

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

Strike all after the enacting clause and insert the following:

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

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

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

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

TITLE I—POSTAL SERVICE MODERNIZATION

Subtitle A—Commission on Postal Reorganization

- Sec. 101. Short title.
- Sec. 102. Definitions.
- Sec. 103. Commission on Postal Reorganization.
- Sec. 104. Recommendations for closures and consolidations.
- Sec. 105. Implementation of closures and consolidations.
- Sec. 106. Congressional consideration of final CPR reports.
- Sec. 107. Nonappealability of decisions.
- Sec. 108. Rules of construction.

Subtitle B—Other Provisions

- Sec. 111. Frequency of mail delivery.
- Sec. 112. Efficient and flexible universal postal service.
- Sec. 113. More cost-efficient Postal Service contracting.
- Sec. 114. Enhanced reporting on Postal Service efficiency.
- Sec. 115. Delivery point modernization.

TITLE II—POSTAL SERVICE FINANCIAL RESPONSIBILITY AND
MANAGEMENT ASSISTANCE AUTHORITY

Subtitle A—Establishment and Organization

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

Subtitle B—Powers of the Authority

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

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

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

Subtitle D—Termination of a Control Period

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

TITLE III—POSTAL SERVICE WORKFORCE

Subtitle A—General Provisions

- Sec. 301. Modifications relating to determination of pay comparability.
- Sec. 302. Limitation on postal contributions under FEGLI and FEHBP.
- Sec. 303. Repeal of provision relating to overall value of fringe benefits.
- Sec. 304. Modifications relating to collective bargaining.

Subtitle B—Postal Service Workers' Compensation Reform

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

TITLE IV—POSTAL SERVICE REVENUE

- Sec. 401. Adequacy, efficiency, and fairness of postal rates.
- Sec. 402. Repeal of rate preferences for qualified political committees.
- Sec. 403. Rate preferences for nonprofit advertising.
- Sec. 404. Streamlined review of qualifying service agreements for competitive products.
- Sec. 405. Submission of service agreements for streamlined review.
- Sec. 406. Transparency and accountability for service agreements.
- Sec. 407. Nonpostal services.
- Sec. 408. Reimbursement of Alaska bypass mail costs.

TITLE V—POSTAL CONTRACTING REFORM

Sec. 501. Contracting provisions.

Sec. 502. Technical amendment to definition.

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

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

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

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

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

14 **SEC. 102. DEFINITIONS.**

15 For purposes of this title—

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

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

23 (3) the term “mail processing facility” means a
24 processing and distribution center, processing and

1 distribution facility, network distribution center, or
2 other facility which is operated by the Postal Serv-
3 ice, and the primary function of which is to sort and
4 process mail;

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

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

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

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

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

23 (a) ESTABLISHMENT.—There shall be established,
24 not later than 90 days after the date of the enactment
25 of this Act, an independent commission to be known as

1 the “Commission on Postal Reorganization” (hereinafter
2 in this section referred to as the “Commission”).

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

5 (c) MEMBERS.—

6 (1) IN GENERAL.—The Commission shall be
7 composed of 5 members who shall be appointed by
8 the President, and of whom—

9 (A) 1 shall be appointed from among indi-
10 viduals recommended by the Speaker of the
11 House of Representatives;

12 (B) 1 shall be appointed from among indi-
13 viduals recommended by the majority leader of
14 the Senate;

15 (C) 1 shall be appointed from among indi-
16 viduals recommended by the minority leader of
17 the House of Representatives;

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

21 (E) 1 shall be appointed from among indi-
22 viduals recommended by the Comptroller Gen-
23 eral.

24 (2) QUALIFICATIONS.—

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

6 (B) INELIGIBILITY.—An individual may
7 not be appointed to serve as a member of the
8 Commission if such individual served as an em-
9 ployee of the Postal Service or the Postal Regu-
10 latory Commission, or of a labor organization
11 representing employees of the Postal Service or
12 the Postal Regulatory Commission, during the
13 3-year period ending on the date of such ap-
14 pointment.

15 (3) POLITICAL AFFILIATION.—Not more than 3
16 members of the Commission may be of the same po-
17 litical party.

18 (d) TERMS.—Each member of the Commission shall
19 be appointed for the life of the Commission and may be
20 removed only for cause.

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

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

1 (g) COMPENSATION AND TRAVEL EXPENSES.—

2 (1) COMPENSATION.—

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

10 (B) EXCEPTION.—Any member of the
11 Commission who is a full-time officer or em-
12 ployee of the United States or a Member of
13 Congress may not receive additional pay, allow-
14 ances, or benefits by reason of such member's
15 service on the Commission.

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

21 (h) DIRECTOR.—The Commission shall have a Direc-
22 tor who shall be appointed by the Commission. The Direc-
23 tor shall be paid at the rate of basic pay for level IV of
24 the Executive Schedule under section 5315 of title 5,
25 United States Code. An appointment under this sub-

1 section shall be subject to the requirements of subsection
2 (c)(2).

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

16 (j) **PROVISIONS RELATING TO DETAILS.**—

17 (1) **IN GENERAL.**—Upon request of the Direc-
18 tor, the head of any Federal department or agency
19 may detail any of the personnel of such department
20 or agency to the Commission to assist the Commis-
21 sion in carrying out its duties under this subtitle.
22 Notwithstanding any other provision of law, to pro-
23 vide continuity in the work of the Commission, such
24 details may be extended beyond 1 year at the re-
25 quest of the Director.

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

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

17 (A) prepare any report concerning the ef-
18 fectiveness, fitness, or efficiency of the perform-
19 ance, on the staff of the Commission, of any
20 person detailed from the Postal Service or the
21 Postal Regulatory Commission to such staff;

22 (B) review the preparation of such a re-
23 port; or

24 (C) approve or disapprove such a report.

25 (k) OTHER AUTHORITIES.—

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

5 (2) LEASING, ETC.—The Commission may lease
6 space and acquire personal property to the extent
7 funds are available.

8 (1) AUTHORIZATION OF APPROPRIATIONS.—In order
9 to carry out this section, there are authorized to be appro-
10 priated out of the Postal Service Fund \$20,000,000,
11 which funds shall remain available until expended.

12 (m) FINANCIAL REPORTING.—

13 (1) AUDIT AND EXPENDITURES.—The Commis-
14 sion shall be responsible for issuing annual financial
15 statements and for establishing and maintaining
16 adequate controls over its financial reporting.

17 (2) INTERNAL AUDITS.—The Commission shall
18 maintain an adequate internal audit of its financial
19 transactions.

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

24 (4) COMPTROLLER GENERAL.—The accounts
25 and operations of the Commission shall be audited

1 by the Comptroller General and reports thereon
2 made to the Congress to the extent and at such
3 times as the Comptroller General may determine.

4 (n) TERMINATION.—The Commission shall terminate
5 60 days after submitting its final reports under section
6 104(d)(3).

7 **SEC. 104. RECOMMENDATIONS FOR CLOSURES AND CON-**
8 **SOLIDATIONS.**

9 (a) PLAN FOR THE CLOSURE OR CONSOLIDATION OF
10 POSTAL RETAIL FACILITIES.—

11 (1) IN GENERAL.—Not later than 120 days
12 after the date of the enactment of this Act, the Post-
13 al Service, in consultation with the Postal Regu-
14 latory Commission, shall develop and submit to the
15 Commission on Postal Reorganization a plan for the
16 closure or consolidation of such postal retail facilities
17 as the Postal Service considers necessary and appro-
18 priate so that the total annual costs attributable to
19 the operation of postal retail facilities will be, for
20 each fiscal year beginning at least 2 years after the
21 date on which the Commission transmits to Con-
22 gress its final report under subsection (d)(3)(A) re-
23 lating to this subsection, at least \$1,000,000,000
24 less than the corresponding total annual costs for
25 the baseline year.

- 1 (2) CONTENTS.—The plan shall include—
- 2 (A) a list of the postal retail facilities pro-
- 3 posed for closure or consolidation under this
- 4 subtitle;
- 5 (B) a proposed schedule under which—
- 6 (i) closures and consolidations of post-
- 7 al retail facilities would be carried out
- 8 under this subtitle; and
- 9 (ii) all closures and consolidations of
- 10 postal retail facilities under this subtitle
- 11 would be completed by not later than 2
- 12 years after the date on which the Commis-
- 13 sion transmits to Congress its final report
- 14 under subsection (d)(3)(A) relating to such
- 15 plan;
- 16 (C) the estimated total annual cost savings
- 17 attributable to the proposed closures and con-
- 18 solidations described in the plan;
- 19 (D) the criteria and process used to de-
- 20 velop the information described in subpara-
- 21 graphs (A) and (B);
- 22 (E) the methodology and assumptions used
- 23 to derive the estimates described in subpara-
- 24 graph (C); and

1 (F) any changes to the processing, trans-
2 portation, delivery, or other postal operations
3 anticipated as a result of the proposed closures
4 and consolidations described in the plan.

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

12 (b) PLAN FOR THE CLOSURE OR CONSOLIDATION OF
13 MAIL PROCESSING FACILITIES.—

14 (1) IN GENERAL.—Not later than 300 days
15 after the date of the enactment of this Act, the Post-
16 al Service, in consultation with the Inspector Gen-
17 eral of the United States Postal Service, shall de-
18 velop and submit to the Commission on Postal Reor-
19 ganization a plan for the closure or consolidation of
20 such mail processing facilities as the Postal Service
21 considers necessary and appropriate so that—

22 (A) the total annual costs attributable to
23 the operation of mail processing facilities will
24 be, for each fiscal year beginning at least 2
25 years after the date on which the Commission

1 transmits to Congress its final report under
2 subsection (d)(3)(A) relating to this subsection,
3 at least \$2,000,000,000 less than the cor-
4 responding total annual costs for the baseline
5 year; and

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

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

13 (A) a list of the mail processing facilities
14 proposed for closure or consolidation under this
15 subtitle;

16 (B) a proposed schedule under which—

17 (i) closures and consolidations of mail
18 processing facilities would be carried out
19 under this subtitle; and

20 (ii) all closures and consolidations of
21 mail processing facilities under this sub-
22 title would be completed by not later than
23 2 years after the date on which the Com-
24 mission transmits to Congress its final re-

1 port under subsection (d)(3)(A) relating to
2 such plan;

3 (C) the estimated total annual cost savings
4 attributable to the proposed closures and con-
5 solidations described in the plan;

6 (D) the criteria and process used to de-
7 velop the information described in subpara-
8 graphs (A) and (B);

9 (E) the methodology and assumptions used
10 to derive the estimates described in subpara-
11 graph (C); and

12 (F) any changes to the processing, trans-
13 portation, delivery, or other postal operations
14 anticipated as a result of the proposed closures
15 and consolidations described in the plan.

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

23 (4) EXCESS MAIL PROCESSING CAPACITY.—The
24 Commission shall cause to be published in the Fed-
25 eral Register notice of a proposed definition of “ex-

1 cess mail processing capacity” for purposes of this
2 section within 120 days after the date of the enact-
3 ment of this Act, and shall provide a period of 30
4 days for public comment on the proposed definition.
5 Not later than 180 days after the date of the enact-
6 ment of this Act, the Commission shall issue and
7 cause to be published in the Federal Register a final
8 definition of “excess mail processing capacity” for
9 purposes of this section. Such definition shall in-
10 clude an estimate of the total amount of excess mail
11 processing capacity in mail processing facilities as of
12 the date of the enactment of this Act.

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

15 (1) IN GENERAL.—Not later than 300 days
16 after the date of the enactment of this Act, the Post-
17 al Service, in consultation with the Inspector Gen-
18 eral of the United States Postal Service, shall de-
19 velop and submit to the Commission on Postal Reor-
20 ganization a plan for the closure or consolidation of
21 such area and district offices as the Postal Service
22 considers necessary and appropriate so that the com-
23 bined total number of area and district offices will
24 be, for each fiscal year beginning at least 2 years
25 after the date on which the Commission transmits to

1 Congress its final report under subsection (d)(3)(A)
2 relating to this subsection, at least 30 percent less
3 than the corresponding combined total for the base-
4 line year.

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

6 (A) a list of the area and district offices
7 proposed for closure or consolidation under this
8 subtitle;

9 (B) a proposed schedule under which—

10 (i) closures and consolidations of area
11 and district offices would be carried out
12 under this subtitle; and

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

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

23 (D) the criteria and process used to de-
24 velop the information described in subpara-
25 graphs (A) and (B);

1 (E) the methodology and assumptions used
2 to derive the estimates described in subpara-
3 graph (C); and

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

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

15 (d) REVIEW AND RECOMMENDATIONS OF THE COM-
16 MISSION.—

17 (1) INITIAL REPORTS.—

18 (A) IN GENERAL.—After receiving the plan
19 of the Postal Service under subsection (a), (b),
20 or (c), the Commission on Postal Reorganiza-
21 tion shall transmit to Congress and publish in
22 the Federal Register a report under this para-
23 graph, which shall contain the Commission's
24 findings based on a review and analysis of such
25 plan, together with the Commission's initial rec-

1 ommendations for closures and consolidations
2 of postal facilities, mail processing facilities, or
3 area and district offices (as the case may be).

4 (B) EXPLANATION OF CHANGES.—The
5 Commission shall explain and justify in its re-
6 port any recommendations made by the Com-
7 mission that are different from those contained
8 in the Postal Service plan to which such report
9 pertains.

10 (C) DEADLINES.—A report of the Commis-
11 sion under this paragraph shall be transmitted
12 and published, in accordance with subparagraph
13 (A), within—

14 (i) if the report pertains to the plan
15 under subsection (a), 60 days after the
16 date on which the Commission receives
17 such plan; or

18 (ii) if the report pertains to the plan
19 under subsection (b) or (c), 90 days after
20 the date on which the Commission receives
21 such plan.

22 (2) PUBLIC HEARINGS.—

23 (A) IN GENERAL.—After receiving the plan
24 of the Postal Service under subsection (a), (b),
25 or (c), the Commission on Postal Reorganiza-

1 tion shall conduct at least 5 public hearings on
2 such plan. The hearings shall be conducted in
3 geographic areas chosen so as to reflect a
4 broadly representative range of needs and inter-
5 ests.

6 (B) TESTIMONY.—All testimony before the
7 Commission at a public hearing conducted
8 under this paragraph shall be given under oath.

9 (C) DEADLINES.—All hearings under this
10 paragraph shall be completed within 60 days
11 after the date as of which the Commission sat-
12 isfies the requirements of paragraph (1) with
13 respect to such plan.

14 (3) FINAL REPORTS.—

15 (A) IN GENERAL.—After satisfying the re-
16 quirements of paragraph (2) with respect to the
17 plan of the Postal Service under subsection (a),
18 (b), or (c) (as the case may be), the Commis-
19 sion shall transmit to Congress and publish in
20 the Federal Register a report under this para-
21 graph containing a summary of the hearings
22 conducted with respect to such plan, together
23 with the Commission's final recommendations
24 for closures and consolidations of postal facili-

1 ties, mail processing facilities, or area and dis-
2 trict offices (as the case may be).

3 (B) APPROVAL.—Recommendations under
4 subparagraph (A) shall not be considered to be
5 final recommendations unless they are made
6 with—

7 (i) except as provided in clause (ii),
8 the concurrence of at least 4 members of
9 the Commission; or

10 (ii) to the extent that the require-
11 ments of subsection (b)(1)(A) or (c)(1) are
12 not met, the concurrence of all sitting
13 members, but only if the shortfall (relative
14 to the requirements of subsection (b)(1)(A)
15 or (c)(1), as the case may be) does not ex-
16 ceed 25 percent.

17 (C) CONTENTS.—A report under this para-
18 graph shall include—

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

22 (ii) a description of the operations
23 that will be affected by the closure or con-
24 solidation and the facilities or offices which
25 will be performing or ceasing to perform

1 such operations as a result of such closure
2 or consolidation.

3 (D) DEADLINES.—A report of the Com-
4 mission under this paragraph shall be trans-
5 mitted and published, in accordance with sub-
6 paragraph (A), within 60 days after the date as
7 of which the Commission satisfies the require-
8 ments of paragraph (2) with respect to the plan
9 involved.

10 **SEC. 105. IMPLEMENTATION OF CLOSURES AND CONSOLI-**
11 **DATIONS.**

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

14 (1) close or consolidate (as the case may be) the
15 facilities and offices recommended by the Commis-
16 sion in each of its final reports under section
17 104(d)(3); and

18 (2) carry out those closures and consolidations
19 in accordance with the timetable recommended by
20 the Commission in such report, except that in no
21 event shall any such closure or consolidation be com-
22 pleted later than 2 years after the date on which
23 such report is submitted to Congress.

24 (b) CONGRESSIONAL DISAPPROVAL.—

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

7 (A) the end of the 30-day period beginning
8 on the date on which the Commission transmits
9 those recommendations to Congress under sec-
10 tion 104(d)(3); or

11 (B) the adjournment of the Congress sine
12 die for the session during which such report is
13 transmitted.

14 (2) DAYS OF SESSION.—For purposes of para-
15 graph (1) and subsections (a) and (c) of section 106,
16 the days on which either House of Congress is not
17 in session because of an adjournment of more than
18 7 days to a day certain shall be excluded in the com-
19 putation of a period.

20 **SEC. 106. CONGRESSIONAL CONSIDERATION OF FINAL CPR**
21 **REPORTS.**

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

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

4 (2) the matter after the resolving clause of
5 which is as follows: “That Congress disapproves the
6 recommendations of the Commission on Postal Reor-
7 ganization, submitted by such Commission on _____,
8 and pertaining to the closure or consolidation of
9 _____.”, the first blank space being filled in with the
10 appropriate date and the second blank space being
11 filled in with “postal retail facilities”, “mail proc-
12 essing facilities”, or “area and district offices” (as
13 the case may be);

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

17 (4) which does not have a preamble.

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

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

1 end of the 20-day period beginning on the date on which
2 the Commission transmits the report (to which such reso-
3 lution pertains) to Congress under section 104(d)(3), such
4 committee shall, at the end of such period, be discharged
5 from further consideration of such resolution, and such
6 resolution shall be placed on the appropriate calendar of
7 the House involved.

8 (d) CONSIDERATION.—

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

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

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

1 vote by which the resolution is agreed to or dis-
2 agreed to is not in order.

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

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

16 (e) CONSIDERATION BY OTHER HOUSE.—

17 (1) IN GENERAL.—If, before the passage by one
18 House of a resolution of that House described in
19 subsection (a), that House receives from the other
20 House a resolution (described in subsection (a)) re-
21 lating to the same report, then the following proce-
22 dures shall apply:

23 (A) The resolution of the other House shall
24 not be referred to a committee and may not be
25 considered in the House receiving it except in

1 the case of final passage as provided in sub-
2 paragraph (B)(ii).

3 (B) With respect to the resolution de-
4 scribed in subsection (a) (relating to the report
5 in question) of the House receiving the resolu-
6 tion—

7 (i) the procedure in that House shall
8 be the same as if no resolution (relating to
9 the same report) had been received from
10 the other House; but

11 (ii) the vote on final passage shall be
12 on the resolution of the other House.

13 (2) DISPOSITION OF A RESOLUTION.—Upon
14 disposition of the resolution received from the other
15 House, it shall no longer be in order to consider the
16 resolution that originated in the receiving House.

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

19 (1) as an exercise of the rulemaking power of
20 the Senate and House of Representatives, respec-
21 tively, and as such it is deemed a part of the rules
22 of each House, respectively, but applicable only with
23 respect to the procedure to be followed in that
24 House in the case of a resolution described in sub-

1 section (a), and it supersedes other rules only to the
2 extent that it is inconsistent with such rules; and

3 (2) with full recognition of the constitutional
4 right of either House to change the rules (so far as
5 relating to the procedure of that House) at any time,
6 in the same manner, and to the same extent as in
7 the case of any other rule of that House.

8 **SEC. 107. NONAPPEALABILITY OF DECISIONS.**

9 (a) TO PRC.—The closing or consolidation of any fa-
10 cility or office under this subtitle may not be appealed to
11 the Postal Regulatory Commission under section 404(d)
12 or any other provision of title 39, United States Code, or
13 the subject of an advisory opinion issued by the Postal
14 Regulatory Commission under section 3661 of such title.

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

18 **SEC. 108. RULES OF CONSTRUCTION.**

19 (a) CONTINUED AVAILABILITY OF AUTHORITY TO
20 CLOSE OR CONSOLIDATE POSTAL FACILITIES.—

21 (1) IN GENERAL.—Nothing in this subtitle shall
22 be considered to prevent the Postal Service from
23 closing or consolidating any postal facilities, in ac-
24 cordance with otherwise applicable provisions of law,

1 either before or after the implementation of any clo-
2 sures or consolidations under this subtitle.

3 (2) COORDINATION RULE.—No appeal or deter-
4 mination under section 404(d) of title 39, United
5 States Code, or any other provision of law shall
6 delay, prevent, or otherwise affect any closure or
7 consolidation under this subtitle.

8 (b) INAPPLICABILITY OF CERTAIN PROVISIONS.—

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

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

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

15 (2) PROVISIONS IDENTIFIED.—The provisions
16 of law under this paragraph are—

17 (A) section 101(b) of title 39, United
18 States Code; and

19 (B) section 404(d) of title 39, United
20 States Code.

21 **Subtitle B—Other Provisions**

22 **SEC. 111. FREQUENCY OF MAIL DELIVERY.**

23 Section 101 is amended by adding at the end the fol-
24 lowing:

1 “(h) Nothing in this title or any other provision of
2 law shall be considered to prevent the Postal Service from
3 taking whatever actions may be necessary to provide for
4 5-day delivery of mail and a commensurate adjustment in
5 rural delivery of mail, subject to the requirements of sec-
6 tion 3661.”.

7 **SEC. 112. EFFICIENT AND FLEXIBLE UNIVERSAL POSTAL**
8 **SERVICE.**

9 (a) **POSTAL POLICY.**—

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

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

15 (2) **CONFORMING AMENDMENTS.**—(A) Clause
16 (iii) of section 404(d)(2)(A) is amended to read as
17 follows:

18 “(iii) whether such closing or consolidation
19 is consistent with the policy of the Government,
20 as stated in section 101(b), that the Postal
21 Service shall provide effective and regular post-
22 al services to rural areas, communities, and
23 small towns where post offices are not self-sus-
24 taining;”.

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

4 (b) GENERAL DUTY.—Paragraph (3) of section
5 403(b) is amended to read as follows:

6 “(3) to ensure that postal patrons throughout
7 the Nation will, consistent with reasonable econo-
8 mies of postal operations, have ready access to es-
9 sential postal services.”.

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

12 (1) DEADLINE FOR REVIEW.—Section
13 404(d)(5) is amended by striking “120 days” and
14 inserting “60 days”.

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

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

21 “(B) For purposes of this paragraph—

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

24 “(I) is not owned or operated by the Postal
25 Service; and

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

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

7 “(I) begins to provide postal services to the
8 general public during the period—

9 “(aa) beginning 1 year before the date
10 on which the closure or consolidation of
11 such post office is scheduled to take effect;
12 and

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

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

21 “(C)(i) If the contract postal unit (which is providing
22 postal services that had been previously provided by the
23 post office that was closed) does not continue to provide
24 postal services, as required by subparagraph (B)(i)(II), for
25 at least the 2-year period beginning on the date on which

1 such post office was closed, the contract postal unit shall
2 be subject to a closure determination by the Postal Service
3 to decide whether a post office must be reopened within
4 the area (delimited by the 2-mile radius referred to in sub-
5 paragraph (A)).

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

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

22 (d) EXPEDITED PROCEDURES.—

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

1 “(d)(1) The Commission shall issue its opinion within
2 90 days after the receipt of any proposal (as referred to
3 in subsection (b)) concerning—

4 “(A) the closing or consolidation of post offices
5 to a degree that will generally affect service on a na-
6 tionwide or substantially nationwide basis; or

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

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

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

19 (3) APPLICABILITY.—The amendment made by
20 this subsection shall apply with respect to any pro-
21 posal received by the Postal Regulatory Commission
22 on or after the earlier of—

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

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

3 **SEC. 113. MORE COST-EFFICIENT POSTAL SERVICE CON-**
4 **TRACTING.**

5 (a) IN GENERAL.—Section 410 is amended—

6 (1) in subsection (b)(4)(A), by striking all that
7 follows “3131,” and inserting “and 3133;”;

8 (2) in subsection (b)(5)(B), by striking “chap-
9 ters 65 and 67” and inserting “chapter 65”; and

10 (3) by striking subsection (d).

11 (b) APPLICABILITY.—The amendments made by sub-
12 section (a) shall be effective with respect to contracts and
13 agreements first entered into on or after the date of the
14 enactment of this Act.

15 **SEC. 114. ENHANCED REPORTING ON POSTAL SERVICE EF-**
16 **FICIENCY.**

17 Section 3652(a) is amended—

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

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

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

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

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

3 **SEC. 115. DELIVERY POINT MODERNIZATION.**

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

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

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

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

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

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

22 (b) REDUCTION IN TOTAL NUMBER OF DELIVERY
23 POINTS.—The Postal Service shall take such measures as
24 may be necessary and appropriate so that—

1 (1) in each fiscal year beginning at least 2
2 years after the date of the enactment of this Act—

3 (A) the total number of delivery points for
4 which door delivery is the primary mode of mail
5 delivery does not exceed 25 percent of the cor-
6 responding number for the fiscal year last end-
7 ing before the date of the enactment of this
8 Act; and

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

16 (2) in each fiscal year beginning at least 4
17 years after the date of the enactment of this Act, the
18 total number of delivery points for which door deliv-
19 ery is the primary mode of mail delivery does not ex-
20 ceed 10 percent of the corresponding number for the
21 fiscal year last ending before the date of the enact-
22 ment of this Act.

23 (c) ORDER OF PRECEDENCE.—In order to carry out
24 subsection (b)—

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

3 (A) conversion shall be to centralized deliv-
4 ery; except

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

7 (2) in the case of delivery points established
8 after the date of the enactment of this Act—

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

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

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

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

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

24 (e) **CENTRALIZED DELIVERY PLACEMENT.**—It is the
25 sense of the Congress that the Postal Service should nego-

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

6 (f) VOUCHER PROGRAM.—The Postal Service may, in
7 accordance with such standards and procedures as the
8 Postal Service shall by regulation prescribe, provide for
9 a voucher program under which—

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

15 (2) the Postal Service Fund is made available
16 for that purpose.

17 (g) AUDITS.—

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

20 (A) shall conduct an annual audit to deter-
21 mine whether the Postal Service is in compli-
22 ance with the requirements of subsection (b);
23 and

1 (B) shall make such recommendations as
2 the Inspector General considers appropriate to
3 improve the administration such subsection.

4 (2) SUBMISSION.—The audit and recommenda-
5 tions under paragraph (1) shall be submitted by the
6 Inspector General to—

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

10 (B) the Committee on Homeland Security
11 and Governmental Affairs of the Senate.

12 (3) INFORMATION.—Upon request, the Postal
13 Service shall furnish such information as the Inspec-
14 tor General may require in order to carry out this
15 subsection.

16 (h) CONFORMING AMENDMENT.—Section 2003(e)(1)
17 is amended—

18 (1) by striking “(C)” and inserting “(D)”; and

19 (2) by inserting “(C) vouchers under the pro-
20 gram described in section 115(f) of the Postal Re-
21 form Act of 2011;” after “504(d);”.

1 **TITLE II—POSTAL SERVICE FI-**
2 **NANCIAL RESPONSIBILITY**
3 **AND MANAGEMENT ASSIST-**
4 **ANCE AUTHORITY**
5 **Subtitle A—Establishment and**
6 **Organization**

7 **SEC. 201. PURPOSES.**

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

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

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

17 (3) To conduct necessary investigations and
18 studies to determine the fiscal status and oper-
19 ational efficiency of the Postal Service.

20 (4) To assist the Postal Service in—

21 (A) restructuring its organization and
22 workforce to bring expenses in line with dimin-
23 ishing revenue and generate sufficient profits
24 for capital investment and repayment of debt;

1 (B) meeting all fiscal obligations to the
2 Treasury of the United States; and

3 (C) ensuring the appropriate and efficient
4 delivery of postal services.

5 (5) To provide the Postal Service with a tem-
6 porary increase in its borrowing authority to enable
7 the Postal Service to complete necessary restruc-
8 turing.

9 (6) To ensure the long-term financial, fiscal,
10 and economic vitality and operational efficiency of
11 the Postal Service.

12 (b) RESERVATION OF POWERS.—Nothing in this title
13 may be construed—

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

17 (2) to limit the authority of Congress to exer-
18 cise ultimate legislative authority over the Postal
19 Service.

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

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

1 (b) CONTROL PERIOD.—

2 (1) COMMENCEMENT OF A CONTROL PERIOD.—

3 For purposes of this title, a control period com-
4 mences whenever the Postal Service has been in de-
5 fault to the Treasury of the United States, with re-
6 spect to any debts, obligations, loans, bonds, notes,
7 or other form of borrowing, for a period of at least
8 30 days.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (i) for the repayment of any supple-
20 mentary debt under section 222, in equal
21 annual installments over a period of not
22 more than 10 years; and

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

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

3 (a) MEMBERSHIP.—

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

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

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

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

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

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

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

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

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

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

13 (6) TERM OF SERVICE.—

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

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

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

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

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

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

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

13 (b) QUALIFICATION REQUIREMENTS.—

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

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

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

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

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

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

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

14 **SEC. 204. ORGANIZATION.**

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

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

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

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

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

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

11 (4) require the immediate renegotiation of an
12 existing collective bargaining agreement in accord-
13 ance with section 211(g)(1);

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

17 (6) carry out a reduction in force under section
18 211(i).

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

20 (a) EXECUTIVE DIRECTOR.—The Authority shall
21 have an Executive Director who shall be appointed by the
22 Chair with the consent of the Authority. The Executive
23 Director shall be paid at a rate determined by the Author-
24 ity, except that such rate may not exceed the rate of basic

1 pay payable for level IV of the Executive Schedule under
2 section 5315 of title 5, United States Code.

3 (b) STAFF.—With the approval of the Authority, the
4 Executive Director may appoint and fix the pay of such
5 additional personnel as the Executive Director considers
6 appropriate, except that no individual appointed by the
7 Executive Director may be paid at a rate greater than the
8 rate of pay for the Executive Director. Personnel ap-
9 pointed under this subsection shall serve at the pleasure
10 of the Executive Director.

11 (c) INAPPLICABILITY OF CERTAIN CIVIL SERVICE
12 LAWS.—The Executive Director and staff of the Authority
13 may be appointed without regard to the provisions of title
14 5, United States Code, governing appointments in the
15 competitive service, and paid without regard to the provi-
16 sions of chapter 51 and subchapter III of chapter 53 of
17 such title relating to classification and General Schedule
18 pay rates.

19 (d) STAFF OF FEDERAL AGENCIES.—Upon request
20 of the Chair, the head of any Federal department or agen-
21 cy may detail, on a reimbursable or nonreimbursable basis,
22 any of the personnel of such department or agency to the
23 Authority to assist it in carrying out its duties under this
24 title.

1 **SEC. 206. FUNDING.**

2 (a) IN GENERAL.—There are authorized to be appro-
3 priated, out of the Postal Service Fund, such sums as may
4 be necessary for the Authority. In requesting an appro-
5 priation under this section for a fiscal year, the Authority
6 shall prepare and submit to the Congress under section
7 2009 of title 39, United States Code, a budget of the
8 Authority’s expenses, including expenses for facilities, sup-
9 plies, compensation, and employee benefits not to exceed
10 \$10,000,000. In years in which a control period com-
11 mences, the Authority shall submit a budget within 30
12 days of the appointment of the members of the Authority.

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

15 (1) by striking “, and (3)” and inserting “,
16 (3)”;

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

22 **Subtitle B—Powers of the**
23 **Authority**

24 **SEC. 211. POWERS.**

25 (a) POWERS OF MEMBERS AND AGENTS.—Any mem-
26 ber or agent of the Authority may, if authorized by the

1 Authority, take any action which the Authority is author-
2 ized by this section to take.

3 (b) OBTAINING OFFICIAL DATA FROM THE POSTAL
4 SERVICE.—Notwithstanding any other provision of law,
5 the Authority may secure copies of such records, docu-
6 ments, information, or data from any entity of the Postal
7 Service necessary to enable the Authority to carry out its
8 responsibilities under this title. At the request of the Au-
9 thority, the Authority shall be granted direct access to
10 such information systems, records, documents, informa-
11 tion, or data as will enable the Authority to carry out its
12 responsibilities under this title. The head of the relevant
13 entity of the Postal Service shall provide the Authority
14 with such information and assistance (including granting
15 the Authority direct access to automated or other informa-
16 tion systems) as the Authority requires under this sub-
17 section.

18 (c) GIFTS, BEQUESTS, AND DEVICES.—The Author-
19 ity may accept, use, and dispose of gifts, bequests, or de-
20 vises of services or property, both real and personal, for
21 the purpose of aiding or facilitating the work of the Au-
22 thority. Gifts, bequests, or devises of money and proceeds
23 from sales of other property received as gifts, bequests,
24 or devises shall be deposited in such account as the Au-

1 thority may establish and shall be available for disburse-
2 ment upon order of the Chair.

3 (d) ADMINISTRATIVE SUPPORT SERVICES.—Upon
4 the request of the Authority, the Administrator of General
5 Services may provide to the Authority, on a reimbursable
6 basis, the administrative support services necessary for the
7 Authority to carry out its responsibilities under this title.

8 (e) AUTHORITY TO ENTER INTO CONTRACTS.—The
9 Executive Director may enter into such contracts as the
10 Executive Director considers appropriate (subject to the
11 approval of the Chair) to carry out the Authority's respon-
12 sibilities under this title.

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

16 (g) COLLECTIVE BARGAINING.—Notwithstanding
17 any other provision of law—

18 (1) the Authority may require the renegotiation
19 of an existing collective bargaining agreement to
20 achieve specific economic savings or workforce flexi-
21 bility goals; and

22 (2) after meeting and conferring with the ap-
23 propriate bargaining representative, the Authority
24 may reject, modify, or terminate any provisions or

1 conditions of an existing collective bargaining agree-
2 ment if—

3 (A) a prompt and satisfactory agreement
4 under paragraph (1) is unlikely; and

5 (B) in the judgment of the Authority, the
6 rejection, modification, or termination—

7 (i) is reasonable and necessary for the
8 Postal Service to be a financially viable
9 provider of universal postal service to the
10 Nation; and

11 (ii) is designed to achieve the specific
12 economic savings or workforce flexibility
13 goals (as the case may be) referred to in
14 paragraph (1).

15 (h) PENALTIES.—

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

24 (2) REPORTING REQUIREMENT.—Whenever an
25 officer or employee of the Postal Service takes or

1 fails to take any action which is noncompliant with
2 any directive or other order of the Authority under
3 section 226(c), the Postmaster General shall imme-
4 diately report to the Authority all pertinent facts, to-
5 gether with a statement of any actions taken by the
6 Postmaster General or proposed by the Postmaster
7 General to be taken under paragraph (1).

8 (i) REDUCTIONS IN FORCE.—

9 (1) DEFINITIONS.—For purposes of this sub-
10 section—

11 (A) the term “bargaining unit” means a
12 bargaining unit under section 1202 of title 39,
13 United States Code, to which the Postal Service
14 accords exclusive recognition under section
15 1203 of such title;

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

18 (C) the term “district” has the meaning
19 given such term under regulations, directives,
20 or other guidance of the Postal Service, as in
21 effect on June 23, 2011.

22 (2) BARGAINING UNIT EMPLOYEES.—Notwith-
23 standing any other provision of law, regulation, or
24 collective-bargaining agreement, a reduction in force

1 may be conducted with respect to bargaining unit
2 employees if—

3 (A) in the judgment of the Authority, such
4 reduction in force is necessary in order to carry
5 out the purposes of this title; and

6 (B) such reduction in force is conducted in
7 accordance with the requirements of this sub-
8 section.

9 (3) REQUIREMENTS.—

10 (A) IN GENERAL.—Except as otherwise
11 provided in this paragraph, a reduction in force
12 under this subsection shall be governed by the
13 same laws, regulations, and other requirements
14 as would apply if such reduction in force were
15 being conducted with respect to employees of
16 the Postal Service who are not bargaining unit
17 employees.

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

21 (C) LIMITATION RELATING TO SIZE OF A
22 COMPETITIVE LEVEL.—A reduction in force
23 under this subsection may be carried out with
24 respect to any competitive level, defined based
25 on appropriate geographic, organizational, or

1 other factors, except that in no event may such
2 competitive level exceed the boundaries of a sin-
3 gle district.

4 (D) ORDER OF RETENTION.—

5 (i) DEFINITIONS.—For purposes of
6 this subparagraph—

7 (I) the term “retirement-eligible
8 employee” means an employee who
9 satisfies the age and service require-
10 ments for retirement under—

11 (aa) subsection (a), (b), (c),
12 or (f) of section 8336 of title 5,
13 United States Code; or

14 (bb) subsection (a), (b), (c),
15 (d), or (g) of section 8412 of title
16 5, United States Code; and

17 (II) the term “non-retirement-eli-
18 gible employee” means an employee
19 who is not a retirement-eligible em-
20 ployee.

21 (ii) GENERAL RULE.—A reduction in
22 force under this subsection shall not result
23 in the separation of any non-retirement-eli-
24 gible employee before a retirement-eligible
25 employee.

1 (iii) LENGTH OF SERVICE.—In deter-
2 mining the order for the separation of
3 competing retirement-eligible employees,
4 individuals shall be separated in descend-
5 ing order based on length of service.

6 (E) SEVERANCE PAY.—A retirement-eli-
7 ble employee who is separated pursuant to a re-
8 duction in force under this subsection shall not,
9 by virtue of that separation, be eligible for any
10 payment in the nature of severance pay.

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

19 (i) has applied; and

20 (ii) is qualified and available.

21 (4) REGULATIONS.—Any regulations necessary
22 to carry out this subsection shall be prescribed by
23 the Office of Personnel Management not later than
24 90 days after the date of the enactment of this Act.

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

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

5 **SEC. 213. TREATMENT OF ACTIONS ARISING UNDER THIS**
6 **TITLE.**

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

23 (b) PROMPT APPEAL TO THE SUPREME COURT.—
24 Notwithstanding any other provision of law, review by the
25 Supreme Court of the United States of a decision of the
26 Court of Appeals which is issued pursuant to subsection

1 (a) may be had only if the petition for such review is filed
2 within 10 days after the entry of such decision.

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

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

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

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

22 (a) **DEVELOPMENT OF FINANCIAL PLAN AND BUDG-**
23 **ET.**—For each fiscal year for which the Postal Service is
24 in a control period, the Postmaster General shall develop

1 and submit to the Authority a financial plan and budget
2 for the Postal Service in accordance with this section.

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

4 A financial plan and budget for the Postal Service for a
5 fiscal year shall specify the budget for the Postal Service
6 as required by section 2009 of title 39, United States
7 Code, for the applicable fiscal year and the next 3 fiscal
8 years, in accordance with the following requirements:

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

12 (2) The financial plan and budget shall—

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

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

21 (C) describe capital expenditures (together
22 with a schedule of projected capital commit-
23 ments and cash outlays of the Postal Service
24 and proposed sources of funding);

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

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

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

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

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

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

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

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

24 (A) In each fiscal year (following the first
25 full fiscal year) in a control period, budgeted

1 expenditures of the Postal Service for the fiscal
2 year involved may not exceed budgeted revenues
3 of the Postal Service for the fiscal year in-
4 volved.

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

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

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

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

1 increasing revenues, or a combination of such prac-
2 tices.

3 (3) ASSUMPTIONS BASED ON CURRENT LAW.—

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

10 **SEC. 222. SUPPLEMENTARY BORROWING AUTHORITY DUR-**
11 **ING A CONTROL PERIOD.**

12 (a) IN GENERAL.—Upon the commencement of a
13 control period, subject to the approval of the Authority,
14 the Postal Service is authorized to borrow money and issue
15 and sell such obligations as may be necessary to carry out
16 the purposes of this title, to the same extent, in the same
17 manner, and subject to the same terms and conditions as
18 if the maximum amount allowable under the provisions of
19 section 2005(a)(2) of title 39, United States Code, for the
20 fiscal year involved were equal to the maximum amount
21 which (but for this section) would otherwise be allowable
22 under such provisions, increased by \$10,000,000,000.

23 (b) EXCLUSION.—The last sentence of section
24 2005(a)(1) of title 39, United States Code, shall not apply
25 with respect to any amounts borrowed or obligations

1 issued or sold under authority of this section (which, but
2 for subsection (a), would not otherwise have been allow-
3 able).

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

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

10 **SEC. 223. PROCESS FOR SUBMISSION AND APPROVAL OF FI-**
11 **NANCIAL PLAN AND BUDGET.**

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

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

18 (2) by August 1 before the start of such fiscal
19 year, a final financial plan and budget under section
20 221 for such fiscal year.

21 (b) REVIEW BY AUTHORITY.—Upon receipt of a fi-
22 nancial plan and budget under subsection (a) (whether
23 preliminary or final), the Authority shall promptly review
24 such financial plan and budget. In conducting the review,
25 the Authority may request any additional information it

1 considers necessary and appropriate to carry out its duties
2 under this subtitle.

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

5 (1) CERTIFICATION TO POSTMASTER GEN-
6 ERAL.—

7 (A) IN GENERAL.—If the Authority deter-
8 mines that the final financial plan and budget
9 for the fiscal year submitted by the Postmaster
10 General under subsection (a) meets the require-
11 ments of section 221—

12 (i) the Authority shall approve the fi-
13 nancial plan and budget and shall provide
14 the Postmaster General, the President, and
15 Congress with a notice certifying its ap-
16 proval; and

17 (ii) the Postmaster General shall
18 promptly submit the annual budget pro-
19 gram to the Office of Management and
20 Budget pursuant to section 2009 of title
21 39, United States Code.

22 (B) DEEMED APPROVAL AFTER 30 DAYS.—

23 (i) IN GENERAL.—If the Authority
24 has not provided the Postmaster General,
25 the President, and Congress with a notice

1 certifying approval under subparagraph
2 (A)(i) or a statement of disapproval under
3 subsection (d) before the expiration of the
4 30-day period which begins on the date the
5 Authority receives the financial plan and
6 budget from the Postmaster General under
7 subsection (a), the Authority shall be
8 deemed to have approved the financial plan
9 and budget and to have provided the Post-
10 master General, the President, and Con-
11 gress with the notice certifying approval
12 under subparagraph (A)(i).

13 (ii) EXPLANATION OF FAILURE TO
14 RESPOND.—If clause (i) applies with re-
15 spect to a financial plan and budget, the
16 Authority shall provide the Postmaster
17 General, the President and Congress with
18 an explanation for its failure to provide the
19 notice certifying approval or the statement
20 of disapproval during the 30-day period de-
21 scribed in such clause.

22 (d) DISAPPROVAL OF POSTMASTER GENERAL'S
23 BUDGET.—If the Authority determines that the final fi-
24 nancial plan and budget for the fiscal year submitted by
25 the Postmaster General under subsection (a) does not

1 meet the requirements applicable under section 221, the
2 Authority shall disapprove the financial plan and budget,
3 and shall provide the Postmaster General, the President,
4 and Congress with a statement containing—

5 (1) the reasons for such disapproval;

6 (2) the amount of any shortfall in the budget
7 or financial plan; and

8 (3) any recommendations for revisions to the
9 budget the Authority considers appropriate to ensure
10 that the budget is consistent with the financial plan
11 and budget.

12 (e) AUTHORITY REVIEW OF POSTMASTER GEN-
13 ERAL'S REVISED FINAL FINANCIAL PLAN AND BUDG-
14 ET.—

15 (1) SUBMISSION OF POSTMASTER GENERAL'S
16 REVISED FINAL FINANCIAL PLAN AND BUDGET.—
17 Not later than 15 days after receiving the statement
18 from the Authority under subsection (d), the Post-
19 master General shall promptly adopt a revised final
20 financial plan and budget for the fiscal year which
21 addresses the reasons for the Authority's disapproval
22 cited in the statement, and shall submit such finan-
23 cial plan and budget to the Authority.

24 (2) APPROVAL OF POSTMASTER GENERAL'S RE-
25 VISED FINAL FINANCIAL PLAN AND BUDGET.—If,

1 after reviewing the revised final financial plan and
2 budget for a fiscal year submitted by the Postmaster
3 General under paragraph (1) in accordance with the
4 procedures described in this section, the Authority
5 determines that the revised final financial plan and
6 budget meets the requirements applicable under sec-
7 tion 221—

8 (A) the Authority shall approve the finan-
9 cial plan and budget and shall provide the Post-
10 master General, the President, and Congress
11 with a notice certifying its approval; and

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

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

18 (A) IN GENERAL.—If, after reviewing the
19 revised final financial plan and budget for a fis-
20 cal year submitted by the Postmaster General
21 under paragraph (1) in accordance with the
22 procedures described in this subsection, the Au-
23 thority determines that the revised final finan-
24 cial plan and budget does not meet the applica-

1 ble requirements under section 221, the Author-
2 ity shall—

3 (i) disapprove the financial plan and
4 budget;

5 (ii) provide the Postmaster General,
6 the President, and Congress with a state-
7 ment containing the reasons for such dis-
8 approval and describing the amount of any
9 shortfall in the financial plan and budget;
10 and

11 (iii) approve and recommend a finan-
12 cial plan and budget for the Postal Service
13 which meets the applicable requirements
14 under section 221, and submit such finan-
15 cial plan and budget to the Postmaster
16 General, the President, and Congress.

17 (B) SUBMISSION TO OMB.—Upon receipt
18 of the recommended financial plan and budget
19 under subparagraph (A)(iii), the Postmaster
20 General shall promptly submit the rec-
21 ommended annual budget program to the Office
22 of Management and Budget pursuant to section
23 2009 of title 39, United States Code.

24 (4) DEEMED APPROVAL AFTER 15 DAYS.—

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

15 (B) EXPLANATION OF FAILURE TO RE-
16 SPOND.—If subparagraph (A) applies with re-
17 spect to a financial plan and budget, the Au-
18 thority shall provide the Postmaster General,
19 the President and Congress with an explanation
20 for its failure to provide the notice certifying
21 approval or the statement of disapproval during
22 the 15-day period described in such subpara-
23 graph.

24 (f) DEADLINE FOR TRANSMISSION OF FINANCIAL
25 PLAN AND BUDGET BY AUTHORITY.—Notwithstanding

1 any other provision of this section, not later than Sep-
2 tember 30th before each fiscal year which is in a control
3 period, the Authority shall—

4 (1) provide Congress with a notice certifying its
5 approval of the Postmaster General's initial financial
6 plan and budget for the fiscal year under subsection
7 (c)(1);

8 (2) provide Congress with a notice certifying its
9 approval of the Postmaster General's revised final fi-
10 nancial plan and budget for the fiscal year under
11 subsection (e)(2); or

12 (3) submit to Congress an approved and rec-
13 ommended financial plan and budget of the Author-
14 ity for the Postal Service for the fiscal year under
15 subsection (e)(3)(A)(iii).

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

17 (1) PERMITTING POSTMASTER GENERAL TO
18 SUBMIT REVISIONS.—The Postmaster General may
19 submit proposed revisions to the financial plan and
20 budget for a control period to the Authority at any
21 time during the year.

22 (2) PROCESS FOR REVIEW, APPROVAL, DIS-
23 APPROVAL, AND POSTMASTER GENERAL ACTION.—
24 Except as provided in paragraph (3), the procedures
25 described in subsections (b), (c), (d), and (e) shall

1 apply with respect to a proposed revision to a finan-
2 cial plan and budget in the same manner as such
3 procedures apply with respect to the original finan-
4 cial plan and budget.

5 (3) EXCEPTION FOR REVISIONS NOT AFFECT-
6 ING SPENDING.—To the extent that a proposed revi-
7 sion to a financial plan and budget adopted by the
8 Postmaster General pursuant to this subsection does
9 not increase the amount of spending with respect to
10 any account of the Postal Service, the revision shall
11 become effective upon the Authority’s approval of
12 such revision.

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

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

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

18 (2) determining its organizational structure,
19 particularly for senior management at the level of
20 vice president and higher;

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

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

5 (5) approving corporate budgets, financial and
6 capital plans, operational and service performance
7 standards and targets, human resources strategies,
8 collective bargaining strategies, negotiation param-
9 eters, and collective bargaining agreements, and the
10 compensation structure for nonbargaining employ-
11 ees;

12 (6) approving substantial capital projects and
13 any substantial disposition of capital assets, such as
14 surplus property;

15 (7) approving changes in rates and classifica-
16 tions, new products and services, policy regarding
17 other substantial matters before the Postal Regu-
18 latory Commission, and any appeals of its decisions
19 or orders to the Federal courts;

20 (8) approving the Postal Service Annual Re-
21 port, Annual Comprehensive Statement, and stra-
22 tegic plans, performance plans, and performance
23 program reports under chapter 28 of title 39,
24 United States Code;

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

4 (10) ensuring organizational responsiveness to
5 oversight by Congress, the Postal Regulatory Com-
6 mission, the Treasury of the United States, and
7 other audit entities;

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

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

17 (b) REVIEW OF POSTAL SERVICE PROPOSALS.—

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

23 (2) PROMPT REVIEW BY AUTHORITY.—Upon re-
24 ceipt of a proposal from the Postmaster General
25 under paragraph (1), the Authority shall promptly

1 review the proposal to determine whether it is con-
2 sistent with the applicable financial plan and budget
3 approved under this title.

4 (3) ACTIONS BY AUTHORITY.—

5 (A) APPROVAL.—If the Authority deter-
6 mines that a proposal is consistent with the ap-
7 plicable financial plan and budget, the Author-
8 ity shall notify the Postmaster General that it
9 approves the proposal.

10 (B) FINDING OF INCONSISTENCY.—If the
11 Authority determines that a proposal is signifi-
12 cantly inconsistent with the applicable financial
13 plan and budget, the Authority shall—

14 (i) notify the Postmaster General of
15 its finding;

16 (ii) provide the Postmaster General
17 with an explanation of the reasons for its
18 finding; and

19 (iii) to the extent the Authority con-
20 siders appropriate, provide the Postmaster
21 General with recommendations for modi-
22 fications to the proposal.

23 (4) DEEMED APPROVAL.—If the Authority does
24 not notify the Postmaster General that it approves
25 or disapproves a proposal submitted under this sub-

1 section during the 7-day period which begins on the
2 date the Postmaster General submits the proposal to
3 the Authority, the Authority shall be deemed to have
4 approved the proposal in accordance with paragraph
5 (3)(A). At the option of the Authority, the previous
6 sentence shall be applied as if the reference in such
7 sentence to “7-day period” were a reference to “14-
8 day period” if, during the 7-day period referred to
9 in the preceding sentence, the Authority so notifies
10 the Postmaster General.

11 (c) EFFECT OF APPROVED FINANCIAL PLAN AND
12 BUDGET ON CONTRACTS AND LEASES.—

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

15 (A) IN GENERAL.—In the case of a con-
16 tract or lease described in subparagraph (B)
17 which is proposed to be entered into, renewed,
18 modified, or extended by the Postal Service dur-
19 ing a control period, the Postmaster General
20 (or the appropriate officer or agent of the Post-
21 al Service) shall submit the proposed contract
22 or lease to the Authority. The Authority shall
23 review each contract or lease submitted under
24 this subparagraph, and the Postmaster General
25 (or the appropriate officer or agent of the Post-

1 al Service) may not enter into the contract or
2 lease unless the Authority determines that the
3 proposed contract or lease is consistent with the
4 financial plan and budget for the fiscal year.

5 (B) CONTRACTS AND LEASES DE-
6 SCRIBED.—A contract or lease described in this
7 subparagraph is—

8 (i) a labor contract entered into
9 through collective bargaining; or

10 (ii) such other type of contract or
11 lease as the Authority may specify for pur-
12 poses of this subparagraph.

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

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

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

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

24 Any such contract or agreement shall be sub-
25 mitted to the Authority upon the commence-

1 ment of a control period and at such other
2 times as the Authority may require.

3 (B) REVIEW BY AUTHORITY.—The Author-
4 ity shall review each contract submitted under
5 subparagraph (A) to determine if the contract
6 is consistent with the financial plan and budget
7 for the fiscal year. If the Authority determines
8 that the contract is not consistent with the fi-
9 nancial plan and budget, the Authority shall
10 take such actions as are within the Authority’s
11 powers to revise the contract.

12 **SEC. 225. EFFECT OF FINDING NONCOMPLIANCE WITH FI-**
13 **NANCIAL PLAN AND BUDGET.**

14 (a) SUBMISSION OF REPORTS.—Not later than 30
15 days after the expiration of each quarter of each fiscal
16 year beginning in a control period, the Postmaster General
17 shall submit reports to the Authority describing the actual
18 revenues obtained and expenditures made by the Postal
19 Service during the quarter with its cash flows during the
20 quarter, and comparing such actual revenues, expendi-
21 tures, and cash flows with the most recent projections for
22 these items.

23 (b) ADDITIONAL INFORMATION.—If the Authority
24 determines, based on reports submitted by the Postmaster
25 General under subsection (a), independent audits, or such

1 other information as the Authority may obtain, that the
2 revenues or expenditures of the Postal Service during a
3 control period are not consistent with the financial plan
4 and budget for the year, the Authority shall require the
5 Postmaster General to provide such additional information
6 as the Authority determines to be necessary to explain the
7 inconsistency.

8 (c) CERTIFICATION OF VARIANCE.—

9 (1) IN GENERAL.—After requiring the Post-
10 master General to provide additional information
11 under subsection (b), the Authority shall certify to
12 the Postmaster General, the President, the Secretary
13 of the Treasury, and Congress that the Postal Serv-
14 ice is at variance with the financial plan and budget
15 unless—

16 (A) the additional information provides an
17 explanation for the inconsistency which the Au-
18 thority finds reasonable and appropriate; or

19 (B)(i) the Postal Service adopts or imple-
20 ments remedial action (including revising the fi-
21 nancial plan and budget pursuant to section
22 223(g)) to correct the inconsistency which the
23 Authority finds reasonable and appropriate,
24 taking into account the terms of the financial
25 plan and budget; and

1 (ii) the Postmaster General agrees to sub-
2 mit the reports described in subsection (a) on
3 a monthly basis for such period as the Author-
4 ity may require.

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

7 (A) DETERMINATION BY AUTHORITY.—If
8 the Authority determines that the revenues or
9 expenditures of the Postal Service during a con-
10 trol period are not consistent with the financial
11 plan and budget for the year as approved by
12 the Authority under section 223 as a result of
13 the terms and conditions of any law enacted by
14 Congress which affects the Postal Service, the
15 Authority shall so notify the Postmaster Gen-
16 eral.

17 (B) CERTIFICATION.—In the case of an in-
18 consistency described in subparagraph (A), the
19 Authority shall certify to the Postmaster Gen-
20 eral, the President, the Secretary of the Treas-
21 ury, and Congress that the Postal Service is at
22 variance with the financial plan and budget un-
23 less the Postal Service adopts or implements re-
24 medial action (including revising the financial
25 plan and budget pursuant to section 202(e)) to

1 correct the inconsistency which the Authority
2 finds reasonable and appropriate, taking into
3 account the terms of the financial plan and
4 budget.

5 (d) EFFECT OF CERTIFICATION.—If the Authority
6 certifies to the Secretary of the Treasury that a variance
7 exists, the Authority or the Secretary may withhold access
8 by the Postal Service to additional supplementary debt au-
9 thorized by this title.

10 **SEC. 226. RECOMMENDATIONS REGARDING FINANCIAL**
11 **STABILITY, ETC.**

12 (a) IN GENERAL.—The Authority may at any time
13 submit recommendations to the Postmaster General, the
14 President, and Congress on actions the Postal Service or
15 any other entity of the Federal Government should take
16 to ensure compliance by the Postal Service with a financial
17 plan and budget or to otherwise promote the financial sta-
18 bility, management responsibility, and service delivery effi-
19 ciency of the Postal Service, including recommendations
20 relating to—

21 (1) the management of the Postal Service's fi-
22 nancial affairs, including cash forecasting, informa-
23 tion technology, placing controls on expenditures for
24 personnel, reducing benefit costs, reforming procure-

1 ment practices, and placing other controls on ex-
2 penditures;

3 (2) the relationship between the Postal Service
4 and other entities of the Federal Government;

5 (3) the structural relationship of subdivisions
6 within the Postal Service;

7 (4) the modification of existing revenue struc-
8 tures, or the establishment of additional revenue
9 structures;

10 (5) the establishment of alternatives for meet-
11 ing obligations to pay for the pensions and retire-
12 ment benefits of current and future Postal Service
13 retirees;

14 (6) modifications of services which are the re-
15 sponsibility of and are delivered by the Postal Serv-
16 ice;

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

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

22 (9) the increased use of a personnel system for
23 employees of the Postal Service which is based upon
24 employee performance standards; and

1 (10) the improvement of personnel training and
2 proficiency, the adjustment of staffing levels, and
3 the improvement of training and performance of
4 management and supervisory personnel.

5 (b) RESPONSE TO RECOMMENDATIONS FOR ACTIONS
6 WITHIN AUTHORITY OF POSTAL SERVICE.—

7 (1) IN GENERAL.—In the case of any rec-
8 ommendations submitted under subsection (a) dur-
9 ing a control period which are within the authority
10 of the Postal Service to adopt, not later than 90
11 days after receiving the recommendations, the Post-
12 master General shall submit a statement to the Au-
13 thority, the President, and Congress which provides
14 notice as to whether the Postal Service will adopt
15 the recommendations.

16 (2) IMPLEMENTATION PLAN REQUIRED FOR
17 ADOPTED RECOMMENDATIONS.—If the Postmaster
18 General notifies the Authority and Congress under
19 paragraph (1) that the Postal Service will adopt any
20 of the recommendations submitted under subsection
21 (a), the Postmaster General shall include in the
22 statement a written plan to implement the rec-
23 ommendation which includes—

1 (A) specific performance measures to de-
2 termine the extent to which the Postal Service
3 has adopted the recommendation; and

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

6 (3) EXPLANATIONS REQUIRED FOR REC-
7 OMMENDATIONS NOT ADOPTED.—If the Postmaster
8 General notifies the Authority, the President, and
9 Congress under paragraph (1) that the Postal Serv-
10 ice will not adopt any recommendation submitted
11 under subsection (a) which the Postal Service has
12 authority to adopt, the Postmaster General shall in-
13 clude in the statement explanations for the rejection
14 of the recommendations.

15 (c) IMPLEMENTATION OF REJECTED RECOMMENDA-
16 TIONS BY AUTHORITY.—

17 (1) IN GENERAL.—If the Postmaster General
18 notifies the Authority, the President, and Congress
19 under subsection (b)(1) that the Postal Service will
20 not adopt any recommendation submitted under sub-
21 section (a) which the Postal Service has authority to
22 adopt, the Authority may by a majority vote of its
23 members take such action concerning the rec-
24 ommendation as it deems appropriate, after con-
25 sulting with the Committee on Oversight and Gov-

1 ernment Reform of the House of Representatives
2 and the Committee on Homeland Security and Gov-
3 ernmental Affairs of the Senate.

4 (2) EFFECTIVE DATE.—This subsection shall
5 apply with respect to recommendations of the Au-
6 thority made after the expiration of the 6-month pe-
7 riod which begins on the date of the commencement
8 of a control period.

9 **SEC. 227. SPECIAL RULES FOR FISCAL YEAR IN WHICH**
10 **CONTROL PERIOD COMMENCES.**

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

15 (1) Not later than 45 days after the appoint-
16 ment of its members, the Authority shall review the
17 proposed Integrated Financial Plan for the Postal
18 Service for such fiscal year and shall submit any rec-
19 ommendations for modifications to such plan to pro-
20 mote the financial stability of the Postal Service to
21 the Postmaster General, the President, and Con-
22 gress.

23 (2) Not later than 15 days after receiving the
24 recommendations of the Authority submitted under
25 paragraph (1), the Postmaster General shall

1 promptly adopt a revised budget for the fiscal year
2 (in this section referred to as the “transition bud-
3 get”), and shall submit the transition budget to the
4 Authority, the President, and Congress.

5 (3) Not later than 15 days after receiving the
6 transition budget from the Postmaster General
7 under paragraph (2), the Authority shall submit a
8 report to the Postmaster General, the President, and
9 Congress analyzing the budget (taking into account
10 any items or provisions disapproved by the Post-
11 master General) and shall include in the report such
12 recommendations for revisions to the transition
13 budget as the Authority considers appropriate to
14 promote the financial stability of the Postal Service
15 during the fiscal year.

16 (b) FINANCIAL PLAN AND BUDGET.—

17 (1) DEADLINE FOR SUBMISSION.—For purposes
18 of section 223, the Postmaster General shall submit
19 the financial plan and budget for the applicable fis-
20 cal year as soon as practicable after the commence-
21 ment of a control period (in accordance with guide-
22 lines established by the Authority).

23 (2) ADOPTION BY POSTMASTER GENERAL.—In
24 accordance with the procedures applicable under sec-
25 tion 223 (including procedures providing for review

1 by the Authority) the Postmaster General shall
2 adopt the financial plan and budget for the applica-
3 ble fiscal year (including the transition budget incor-
4 porated in the financial plan and budget).

5 (3) **TRANSITION BUDGET AS TEMPORARY FI-**
6 **NANCIAL PLAN AND BUDGET.**—Until the approval of
7 the financial plan and budget for the applicable fis-
8 cal year by the Authority under this subsection, the
9 transition budget established under subsection (a)
10 shall serve as the financial plan and budget adopted
11 under this subtitle for purposes of this Act (and any
12 provision of law amended by this Act) for the appli-
13 cable fiscal year.

14 **SEC. 228. ASSISTANCE IN ACHIEVING FINANCIAL STA-**
15 **BILITY, ETC.**

16 In addition to any other actions described in this title,
17 the Authority may undertake cooperative efforts to assist
18 the Postal Service in achieving financial stability and man-
19 agement efficiency, including—

20 (1) assisting the Postal Service in avoiding de-
21 faults, eliminating and liquidating deficits, maintain-
22 ing sound budgetary practices, and avoiding inter-
23 ruptions in the delivery of services;

24 (2) assisting the Postal Service in improving
25 the delivery of services, the training and effective-

1 ness of personnel of the Postal Service, and the effi-
2 ciency of management and supervision; and

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

9 **SEC. 229. OBTAINING REPORTS.**

10 The Authority may require the Postmaster General,
11 the Chief Financial Officer of the Postal Service, and the
12 Inspector General of the Postal Service, to prepare and
13 submit such reports as the Authority considers appro-
14 priate to assist it in carrying out its responsibilities under
15 this title, including submitting copies of any reports re-
16 garding revenues, expenditures, budgets, costs, plans, op-
17 erations, estimates, and other financial or budgetary mat-
18 ters of the Postal Service.

19 **SEC. 230. REPORTS AND COMMENTS.**

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

1 (1) the progress made by the Postal Service in
2 meeting the objectives of this title during the fiscal
3 year;

4 (2) the assistance provided by the Authority to
5 the Postal Service in meeting the purposes of this
6 title for the fiscal year; and

7 (3) any other activities of the Authority during
8 the fiscal year.

9 (b) REVIEW AND ANALYSIS OF PERFORMANCE AND
10 FINANCIAL ACCOUNTABILITY REPORTS.—The Authority
11 shall review each yearly report prepared and submitted by
12 the Postmaster General to the Postal Regulatory Commis-
13 sion and Congress and shall submit a report to Congress
14 analyzing the completeness and accuracy of such reports.

15 (c) COMMENTS REGARDING ACTIVITIES OF POSTAL
16 SERVICE.—At any time during a control period, the Au-
17 thority may submit a report to Congress describing any
18 action taken by the Postal Service (or any failure to act
19 by the Postal Service) which the Authority determines will
20 adversely affect the Postal Service's ability to comply with
21 an approved financial plan and budget under subtitle B
22 or will otherwise have a significant adverse impact on the
23 best interests of the Postal Service.

24 (d) REPORTS ON EFFECT OF FEDERAL LAWS ON
25 THE POSTAL SERVICE.—At any time during any year, the

1 Authority may submit a report to the Postmaster General,
2 the President, and Congress on the effect of laws enacted
3 by Congress on the financial plan and budget for the year
4 and on the financial stability and management efficiency
5 of the Postal Service in general.

6 (e) MAKING REPORTS PUBLICLY AVAILABLE.—The
7 Authority shall make any report submitted under this sec-
8 tion available to the public, except to the extent that the
9 Authority determines that the report contains confidential
10 material.

11 **Subtitle D—Termination of a** 12 **Control Period**

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

14 (a) IN GENERAL.—After the completion of the re-
15 quirements for the termination of a control period de-
16 scribed in section 202(b)(4), the Authority shall submit
17 a recommendation to Congress requesting the termination
18 of such control period, the dissolution of the Authority,
19 and the reinstatement to the Board of Governors (and the
20 individual Governors) of the Postal Service of the authori-
21 ties and responsibilities referred to in section
22 202(b)(2)(A).

23 (b) CONGRESSIONAL APPROVAL.—

24 (1) IN GENERAL.—A control period shall not be
25 terminated unless a joint resolution approving of the

1 recommendation in subsection (a) is enacted, in ac-
2 cordance with section 232, before the earlier of—

3 (A) the end of the 30-day period beginning
4 on the date on which the Authority transmits
5 the recommendation to Congress under sub-
6 section (a); or

7 (B) the adjournment of the Congress sine
8 die for the session during which such rec-
9 ommendation is transmitted.

10 (2) DAYS OF SESSION.—For purposes of para-
11 graph (1) and subsections (a) and (c) of section 232,
12 the days on which either House of Congress is not
13 in session because of an adjournment of more than
14 3 days to a day certain shall be excluded in the com-
15 putation of a period.

16 **SEC. 232. CONGRESSIONAL CONSIDERATION OF REC-**
17 **COMMENDATION.**

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

23 (1) the matter after the resolving clause of
24 which is as follows: “That Congress approves the
25 recommendation of the Postal Service Financial Re-

1 sponsibility and Management Assistance Authority,
2 submitted by such Authority on ____.”, the blank
3 space being filled in with the appropriate date;

4 (2) the title of which is as follows: “Joint reso-
5 lution approving the recommendation of Postal Serv-
6 ice Financial Responsibility and Management Assist-
7 ance Authority.”; and

8 (3) which does not have a preamble.

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

14 (c) DISCHARGE.—If the committee to which a resolu-
15 tion described in subsection (a) is referred has not re-
16 ported such resolution (or an identical resolution) by the
17 end of the 20-day period beginning on the date on which
18 the Authority transmits its recommendation to Congress
19 under section 231(a) such committee shall, at the end of
20 such period, be discharged from further consideration of
21 such resolution, and such resolution shall be placed on the
22 appropriate calendar of the House involved.

23 (d) CONSIDERATION.—

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

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

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

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

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

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

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

5 (e) CONSIDERATION BY OTHER HOUSE.—

6 (1) IN GENERAL.—If, before the passage by one
7 House of a resolution of that House described in
8 subsection (a), that House receives from the other
9 House a resolution described in subsection (a), then
10 the following procedures shall apply:

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

16 (B) With respect to a resolution described
17 in subsection (a) of the House receiving the res-
18 olution—

19 (i) the procedure in that House shall
20 be the same as if no resolution had been
21 received from the other House; but

22 (ii) the vote on final passage shall be
23 on the resolution of the other House.

24 (2) DISPOSITION OF A RESOLUTION.—Upon
25 disposition of the resolution received from the other

1 House, it shall no longer be in order to consider the
2 resolution that originated in the receiving House.

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

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

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

18 **TITLE III—POSTAL SERVICE**

19 **WORKFORCE**

20 **Subtitle A—General Provisions**

21 **SEC. 301. MODIFICATIONS RELATING TO DETERMINATION**
22 **OF PAY COMPARABILITY.**

23 (a) POSTAL POLICY.—The first sentence of section
24 101(c) is amended—

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

3 (2) by inserting “entire” before “private sec-
4 tor”.

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

7 (1) by inserting “total” before “compensation
8 and benefits”; and

9 (2) by inserting “entire” before “private sec-
10 tor”.

11 (c) CONSIDERATIONS.—For purposes of the amend-
12 ments made by this section, any determination of “total
13 rates and types of compensation” or “total compensation
14 and benefits” shall, at a minimum, take into account pay,
15 health benefits, retirement benefits, life insurance benefits,
16 leave, holidays, and continuity and stability of employ-
17 ment.

18 **SEC. 302. LIMITATION ON POSTAL CONTRIBUTIONS UNDER**
19 **FEGLI AND FEHBP.**

20 Section 1003 is amended by adding at the end the
21 following:

22 “(e)(1) At least 1 month before the start of each fis-
23 cal year as described in paragraph (2), the Postmaster
24 General shall transmit to the Postal Regulatory Commis-
25 sion certification (together with such supporting docu-

1 mentation as the Postal Regulatory Commission may re-
2 quire) that contributions of the Postal Service for such
3 fiscal year will not exceed—

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

7 “(B) in the case of health insurance under
8 chapter 89 of title 5, the Government contributions
9 determined under 8906 of such title.

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

11 “(A) except as provided in subparagraph (B),
12 each fiscal year beginning after September 30, 2013;
13 and

14 “(B) in the case of officers and employees of
15 the Postal Service covered by a collective bargaining
16 agreement which is in effect on the date of the en-
17 actment of this subsection—

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

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

23 “(3)(A) If, after reasonable notice and opportunity
24 for hearing is afforded to the Postal Service, the Postal
25 Regulatory Commission finds that the contributions of the

1 Postal Service for a fiscal year will exceed or are exceeding
2 the limitation specified in subparagraph (A) or (B) of
3 paragraph (1), the Commission shall order that the Postal
4 Service take such action as the Commission considers nec-
5 essary to achieve full and immediate compliance with the
6 applicable limitation or limitations.

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

10 “(C) Nothing in this paragraph shall be considered
11 to permit the issuance of an order requiring reduction of
12 contributions below the level specified by the provision of
13 law cited in subparagraph (A) or (B) of paragraph (1),
14 as applicable.”.

15 **SEC. 303. REPEAL OF PROVISION RELATING TO OVERALL**
16 **VALUE OF FRINGE BENEFITS.**

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

18 **SEC. 304. MODIFICATIONS RELATING TO COLLECTIVE BAR-**
19 **GAINING.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (a) IN GENERAL.—Subchapter I of chapter 81 of title
6 5, United States Code, is amended by inserting after sec-
7 tion 8143a the following:

8 **“§ 8143b. Postal Service employees**

9 “(a) IN GENERAL.—Subject to the provisions of this
10 section, this subchapter applies to a Postal Service em-
11 ployee.

12 “(b) SPECIAL RULES.—In administering this sub-
13 chapter for a Postal Service employee—

14 “(1) section 8103(a) shall be applied—

15 “(A) as if it had been amended, in the
16 matter following paragraph (3), by inserting
17 ‘authorized by the Postmaster General’ after
18 ‘physician’; except that

19 “(B) subparagraph (A) shall not apply in
20 case of emergency or urgent care;

21 “(2) sections 8105(a) and 8106(a) shall be ap-
22 plied by substituting ‘50 percent’ for ‘66 2/3 per-
23 cent’ for purposes of computing monthly monetary
24 compensation or basic compensation (as the case
25 may be) payable for any month beginning on or

1 after the date on which the Postal Service employee
2 attains retirement age;

3 “(3) no augmented compensation under section
4 8110 shall be payable;

5 “(4) compensation under sections 8105-8106
6 shall be payable for a total of not to exceed 104
7 weeks per incident, unless, under regulations pre-
8 scribed by the Secretary of Labor, the treating phy-
9 sician finds that 1 or more temporary extensions are
10 necessary or that the disability is permanent;

11 “(5) notwithstanding the provisions of section
12 552a or any other provision of Federal or State law,
13 the Social Security Administration shall make avail-
14 able to the Secretary of Labor or the Postmaster
15 General, upon request, the Social Security earnings
16 information of a living or deceased Postal Service
17 employee in connection with an injury or disability
18 or the death of such employee, if—

19 “(A) such injury, disability, or death is the
20 subject of a claim under this subchapter; and

21 “(B) the Secretary of Labor or the Post-
22 master General (as the case may be) needs such
23 information for purposes of this subchapter.

1 “(c) RETIREMENT AGE.—For purposes of subsection
2 (b), the term ‘retirement age’ has the meaning given such
3 term under section 216(l)(1) of the Social Security Act.

4 “(d) APPLICABILITY.—

5 “(1) SUBSECTIONS (b)(1) AND (b)(4).—Para-
6 graphs (1) and (4) of subsection (b) shall apply in
7 connection with any injury occurring after the end
8 of the 6-month period beginning on the date of the
9 enactment of this section.

10 “(2) SUBSECTIONS (b)(2) AND (b)(3).—Para-
11 graphs (2) and (3) of subsection (b) shall apply for
12 purposes of determining any amount payable for any
13 month beginning after the end of the 60-day period
14 beginning on the date of the enactment of this sec-
15 tion, except as provided in subsection (e).

16 “(3) SUBSECTION (b)(5).—Subsection (b)(5)
17 shall take effect on the date of the enactment of this
18 section, and shall apply in the case of any individual
19 regardless of date of injury, disability, or death.

20 “(e) EXCEPTION.—Nothing in subsection (b)(2) shall
21 result in a computation or recomputation (determined by
22 applying 50 percent) before the Postal Service employee
23 has received compensation (determined by applying 66 2/
24 3 percent) for 12 months. The preceding sentence shall
25 not, in the case of a Postal Service employee who (as of

1 the effective date under subsection (d)(2)) has received
2 more than the maximum amount allowable under the pre-
3 ceding sentence, be considered to affect such individual's
4 entitlement to any of those earlier payments.

5 “(f) DEFINITION.—For purposes of this section, the
6 term ‘Postal Service employee’ means an individual whose
7 coverage under this subchapter is based on an injury that
8 occurred during such individual's current or former em-
9 ployment by the Postal Service or the Post Office Depart-
10 ment.”.

11 (b) CLERICAL AMENDMENT.—The table of sections
12 at the beginning of chapter 81 of title 5, United States
13 Code, is amended by inserting after the item relating to
14 section 8143a the following:

“8143b. Postal Service employees.”.

15 **TITLE IV—POSTAL SERVICE**
16 **REVENUE**

17 **SEC. 401. ADEQUACY, EFFICIENCY, AND FAIRNESS OF POST-**
18 **AL RATES.**

19 (a) IN GENERAL.—Paragraph (1) of section 3622(d)
20 is amended—

21 (1) by redesignating subparagraphs (B)
22 through (E) as subparagraph (E) through (H), re-
23 spectively; and

24 (2) by inserting after subparagraph (A) the fol-
25 lowing:

1 “(B) subject to the limitation under para-
2 graph (A), establish postal rates to fulfill the
3 requirement that each market-dominant class,
4 product, and type of mail service (except for an
5 experimental product or service) bear the direct
6 and indirect postal costs attributable to such
7 class, product, or type through reliably identi-
8 fied causal relationships plus that portion of all
9 other costs of the Postal Service reasonably as-
10 signable to such class, product, or type;

11 “(C) establish postal rates for each loss-
12 making class of mail to eliminate such losses by
13 exhausting all unused rate authority for each
14 class under this section as well as maximizing
15 incentives to reduce costs and increase effi-
16 ciency; with—

17 “(i) the term ‘loss-making’, as used
18 with respect to a class of mail, meaning a
19 class of mail that bears less than 100 per-
20 cent of its costs attributable (as described
21 in subparagraph (B)), according to the
22 most recent annual determination of the
23 Postal Regulatory Commission under sec-
24 tion 3653; and

1 “(ii) unused rate authority annually
2 increased by 5 percent for each class of
3 mail that bore less than 90 percent of its
4 costs attributable (as described in subpara-
5 graph (B)), according to the most recent
6 annual determination by the Postal Regu-
7 latory Commission under section 3653,
8 with such increase in unused rate authority
9 to take effect 30 days after issuance of
10 such Commission determination;

11 “(D) establish postal rates for each group
12 of functionally equivalent agreements between
13 the Postal Service and users of the mail that—

14 “(i) cover attributable cost; and

15 “(ii) improve the net financial position
16 of the Postal Service;

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

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

1 “(A) improve the net financial position of
2 the Postal Service through reducing Postal
3 Service costs or increasing the overall contribu-
4 tion to the institutional costs of the Postal
5 Service; and”.

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

8 “(4) EXCEPTION.—The requirements of para-
9 graph (1)(B) shall not apply to a market-dominant
10 product for which a substantial portion of the prod-
11 uct’s mail volume consists of inbound international
12 mail with terminal dues rates determined by the
13 Universal Postal Union (and not by bilateral agree-
14 ments or other arrangements).”.

15 **SEC. 402. REPEAL OF RATE PREFERENCES FOR QUALIFIED**
16 **POLITICAL COMMITTEES.**

17 Subsection (e) of section 3626 is repealed.

18 **SEC. 403. RATE PREFERENCES FOR NONPROFIT ADVER-**
19 **TISING.**

20 (a) PROVISIONS RELATING TO FORMER SECTION
21 4358(f).—Section 3626(a)(5) is amended by adding at the
22 end the following: “Notwithstanding any other provision
23 of this paragraph, the percentage specified in the pre-
24 ceding sentence shall be increased by an additional 5 per-
25 centage points as of the first day of each calendar year

1 beginning after the date of the enactment of the Postal
2 Reform Act of 2011, until such percentage reaches 90 per-
3 cent.”.

4 (b) PROVISIONS RELATING TO FORMER SECTION
5 4452 (b) AND (c).—Section 3626(a)(6) is amended by in-
6 serting after subparagraph (C) the following (as a flush
7 left sentence):

8 “Notwithstanding any other provision of this paragraph,
9 the percentage specified in subparagraph (A) shall be in-
10 creased by an additional 5 percentage points as of the first
11 day of each calendar year beginning after the date of the
12 enactment of the Postal Reform Act of 2011, until such
13 percentage reaches 90 percent.”.

14 **SEC. 404. STREAMLINED REVIEW OF QUALIFYING SERVICE**
15 **AGREEMENTS FOR COMPETITIVE PRODUCTS.**

16 Section 3633 is amended by adding at the end the
17 following:

18 “(c) STREAMLINED REVIEW.—Within 90 days after
19 the date of the enactment of this subsection, after notice
20 and opportunity for public comment, the Postal Regu-
21 latory Commission shall promulgate (and may from time
22 to time thereafter revise) regulations for streamlined
23 after-the-fact review of new agreements between the Post-
24 al Service and users of the mail that provide rates not
25 of general applicability for competitive products, and are

1 functionally equivalent to existing agreements that have
2 collectively covered attributable costs and collectively im-
3 proved the net financial position of the Postal Service.
4 Streamlined review will be concluded within 5 working
5 days after the agreement is filed with the Commission and
6 shall be limited to approval or disapproval of the agree-
7 ment as a whole based on the Commission's determination
8 of its functional equivalence. Agreements not approved
9 may be resubmitted without prejudice under section
10 3632(b)(3).”.

11 **SEC. 405. SUBMISSION OF SERVICE AGREEMENTS FOR**
12 **STREAMLINED REVIEW.**

13 Section 3632(b) is amended—

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

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

17 “(4) **RATES FOR STREAMLINED REVIEW.**—In
18 the case of rates not of general applicability for com-
19 petitive products that the Postmaster General con-
20 siders eligible for streamlined review under section
21 3633(c), the Postmaster General shall cause each
22 agreement to be filed with the Postal Regulatory
23 Commission by such date, on or before the effective
24 date of any new rate, as the Postmaster General
25 considered appropriate.”.

1 **SEC. 406. TRANSPARENCY AND ACCOUNTABILITY FOR**
2 **SERVICE AGREEMENTS.**

3 Section 3653 is amended—

4 (1) by redesignating subsections (e) through (e)
5 as subsections (d) through (f), respectively; and

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

8 “(c) Each annual written determination of the Com-
9 mission under section 3653 shall include the following
10 written determinations:

11 “(1) whether each product covered its costs,
12 and if it did not, the determination shall state that
13 such product is in noncompliance under section
14 3653(c); and

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

18 “(A) cover attributable costs; and

19 “(B) improve the net financial position of
20 the Postal Service.

21 “(3) Any group of functionally equivalent agree-
22 ments (as referred to in subparagraph (B)) not
23 meeting subparagraphs (A) and (B) of paragraph
24 (2) shall be determined to be in noncompliance
25 under this subsection.

1 “(4) For purposes of this subsection, a group of
2 functionally equivalent agreements (as referred to in
3 paragraph (2)) shall consist of all service agreements
4 that are functionally equivalent to each other within
5 the same market-dominant or competitive product,
6 but shall not include agreements within an experi-
7 mental product.”.

8 **SEC. 407. NONPOSTAL SERVICES.**

9 (a) NONPOSTAL SERVICES.—

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

12 **“CHAPTER 37—NONPOSTAL SERVICES**

“Sec.

“3701. Purpose.

“3702. Definitions.

“3703. Postal Service advertising program.

“3704. Postal Service program for State governments.

“3705. Postal Service program for other government agencies.

“3706. Transparency and accountability for nonpostal services.

13 **“§ 3701. Purpose**

14 “‘This chapter is intended to enable the Postal Service
15 to increase its net revenues through specific nonpostal
16 products and services that are expressly authorized by this
17 chapter. Postal Service revenues and expenses under this
18 chapter shall be funded through the Postal Service Fund.

19 **“§ 3702. Definitions**

20 “‘As used in this chapter—

21 “(1) the term ‘nonpostal services’ is limited to
22 services offered by the Postal Service that are ex-

1 pressly authorized by this chapter and are not postal
2 products or services;

3 “(2) the term ‘Postal Service advertising pro-
4 gram’ means a program, managed by the Postal
5 Service, by which the Postal Service receives reve-
6 nues from entities which advertise at Postal Service
7 facilities and on Postal Service vehicles;

8 “(3) the term ‘Postal Service program for State
9 governments’ means a program, managed by the
10 Postal Service, by which the Postal Service receives
11 revenue from State governments (including their
12 agencies) for providing services on their behalf at
13 Postal Service facilities;

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

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

17 **“§ 3703. Postal Service advertising program**

18 “Notwithstanding any other provision of this title,
19 the Postal Service may establish and manage a program
20 that allows entities to advertise at Postal Service facilities
21 and on Postal Service vehicles. Such a program shall be
22 subject to the following requirements:

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

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

4 “(3) All advertising expenditures and revenues
5 are subject to annual compliance determination (in-
6 cluding remedies for noncompliance) applicable to
7 nonpostal products.

8 “(4) Total advertising expenditures and reve-
9 nues must be disclosed in Postal Service annual re-
10 ports.

11 **“§ 3704. Postal Service program for State govern-**
12 **ments**

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

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

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

23 “(A) the cost and efficiency of postal serv-
24 ices; and

1 “(B) access to postal retail service, such as
2 customer waiting time and access to parking;
3 and

4 “(3) provide a reasonable contribution to the in-
5 stitutional costs of the Postal Service, defined as re-
6 imbursement for each service and to each agency
7 covering at least 150 percent of the attributable
8 costs of such service in each year.

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

23 “(c) APPROVAL REQUIRED.—The Governors of the
24 Postal Service shall approve the provision of services
25 under this section by a recorded vote, with at least $\frac{2}{3}$ of

1 its membership voting for approval, with the vote publicly
2 disclosed on the Postal Service website.

3 “(d) CLASSIFICATION OF SERVICES.—All services for
4 a given agency provided under this section shall be classi-
5 fied as a separate activity subject to the requirements of
6 annual reporting under section 3706. Such reporting shall
7 also include information on the quality of service and re-
8 lated information to demonstrate that it satisfied the re-
9 quirements of subsection (a). Information provided under
10 this section shall be according to requirements that the
11 Postal Regulatory Commission shall by regulation pre-
12 scribe.

13 “(e) DEFINITIONS.—For the purpose of this sec-
14 tion—

15 “(1) the term ‘State’ includes the District of
16 Columbia, the Commonwealth of Puerto Rico, the
17 United States Virgin Islands, Guam, American
18 Samoa, the Commonwealth of the Northern Mariana
19 Islands, and any other territory or possession of the
20 United States; and

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

1 **“§ 3705. Postal Service program for other government**
2 **agencies**

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

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

19 **“§ 3706. Transparency and accountability for non-**
20 **postal services**

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

22 “(1) IN GENERAL.—The Postal Service shall,
23 no later than 90 days after the end of each year,
24 prepare and submit to the Postal Regulatory Com-
25 mission a report (together with such nonpublic
26 annex to the report as the Commission may require

1 under subsection (b)) which shall analyze costs, reve-
2 nues, rates, and quality of service for this chapter,
3 using such methodologies as the Commission shall
4 by regulation prescribe, and in sufficient detail to
5 demonstrate compliance with all applicable require-
6 ments of this chapter.

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

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

19 “(c) CONTENT AND FORM OF REPORTS.—

20 “(1) IN GENERAL.—The Postal Regulatory
21 Commission shall, by regulation, prescribe the con-
22 tent and form of the public reports (and any non-
23 public annex and supporting matter relating to the
24 report) to be provided by the Postal Service under
25 this section. Such reports shall be included with the

1 annual compliance determination reported under sec-
2 tion 3653. In carrying out this subsection, the Com-
3 mission shall give due consideration to—

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

6 “(B) avoiding unnecessary or unwarranted
7 administrative effort and expense on the part of
8 the Postal Service; and

9 “(C) protecting the confidentiality of infor-
10 mation that is commercially sensitive or is ex-
11 empt from public disclosure under section
12 552(b) of title 5.

13 “(2) REVISED REQUIREMENTS.—The Commis-
14 sion may, on its own motion or on request of any
15 interested party, initiate proceedings (to be con-
16 ducted in accordance with regulations that the Com-
17 mission shall prescribe) to improve the quality, accu-
18 racy, or completeness of Postal Service data required
19 by the Commission under this subsection whenever
20 it shall appear that—

21 “(A) the attribution of costs or revenues to
22 property or services under this chapter has be-
23 come significantly inaccurate or can be signifi-
24 cantly improved;

1 “(B) the quality of service data provided to
2 the Commission for annual reports under this
3 chapter has become significantly inaccurate or
4 can be significantly improved; or

5 “(C) such revisions are, in the judgment of
6 the Commission, otherwise necessitated by the
7 public interest.

8 “(d) CONFIDENTIAL INFORMATION.—

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

22 “(2) TREATMENT.—Any information or other
23 matter described in paragraph (1) to which the
24 Commission gains access under this section shall be
25 subject to paragraphs (2) and (3) of section 504(g)

1 in the same way as if the Commission had received
2 notification with respect to such matter under sec-
3 tion 504(g)(1).

4 “(e) ANNUAL COMPLIANCE DETERMINATION.—

5 “(1) OPPORTUNITY FOR PUBLIC COMMENT.—

6 After receiving the reports required under subsection
7 (a) for any year, the Postal Regulatory Commission
8 shall promptly provide an opportunity for comment
9 on such reports by any interested party, and an offi-
10 cer of the Commission who shall be required to rep-
11 resent the interests of the general public.

12 “(2) DETERMINATION OF COMPLIANCE OR NON-

13 COMPLIANCE.—Not later than 90 days after receiv-

14 ing the submissions required under subsection (a)

15 with respect to a year, the Postal Regulatory Com-

16 mission shall make a written determination as to

17 whether any nonpostal activities during such year

18 were or were not in compliance with applicable pro-

19 visions of this chapter (or regulations promulgated

20 under this chapter). The Postal Regulatory Commis-

21 sion shall issue a determination of noncompliance if

22 the requirements for coverage of attributable costs

23 are not met. If, with respect to a year, no instance

24 of noncompliance is found to have occurred in such

1 year, the written determination shall be to that ef-
2 fect.

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

17 “(4) ANY DELIBERATE NONCOMPLIANCE.—In
18 addition, in cases of deliberate noncompliance by the
19 Postal Service with the requirements of this chapter,
20 the Postal Regulatory Commission may order, based
21 on the nature, circumstances, extent, and serious-
22 ness of the noncompliance, a fine (in the amount
23 specified by the Commission in its order) for each
24 incidence of noncompliance. All receipts from fines
25 imposed under this subsection shall be deposited in

1 the general fund of the Treasury of the United
2 States.”.

3 (2) CLERICAL AMENDMENT.—The table of
4 chapters at the beginning of part IV is amended by
5 adding after the item relating to chapter 36 the fol-
6 lowing:

“37. Nonpostal services 3701”.

7 (b) CONFORMING AMENDMENTS.—

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

10 “(6) Nothing in this section shall be considered to
11 prevent the Postal Service from establishing nonpostal
12 products and services that are expressly authorized by
13 chapter 37.”.

14 (2) SECTION 411.—The last sentence of section
15 411 is amended by striking “including
16 reimbursability” and inserting “including
17 reimbursability within the limitations of chapter
18 37”.

19 **SEC. 408. REIMBURSEMENT OF ALASKA BYPASS MAIL**
20 **COSTS.**

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

23 (1) by redesignating paragraph (2) as para-
24 graph (3); and

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

3 “(2) ALASKA BYPASS MAIL COSTS.—In addition
4 to the information required under subsection (a),
5 each report under this section shall also include,
6 with respect to the period covered by such report, an
7 estimate of the costs incurred by the Postal Service
8 in providing Alaska bypass mail service under sec-
9 tion 5402 of this title.”.

10 (b) REIMBURSEMENTS.—

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

13 **“§ 5404. Reimbursement of Alaska bypass mail costs**

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

18 “(b) DATE OF FIRST PAYMENT.—The State of Alas-
19 ka shall make its first payment under subsection (a) on
20 or before the last day of the first fiscal year of the State
21 of Alaska beginning after the date of enactment of this
22 section.

23 “(c) PAYMENT AMOUNTS.—

24 “(1) DETERMINATION OF AMOUNTS.—The
25 amount of a payment under subsection (a) shall be

1 determined based on the most recent cost estimate
2 prepared by the Postal Regulatory Commission
3 under section 3651(b)(2) of this title (in this sub-
4 section referred to as the ‘cost estimate’).

5 “(2) FIRST PAYMENT.—The first payment
6 under subsection (a) shall be in an amount equal to
7 20 percent of the cost estimate.

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

14 “(d) NOTICE OF PAYMENT AMOUNTS.—Not later
15 than 30 days after the date of issuance of a cost estimate
16 by the Postal Regulatory Commission under section
17 3651(b)(2) of this title, the Postal Service shall furnish
18 the State of Alaska with written notice of the amount of
19 the next payment due under subsection (a).

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

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

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

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

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

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

8 **SEC. 501. CONTRACTING PROVISIONS.**

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

11 **“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.

12 **“§ 701. Definitions**

13 “In this chapter—

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

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

18 “(A) the Postal Service; or

19 “(B) the Postal Regulatory Commission;

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

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

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

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

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

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

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

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

24 “(a) ESTABLISHMENT AND DESIGNATION.—

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

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

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

10 “(1) be responsible for promoting—

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

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

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

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

23 “(c) ANNUAL REPORT.—

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

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

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

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

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

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

16 “(A) to Congress;

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

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

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

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

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

2 “(a) IN GENERAL.—

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

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

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

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

22 “(b) POSTING OF DELEGATIONS.—

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

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

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

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

9 “(a) POSTING REQUIRED.—

10 “(1) POSTAL REGULATORY COMMISSION.—The
11 Postal Regulatory Commission shall make the non-
12 competitive purchase request for any noncompetitive
13 award for a postal contract in an amount of \$20,000
14 or more, including the rationale supporting the non-
15 competitive award, publicly available on the website
16 of the Postal Regulatory Commission—

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

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

23 “(2) POSTAL SERVICE.—The Postal Service
24 shall make the noncompetitive purchase request for
25 any noncompetitive award of a postal contract in an

1 amount of \$250,000 or more, including the rationale
2 supporting the noncompetitive award, publicly avail-
3 able on the website of the Postal Service—

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

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

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

11 “(A) REVIEW AND DETERMINATION.—Not
12 later than January 31 of each year, the Postal
13 Service shall—

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

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

21 “(B) AMOUNT OF ADJUSTMENTS.—An ad-
22 justment under subparagraph (A) shall be made
23 in increments of \$5,000. If the Postal Service
24 determines that a change in the Consumer
25 Price Index for a year would require an adjust-

1 ment in an amount that is less than \$5,000, the
2 Postal Service may not make an adjustment to
3 the threshold for the year.

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

8 “(b) PUBLIC AVAILABILITY.—

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

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

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

23 “(B) remove any proprietary data or secu-
24 rity-related information before making publicly

1 available a description of the rationale sup-
2 porting a noncompetitive award.

3 “(c) WAIVERS.—

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

13 “(2) FORM AND CONTENT OF WAIVER.—

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

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

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

23 “(ii) a statement that redaction of
24 sensitive information in the noncompetitive
25 purchase request would not be sufficient to

1 protect the Postal Service from being
2 placed at a competitive disadvantage rel-
3 ative to a private sector competitor.

4 “(3) DELEGATION OF WAIVER AUTHORITY.—

5 The Postal Service may not delegate the authority to
6 approve a waiver under paragraph (1) to any em-
7 ployee having less authority than the senior procure-
8 ment executive.

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

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

15 “(1) review the proposed contract; and

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

18 **“§ 706. Ethical restrictions on participation in certain**
19 **contracting activity**

20 “(a) DEFINITIONS.—In this section—

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

22 “(A) a contracting officer; or

23 “(B) any employee of a covered postal en-
24 tity whose decisionmaking affects a postal con-

1 tract as determined by regulations prescribed
2 by the head of a covered postal entity;

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

7 “(3) the term ‘covered relationship’ means a
8 covered relationship described in section
9 2635.502(b)(1) of title 5, Code of Federal Regulations,
10 or any successor thereto.

11 “(b) IN GENERAL.—

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

14 “(A) require a covered employee to include
15 in the file of any noncompetitive purchase request
16 for a noncompetitive postal contract a
17 written certification that—

18 “(i) discloses any covered relationship
19 of the covered employee; and

20 “(ii) states that the covered employee
21 will not take any action with respect to the
22 noncompetitive purchase request that affects the financial
23 interests of a friend, relative, or person with whom the
24 covered employee is affiliated in a nongovernmental
25

1 capacity, or otherwise gives rise to an ap-
2 pearance of the use of public office for pri-
3 vate gain, as described in section 2635.702
4 of title 5, Code of Federal Regulations, or
5 any successor thereto;

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

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

1 Ethical Conduct for Employees of the Executive
2 Branch), or any successor thereto;

3 “(D) under subsections (d) and (e) of sec-
4 tion 2635.50 of title 5, Code of Federal Regula-
5 tions, or any successor thereto, require the eth-
6 ics counsel for a covered postal entity to—

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

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

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

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

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

7 “(c) CONTRACT VOIDANCE AND RECOVERY.—

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

13 “(A) void that contract; and

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

17 “(2) OBTAINING OR DISCLOSING PROCUREMENT
18 INFORMATION.—

19 “(A) IN GENERAL.—In any case in which
20 a contractor under a postal contract fails to
21 timely disclose a conflict of interest to the ap-
22 propriate contracting officer as required under
23 the regulations promulgated under subsection
24 (b)(1)(E), the head of a covered postal entity
25 may—

1 “(i) void that contract; and

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

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

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

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

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

“7. Contracting Provisions 701”.

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

22 Section 7101(8) of title 41, United States Code, is
23 amended—

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

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

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

4 “(E) the United States Postal Service and
5 the Postal Regulatory Commission.”.

