a)” and inserting
13 “subsections (a) and (b)”.

14 (c) DEATH BENEFITS GENERALLY.—Section 8133 is
15 amended—

16 (1) in subsections (a) and (e), by striking “75
17 percent” each place it appears and inserting “66 $\frac{2}{3}$
18 percent (except as provided in subsection (g))”; and

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

20 “(g) If the death occurred before the date of enact-
21 ment of the Workers' Compensation Reform Act of 2012,
22 subsections (a) and (e) shall be applied by substituting
23 ‘75 percent’ for ‘66 $\frac{2}{3}$ percent’ each place it appears.”.

24 (d) DEATH BENEFITS FOR CIVIL AIR PATROL VOL-
25 UNTEERS.—Section 8141 is amended—

1 (1) in subsection (b)(2)(B) by striking “75 per-
2 cent” and inserting “66 $\frac{2}{3}$ percent (except as pro-
3 vided in subsection (c))”;

4 (2) by redesignating subsection (c) as sub-
5 section (d); and

6 (3) by inserting after subsection (b) the fol-
7 lowing:

8 “(c) If the death occurred before the date of enact-
9 ment of the Workers’ Compensation Reform Act of 2012,
10 subsection (b)(2)(B) shall be applied by substituting ‘75
11 percent’ for ‘66 $\frac{2}{3}$ percent.’”.

12 **SEC. 304. SCHEDULE COMPENSATION PAYMENTS.**

13 Section 8107 is amended—

14 (1) in subsection (a), by striking “at the rate
15 of 66 $\frac{2}{3}$ percent of his monthly pay” and inserting
16 “at the rate specified under subsection (d)”; and

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

18 “(d) RATE FOR COMPENSATION.—

19 “(1) ANNUAL SALARY.—

20 “(A) IN GENERAL.—Except as provided in
21 paragraph (2), the rate under subsection (a)
22 shall be the rate of 66 $\frac{2}{3}$ percent of the annual
23 salary level established under subparagraph
24 (B), in a lump sum equal to the present value
25 (as calculated under subparagraph (C)) of the

1 amount of compensation payable under the
2 schedule.

3 “(B) ESTABLISHMENT.—

4 “(i) IN GENERAL.—The Secretary of
5 Labor shall establish an annual salary for
6 purposes of subparagraph (A) in the
7 amount the Secretary determines will re-
8 sult in the aggregate cost of payments
9 made under this section being equal to
10 what would have been the aggregate cost
11 of payments under this section if the
12 amendments made by section 304(a) of the
13 Workers’ Compensation Reform Act of
14 2012 had not been enacted.

15 “(ii) COST OF LIVING ADJUSTMENT.—

16 The annual salary established under clause
17 (i) shall be increased on March 1 of each
18 year by the amount determined by the Sec-
19 retary of Labor to represent the percent
20 change in the price index published for De-
21 cember of the preceding year over the price
22 index published for the December of the
23 year prior to the preceding year, adjusted
24 to the nearest one-tenth of 1 percent.

1 “(C) PRESENT VALUE.—The Secretary of
2 Labor shall calculate the present value for pur-
3 poses of subparagraph (A) using a rate of inter-
4 est equal to the average market yield for out-
5 standing marketable obligations of the United
6 States with a maturity of 2 years on the first
7 business day of the month in which the com-
8 pensation is paid or, in the event that such
9 marketable obligations are not being issued on
10 such date, at an equivalent rate selected by the
11 Secretary of Labor, true discount compounded
12 annually.

13 “(2) CERTAIN INJURIES.—For an injury that
14 occurred before the date of enactment of the Work-
15 ers’ Compensation Reform Act of 2012, the rate
16 under subsection (a) shall be $66\frac{2}{3}$ percent of the
17 employee’s monthly pay.

18 “(e) SIMULTANEOUS RECEIPT.—

19 “(1) TOTAL DISABILITY.—An employee who re-
20 ceives compensation for total disability under section
21 8105 may only receive the lump sum of schedule
22 compensation under this section in addition to and
23 simultaneously with the benefits for total disability
24 after the earlier of—

1 “(A) the date on which the basic com-
2 pensation for total disability of the employee be-
3 comes 50 percent of the monthly pay of the em-
4 ployee under section 8105(b); or

5 “(B) the date on which augmented com-
6 pensation of the employee terminates under sec-
7 tion 8110(b)(2)(A)(ii), if the employee receives
8 such compensation.

9 “(2) PARTIAL DISABILITY.—An employee who
10 receives benefits for partial disability under section
11 8106 may only receive the lump sum of schedule
12 compensation under this section in addition to and
13 simultaneously with the benefits for partial disability
14 after the earlier of—

15 “(A) the date on which the basic com-
16 pensation for partial disability of the employee
17 becomes 50 percent of the difference between
18 the monthly pay of the employee and the
19 monthly wage-earning capacity of the employee
20 after the beginning of the partial disability
21 under section 8106(b); or

22 “(B) the date on which augmented com-
23 pensation of the employee terminates under sec-
24 tion 8110(b)(2)(B), if the employee receives
25 such compensation.”.

1 **SEC. 305. VOCATIONAL REHABILITATION.**

2 (a) IN GENERAL.—Section 8104 is amended—

3 (1) in subsection (a)—

4 (A) by striking “(a) The Secretary of
5 Labor may” and all that follows through “un-
6 dergo vocational rehabilitation.” and inserting
7 the following:

8 “(a) IN GENERAL.—

9 “(1) DIRECTION.—Except as provided in para-
10 graph (2), not earlier than the date that is 6 months
11 after the date on which an individual eligible for
12 wage-loss compensation under section 8105 or 8106
13 is injured, or by such other date as the Secretary of
14 Labor determines it would be reasonable under the
15 circumstances for the individual to begin vocational
16 rehabilitation, and if vocational rehabilitation may
17 enable the individual to become capable of more
18 gainful employment, the Secretary of Labor shall di-
19 rect the individual to participate in developing a
20 comprehensive return to work plan and to undergo
21 vocational rehabilitation at a location a reasonable
22 distance from the residence of the individual.”;

23 (B) by striking “the Secretary of Health,
24 Education, and Welfare in carrying out the pur-
25 poses of chapter 4 of title 29” and inserting
26 “the Secretary of Education in carrying out the

1 purposes of the Rehabilitation Act of 1973 (29
2 U.S.C. 701 et seq.)”;

3 (C) by striking “under section 32(b)(1) of
4 title 29” and inserting “under section 5 of the
5 Rehabilitation Act of 1973 (29 U.S.C. 704)”;
6 and

7 (D) by adding at the end the following:

8 “(2) EXCEPTION.—The Secretary of Labor may
9 not direct an individual who has attained retirement
10 age to participate in developing a comprehensive re-
11 turn to work plan or to undergo vocational rehabili-
12 tation.”;

13 (2) by redesignating subsection (b) as sub-
14 section (c);

15 (3) by inserting after subsection (a) the fol-
16 lowing:

17 “(b) CONTENTS OF RETURN TO WORK PLAN.—A re-
18 turn to work plan developed under subsection (a)—

19 “(1) shall—

20 “(A) set forth specific measures designed
21 to increase the wage-earning capacity of an in-
22 dividual;

23 “(B) take into account the prior training
24 and education of the individual and the train-

1 ing, educational, and employment opportunities
2 reasonably available to the individual; and

3 “(C) provide that any employment under-
4 taken by the individual under the return to
5 work plan be at a location a reasonable distance
6 from the residence of the individual;

7 “(2) may provide that the Secretary will pay
8 out of amounts in the Employees’ Compensation
9 Fund reasonable expenses of vocational rehabilita-
10 tion (which may include tuition, books, training fees,
11 supplies, equipment, and child or dependent care)
12 during the course of the plan; and

13 “(3) may not be for a period of more than 2
14 years, unless the Secretary finds good cause to grant
15 an extension, which may be for not more than 2
16 years.”;

17 (4) in subsection (c), as so redesignated—

18 (A) by inserting “COMPENSATION.—” be-
19 fore “Notwithstanding”; and

20 (B) by striking “, other than employment
21 undertaken pursuant to such rehabilitation”;
22 and

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

24 “(d) ASSISTED REEMPLOYMENT AGREEMENTS.—

1 “(1) IN GENERAL.—The Secretary may enter
2 into an assisted reemployment agreement with an
3 agency or instrumentality of any branch of the Fed-
4 eral Government or a State or local government or
5 a private employer that employs an individual eligi-
6 ble for wage-loss compensation under section 8105
7 or 8106 to enable the individual to return to produc-
8 tive employment.

9 “(2) CONTENTS.—An assisted reemployment
10 agreement under paragraph (1)—

11 “(A) may provide that the Secretary will
12 use amounts in the Employees’ Compensation
13 Fund to reimburse an employer in an amount
14 equal to not more than 100 percent of the com-
15 pensation the individual would otherwise receive
16 under section 8105 or 8106; and

17 “(B) may not be for a period of more than
18 3 years.

19 “(e) LIST.—To facilitate the hiring of individuals eli-
20 gible for wage-loss compensation under section 8105 or
21 8106, the Secretary shall provide a list of such individuals
22 to the Office of Personnel Management, which the Office
23 of Personnel Management shall provide to all agencies and
24 instrumentalities of the Federal Government.”.

1 (b) EMPLOYEES' COMPENSATION FUND.—Section
2 8147 is amended by adding at the end:

3 “(d) Notwithstanding subsection (b), any benefits or
4 other payments paid to or on behalf of an employee under
5 this subchapter or any extension or application thereof for
6 a recurrence of injury, consequential injury, aggravation
7 of injury, or increase in percentage of impairment to a
8 member for which compensation is provided under the
9 schedule under section 8107 suffered in a permanent posi-
10 tion with an agency or instrumentality of the United
11 States while the employment with the agency or instru-
12 mentality is covered under an assisted reemployment
13 agreement entered into under section 8104(d) shall not
14 be included in total cost of benefits and other payments
15 in the statement provided to the agency or instrumentality
16 under subsection (b) if the injury was originally incurred
17 in a position not covered by an assisted reemployment
18 agreement.”.

19 (c) TERMINATION OF VOCATIONAL REHABILITATION
20 REQUIREMENT AFTER RETIREMENT AGE.—Section
21 8113(b) is amended by adding at the end the following:
22 “An individual who has attained retirement age may not
23 be required to undergo vocational rehabilitation.”.

1 (d) MANDATORY BENEFIT REDUCTION FOR NON-
 2 COMPLIANCE.—Section 8113(b) is amended by striking
 3 “may reduce” and inserting “shall reduce”.

4 (e) TECHNICAL AND CONFORMING AMENDMENTS.—

5 (1) IN GENERAL.—Subchapter III of chapter
 6 15 of title 31, United States Code, is amended by
 7 adding at the end the following:

8 **“§ 1538. Authorization for assisted reemployment**

9 “Funds may be transferred from the Employees’
 10 Compensation Fund established under section 8147 of
 11 title 5 to the applicable appropriations account for an
 12 agency or instrumentality of any branch of the Federal
 13 Government for the purposes of reimbursing the agency
 14 or instrumentality in accordance with an assisted reem-
 15 ployment agreement entered into under section 8104 of
 16 title 5.”.

17 (2) TABLE OF SECTIONS.—The table of sections
 18 for chapter 15 of title 31, United States Code, is
 19 amended by inserting after the item relating to sec-
 20 tion 1537 the following:

“1538. Authorization for assisted reemployment.”.

21 **SEC. 306. REPORTING REQUIREMENTS.**

22 (a) IN GENERAL.—Chapter 81 is amended by insert-
 23 ing after section 8106 the following:

1 **“§ 8106a. Reporting requirements**

2 “(a) DEFINITION.—In this section, the term ‘em-
3 ployee receiving compensation’ means an employee who—

4 “(1) is paid compensation under section 8105
5 or 8106; and

6 “(2) has not attained retirement age.

7 “(b) AUTHORITY.—The Secretary of Labor shall re-
8 quire an employee receiving compensation to report the
9 earnings of the employee receiving compensation from em-
10 ployment or self-employment, by affidavit or otherwise, in
11 the manner and at the times the Secretary specifies.

12 “(c) CONTENTS.—An employee receiving compensa-
13 tion shall include in a report required under subsection
14 (a) the value of housing, board, lodging, and other advan-
15 tages which are part of the earnings of the employee re-
16 ceiving compensation in employment or self-employment
17 and the value of which can be estimated.

18 “(d) FAILURE TO REPORT AND FALSE REPORTS.—

19 “(1) IN GENERAL.—An employee receiving com-
20 pensation who fails to make an affidavit or other re-
21 port required under subsection (b) or who knowingly
22 omits or understates any part of the earnings of the
23 employee in such an affidavit or other report shall
24 forfeit the right to compensation with respect to any
25 period for which the report was required.

1 “(2) FORFEITED COMPENSATION.—Compensa-
 2 tion forfeited under this subsection, if already paid
 3 to the employee receiving compensation, shall be re-
 4 covered by a deduction from the compensation pay-
 5 able to the employee or otherwise recovered under
 6 section 8129, unless recovery is waived under that
 7 section.”.

8 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
 9 The table of sections for chapter 81 is amended by insert-
 10 ing after the item relating to section 8106 the following:
 “8106a. Reporting requirements.”.

11 **SEC. 307. DISABILITY MANAGEMENT REVIEW; INDE-**
 12 **PENDENT MEDICAL EXAMINATIONS.**

13 Section 8123 is amended by adding at the end the
 14 following:

15 “(e) DISABILITY MANAGEMENT REVIEW.—

16 “(1) DEFINITIONS.—In this subsection—

17 “(A) the term ‘covered employee’ means an
 18 employee who is in continuous receipt of com-
 19 pensation for total disability under section 8105
 20 for a period of not less than 6 months; and

21 “(B) the term ‘disability management re-
 22 view process’ means the disability management
 23 review process established under paragraph
 24 (2)(A).

1 “(2) ESTABLISHMENT.—The Secretary of
2 Labor shall—

3 “(A) establish a disability management re-
4 view process for the purpose of certifying and
5 monitoring the disability status and extent of
6 injury of each covered employee; and

7 “(B) promulgate regulations for the ad-
8 ministration of the disability management re-
9 view process.

10 “(3) PHYSICAL EXAMINATIONS REQUIRED.—
11 Under the disability management review process, the
12 Secretary of Labor shall periodically require covered
13 employees to submit to physical examinations under
14 subsection (a) by physicians selected by the Sec-
15 retary. A physician conducting a physical examina-
16 tion of a covered employee shall submit to the Sec-
17 retary a report regarding the nature and extent of
18 the injury to and disability of the covered employee.

19 “(4) FREQUENCY.—

20 “(A) IN GENERAL.—The regulations pro-
21 mulgated under paragraph (2)(B) shall specify
22 the process and criteria for determining when
23 and how frequently a physical examination
24 should be conducted for a covered employee.

25 “(B) MINIMUM FREQUENCY.—

1 “(i) INITIAL.—An initial physical ex-
2 amination shall be conducted not more
3 than a brief period after the date on which
4 a covered employee has been in continuous
5 receipt of compensation for total disability
6 under section 8015 for 6 months.

7 “(ii) SUBSEQUENT EXAMINATIONS.—
8 After the initial physical examination,
9 physical examinations of a covered em-
10 ployee shall be conducted not less than
11 once every 3 years.

12 “(5) EMPLOYING AGENCY OR INSTRUMEN-
13 TALITY REQUESTS.—

14 “(A) IN GENERAL.—The agency or instru-
15 mentality employing an employee who has made
16 a claim for compensation for total disability
17 under section 8105 may at any time submit a
18 request for the Secretary of Labor to promptly
19 require the employee to submit to a physical ex-
20 amination under this subsection.

21 “(B) REQUESTING OFFICER.—A request
22 under subparagraph (A) shall be made on be-
23 half of an agency or instrumentality by—

24 “(i) the head of the agency or instru-
25 mentality;

1 “(ii) the Chief Human Capital Officer
2 of the agency or instrumentality; or

3 “(iii) if the agency or instrumentality
4 does not have a Chief Human Capital Offi-
5 cer, an officer with responsibilities similar
6 to those of a Chief Human Capital Officer
7 designated by the head of the agency or in-
8 strumentality to make requests under this
9 paragraph.

10 “(C) INFORMATION.—A request under sub-
11 paragraph (A) shall be in writing and accom-
12 panied by—

13 “(i) a certification by the officer mak-
14 ing the request that the officer has re-
15 viewed the relevant material in the employ-
16 ee’s file;

17 “(ii) an explanation of why the officer
18 has determined, based on the materials in
19 the file and other information known to
20 the officer, that requiring a physical exam-
21 ination of the employee under this sub-
22 section is necessary; and

23 “(iii) copies of the materials relating
24 to the employee that are relevant to the of-
25 ficer’s determination and request, unless

1 the agency or instrumentality has a rea-
2 sonable basis for not providing the mate-
3 rials.

4 “(D) EXAMINATION.—If the Secretary of
5 Labor receives a request under this paragraph
6 before an employee has undergone an initial
7 physical examination under paragraph
8 (4)(B)(i), the Secretary shall promptly require
9 the physical examination of the employee. A
10 physical examination under this subparagraph
11 shall satisfy the requirement under paragraph
12 (4)(B)(i) that an initial physical examination be
13 conducted.

14 “(E) AFTER INITIAL EXAMINATION.—

15 “(i) IN GENERAL.—If the Secretary of
16 Labor receives a request under this para-
17 graph after an employee has undergone an
18 initial physical examination under para-
19 graph (4)(B)(i), the Secretary shall—

20 “(I) review the request and the
21 information, explanation, and other
22 materials submitted with the request;
23 and

24 “(II) determine whether to re-
25 quire the physical examination of the

1 employee who is the subject of the re-
2 quest.

3 “(ii) NOT GRANTED.—If the Secretary
4 determines not to grant a request de-
5 scribed in clause (i), the Secretary shall
6 promptly notify the officer who made the
7 request and provide an explanation of the
8 reasons why the request was denied.”.

9 **SEC. 308. WAITING PERIOD.**

10 (a) IN GENERAL.—Section 8117 is amended—

11 (1) in the section heading, by striking “**Time**
12 **of accrual of right**” and inserting “**Waiting**
13 **period**”;

14 (2) in subsection (a)—

15 (A) in the matter preceding paragraph (1),
16 by striking “An employee” and all that follows
17 through “is not entitled” and inserting “IN
18 GENERAL.—An employee is not entitled to con-
19 tinuation of pay within the meaning of section
20 8118 for the first 3 days of temporary disability
21 or, if section 8118 does not apply, is not enti-
22 tled”;

23 (B) in paragraph (1), by adding “or” at
24 the end;

25 (C) by striking paragraph (2); and

1 (D) by redesignating paragraph (3) as
 2 paragraph (2); and
 3 (3) in subsection (b)—

4 (A) by striking “A Postal Service” the first
 5 place it appears and all that follows through “A
 6 Postal Service” the second place it appears and
 7 inserting “USE OF LEAVE.—An”;

8 (B) by striking “that 3-day period” and in-
 9 serting “the first 3 days of temporary dis-
 10 ability”; and

11 (C) by striking “or is followed by perma-
 12 nent disability”.

13 (b) CONTINUATION OF PAY.—Section 8118 is amend-
 14 ed—

15 (1) in the section heading, by striking “; **elec-**
 16 **tion to use annual or sick leave**”;

17 (2) in subsection (b)(1), by striking “section
 18 8117(b)” and inserting “section 8117”;

19 (3) by striking subsection (c); and

20 (4) by redesignating subsections (d) as sub-
 21 section (c).

22 (c) TECHNICAL AND CONFORMING AMENDMENTS.—

23 The table of sections for chapter 81 is amended by strik-
 24 ing the items relating to sections 8117 and 8118 and in-
 25 serting the following:

“8117. Waiting period.

“8118. Continuation of pay.”.

1 **SEC. 309. ELECTION OF BENEFITS.**

2 (a) IN GENERAL.—Section 8116 is amended by add-
3 ing at the end the following:

4 “(e) RETIREMENT BENEFITS.—

5 “(1) IN GENERAL.—An individual entitled to
6 compensation benefits payable under this subchapter
7 and under chapter 83 or 84 or any other retirement
8 system for employees of the Government, for the
9 same period, shall elect which benefits the individual
10 will receive.

11 “(2) ELECTION.—

12 “(A) DEADLINE.—An individual shall
13 make an election under paragraph (1) in ac-
14 cordance with such deadlines as the Secretary
15 of Labor shall establish, which shall be a rea-
16 sonable period after the individual has received
17 notice of a final determination that the indi-
18 vidual is entitled to compensation benefits pay-
19 able under this subchapter.

20 “(B) REVOCABILITY.—An election under
21 paragraph (1) shall be revocable, notwith-
22 standing any other provision of law, except for
23 any period during which an individual—

1 “(i) was qualified for benefits payable
2 under both this subchapter and under a re-
3 tirement system described in paragraph
4 (1); and

5 “(ii) was paid benefits under the re-
6 tirement system after having been notified
7 of eligibility for benefits under this sub-
8 chapter.

9 “(3) INFORMED CHOICE.—The Secretary of
10 Labor shall provide information, and shall ensure
11 that information is provided, to an individual de-
12 scribed in paragraph (1) about the benefits available
13 to the individual under this subchapter or under
14 chapter 83 or 84 or any other retirement system re-
15 ferred to in paragraph (1) the individual may elect
16 to receive.”.

17 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
18 Sections 8337(f)(3) and 8464a(a)(3) are each amended by
19 striking “Paragraphs” and inserting “Except as provided
20 under chapter 81, paragraphs”.

21 **SEC. 310. SANCTION FOR NONCOOPERATION WITH FIELD**
22 **NURSES.**

23 Section 8123, as amended by section 307, is amended
24 by adding at the end the following:

25 “(f) FIELD NURSES.—

1 “(1) DEFINITION.—In this subsection, the term
2 ‘field nurse’ means a registered nurse that assists
3 the Secretary in the medical management of dis-
4 ability claims under this subchapter and provides
5 claimants with assistance in coordinating medical
6 care.

7 “(2) AUTHORIZATION.—The Secretary may use
8 field nurses to coordinate medical services and voca-
9 tional rehabilitation programs for injured employees
10 under this subchapter. If an employee refuses to co-
11 operate with a field nurse or obstructs a field nurse
12 in the performance of duties under this subchapter,
13 the right to compensation under this subchapter
14 shall be suspended until the refusal or obstruction
15 stops.”.

16 **SEC. 311. SUBROGATION OF CONTINUATION OF PAY.**

17 (a) IN GENERAL.—Section 8131 is amended—

18 (1) in subsection (a), in the matter preceding
19 paragraph (1), by inserting “continuation of pay or”
20 before “compensation”;

21 (2) in subsection (b), by inserting “continuation
22 of pay or” before “compensation”; and

23 (3) in subsection (c)—

24 (A) by inserting “continuation of pay or”
25 before “compensation already paid”; and

1 (B) by inserting “continuation of pay or”
2 before “compensation payable”.

3 (b) ADJUSTMENT AFTER RECOVERY FROM A THIRD
4 PERSON.—Section 8132 is amended—

5 (1) in the first sentence—

6 (A) by inserting “continuation of pay or”
7 before “compensation is payable”;

8 (B) by inserting “continuation of pay or”
9 before “compensation from the United States”;

10 (C) by striking “by him or in his behalf”
11 and inserting “by the beneficiary or on behalf
12 of the beneficiary”;

13 (D) by inserting “continuation of pay and”
14 before “compensation paid by the United
15 States”; and

16 (E) by striking “compensation payable to
17 him” and inserting “continuation of pay or
18 compensation payable to the beneficiary”;

19 (2) in the second sentence, by striking “his des-
20 ignee” and inserting “the designee of the bene-
21 ficiary”; and

22 (3) in the fourth sentence, by striking “If com-
23 pensation” and all that follows through “payable to
24 him by the United States” and inserting “If con-
25 tinuation of pay or compensation has not been paid

1 to the beneficiary, the money or property shall be
2 credited against continuation of pay or compensation
3 payable to the beneficiary by the United States”.

4 (c) EFFECTIVE DATE.—This section and the amend-
5 ments made by this section shall take effect on the date
6 of enactment of this Act.

7 **SEC. 312. INTEGRITY AND COMPLIANCE.**

8 (a) IN GENERAL.—Subchapter I of chapter 81 is
9 amended by adding at the end the following:

10 **“§ 8153. Integrity and Compliance Program**

11 “(a) DEFINITIONS.—In this section—

12 “(1) the term ‘FECA program’ means the Fed-
13 eral Employees Compensation Program administered
14 under this subchapter;

15 “(2) the term ‘improper payment’ has the
16 meaning given that term in section 2(f) of the Im-
17 proper Payments Information Act of 2002 (31
18 U.S.C. 3321 note);

19 “(3) the term ‘Inspector General’—

20 “(A) means an Inspector General described
21 in subparagraph (A), (B), or (I) of section
22 11(b)(1) of the Inspector General Act of 1978
23 (5 U.S.C. App.); and

1 “(B) does not include the Inspector Gen-
2 eral of an entity having no employees covered
3 under the FECA program.

4 “(4) the term ‘Integrity and Compliance Pro-
5 gram’ means the Integrity and Compliance Program
6 established under subsection (b);

7 “(5) the term ‘provider’ means a provider of
8 medical or other services under the FECA program;

9 “(6) the term ‘Secretary’ means the Secretary
10 of Labor; and

11 “(7) the term ‘Task Force’ means the FECA
12 Integrity and Compliance Task Force established
13 under subsection (c)(2)(A).

14 “(b) INTEGRITY AND COMPLIANCE PROGRAM.—Not
15 later than 270 days after the date of enactment of this
16 section, the Secretary shall establish an Integrity and
17 Compliance Program for the purpose of preventing, identi-
18 fying, and recovering fraudulent and other improper pay-
19 ments for the FECA program, which shall include—

20 “(1) procedures for identifying potentially im-
21 proper payments before payment is made to claim-
22 ants and providers, including, where appropriate,
23 predictive analytics;

1 “(2) reviews after payment is made to identify
2 potentially improper payments to claimants and pro-
3 viders;

4 “(3) on-going screening and verification proce-
5 dures to ensure the continued eligibility of medical
6 providers to provide services under the FECA pro-
7 gram, including licensure, Federal disbarment, and
8 the existence of relevant criminal convictions;

9 “(4) provision of appropriate information, edu-
10 cation, and training to claimants and providers on
11 requirements to ensure the integrity of the FECA
12 program, including payments under the FECA pro-
13 gram;

14 “(5) appropriate controls and audits to ensure
15 that providers adopt internal controls and proce-
16 dures for compliance with requirements under the
17 FECA program;

18 “(6) procedures to ensure—

19 “(A) initial and continuing eligibility of
20 claimants for compensation, benefits, or services
21 under the FECA program; and

22 “(B) ongoing verification of information in
23 databases relating to claimants to ensure accu-
24 racy and completeness; and

1 “(7) sharing and accessing data and informa-
2 tion with other agencies and instrumentalities of the
3 United States, including the United States Postal
4 Service.

5 “(c) INTERAGENCY COOPERATION ON ANTI-FRAUD
6 EFFORTS.—

7 “(1) IN GENERAL.—In administering the
8 FECA program, including the Integrity and Compli-
9 ance Program, the Secretary shall cooperate with
10 other agencies and instrumentalities of the United
11 States (including the United States Postal Service)
12 and the Inspectors General of such agencies and in-
13 strumentalities to prevent, identify, and recover
14 fraudulent and other improper payments under the
15 FECA program.

16 “(2) TASK FORCE.—

17 “(A) IN GENERAL.—There is established a
18 task force, which shall be known as the FECA
19 Integrity and Compliance Task Force.

20 “(B) MEMBERSHIP.—The members of the
21 Task Force shall be—

22 “(i) the Secretary, who shall serve as
23 the Chairperson of the Task Force;

1 “(ii) the Postmaster General, who
2 shall serve as the Vice Chairperson of the
3 Task Force;

4 “(iii) the Attorney General;

5 “(iv) the Director of the Office of
6 Management and Budget; and

7 “(v) other appropriate Federal offi-
8 cials, as determined by the Chairperson
9 and Vice Chairperson of the Task Force.

10 “(C) ADVISORY MEMBERS.—The following
11 officials shall attend meetings of the Task
12 Force and participate as ad hoc, advisory mem-
13 bers, to provide technical assistance and guid-
14 ance to the Task Force with respect to the du-
15 ties of the Task Force:

16 “(i) The Inspector General of the De-
17 partment of Labor.

18 “(ii) The Inspector General of the
19 United States Postal Service.

20 “(iii) The Inspectors General of other
21 appropriate agencies and instrumentalities
22 of the United States that employ a signifi-
23 cant number of individuals receiving com-
24 pensation, benefits, or services under the

1 FECA program, as determined by the
2 Chairperson of the Task Force.

3 “(D) DUTIES.—The Task Force shall—

4 “(i) set forth, in writing, a description
5 of the respective roles and responsibilities
6 in preventing, identifying, recovering, and
7 prosecuting fraud under, and otherwise en-
8 suring integrity and compliance of, the
9 FECA program of—

10 “(I) the Secretary (including sub-
11 ordinate officials such as the Director
12 of the Office of Workers’ Compensa-
13 tion Programs);

14 “(II) the Inspector General of
15 the Department of Labor;

16 “(III) the Inspectors General of
17 agencies and instrumentalities of the
18 United States that employ claimants
19 under the FECA program;

20 “(IV) the Attorney General; and

21 “(V) any other relevant officials;

22 “(ii) develop procedures for sharing
23 information of possible fraud under the
24 FECA program or other intentional
25 misstatements by claimants or providers

1 under the FECA program, including proce-
2 dures addressing—

3 “(I) notification of appropriate
4 officials of the Department of Labor
5 of potential fraud or other intentional
6 misstatements, including provision of
7 supporting information;

8 “(II) timely and appropriate re-
9 sponse by officials of the Department
10 of Labor to notifications described in
11 subclause (I);

12 “(III) the inclusion of informa-
13 tion and evidence relating to fraud
14 and other intentional misstatements
15 in criminal, civil, and administrative
16 proceedings relating to the provision
17 of compensation, benefits, or medical
18 services (including payments to pro-
19 viders) under the FECA program;

20 “(IV) the coordination of crimi-
21 nal investigations with the administra-
22 tion of the FECA program; and

23 “(V) the protection of informa-
24 tion relating to an investigation of
25 possible fraud under the FECA pro-

1 gram from potential disclosure, in-
2 cluding requirements that enable in-
3 vestigative files to be appropriately
4 separated from case management
5 files;

6 “(iii) not later than 1 year after the
7 date of enactment of this section, submit
8 to the Committee on Homeland Security
9 and Governmental Affairs of the Senate
10 and the Committee on Oversight and Gov-
11 ernment Reform and the Committee on
12 Education and the Workforce of the House
13 of Representatives a report that includes
14 the description and procedures required
15 under clauses (i) and (ii).

16 “(3) RULE OF CONSTRUCTION.—Nothing in
17 this subsection shall be construed to limit or restrict
18 any authority of an Inspector General.

19 “(d) IMPROVEMENTS TO ACCESS OF FEDERAL DATA-
20 BASES.—

21 “(1) IN GENERAL.—In order to improve compli-
22 ance with the requirements under and the integrity
23 of the FECA program, or as required to otherwise
24 detect and prevent improper payments under the
25 FECA program (including for purposes of computer

1 matching under subsection (e)(1)(D)), upon written
2 request—

3 “(A) the Commissioner of Social Security
4 shall make available to the Secretary, the Post-
5 master General, and each Inspector General the
6 Social Security earnings information of a living
7 or deceased employee;

8 “(B) the Director of the Office of Per-
9 sonnel Management shall make available to the
10 Secretary, the Postmaster General, and each
11 Inspector General the information in the data-
12 bases of Federal employees and retirees main-
13 tained by the Director; and

14 “(C) the Secretary of Veterans Affairs
15 shall make available to the Secretary, the Post-
16 master General, and each Inspector General the
17 information in the database of disabled individ-
18 uals maintained by the Secretary of Veterans
19 Affairs.

20 “(2) NATIONAL DIRECTORY OF NEW HIRES.—
21 Upon written request, the Secretary of Health and
22 Human Services shall make available to the Sec-
23 retary, the Postmaster General, each Inspector Gen-
24 eral, and the Comptroller General of the United
25 States the information in the National Directory of

1 New Hires for purposes of carrying out this sub-
2 chapter, in order to improve compliance with the re-
3 quirements under and the integrity of the FECA
4 program, or as required to otherwise detect and pre-
5 vent improper payments under the FECA program
6 (including for purposes of computer matching under
7 subsection (e)(1)(D)). The Comptroller General may
8 obtain information from the National Directory of
9 New Hires for purposes of any audit, evaluation, or
10 investigation, including any audit, evaluation, or in-
11 vestigation relating to program integrity.

12 “(3) PROCEDURES.—The Secretary shall estab-
13 lish procedures for correlating the identity and sta-
14 tus of recipients of compensation, benefits, or serv-
15 ices under this subchapter with Social Security earn-
16 ings information described in paragraph (1)(A).

17 “(4) PROVISION.—Information requested under
18 this subsection shall be provided—

19 “(A) in a timely manner;

20 “(B) at a reasonable cost to the Secretary,
21 the Postmaster General, or an Inspector Gen-
22 eral;

23 “(C) without cost to the Comptroller Gen-
24 eral of the United States; and

1 “(D) in the manner, frequency, and form
2 reasonably specified by the officer making the
3 request, which, upon request, shall include elec-
4 tronic form.

5 “(5) ASSESSMENT OF DATA COST-EFFECTIVE-
6 NESS.—

7 “(A) IN GENERAL.—The Secretary shall
8 consider and assess procedures for correlating
9 the identity and status of recipients of com-
10 pensation, benefits, or services under this sub-
11 chapter with information relating to employees,
12 retirees, and individuals described in subpara-
13 graphs (B) and (C) of paragraph (1) and para-
14 graph (2).

15 “(B) REPORT.—Not later than 1 year
16 after the date of enactment of this section, the
17 Secretary shall submit to the Committee on
18 Homeland Security and Governmental Affairs
19 of the Senate and the Committee on Oversight
20 and Government Reform and the Committee on
21 Education and the Workforce of the House of
22 Representatives a report on the cost-effective-
23 ness of the use of the databases described in
24 subparagraphs (B) and (C) of paragraph (1)
25 and paragraph (2) for program compliance and

1 integrity. The report required under this sub-
2 paragraph may be included as part of the re-
3 port required under subsection (f).

4 “(6) UNITED STATES POSTAL SERVICE FECA
5 ENROLLEE DATABASE.—Not later than 180 days
6 after the date of enactment of this section, in order
7 to track, verify, and communicate with the Secretary
8 and other relevant entities, the Postmaster General
9 shall establish an electronic database of information
10 relating to employees of the United States Postal
11 Service who have applied for or are receiving com-
12 pensation, benefits, or services under this sub-
13 chapter.

14 “(7) RULE OF CONSTRUCTION.—Nothing in
15 this subsection shall be construed to limit the au-
16 thority of the Comptroller General of the United
17 States under section 716 of title 31.

18 “(e) GENERAL PROTOCOLS AND SECURITY.—

19 “(1) ESTABLISHMENT.—

20 “(A) IN GENERAL.—In order to ensure
21 strong information security and privacy stand-
22 ards, the Task Force shall establish protocols
23 for the secure transfer and storage of any infor-
24 mation provided to an individual or entity
25 under this section.

1 “(B) CONSIDERATIONS.—In establishing
2 protocols under subparagraph (A), the Task
3 Force shall consider any recommendations sub-
4 mitted to the Secretary by the Inspector Gen-
5 eral of the Department of Health and Human
6 Services with respect to the secure transfer and
7 storage of information, and to comply with pri-
8 vacy laws and best practices.

9 “(C) FRAUD CASE PROTECTION.—The
10 Task Force shall establish protocols and proce-
11 dures to enable information and materials relat-
12 ing to an active investigation of possible fraud
13 relating to the FECA program to be appro-
14 priately kept separate from the files for employ-
15 ees relating to the provision of compensation,
16 benefits, or services under the FECA program.

17 “(D) COMPUTER MATCHING BY FEDERAL
18 AGENCIES FOR PURPOSES OF INVESTIGATION
19 AND PREVENTION OF IMPROPER PAYMENTS
20 AND FRAUD.—

21 “(i) IN GENERAL.—Except as pro-
22 vided in this subparagraph, in accordance
23 with section 552a (commonly known as the
24 Privacy Act of 1974), the Secretary, the
25 Postmaster General, each Inspector Gen-

1 eral, and the head of each agency may
2 enter into computer matching agreements
3 that allow ongoing data matching (which
4 shall include automated data matching) in
5 order to assist in the detection and preven-
6 tion of improper payments under the
7 FECA program.

8 “(ii) REVIEW.—Not later than 60
9 days after a proposal for an agreement
10 under clause (i) has been presented to a
11 Data Integrity Board established under
12 section 552a(u) for consideration, the Data
13 Integrity Board shall approve or deny the
14 agreement.

15 “(iii) TERMINATION DATE.—An
16 agreement under clause (i)—

17 “(I) shall have a termination
18 date of less than 3 years; and

19 “(II) during the 3-month period
20 ending on the date on which the
21 agreement is scheduled to terminate,
22 may be renewed by the agencies enter-
23 ing the agreement for not more than
24 3 years.

1 “(iv) MULTIPLE AGENCIES.—For pur-
2 poses of this subparagraph, section
3 552a(o)(1) shall be applied by substituting
4 ‘between the source agency and the recipi-
5 ent agency or non-Federal agency or an
6 agreement governing multiple agencies’ for
7 ‘between the source agency and the recipi-
8 ent agency or non-Federal agency’ in the
9 matter preceding subparagraph (A).

10 “(v) COST-BENEFIT ANALYSIS.—An
11 agreement under clause (i) may be entered
12 without regard to section 552a(o)(1)(B),
13 relating to a cost-benefit analysis of the
14 proposed matching program.

15 “(vi) GUIDANCE BY THE OFFICE OF
16 MANAGEMENT AND BUDGET.—Not later
17 than 6 months after the date of enactment
18 of the Workers’ Compensation Reform Act
19 of 2012, and in consultation with the
20 Council of Inspectors General on Integrity
21 and Efficiency, the Secretary of Health
22 and Human Services, the Commissioner of
23 Social Security, and the head of any other
24 relevant agency, the Director of the Office
25 of Management and Budget shall—

1 “(I) issue guidance for agencies
2 regarding implementing this subpara-
3 graph, which shall include standards
4 for reimbursement costs, when nec-
5 essary, between agencies; and

6 “(II) establish standards and de-
7 velop standard matching agreements
8 for the purpose of improving the proc-
9 ess for establishing data use or com-
10 puter matching agreements.

11 “(2) COMPLIANCE.—The Secretary, the Post-
12 master General, and each Inspector General shall
13 ensure that any information provided to an indi-
14 vidual or entity under this section is provided in ac-
15 cordance with protocols established under paragraph
16 (1).

17 “(3) RULE OF CONSTRUCTION.—Nothing in
18 this section shall be construed to affect the rights of
19 an individual under section 552a(p).

20 “(f) REPORT.—Not later than 1 year after the date
21 of enactment of this section, and annually thereafter for
22 5 years, the Secretary shall submit a report on the activi-
23 ties of the Secretary under this section, including imple-
24 mentation of the Integrity and Compliance Program, to—

1 “(1) the Committee on Homeland Security and
2 Governmental Affairs of the Senate; and

3 “(2) the Committee on Oversight and Govern-
4 ment Reform and the Committee on Education and
5 the Workforce of the House of Representatives.

6 “(g) GAO REVIEW.—The Comptroller General of the
7 United States shall—

8 “(1) conduct periodic reviews of the Integrity
9 and Compliance Program; and

10 “(2) submit reports on the results of the re-
11 views under paragraph (1) to the Committee on
12 Homeland Security and Governmental Affairs of the
13 Senate and the Committee on Oversight and Govern-
14 ment Reform and the Committee on Education and
15 the Workforce of the House of Representatives not
16 later than—

17 “(A) 2 years after the date of enactment
18 of this section; and

19 “(B) 3 years after submission of the report
20 under subparagraph (A).”.

21 (b) TECHNICAL AND CONFORMING AMENDMENT.—
22 The table of sections for chapter 81 is amended by insert-
23 ing after the item relating to section 8152 the following:

“8153. Integrity and Compliance Program.”.

1 (c) EFFECTIVE DATE.—This section and the amend-
2 ments made by this section shall take effect on the date
3 of enactment of this Act.

4 **SEC. 313. AMOUNT OF COMPENSATION.**

5 (a) INJURIES TO FACE, HEAD, AND NECK.—Section
6 8107(c)(21) is amended—

7 (1) by striking “not to exceed \$3,500” and in-
8 serting “in proportion to the severity of the dis-
9 figurement, not to exceed \$50,000,”; and

10 (2) by adding at the end the following: “The
11 maximum amount of compensation under this para-
12 graph shall be increased on March 1 of each year by
13 the amount determined by the Secretary of Labor to
14 represent the percent change in the price index pub-
15 lished for December of the preceding year over the
16 price index published for the December of the year
17 prior to the preceding year, adjusted to the nearest
18 one-tenth of 1 percent.”.

19 (b) FUNERAL EXPENSES.—Section 8134(a) is
20 amended—

21 (1) by striking “\$800” and inserting “\$6,000”;
22 and

23 (2) by adding at the end the following: “The
24 maximum amount of compensation under this sub-
25 section shall be increased on March 1 of each year

1 by the amount determined by the Secretary of Labor
2 to represent the percent change in the price index
3 published for December of the preceding year over
4 the price index published for the December of the
5 year prior to the preceding year, adjusted to the
6 nearest one-tenth of 1 percent.”.

7 (c) APPLICATION.—The amendments made by this
8 section shall apply to injuries or deaths, respectively, oc-
9 ccurring on or after the date of enactment of this Act.

10 **SEC. 314. TERRORISM INJURIES; ZONES OF ARMED CON-**
11 **FLICT.**

12 (a) COVERING TERRORISM INJURIES.—Section
13 8102(b) of title 5, United States Code, is amended in the
14 matter preceding paragraph (1)—

15 (1) by inserting “or from an attack by a ter-
16 rorist or terrorist organization, either known or un-
17 known,” after “force or individual,”; and

18 (2) by striking “outside” and all that follows
19 through “1979)” and inserting “outside of the
20 United States”.

21 (b) CONTINUATION OF PAY IN A ZONE OF ARMED
22 CONFLICT.—Section 8118 of title 5, United States Code,
23 as amended by section 308(b) of this Act, is amended—

1 (1) in subsection (b), by striking “Continu-
2 ation” and inserting “Except as provided under sub-
3 section (d)(2), continuation”;

4 (2) in subsection (c), as redesignated by section
5 308(b)(4) of this Act, by striking “subsection (a)”
6 and inserting “subsection (a) or (d)”;

7 (3) by redesignating subsection (d), as redesign-
8 ated by section 308(b)(4) of this Act, as subsection
9 (e); and

10 (4) inserting after subsection (c) the following:

11 “(d) CONTINUATION OF PAY IN A ZONE OF ARMED
12 CONFLICT.—

13 “(1) IN GENERAL.—Notwithstanding subsection
14 (a), the United States shall authorize the continu-
15 ation of pay of an employee described in subpara-
16 graph (A), (C), (D), or (F) of section 8101(1),
17 who—

18 “(A) files a claim for a period of wage loss
19 due to an injury in performance of duty in a
20 zone of armed conflict (as determined by the
21 Secretary of Labor under paragraph (3)); and

22 “(B) files the claim for such wage loss ben-
23 efit with the immediate superior of the em-
24 ployee not later than 45 days after the later
25 of—

1 “(i) the termination of the assignment
2 of the employee to the zone of armed con-
3 flict; or

4 “(ii) the return of the employee to the
5 United States.

6 “(2) CONTINUATION OF PAY.—Notwithstanding
7 subsection (b), continuation of pay under this sub-
8 section shall be furnished for a period not to exceed
9 135 days without any break in time or waiting pe-
10 riod, unless controverted under regulations pre-
11 scribed by the Secretary of Labor.

12 “(3) DETERMINATION OF ZONES OF ARMED
13 CONFLICT.—For purposes of this subsection, the
14 Secretary of Labor, in consultation with the Sec-
15 retary of State and the Secretary of Defense, shall
16 determine whether a foreign country or other foreign
17 geographic area outside of the United States (as de-
18 fined in section 202(a)(7) of the State Department
19 Basic Authorities Act of 1956 (22 U.S.C.
20 4302(a)(7)) is a zone of armed conflict based on
21 whether—

22 “(A) the Armed Forces of the United
23 States are involved in hostilities in the country
24 or area;

1 “(B) the incidence of civil insurrection,
2 civil war, terrorism, or wartime conditions
3 threatens physical harm or imminent danger to
4 the health or well-being of United States civil-
5 ian employees in the country or area;

6 “(C) the country or area has been des-
7 ignated a combat zone by the President under
8 section 112(e) of the Internal Revenue Code of
9 1986;

10 “(D) a contingency operation involving
11 combat operations directly affects civilian em-
12 ployees in the country or area; or

13 “(E) there exist other relevant conditions
14 and factors.”.

15 **SEC. 315. TECHNICAL AND CONFORMING AMENDMENTS.**

16 Chapter 81 is amended—

17 (1) in section 8101(1)(D), by inserting “for an
18 injury that occurred before the effective date of sec-
19 tion 204(e) of the District of Columbia Self-Govern-
20 ment and Governmental Reorganization Act (Public
21 Law 93–198; 87 Stat. 783; 5 U.S.C. 8101 note)”
22 before the semicolon;

23 (2) in section 8139, by inserting “under this
24 subchapter” after “Compensation awarded”; and

1 (3) in section 8148(a), by striking “section
2 8106” and inserting “section 8106a”.

3 **SEC. 316. REGULATIONS.**

4 (a) IN GENERAL.—As soon as possible after the date
5 of enactment of this Act, the Secretary of Labor shall pro-
6 mulgate regulations (which may include interim final reg-
7 ulations) to carry out this title.

8 (b) CONTENTS.—The regulations promulgated under
9 subsection (a) shall include, for purposes of the amend-
10 ments made by sections 302 and 303, clarification of—

11 (1) what is a claim; and

12 (2) what is the date on which a period of dis-
13 ability, for which a claim is made, commences.

14 **SEC. 317. EFFECTIVE DATE.**

15 Except as otherwise provided in this title, this title
16 and the amendments made by this title shall take effect
17 60 days after the date of enactment of this Act.

18 **TITLE IV—OTHER MATTERS**

19 **SEC. 401. SOLVENCY PLAN.**

20 (a) PLAN REQUIRED.—Not later than 90 days after
21 the date of enactment of this Act, the Postal Service shall
22 submit to the Committee on Homeland Security and Gov-
23 ernmental Affairs of the Senate, the Committee on Over-
24 sight and Government Reform of the House of Represent-
25 atives, the Comptroller General of the United States, and

1 the Commission a plan describing, in detail, the actions
2 the Postal Service will take to achieve long-term solvency
3 (as defined in section 208(e) of this Act).

4 (b) CONSIDERATIONS.—The plan required under sub-
5 section (a) shall take into consideration—

6 (1) the legal authority of the Postal Service;

7 (2) the changes in the legal authority and re-
8 sponsibilities of the Postal Service under this Act;

9 (3) any cost savings that the Postal Service an-
10 ticipates will be achieved through negotiations with
11 employees of the Postal Service;

12 (4) projected changes in mail volume;

13 (5) the impact of—

14 (A) regulations the Postmaster General
15 was required by Congress to promulgate; and

16 (B) congressional action required to facili-
17 tate the profitability of the Postal Service;

18 (6) projected changes in the number of employ-
19 ees needed to carry out the responsibilities of the
20 Postal Service; and

21 (7) the long-term capital needs of the Postal
22 Service, including the need to maintain, repair, and
23 replace facilities and equipment.

1 (c) UPDATES.—The Postal Service shall update the
2 plan required under subsection (a) not less frequently than
3 quarterly, until the last quarter of fiscal year 2015.

4 **SEC. 402. POSTAL RATES.**

5 (a) COMMISSION STUDY.—

6 (1) IN GENERAL.—Not earlier than 3 years
7 after the date of enactment of this Act, the Commis-
8 sion shall commence a study to determine—

9 (A) whether and to what extent any mar-
10 ket-dominant classes, products, or types of mail
11 services do not bear the direct and indirect
12 costs attributable to those classes, products, or
13 types of mail services; and

14 (B) the impact of any excess mail proc-
15 essing, transportation, or delivery capacity of
16 the Postal Service on the direct and indirect
17 costs attributable to any class, product, or type
18 of mail service that bears less than 100 percent
19 of the costs attributable to the class, product,
20 or type of mail service, as determined under
21 subparagraph (A).

22 (2) REQUIREMENTS.—The Commission shall
23 conduct the study under paragraph (1) in a manner
24 that protects confidential and proprietary business
25 information.

1 (3) HEARING.—Before completing the study
2 under paragraph (1), the Commission shall hold a
3 public hearing, on the record, in order to better in-
4 form the conclusions of the study. The Postal Serv-
5 ice, postal customers, and other interested persons
6 may participate in the hearing under this paragraph.

7 (4) COMPLETION.—Not later than 6 months
8 after the date on which the Commission commences
9 the study under subsection (a), the Commission shall
10 complete the study.

11 (b) ANNUAL UPDATES REQUIRED.—Not later than
12 1 year after the date of completion of the study under
13 subsection (a), and annually thereafter, the Commission
14 shall—

15 (1) determine whether any class of mail bears
16 less than 100 percent of the direct and indirect costs
17 attributable to the class, product, or type of mail
18 service, in the same manner as under subsection
19 (a)(1)(A);

20 (2) for any class of mail for which the Commis-
21 sion makes a determination under paragraph (1),
22 update the study under subsection (a); and

23 (3) include the study updated under paragraph
24 (2) in the annual written determination of the Com-

1 mission under section 3653 of title 39, United
2 States Code.

3 (c) POSTAL RATES.—

4 (1) DEFINITION.—In this subsection, the term
5 “loss-making”, as used with respect to a class of
6 mail, means a class of mail that bears less than 100
7 percent of the costs attributable to the class of mail,
8 according to the most recent annual determination
9 of the Commission under subsection (a)(1) or (b)(1),
10 adjusted to account for the quantitative effect of ex-
11 cess mail processing, transportation, or delivery ca-
12 pacity of the Postal Service on the costs attributable
13 to the class of mail.

14 (2) IN GENERAL.—Not later than 1 year after
15 the date on which the study under subsection (a) is
16 completed, and annually thereafter, the Postal Serv-
17 ice shall establish postal rates for each loss-making
18 class of mail.

19 (3) CONSIDERATIONS.—The Postal Service may
20 establish postal rates under paragraph (2) in a man-
21 ner that ensures, to the extent practicable, that a
22 class of mail described in paragraph (2) is not loss-
23 making by—

1 (A) using the authority to increase rates
2 under section 3622(d)(1)(A) of title 39, United
3 States Code;

4 (B) exhausting any unused rate adjust-
5 ment authority, as defined in section
6 3622(d)(2)(C) of title 39, United States Code,
7 subject to paragraph (4); and

8 (C) maximizing incentives to reduce costs
9 and increase efficiency with regard to the proc-
10 essing, transportation, and delivery of such mail
11 by the Postal Service.

12 (4) UNUSED RATE ADJUSTMENT AUTHORITY.—
13 Section 3622(d)(2)(C) of title 39, United States
14 Code, shall be applied by annually increasing by 2
15 percentage points any unused rate adjustment au-
16 thority for a class of mail that bears less than 90
17 percent of the costs attributable to the class of mail,
18 according to the most recent annual determination
19 of the Commission under subsection (a)(1) or (b)(1),
20 adjusted to account for the quantitative effect of ex-
21 cess mail processing, transportation, or delivery ca-
22 pacity of the Postal Service on the costs attributable
23 to the class of mail.

1 **SEC. 403. CO-LOCATION WITH FEDERAL AGENCIES.**

2 Chapter 5 of subtitle I of title 40, United States
3 Code, is amended by adding at the end the following:

4 “SUBCHAPTER VII—FEDERAL REAL PROPERTY
5 ASSET MANAGEMENT

6 **“§ 701. Definitions**

7 “In this subchapter:

8 “(1) AGENCY FIELD OFFICE.—The term ‘agen-
9 cy field office’ means the field office of a landholding
10 agency.

11 “(2) COUNCIL.—The term ‘Council’ means the
12 Federal Real Property Council established under
13 section 702.

14 “(3) LANDHOLDING AGENCY.—The term ‘land-
15 holding agency’ has the same meaning as in section
16 501(i) of the McKinney-Vento Homeless Assistance
17 Act (42 U.S.C. 11411(i)).

18 “(4) POSTAL PROPERTY.—The term ‘Postal
19 property’ means real property owned by the United
20 States Postal Service.

21 **“§ 702. Establishment of a Federal Real Property
22 Council**

23 “(a) ESTABLISHMENT.—There is within the Office of
24 Management and Budget a council to be known as the
25 ‘Federal Real Property Council’.

1 “(b) PURPOSE.—The purpose of the Council shall be
2 to develop guidance for the asset management program
3 of each executive agency.

4 “(c) COMPOSITION.—

5 “(1) IN GENERAL.—The Council shall be com-
6 posed of—

7 “(A) the senior real property officers of
8 each executive agency;

9 “(B) the Deputy Director for Management
10 of the Office of Management and Budget;

11 “(C) the Controller of the Office of Man-
12 agement and Budget;

13 “(D) the Administrator of General Serv-
14 ices; and

15 “(E) any other full-time or permanent
16 part-time Federal officials or employees, as the
17 Chairperson determines to be necessary.

18 “(2) CHAIRPERSON.—The Deputy Director for
19 Management of the Office of Management and
20 Budget shall serve as Chairperson of the Council.

21 “(3) ADMINISTRATIVE SUPPORT.—The Office of
22 Management and Budget shall provide funding and
23 administrative support for the Council, as appro-
24 priate.

1 **“§ 703. Co-location among Postal Service properties**

2 “(a) CO-LOCATION AMONG POSTAL SERVICE PROP-
3 ERTIES.—

4 “(1) IDENTIFICATION OF REAL PROPERTY AS-
5 SETS.—Each year, the Council shall—

6 “(A) identify and compile a list of agency
7 field offices that are suitable for co-location
8 with another Federal civilian real property
9 asset; and

10 “(B) submit the list to the Director of the
11 Office of Management and Budget and the
12 Postmaster General of the United States.

13 “(2) POSTAL PROPERTY.—

14 “(A) IN GENERAL.—Not later than 30
15 days after the completion of a list under para-
16 graph (1), the Director of the Office of Man-
17 agement and Budget, in collaboration with the
18 Postmaster General, shall identify agency field
19 offices on the list that are within reasonable
20 distance of a Postal property.

21 “(B) REASONABLE DISTANCE.—For pur-
22 poses of this paragraph, an agency field office
23 shall be considered to be within reasonable dis-
24 tance of a Postal property if the office would be
25 able to fulfill the mission of the office if the of-
26 fice is located at the Postal property.

1 “(C) REVIEW BY POSTAL SERVICE.—Not
2 later than 90 days after the receipt of the list
3 submitted under subparagraph (B), the Post-
4 master General shall—

5 “(i) review the list; and

6 “(ii) submit to the Director of the Of-
7 fice of Management and Budget a report
8 containing the conclusions of the review.

9 “(3) TERMS OF CO-LOCATION.—On approval of
10 the recommendations under paragraph (2) by the
11 Postmaster General and the applicable agency head,
12 the co-location of a Postal property and an agency
13 field office shall consist of the Executive agency that
14 owns or leases the agency field office entering into
15 a lease for space within the Postal property with
16 United States Postal Service that has—

17 “(A) an initial lease term of not less than
18 5 years; and

19 “(B) a cost that is within 5 percent of the
20 prevailing market lease rate for a similarly situ-
21 ated space.”.

22 **SEC. 404. COOPERATION WITH STATE AND LOCAL GOVERN-**
23 **MENTS; INTRA-SERVICE AGREEMENTS.**

24 (a) COOPERATION WITH STATE AND LOCAL GOV-
25 ERNMENTS.—Section 411 of title 39, United States Code,

1 is amended, in the first sentence, by striking “and the
2 Government Printing Office” and inserting “, the Govern-
3 ment Printing Office, and agencies and other units of
4 State and local governments”.

5 (b) INTRA-SERVICE AGREEMENTS.—Section 411 of
6 title 39, United States Code, as amended by subsection
7 (a), is amended—

8 (1) in the section heading, by adding at the end
9 the following: “**and within the Postal Serv-**
10 **ice**”;

11 (2) in the second sentence, by striking “sec-
12 tion” and inserting “subsection”;

13 (3) by striking “Executive agencies” and insert-
14 ing the following:

15 “(a) COOPERATION WITH STATE AND LOCAL GOV-
16 ERNMENTS.—Executive agencies”; and

17 (4) by adding at the end the following:

18 “(b) COOPERATION WITHIN THE POSTAL SERV-
19 ICE.—The Office of the Inspector General and other com-
20 ponents of the Postal Service may enter into agreements
21 to furnish to each other property, both real and personal,
22 and personal and nonpersonal services. The furnishing of
23 property and services under this subsection shall be under
24 such terms and conditions, including reimbursability, as

1 the Inspector General and the head of the component con-
 2 cerned shall deem appropriate.”.

3 (c) TECHNICAL AND CONFORMING AMENDMENT.—
 4 The table of sections for chapter 4 of title 39, United
 5 States Code, is amended by striking the item relating to
 6 section 411 and inserting the following:

“411. Cooperation with other Government agencies and within the Postal Service.”.

7 **SEC. 405. SHIPPING OF WINE, BEER, AND DISTILLED SPIRITS.**
 8 **ITS.**

9 (a) MAILABILITY.—

10 (1) NONMAILABLE ARTICLES.—Section 1716(f)
 11 of title 18, United States Code, is amended by striking
 12 “mails” and inserting “mails, except to the extent
 13 that the mailing is allowable under section
 14 3001(p) of title 39”.

15 (2) APPLICATION OF LAWS.—Section 1161 of
 16 title 18, United States Code, is amended, by inserting
 17 “, and, with respect to the mailing of distilled
 18 spirits, wine, or malt beverages (as those terms are
 19 defined in section 117 of the Federal Alcohol Admin-
 20 istration Act (27 U.S.C. 211)), is in conformity with
 21 section 3001(p) of title 39” after “Register”.

22 (b) REGULATIONS.—Section 3001 of title 39, United
 23 States Code, is amended by adding at the end the fol-
 24 lowing:

1 “(p)(1) In this subsection, the terms ‘distilled spirits’,
2 ‘wine’, and ‘malt beverage’ have the same meanings as in
3 section 117 of the Federal Alcohol Administration Act (27
4 U.S.C. 211).

5 “(2) Distilled spirits, wine, or malt beverages shall
6 be considered mailable if mailed—

7 “(A) in accordance with the laws and regula-
8 tions of—

9 “(i) the State, territory, or district of the
10 United States where the sender or duly author-
11 ized agent initiates the mailing; and

12 “(ii) the State, territory, or district of the
13 United States where the addressee or duly au-
14 thorized agent takes delivery; and

15 “(B) to an addressee who is at least 21 years
16 of age—

17 “(i) who provides a signature and presents
18 a valid, government-issued photo identification
19 upon delivery; or

20 “(ii) the duly authorized agent of whom—

21 “(I) is at least 21 years of age; and

22 “(II) provides a signature and pre-
23 sents a valid, government-issued photo
24 identification upon delivery.

1 “(3) The Postal Service shall prescribe such regula-
2 tions as may be necessary to carry out this subsection.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall take effect on the earlier of—

5 (1) the date on which the Postal Service issues
6 regulations under section 3001(p) of title 39, United
7 States Code, as amended by this section; and

8 (2) 120 days after the date of enactment of this
9 Act.

10 **SEC. 406. ANNUAL REPORT ON UNITED STATES MAILING IN-**
11 **DUSTRY.**

12 (a) IN GENERAL.—Chapter 24 of title 39, United
13 States Code, is amended by adding at the end the fol-
14 lowing:

15 **“§ 2403. Annual report on the fiscal stability of the**
16 **United States mailing industry**

17 “(a) IN GENERAL.—Not later than 1 year after the
18 date of enactment of this section, and annually thereafter,
19 the Postal Regulatory Commission shall submit a report
20 on the fiscal stability of the United States mailing indus-
21 try with respect to the preceding fiscal year to—

22 “(1) the Committee on Homeland Security and
23 Governmental Affairs of the Senate; and

24 “(2) the Committee on Oversight and Govern-
25 ment Reform of the House of Representatives.

1 “(b) ASSISTANCE.—The United States Postal Service
 2 and any Federal agency involved in oversight or data col-
 3 lection regarding industry sectors relevant to the report
 4 under subsection (a) shall provide any assistance to the
 5 Postal Regulatory Commission that the Postal Regulatory
 6 Commission determines is necessary in the preparation of
 7 a report under subsection (a).”.

8 (b) TECHNICAL AND CONFORMING AMENDMENT.—
 9 The table of sections for chapter 24 of title 39, United
 10 States Code, is amended by adding at the end the fol-
 11 lowing:

“2403. Annual report on the fiscal stability of the United States mailing indus-
 try.”.

12 **SEC. 407. USE OF NEGOTIATED SERVICE AGREEMENTS.**

13 Section 3622 of title 39, United States Code, is
 14 amended—

15 (1) in subsection (c)(10)(A)—

16 (A) in the matter preceding clause (i), by
 17 striking “either” and inserting “will”;

18 (B) in clause (i), by striking “or” at the
 19 end;

20 (C) in clause (ii), by striking “and” at the
 21 end and inserting “or”; and

22 (D) by adding at the end the following:

23 “(iii) preserve mail volume and rev-
 24 enue; and”; and

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

2 “(g) COORDINATION.—The Postal Service and the
3 Postal Regulatory Commission shall coordinate actions to
4 identify methods to increase the use of negotiated service
5 agreements for market-dominant products by the Postal
6 Service consistent with subsection (c)(10).”.

7 **SEC. 408. CONTRACT DISPUTES.**

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

10 (1) in subparagraph (C), by striking “and” at
11 the end;

12 (2) in subparagraph (D), by striking the period
13 at the end and inserting “; and”; and

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

15 “(E) the United States Postal Service and
16 the Postal Regulatory Commission.”.

17 **SEC. 409. CONTRACTING PROVISIONS.**

18 (a) IN GENERAL.—Part I of title 39, United States
19 Code, is amended by adding at the end the following:

20 **“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.

“707. Congressional oversight authority.

1 **“§ 701. Definitions**

2 “In this chapter—

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

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

7 “(A) the Postal Service; or

8 “(B) the Postal Regulatory Commission;

9 “(3) the term ‘head of a covered postal entity’
10 means—

11 “(A) in the case of the Postal Service, the
12 Postmaster General; or

13 “(B) in the case of the Postal Regulatory
14 Commission, the Chairman of the Postal Regu-
15 latory Commission;

16 “(4) the term ‘postal contract’ means any con-
17 tract (including any agreement or memorandum of
18 understanding) entered into by a covered postal enti-
19 ty for the procurement of goods or services; and

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) ESTABLISHMENT.—There is established in
2 each covered postal entity an advocate for competi-
3 tion.

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

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

11 “(1) be responsible for promoting competition
12 to the maximum extent practicable consistent with
13 obtaining best value by promoting the acquisition of
14 commercial items and challenging barriers to com-
15 petition;

16 “(2) review the procurement activities of the
17 covered postal entity; and

18 “(3) prepare and transmit to the head of each
19 covered postal entity, the senior procurement execu-
20 tive of each covered postal entity, the Board of Gov-
21 ernors, and Congress, an annual report describing—

22 “(A) the activities of the advocate under
23 this section;

24 “(B) initiatives required to promote com-
25 petition;

1 “(C) barriers to competition that remain;
2 and

3 “(D) the number of waivers made by each
4 covered postal entity under section 704(c).

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

6 “(a) IN GENERAL.—

7 “(1) POLICY.—Not later than 60 days after the
8 date of enactment of the 21st Century Postal Serv-
9 ice Act of 2012, the head of each covered postal en-
10 tity shall issue a policy on contracting officer delega-
11 tions of authority for the covered postal entity.

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

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

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

1 “(b) POSTING OF DELEGATIONS.—

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

7 “(2) EFFECTIVE DATE.—This paragraph shall
8 apply to any delegation of authority made on or
9 after 30 days after the date of enactment of the 21st
10 Century Postal Service Act of 2012.

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

13 “(a) POSTING REQUIRED.—

14 “(1) POSTAL REGULATORY COMMISSION.—The
15 Postal Regulatory Commission shall make the non-
16 competitive purchase request for any noncompetitive
17 award, 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 val-
4 ued at \$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 the 21st Century Postal Service Act of
11 2012.

12 “(b) PUBLIC AVAILABILITY.—

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

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

20 “(A) carefully screen any description of the
21 rationale supporting a noncompetitive award re-
22 quired to be made publicly available under sub-
23 section (a) to determine whether the description
24 includes proprietary data (including any ref-

1 erence or citation to the proprietary data) or se-
2 curity-related information; and

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

7 “(c) WAIVERS.—

8 “(1) WAIVER PERMITTED.—If a covered postal
9 entity determines that making a noncompetitive pur-
10 chase request publicly available would risk placing
11 the Postal Service at a competitive disadvantage rel-
12 ative to a private sector competitor, the senior pro-
13 curement executive, in consultation with the advo-
14 cate for competition of the covered postal entity,
15 may waive the requirements under subsection (a).

16 “(2) FORM AND CONTENT OF WAIVER.—

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

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

23 “(i) a description of the risk associ-
24 ated with making the noncompetitive pur-
25 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.—A
 8 covered postal entity may not delegate the authority
 9 to 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 priate 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 decisionmaking affects a postal con-
3 tract as determined by regulations prescribed
4 by the head of a covered postal entity;

5 “(2) the term ‘covered relationship’ means a
6 covered relationship described in section
7 2635.502(b)(1) of title 5, Code of Federal Regula-
8 tions, or any successor thereto; and

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

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) the covered employee will not
23 take any action with respect to the non-
24 competitive purchase request that affects
25 the financial interests of a friend, relative,

1 or person with whom the covered employee
2 is affiliated in a nongovernmental capacity,
3 or otherwise gives rise to an appearance of
4 the use of public office for private gain, as
5 described in section 2635.702 of title 5,
6 Code of Federal Regulations, or any suc-
7 cessor 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
17 Ethical Conduct for Employees of the Executive
18 Branch’);

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
2 of Ethical Conduct for Employees of the Execu-
3 tive Branch’), or any successor thereto;

4 “(D) under subsections (d) and (e) of sec-
5 tion 2635.50 of title 5, Code of Federal Regula-
6 tions, or any successor thereto, require the eth-
7 ics 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 a grant a waiver or oth-
22 erwise 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 Postal
2 Service.

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 where a
22 contractor under a postal contract fails to time-
23 ly disclose a conflict of interest to the appro-
24 priate contracting officer as required under the
25 regulations promulgated under subsection

1 (b)(1)(D), 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 27(e) of
12 the Office of Federal Procurement Policy
13 Act (41 U.S.C. 423(e)); or

14 “(ii) the head of a covered postal enti-
15 ty determines, based upon a preponderance
16 of the evidence, that the contractor or
17 someone acting for the contractor has en-
18 gaged in conduct constituting an offense
19 punishable under section 27(e) of that Act.

20 **“§ 707. Congressional oversight authority**

21 “The Postal Service may not enter into any contract
22 that restricts the ability of Congress to exercise oversight
23 authority.”.

1 (b) TECHNICAL AND CONFORMING AMENDMENT.—

2 The table of chapters for part I of title 39, United States
3 Code, is amended by adding at the end the following:

“7. Contracting Provisions 701”.

4 **SEC. 410. EXECUTIVE COMPENSATION.**

5 (a) LIMIT ON MAXIMUM COMPENSATION.—

6 (1) NUMBER OF EXECUTIVES.—Section 3686(c)
7 of title 39, United States Code, is amended in the
8 first sentence by striking “12 officers” and inserting
9 “6 officers”.

10 (2) INTERIM LIMITATION.—

11 (A) IN GENERAL.—Except as provided in
12 subparagraph (B), and notwithstanding section
13 3686(c) of title 39, United States Code, as
14 amended by this Act, for 2012, 2013, 2014,
15 and 2015, the total compensation of an officer
16 or employee of the Postal Service may not ex-
17 ceed the annual amount of basic pay payable
18 for level I of the Executive Schedule under sec-
19 tion 5312 of title 5.

20 (B) PERFORMANCE BASED COMPENSATION
21 RELATING TO SOLVENCY PLAN.—

22 (i) IN GENERAL.—Any compensation
23 relating to achieving the goals established
24 under the plan under section 401 shall not

1 apply toward the limit on compensation
2 under subparagraph (A).

3 (ii) OTHER LIMITATIONS APPLY.—
4 Nothing in this subparagraph shall be con-
5 strued to modify the limitation on com-
6 pensation under subsections (b) and (c) of
7 section 3686 of title 39, United States
8 Code, as amended by this Act.

9 (b) CARRY OVER COMPENSATION.—The Postal Serv-
10 ice may not pay compensation for service performed dur-
11 ing a year (in this subsection referred to as the “base
12 year”) in any subsequent year if the total amount of com-
13 pensation provided relating to service during the base year
14 would exceed the amount specified under section 3686(c)
15 of title 39, United States Code, as amended by this Act,
16 or subsection (a)(2), as applicable.

17 (c) BENEFITS.—Section 1003 of title 39, United
18 States Code, is amended by adding at the end the fol-
19 lowing:

20 “(e) LIMITATIONS ON BENEFITS.—For any fiscal
21 year, an officer or employee of the Postal Service who is
22 in a critical senior executive or equivalent position, as des-
23 ignated under section 3686(c), may not receive fringe ben-
24 efits (within the meaning given that term under section
25 1005(f)) that are greater than the fringe benefits received

1 by supervisory and other managerial personnel who are
2 not subject to collective-bargaining agreements under
3 chapter 12.”.

4 (d) EFFECTIVE DATE; APPLICABILITY.—This section
5 and the amendments made by this section shall—

6 (1) take effect on the date of enactment of this
7 Act; and

8 (2) apply to any contract entered or modified
9 by the Postal Service on or after the date of enact-
10 ment of this Act.

11 **SEC. 411. SENSE OF THE SENATE.**

12 It is the sense of the Senate that the Postal Service
13 should not close or consolidate any postal facility (as de-
14 fined in section 404(f) of title 39, United States Code,
15 as added by this Act) or post office before the date of
16 enactment of this Act.

17 **TITLE V—MISCELLANEOUS**

18 **SEC. 501. GOVERNMENT SPONSORED CONFERENCES.**

19 (a) TRAVEL EXPENSES OF FEDERAL AGENCIES RE-
20 LATING TO CONFERENCES.—

21 (1) LIMITATIONS AND REPORTS ON TRAVEL EX-
22 PENSES TO CONFERENCES.—Chapter 57 of title 5,
23 United States Code, is amended by inserting after
24 section 5711 the following:

1 **“§ 5712. Limitations and reports on travel expenses to**
2 **conferences**

3 “(a) In this section, the term—

4 “(1) ‘conference’ means a meeting that—

5 “(A) is held for consultation, education, or
6 discussion;

7 “(B) is not held entirely at an agency facil-
8 ity;

9 “(C) involves costs associated with travel
10 and lodging for some participants; and

11 “(D) is sponsored by 1 or more agencies,
12 1 or more organizations that are not agencies,
13 or a combination of such agencies or organiza-
14 tions; and

15 “(2) ‘international conference’ means a con-
16 ference attended by representatives of —

17 “(A) the United States Government; and

18 “(B) any foreign government, international
19 organization, or foreign nongovernmental orga-
20 nization.

21 “(b) No agency may pay the travel expenses for more
22 than 50 employees of that agency who are stationed in
23 the United States, for any international conference occur-
24 ring outside the United States, unless the Secretary of
25 State determines that attendance for such employees is
26 in the national interest.

1 “(c) At the beginning of each quarter of each fiscal
2 year, each agency shall post on the public Internet website
3 of that agency a report on each conference for which the
4 agency paid travel expenses during the preceding 3
5 months that includes—

6 “(1) the itemized expenses paid by the agency,
7 including travel expenses, the cost of scouting for
8 and selecting the location of the conference, and any
9 agency expenditures to otherwise support the con-
10 ference;

11 “(2) the primary sponsor of the conference;

12 “(3) the location of the conference;

13 “(4) in the case of a conference for which that
14 agency was the primary sponsor, a statement that—

15 “(A) justifies the location selected;

16 “(B) demonstrates the cost efficiency of
17 the location; and

18 “(C) provides a cost benefit analysis of
19 holding a conference rather than conducting a
20 teleconference;

21 “(5) the date of the conference;

22 “(6) a brief explanation how the conference ad-
23 vanced the mission of the agency;

24 “(7) the title of any Federal employee or any
25 individual who is not a Federal employee whose trav-

1 el expenses or other conference expenses were paid
2 by the agency; and

3 “(8) the total number of individuals whose trav-
4 el expenses or other conference expenses were paid
5 by the agency.

6 “(d) Each report posted on the public Internet
7 website under subsection (c) shall—

8 “(1) be in a searchable electronic format; and

9 “(2) remain on that website for at least 5 years
10 after the date of posting.”.

11 (2) TECHNICAL AND CONFORMING AMEND-
12 MENT.—The table of sections for chapter 57 of title
13 5, United States Code, is amended by inserting after
14 the item relating to section 5711 the following:

“5712. Limitations and reports on travel expenses to conferences.”.

15 (b) LIMITATIONS ON ANNUAL TRAVEL EXPENSES.—

16 (1) IN GENERAL.—In the case of each of fiscal
17 years 2012 through 2016, an agency (as defined
18 under section 5701(1) of title 5, United States
19 Code) may not make, or obligate to make, expendi-
20 tures for travel expenses, in an aggregate amount
21 greater than 80 percent of the aggregate amount of
22 such expenses for fiscal year 2010.

23 (2) IDENTIFICATION OF TRAVEL EXPENSES.—

24 Not later than September 1, 2012 and after con-
25 sultation with the Administrator of General Services

1 and the Director of the Administrative Office of the
2 United States Courts, the Director of the Office of
3 Management and Budget shall establish guidelines
4 for the determination of what expenses constitute
5 travel expenses for purposes of this subsection. The
6 guidelines shall identify specific expenses, and class-
7 es of expenses, that are to be treated as travel ex-
8 penses.

9 (c) CONFERENCE TRANSPARENCY AND LIMITA-
10 TIONS.—

11 (1) DEFINITIONS.—In this subsection—

12 (A) the term “agency” has the meaning
13 given under section 5701(1) of title 5, United
14 States Code; and

15 (B) the term “conference” has the mean-
16 ing given under section 5712(a)(1) of that title
17 (as added by subsection (a)).

18 (2) PUBLIC AVAILABILITY OF CONFERENCE MA-
19 TERIALS.—Each agency shall post on the public
20 Internet website of that agency a detailed informa-
21 tion on any presentation made by any employee of
22 that agency at a conference, including—

23 (A) any minutes relating to the presen-
24 tation;

25 (B) any speech delivered;

1 (C) any visual exhibit, including photo-
2 graphs or slides;

3 (D) any video, digital, or audio recordings
4 of the conference; and

5 (E) information regarding any financial
6 support or other assistance from a foundation
7 or other non-Federal source used to pay or de-
8 fray the costs of the conference, which shall in-
9 clude a certification by the head of the agency
10 that there is no conflict of interest resulting
11 from the support received from each such
12 source.

13 (3) LIMITATION ON AMOUNT EXPENDED ON A
14 CONFERENCE.—

15 (A) IN GENERAL.—No agency may expend
16 more than \$500,000 to support a single con-
17 ference.

18 (B) RULE OF CONSTRUCTION.—Nothing in
19 this paragraph shall be construed to preclude
20 an agency from receiving financial support or
21 other assistance from a foundation or other
22 non-Federal source to pay or defray the costs of
23 a conference the total cost of which exceeds
24 \$500,000.

1 (4) LIMITATION ON THE ANNUAL NUMBER OF
2 CONFERENCES AN AGENCY MAY SUPPORT.—No
3 agency may expend funds on more than a single con-
4 ference sponsored or organized by an organization
5 during any fiscal year, unless the agency is the pri-
6 mary sponsor and organizer of the conference.

Passed the Senate April 25, 2012.

Attest:

Secretary.

112TH CONGRESS
2^D SESSION

S. 1789

AN ACT

To improve, sustain, and transform the United States Postal Service.