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(Original Signature of Member)

113TH CONGRESS
2D SESSION

H. R. _____

To amend title 39, United States Code, to implement the Postal Service reform proposals contained in the President's budget for fiscal year 2015.

IN THE HOUSE OF REPRESENTATIVES

Mr. ISSA introduced the following bill; which was referred to the Committee
on _____

A BILL

To amend title 39, United States Code, to implement the Postal Service reform proposals contained in the President's budget for fiscal year 2015.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Administration's Postal Reform Proposal Act”.

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

Sec. 1. Short title; table of contents.
Sec. 2. Nationwide mail delivery schedule.

- Sec. 3. State and local nonpostal services.
- Sec. 4. Delivery-point modernization.
- Sec. 5. Post office protection.
- Sec. 6. Retiree health benefit funding reform.
- Sec. 7. Specific retirement liability calculations relating to the Postal Service.
- Sec. 8. One-time Federal Employees' Retirement System projected pension surplus refund.
- Sec. 9. Treatment of most recent exigent rate increase.

1 **SEC. 2. NATIONWIDE MAIL DELIVERY SCHEDULE.**

2 Section 404 of title 39, United States Code, is
3 amended by adding at the end the following:

4 “(f)(1) The Postal Service may establish a general,
5 nationwide mail delivery schedule of 5 days per week.

6 “(2) Nothing in this section shall be construed to au-
7 thorize a reduction, or to require an increase, in frequency
8 of mail delivery for any address for which the Postal Serv-
9 ice provided delivery on fewer than 6 days per week as
10 of January 1, 2013.”.

11 **SEC. 3. STATE AND LOCAL NONPOSTAL SERVICES.**

12 (a) NONPOSTAL SERVICES.—

13 (1) IN GENERAL.—Part IV of title 39, United
14 States Code, is amended by adding after chapter 36
15 the following:

16 **“CHAPTER 37—NONPOSTAL SERVICES**

“3701. Specific authority.

“3702. Definitions.

“3703. Postal Service program for State, local, and tribal governments.

17 **“§ 3701. Specific authority**

18 “Postal Service revenues and expenses under this
19 chapter shall be funded through the Postal Service Fund.

1 **“§ 3702. Definitions**

2 “In this chapter—

3 “(1) the term ‘local government’ means—

4 “(A) a county, municipality, city, town,
5 township, rural community, unincorporated
6 town or village, local public authority, school
7 district, special district, intrastate district,
8 council of governments, or regional or interstate
9 government entity; or

10 “(B) an agency or instrumentality of an
11 entity described in subparagraph (A);

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

18 “(3) the term ‘tribal government’ means the
19 government of an Indian tribe, as that term is de-
20 fined in section 4(e) of the Indian Self-Determina-
21 tion Act (25 U.S.C. 450b(e)).

22 **“§ 3703. Postal Service program for State, local, and**
23 **tribal governments**

24 “Notwithstanding any other provision of this title,
25 the Postal Service may establish a program to enter into

1 leasing agreements with any State, local, or tribal govern-
2 ment for the joint use of **【its】** property and services.”.

3 (2) CLERICAL AMENDMENT.—The table of
4 chapters at the beginning of part IV of title 39,
5 United States Code, is amended by adding after the
6 item relating to chapter 36 the following:

“37. Nonpostal Services 3701”.

7 **SEC. 4. DELIVERY-POINT MODERNIZATION.**

8 (a) IN GENERAL.—Subchapter VII of chapter 36 of
9 title 39, United States Code, is amended by adding at the
10 end the following:

11 **“§ 3692. Delivery-point modernization**

12 “(a) DEFINITIONS.—For the purposes of this sec-
13 tion—

14 “(1) the term ‘delivery point’ means a mailbox
15 or other receptacle to which mail is delivered;

16 “(2) the term ‘primary mode of mail delivery’
17 means the typical method by which the Postal Serv-
18 ice delivers letter mail to the delivery point of a
19 postal patron;

20 “(3) the term ‘door delivery’ means a primary
21 mode of mail delivery whereby mail is placed into a
22 slot or receptacle at or near the postal patron’s door
23 or is hand delivered to a postal patron, but does not
24 include curbside or centralized delivery;

1 “(4) the term ‘centralized delivery’ means a pri-
2 mary mode of mail delivery whereby mail receptacles
3 of a number of delivery points are grouped or clus-
4 tered at a single location;

5 “(5) the term ‘curbside delivery’ means a pri-
6 mary mode of mail delivery whereby a mail recep-
7 tacle is situated at the edge of a sidewalk abutting
8 a road or curb, at a road, or at a curb; and

9 “(6) the term ‘local government’ has the mean-
10 ing given such term by section 3702(1).

11 “(b) POLICY.—It shall be the policy of the Postal
12 Service to use the most cost-effective primary mode of
13 mail delivery feasible for postal patrons.

14 “(c) PHASEOUT OF DOOR DELIVERY.—

15 “(1) BUSINESS ADDRESS CONVERSION.—The
16 Postal Service shall implement a program to convert
17 existing business addresses with door delivery to
18 curbside or centralized delivery to the maximum ex-
19 tent feasible.

20 “(2) RESIDENTIAL ADDRESS CONVERSION.—

21 “(A) IDENTIFICATION.—Within 1 year
22 after the date of enactment of this section, each
23 district office shall identify residential addresses
24 within its service area that are appropriate can-
25 didates for conversion to curbside or centralized

1 delivery, in accordance with standards estab-
2 lished by the Postal Service.

3 “(B) CONVERSION ORDER.—The Postal
4 Service shall seek to voluntarily convert the de-
5 livery points identified under subparagraph (A)
6 from door delivery to more cost-effective pri-
7 mary modes of mail delivery.

8 “(C) PROCEDURES.—In carrying out con-
9 versions under subparagraph (B), the Postal
10 Service shall establish procedures—

11 “(i) to solicit, consider, and respond
12 to input from postal patrons, local govern-
13 ments, local associations, and property
14 owners; and

15 “(ii) to place centralized delivery
16 points in locations that maximize delivery
17 efficiency, ease of use for postal patrons,
18 and respect for private property rights.”.

19 (b) CLERICAL AMENDMENT.—The table of sections
20 for chapter 36 of title 39, United States Code, is amended
21 by adding after the item relating to section 3691 the fol-
22 lowing:

“3692. Delivery-point modernization.”.

23 **SEC. 5. POST OFFICE PROTECTION.**

24 (a) POST OFFICE CONSOLIDATION REFORMS.—Sec-
25 tion 404(d) of title 39, United States Code, is amended

1 by striking the matter before paragraph (2) and inserting
2 the following:

3 “(d)(1) The Postal Service, prior to making a deter-
4 mination under subsection (a)(3) as to the necessity for
5 the closing or consolidation of any post office, shall, to
6 the extent practicable—

7 “(A) consider whether—

8 “(i) to discontinue the post office;

9 “(ii) to reduce the number of hours per
10 day the post office operates;

11 “(iii) to provide postal services, similar to
12 those offered by the post office, to the commu-
13 nity served by such post office through a con-
14 tract postal unit; or

15 “(iv) to provide postal services, similar to
16 those offered by the post office, to the commu-
17 nity served by such post office through a letter
18 carrier;

19 “(B) conduct a nonbinding survey to allow post-
20 al patrons served by such post office an opportunity
21 to indicate their preference among potential retail
22 service options; and

23 “(C) provide adequate notice of its intention to
24 close or consolidate such post office, if such a deter-
25 mination is made, at least 60 days prior to the pro-

1 posed date of such closing or consolidation to postal
2 patrons served by such post office.”.

3 (b) DEFINITIONS.—Section 404(d) of title 39, United
4 States Code, is further amended by adding after para-
5 graph (6) the following:

6 “(7) For purposes of this subsection, the term ‘con-
7 tract postal unit’ means a store or other place of business
8 which—

9 “(A) is not owned or operated by the Postal
10 Service; and

11 “(B) in addition to its usual operations, pro-
12 vides postal services to the general public under con-
13 tract with the Postal Service.”.

14 **SEC. 6. RETIREE HEALTH BENEFIT FUNDING REFORM.**

15 Subsection 8909a(d) of title 5, United States Code,
16 is amended—

17 (1) in paragraph (2)(B), by striking “2017”
18 and inserting “2014”; and

19 (2) in paragraph (3)—

20 (A) in subparagraph (A)—

21 (i) in clause (iii), by adding “and” at
22 the end;

23 (ii) in clause (iv), by striking the
24 semicolon at the end and inserting a pe-
25 riod; and

1 (iii) by striking clauses (v) through
2 (x); and

3 (B) by redesignating subparagraph (B) as
4 subparagraph (C); and

5 (C) by inserting after subparagraph (A)
6 the following:

7 “(B) Not later than September 30, 2015 (for
8 fiscal year 2015), and not later than September 30,
9 2016 (for fiscal year 2016), the United States Post-
10 al Service shall pay into such Fund the sum of—

11 “(i) the net present value computed under
12 paragraph (1); and

13 “(ii)(I) for fiscal year 2015,
14 \$2,850,000,000; and

15 “(II) for fiscal year 2016,
16 \$2,900,000,000.”.

17 **SEC. 7. SPECIFIC RETIREMENT LIABILITY CALCULATIONS**
18 **RELATING TO THE POSTAL SERVICE.**

19 Section 8423(a) of title 5, United States Code, is
20 amended—

21 (1) in paragraph (1)—

22 (A) in subparagraph (A)—

23 (i) in clause (i), by striking “subpara-
24 graph (B)),” and inserting “subparagraph
25 (B) or (C)),”; and

1 (ii) in clause (ii), by striking “and”
2 after the semicolon;

3 (B) in subparagraph (B)(ii), by striking
4 the period at the end and inserting “; and”;
5 and

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

7 “(C) the product of—

8 “(i) the normal-cost percentage, as deter-
9 mined for employees (other than employees cov-
10 ered by subparagraph (B)) of the United States
11 Postal Service under paragraph (5), multiplied
12 by

13 “(ii) the aggregate amount of basic pay
14 payable by the United States Postal Service, for
15 the period involved, to employees of the United
16 States Postal Service.”; and

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

18 “(5)(A) In determining the normal-cost percentage
19 for employees of the United States Postal Service for pur-
20 poses of paragraph (1)(C), the Office—

21 “(i) shall use demographic factors specific to
22 such employees, unless such data cannot be gen-
23 erated; and

1 “(ii) may use economic assumptions regarding
2 wage and salary growth that reflect the specific past,
3 and likely future, pay for such employees.

4 “(B) The United States Postal Service shall provide
5 any data or projections the Office requires in order to de-
6 termine the normal-cost percentage for employees of the
7 United States Postal Service, consistent with subpara-
8 graph (A).

9 “(C) The Office shall review the determination of the
10 normal-cost percentage for employees of the United States
11 Postal Service and make such adjustments as the Office
12 considers necessary—

13 “(i) upon request of the United States Postal
14 Service, but not more frequently than once each fis-
15 cal year; and

16 “(ii) at such other times as the Office considers
17 appropriate.

18 “(6) For the purpose of carrying out subsection
19 (b)(1)(B), and consistent with paragraph (5), for fiscal
20 year 2013, and each fiscal year thereafter, the Office—

21 “(A) shall use demographic factors specific to
22 current and former employees of the United States
23 Postal Service, unless such data cannot be gen-
24 erated; and

1 “(B) may use economic assumptions regarding
2 wage and salary growth that reflect the specific past,
3 and likely future, pay for current employees of the
4 United States Postal Service.”.

5 **SEC. 8. ONE-TIME FEDERAL EMPLOYEES’ RETIREMENT SYS-**
6 **TEM PROJECTED PENSION SURPLUS RE-**
7 **FUND.**

8 (a) CALCULATION.—Not later than September 1,
9 2014, the Director of the Office of Personnel Management
10 shall compute the amount of the supplemental liability
11 under paragraph (1)(B) of section 8423(b) of title 5,
12 United States Code, with respect to current or former em-
13 ployees of the United States Postal Service and the Postal
14 Regulatory Commission and their survivors as of Sep-
15 tember 30, 2013, using the assumptions established by the
16 amendments made by section 7 of this Act.

17 (b) REFUND.—If the Director of the Office of Per-
18 sonnel Management determines under subsection (a) that
19 the Postal Service has a negative supplemental liability as
20 of September 30, 2013, the Director shall transfer an
21 amount equal to one-half of such negative supplemental
22 liability from the Civil Service Retirement and Disability
23 Fund established under section 8348 of title 5, United
24 States Code, to the Postal Service on—

25 (1) September 30, 2014; and

1 (2) September 30, 2015.

2 **SEC. 9. TREATMENT OF MOST RECENT EXIGENT RATE IN-**
3 **CREASE.**

4 (a) IN GENERAL.—Notwithstanding any other provi-
5 sion of law, rule, or regulation, until revised by or in ac-
6 cordance with law, the rates and classes for market-domi-
7 nant products which are in effect as of January 26, 2014,
8 shall, for all purposes (including further revision under
9 subchapter I of chapter 36 of title 39, United States Code)
10 be treated as the rates and classes for market-dominant
11 products.

12 (b) MARKET-DOMINANT PRODUCT DEFINED.—For
13 purposes of this section, the term “market-dominant prod-
14 uct” has the meaning given such term under section 102
15 of title 39, United States Code.