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**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 2309**

OFFERED BY MR. ROSS of FLORIDA

Page 117, strike line 9 and all that follows through
page 119, line 12, and insert the following:

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

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

4 “(i) cover ⁶attributable cost; and

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

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

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

15 “(4) PRC STUDY.—

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

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

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

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

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

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

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

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

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

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

