

POSTAL REORGANIZATION

AUGUST 3, 1970.—Ordered to be printed

Mr. DULSKI, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 17070]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 17070) to improve and modernize the postal service, to reorganize the Post Office Department, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Postal Reorganization Act".

UNITED STATES POSTAL SERVICE

Sec. 2. Title 39, United States Code, is revised and reenacted, and the sections thereof may be cited as "39 U.S.C. §", as follows:

"TITLE 39—POSTAL SERVICE

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"Chapter 1.—POSTAL POLICY AND DEFINITIONS

"Sec.

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"102. Definitions.

"§ 101. Postal policy

"(a) *The United States Postal Service shall be operated as a basic and fundamental service provided to the people by the Government of the United States, authorized by the Constitution, created by Act of Congress, and supported by the people. The Postal Service shall have as its basic function the obligation to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people. It shall provide prompt, reliable, and efficient services to patrons in all areas and shall render postal services to all communities. The costs of establishing and maintaining the Postal Service shall not be apportioned to impair the overall value of such service to the people.*

"(b) *The Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining. No small post office shall be closed solely for operating at a deficit, it being the specific intent of the Congress that effective postal services be insured to residents of both urban and rural communities.*

"(c) *As an employer, the Postal Service shall achieve and maintain compensation for its officers and employees comparable to the rates and types of compensation paid in the private sector of the economy of the United States. It shall place particular emphasis upon opportunities for career advancements of all officers and employees and the achievement of worthwhile and satisfying careers in the service of the United States.*

"(d) *Postal rates shall be established to apportion the costs of all postal operations to all users of the mail on a fair and equitable basis.*

"(e) *In determining all policies for postal services, the Postal Service shall give the highest consideration to the requirement for the most expeditious collection, transportation, and delivery of important letter mail.*

"(f) *In selecting modes of transportation, the Postal Service shall give highest consideration to the prompt and economical delivery of all mail and shall make a fair and equitable distribution of mail business to carriers providing similar modes of transportation services to the Postal Service. Modern methods of transporting mail by containerization and programs designed to achieve overnight transportation to the destination of important letter mail to all parts of the Nation shall be a primary goal of postal operations.*

"(g) *In planning and building new postal facilities, the Postal Service shall emphasize the need for facilities and equipment designed to create desirable working conditions for its officers and employees, a maximum degree of convenience for efficient postal services, proper access to existing and future air and surface transportation facilities, and control of costs to the Postal Service.*

"§ 102. Definitions

"As used in this title—

"(1) 'Postal Service' means the United States Postal Service established by section 201 of this title;

"As used in this title—

“(2) ‘Board of Governors’, and ‘Board’, unless the context otherwise requires, mean the Board of Governors established under section 202 of this title; and

“(3) ‘Governors’ means the 9 members of the Board of Governors appointed by the President, by and with the advise and consent of the Senate, under section 202(a) of this title.

“Chapter 2.—ORGANIZATION

“Sec.

“201. United States Postal Service.

“202. Board of Governors.

“203. Postmaster General; Deputy Postmaster General.

“204. Assistant Postmasters General; General Counsel; Judicial Officer.

“205. Procedures of the Board of Governors.

“206. Advisory Council.

“207. Seal.

“208. Reservation of powers.

“§ 201. United States Postal Service

“There is established, as an independent establishment of the executive branch of the Government of the United States, the United States Postal Service.

“§ 202. Board of Governors

“(a) The exercise of the power of the Postal Service shall be directed by a Board of Governors composed of 11 members appointed in accordance with this section. Nine of the members, to be known as Governors, shall be appointed by the President, by and with the advice and consent of the Senate, not more than 5 of whom may be adherents of the same political party. The Governors shall elect a Chairman from among the members of the Board. The Governors shall be chosen to represent the public interest generally, and shall not be representatives of specific interests using the Postal Service, and may be removed only for cause. Each Governor shall receive a salary of \$10,000 a year plus \$300 a day for not more than 30 days of meetings each year and shall be reimbursed for travel and reasonable expenses incurred in attending meetings of the Board. Nothing in the preceding sentence shall be construed to limit the number of days of meetings each year to 30 days.

“(b) The terms of the 9 Governors shall be 9 years, except that the terms of the 9 Governors first taking office shall expire as designated by the President at the time of appointment, 1 at the end of 1 year, 1 at the end of 2 years, 1 at the end of 3 years, 1 at the end of 4 years, 1 at the end of 5 years, 1 at the end of 6 years, 1 at the end of 7 years, 1 at the end of 8 years, and 1 at the end of 9 years, following the appointment of the first of them. Any Governor appointed to fill a vacancy before the expiration of the term for which his predecessor was appointed shall serve for the remainder of such term.

“(c) The Governors shall appoint and shall have the power to remove the Postmaster General, who shall be a voting member of the Board. His pay and term of service shall be fixed by the Governors.

“(d) The Governors and the Postmaster General shall appoint and shall have the power to remove the Deputy Postmaster General, who shall be a voting member of the Board. His term of service shall be fixed by the Governors and the Postmaster General and his pay by the Governors.

“§ 203. Postmaster General; Deputy Postmaster General

“The chief executive officer of the Postal Service is the Postmaster General appointed under section 202(c) of this title. The alternate chief executive officer of the Postal Service is the Deputy Postmaster General appointed under section 202(d) of this title.

“§ 204. Assistant Postmaster General; General Counsel; Judicial Officer

“There shall be within the Postal Service a General Counsel, such number of Assistant Postmasters General as the Board shall consider appropriate, and a Judicial Officer. The General Counsel, the Assistant Postmasters General, and the Judicial Officer shall be appointed by, and serve at the pleasure of, the Postmaster General. The Judicial Officer shall perform such quasi-judicial duties, not inconsistent with chapter 36 of this title, as the Postmaster General may designate. The Judicial Officer shall be the agency for the purposes of the requirements of chapter 5 of title 5, to the extent that functions are delegated to him by the Postmaster General.

“§ 205. Procedures of the Board of Governors

“(a) The Board shall direct and control the expenditures and review the practices and policies of the Postal Service, and perform other functions and duties prescribed by this title.

“(b) Vacancies in the Board, as long as there are sufficient members to form a quorum, shall not impair the powers of the Board under this title.

“(c) The Board shall act upon majority vote of those members who are present, and any 6 members present shall constitute a quorum for the transaction of business by the Board, except—

“(1) that in the appointment or removal of the Postmaster General, and in setting the compensation of the Postmaster General and Deputy Postmaster General, a favorable vote of an absolute majority of the Governors in office shall be required;

“(2) that in the appointment or removal of the Deputy Postmaster General, a favorable vote of an absolute majority of the Governors in office and the member serving as Postmaster General shall be required; and

“(3) as otherwise provided in this title.

“(d) No officer or employee of the United States may serve concurrently as a Governor. A Governor may hold any other office or employment not inconsistent or in conflict with his duties, responsibilities, and powers as an officer of the Government of the United States in the Postal Service.

“§ 206. Advisory Council

“(a) There shall be a Postal Service Advisory Council, of which the Postmaster General shall be the Chairman and the Deputy Postmaster General shall be the Vice Chairman. The Advisory Council shall have 11 additional members appointed by the President. He shall appoint as such members (1) 4 persons from among persons nominated by those labor organizations recognized as collective-bargaining representatives for employees of the Postal Service in one or more collective-bargaining units, (2) 4 persons as representatives of major mail

users, and (3) 3 persons as representatives of the public at large. All members shall be appointed for terms of 2 years except that, of those first appointed, 2 of the members representative of labor organizations, 2 of the members representative of major postal users, and 1 member representing the public at large shall be appointed for 1 year. Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall serve for the remainder of such term.

"(b) The Postal Service shall consult with and receive the advice of the Advisory Council regarding all aspects of postal operations.

"(c) The members of the Council representative of the public at large shall receive for each meeting of the Council an amount equal to the daily rate applicable to level V of the Executive Schedule under section 5316 of title 5. All members of the Council shall be reimbursed for necessary travel and reasonable expenses incurred in attending meetings of the Council.

"§ 207. Seal

"The seal of the Postal Service shall be filed by the Board in the Office of the Secretary of State, judicially noticed, affixed to all commissions of officers of the Postal Service, and used to authenticate records of the Postal Service.

"§ 208. Reservation of powers

"Congress reserves the power to alter, amend, or repeal any or all of the sections of this title, but no such alteration, amendment, or repeal shall impair the obligation of any contract made by the Postal Service under any power conferred by this title.

"Chapter 4.—GENERAL AUTHORITY

"Sec.

"401. General powers of the Postal Service.

"402. Delegation of authority.

"403. General duties.

"404. Specific powers.

"405. Printing of illustrations of United States postage stamps.

"406. Postal services at Armed Forces installation.

"407. International postal arrangements.

"408. International money-order exchanges.

"409. Suits by and against the Postal Service.

"410. Application of other laws.

"411. Cooperation with other Government agencies.

"412. Nondisclosure of lists of names and addresses.

"§ 401. General powers of the Postal Service

"The Postal Service shall have the following general powers:

"(1) to sue and be sued in its official name;

"(2) to adopt, amend, and repeal such rules and regulations as it deems necessary to accomplish the objectives of this title;

"(3) to enter into and perform contracts, execute instruments, and determine the character of, and necessity for, its expenditures;

"(4) to determine and keep its own system of accounts and the forms and contents of its contracts and other business documents, except as otherwise provided in this title;

“(5) to acquire, in any lawful manner, such personal or real property, or any interest therein, as it deems necessary or convenient in the transaction of its business; to hold, maintain, sell, lease, or otherwise dispose of such property or any interest therein; and to provide services in connection therewith and charges therefor;

“(6) to construct, operate, lease, and maintain buildings, facilities, equipment, and other improvements on any property owned or controlled by it, including, without limitation, any property or interest therein transferred to it under section 2002 of this title;

“(7) to accept gifts or donations of services or property, real or personal, as it deems necessary or convenient in the transaction of its business;

“(8) to settle and compromise claims by or against it;

“(9) to exercise, in the name of the United States, the right of eminent domain for the furtherance of its official purposes; and to have the priority of the United States with respect to the payment of debts out of bankrupt, insolvent, and decedents' estates; and

“(10) to have all other powers incidental, necessary, or appropriate to the carrying on of its functions or the exercise of its specific powers.

“§ 402. Delegation of authority

“Except for those powers, duties, or obligations specifically vested in the Governors, as distinguished from the Board of Governors, the Board may delegate the authority vested in it to the Postmaster General under such terms, conditions, and limitations, including the power of redelegation, as it deems desirable. The Board may establish such committees of the Board, and delegate such powers to any committee, as the Board determines appropriate to carry out its functions and duties. Delegations to the Postmaster General or committees shall be consistent with other provisions of this title, shall not relieve the Board of full responsibility for the carrying out of its duties and functions, and shall be revocable by the Governors in their exclusive judgment.

“§ 403. General duties

“(a) The Postal Service shall plan, develop, promote, and provide adequate and efficient postal services at fair and reasonable rates and fees. Except as provided in the Canal Zone Code, the Postal Service shall receive, transmit, and deliver throughout the United States, its territories and possessions, and, pursuant to arrangements entered into under sections 406 and 411 of this title, throughout the world, written and printed matter, parcels, and like materials and provide such other services incidental thereto as it finds appropriate to its functions and in the public interest. The Postal Service shall serve as nearly as practicable the entire population of the United States.

“(b) It shall be the responsibility of the Postal Service—

“(1) to maintain an efficient system of collection, sorting, and delivery of the mail nationwide;

“(2) to provide types of mail service to meet the needs of different categories of mail and mail users; and

“(3) to establish and maintain postal facilities of such character and in such locations that postal patrons throughout the Nation will, consistent with reasonable economies of postal operations, have ready access to essential postal services.

“(c) In providing services and in establishing classifications, rates, and fees under this title, the Postal Service shall not, except as specifically authorized in this title, make any undue or unreasonable discrimination among users of the mails, nor shall it grant any undue or unreasonable preferences to any such user.

“§ 404. Specific powers

“Without limitation of the generality of its powers, the Postal Service shall have the following specific powers, among others:

“(1) to provide for the collection, handling, transportation, delivery, forwarding, returning, and holding of mail, and for the disposition of undeliverable mail;

“(2) to prescribe, in accordance with this title, the amount of postage and the manner in which it is to be paid;

“(3) to determine the need for post offices, postal and training facilities and equipment, and to provide such offices, facilities, and equipment as it determines are needed;

“(4) to provide and sell postage stamps and other stamped paper, cards, and envelopes and to provide such other evidences of payment of postage and fees as may be necessary or desirable;

“(5) to provide philatelic services;

“(6) to provide, establish, change, or abolish special nonpostal or similar services;

“(7) to investigate postal offenses and civil matters relating to the Postal Service;

“(8) to offer and pay rewards for information and services in connection with violations of the postal laws, and, unless a different disposal is expressly prescribed, to pay one-half of all penalties and forfeitures imposed for violations of law affecting the Postal Service, its revenues, or property, to the person informing for the same, and to pay the other one-half into the Postal Service Fund; and

“(9) to authorize the issuance of a substitute check for a lost, stolen, or destroyed check of the Postal Service.

“§ 405. Printing of illustrations of United States postage stamps

“(a) When requested by the Postal Service, the Public Printer shall print, as a public document for sale by the Superintendent of Documents, illustrations in black and white or in color of postage stamps of the United States, together with such descriptive, historical, and philatelic information with regard to the stamps as the Postal Service deems suitable.

“(b) Notwithstanding the provisions of section 505 of title 44, stereotype or electrotypes plates, or duplicates thereof, used in the publications authorized to be printed by this section may not be sold or otherwise disposed of.

“§ 406. Postal services at Armed Forces installations

“(a) *The Postal Service may establish branch post offices at camps, posts, bases, or stations of the Armed Forces and at defense or other strategic installations.*

“(b) *The Secretaries of Defense and Transportation shall make arrangements with the Postal Service to perform postal services through personnel designated by them at or through branch post offices established under subsection (a) of this section.*

“§ 407. International postal arrangements

“(a) *The Postal Service, with the consent of the President, may negotiate and conclude postal treaties or conventions, and may establish the rates of postage or other charges on mail matter conveyed between the United States and other countries. The decisions of the Postal Service construing or interpreting the provisions of any treaty or convention which has been or may be negotiated and concluded shall, if approved by the President, be conclusive upon all officers of the Government of the United States.*

“(b) *The Postal Service shall transmit a copy of each postal convention concluded with other governments to the Secretary of State, who shall furnish a copy of the same to the Public Printer for publication.*

“§ 408. International money-order exchanges

“*The Postal Service may make arrangements with other governments, with which postal conventions are or may be concluded, for the exchange of sums of money by means of postal orders. It shall fix limitations on the amount which may be so exchanged and the rates of exchange.*

“§ 409. Suits by and against the Postal Service

“(a) *Except as provided in section 3628 of this title, the United States district courts shall have original but not exclusive jurisdiction over all actions brought by or against the Postal Service. Any action brought in a State court to which the Postal Service is a party may be removed to the appropriate United States district court under the provisions of chapter 89 of title 28.*

“(b) *Unless otherwise provided in this title, the provisions of title 28 relating to service of process, venue, and limitations of time for bringing action in suits in which the United States, its officers, or employees are parties, and the rules of procedure adopted under title 28 for suits in which the United States, its officers, or employees are parties, shall apply in like manner to suits in which the Postal Service, its officers, or employees are parties.*

“(c) *The provisions of chapter 171 and all other provisions of title 28 relating to tort claims shall apply to tort claims arising out of activities of the Postal Service.*

“(d) *The Department of Justice shall furnish, under section 411 of this title, the Postal Service such legal representation as it may require, but with the prior consent of the Attorney General the Postal Service may employ attorneys by contract or otherwise to conduct litigation brought by or against the Postal Service or its officers or employees in matters affecting the Postal Service.*

“§ 410. Application of other laws

“(a) *Except as provided by subsection (b) of this section, and except as otherwise provided in this title or insofar as such laws remain in force as rules or regulations of the Postal Service, no Federal law dealing with public or Federal contracts, property, works, officers, employees, budgets, or funds, including the provisions of chapters 5 and 7 of title 5, shall apply to the exercise of the powers of the Postal Service.*

“(b) *The following provisions shall apply to the Postal Service:*

“(1) *section 552 (public information), section 3333 and chapters 71 (employee policies) and 73 (suitability, security, and conduct of employees), and section 5532 (dual pay) of title 5, except that no regulation issued under such chapters or sections shall apply to the Postal Service unless expressly made applicable;*

“(2) *all provisions of title 18 dealing with the Postal Service, the mails, and officers or employees of the Government of the United States;*

“(3) *section 107 of title 20 (known as the Randolph-Sheppard Act, relating to vending machines operated by the blind);*

“(4) *the following provisions of title 40:*

“(A) *sections 258a-258e (relating to condemnation proceedings);*

“(B) *sections 270a-270e (known as the Miller Act, relating to performance bonds);*

“(C) *sections 276a-276a-7 (known as the Davis-Bacon Act, relating to prevailing wages);*

“(D) *section 276c (relating to wage payments of certain contractors);*

“(E) *chapter 5 (the Contract Work Hours Standards Act); and*

“(F) *chapter 15 (the Government Losses in Shipment Act);*

“(5) *the following provisions of title 41:*

“(A) *sections 35-45 (known as the Walsh-Healey Act, relating to wages and hours); and*

“(B) *chapter 6 (the Service Contract Act of 1965); and*

“(6) *sections 2000d, 2000d-1-2000d-4 of title 42 (title VI, the Civil Rights Act of 1964).*

“(c) *Subsection (b) (1) of this section shall not require the disclosure of—*

“(1) *the name or address, past or present, of any postal patron;*

“(2) *information of a commercial nature, including trade secrets, whether or not obtained from a person outside the Postal Service, which under good business practice would not be publicly disclosed;*

“(3) *information prepared for use in connection with the negotiation of collective-bargaining agreements under chapter 12 of this title or minutes of, or notes kept during, negotiating sessions conducted under such chapter;*

“(4) *information prepared for use in connection with proceedings under chapter 36 of this title;*

"(5) the reports and memoranda of consultants or independent contractors except to the extent that they would be required to be disclosed if prepared within the Postal Service; and

"(6) investigatory files, whether or not considered closed, compiled for law enforcement purposes except to the extent available by law to a party other than the Postal Service.

"(d) (1) A lease agreement by the Postal Service for rent of net interior space in excess of 6,500 square feet in any building or facility, or part of a building or facility, to be occupied for purposes of the Postal Service shall include a provision that all laborers and mechanics employed in the construction, modification, alteration, repair, painting, decoration, or other improvement of the building or space covered by the agreement, or improvement at the site of such building or facility, shall be paid wages at not less than those prevailing for similar work in the locality as determined by the Secretary of Labor under section 276a of title 40.

"(2) The authority and functions of the Secretary of Labor with respect to labor standards enforcement under Reorganization Plan Numbered 14 of 1950 (title 5, appendix), and regulations for contractors and subcontractors under section 276c of title 40, shall apply to the work under paragraph (1) of this subsection.

"(3) Paragraph (2) of this subsection shall not be construed to give the Secretary of Labor authority to direct the cancellation of the lease agreement referred to in paragraph (1) of this subsection.

"§ 411. Cooperation with other Government agencies

"Executive agencies within the meaning of section 105 of title 5 and the Government Printing Office are authorized to furnish property, both real and personal, and personal and nonpersonal services to the Postal Service, and the Postal Service is authorized to furnish property and services to them. The furnishing of property and services under this section shall be under such terms and conditions, including reimbursability, as the Postal Service and the head of the agency concerned shall deem appropriate.

"§ 412. Nondisclosure of lists of names and addresses

"Except as specifically provided by law, no officer or employee of the Postal Service shall make available to the public by any means or for any purpose any mailing or other list of names or addresses (past or present) of postal patrons or other persons.

"Chapter 6.—PRIVATE CARRIAGE OF LETTERS

"Sec

"601. Letters carried out of the mail.

"602. Foreign letters out of the mails.

"603. Searches authorized.

"604. Seizing and detaining letters.

"605. Searching vessels for letters.

"606. Disposition of seized mail.

"§ 601. Letters carried out of the mail

"(a) A letter may be carried out of the mails when—

"(1) it is enclosed in an envelope;

"(2) the amount of postage which would have been charged on the letter if it had been sent by mail is paid by stamps, or postage meter stamps, on the envelope;

“(3) *the envelope is properly addressed;*

“(4) *the envelope is so sealed that the letter cannot be taken from it without defacing the envelope;*

“(5) *any stamps on the envelope are canceled in ink by the sender; and*

“(6) *the date of the letter, of its transmission or receipt by the carrier is endorsed on the envelope in ink.*

“(b) *The Postal Service may suspend the operation of any part of this section upon any mail route where the public interest requires the suspension.*

“§ 602. Foreign letters out of the mails

“(a) *Except as provided in section 601 of this title, the master of a vessel departing from the United States for foreign ports may not receive on board or transport any letter which originated in the United States that—*

“(1) *has not been regularly received from a United States post office; or*

“(2) *does not relate to the cargo of the vessel.*

“(b) *The officer of the port empowered to grant clearances shall require from the master of such a vessel, as a condition of clearance, an oath that he does not have under his care or control, and will not receive or transport, any letter contrary to the provisions of this section.*

“(c) *Except as provided in section 1699 of title 18, the master of a vessel arriving at a port of the United States carrying letters not regularly in the mails shall deposit them in the post office at the port of arrival.*

“§ 603. Searches authorized

“*The Postal Service may authorize any officer or employee of the Postal Service to make searches for mail matter transported in violation of law. When the authorized officer has reason to believe that mailable matter transported contrary to law may be found therein, he may open and search any—*

“(1) *vehicle passing, or having lately passed, from a place at which there is a post office of the United States;*

“(2) *article being, or having lately been, in the vehicle; or*

“(3) *store or office, other than a dwelling house, used or occupied by a common carrier or transportation company, in which an article may be contained.*

“§ 604. Seizing and detaining letters

“*An officer or employee of the Postal Service performing duties related to the inspection of postal matters, a customs officer, or United States marshal or his deputy, may seize at any time, letters and bags, packets, or parcels containing letters which are being carried contrary to law on board any vessel or on any post road. The officer or employee who makes the seizure shall convey the articles seized to the nearest post office, or, by direction of the Postal Service or the Secretary of the Treasury, he may detain them until 2 months after the final determination of all suits and proceedings which may be brought within 6 months after the seizure against any person for sending or carrying the letters.*

“§ 605. Searching vessels for letters

“An officer or employee of the Postal Service performing duties related to the inspection of postal matters, when instructed by the Postal Service to make examinations and seizures, and any customs officer without special instructions shall search vessels for letters which may be on board, or which may have been conveyed contrary to law.

“§ 606. Disposition of seized mail

“Every package or parcel seized by an officer or employee of the Postal Service performing duties related to the inspection of postal matters, a customs officer, or United States marshal or his deputies, in which a letter is unlawfully concealed, shall be forfeited to the United States. The same proceedings may be used to enforce forfeitures as are authorized in respect of goods, wares, and merchandise forfeited for violation of the revenue laws. Laws for the benefit and protection of customs officers making seizures for violating revenue laws apply to officers and employees making seizures for violating the postal laws.

“PART II—PERSONNEL

“Chapter

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“Chapter 10.—EMPLOYMENT WITHIN THE POSTAL SERVICE

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 - “1008. Temporary employees or carriers.
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 - “1011. Oath of office.

“§ 1001. Appointment and status

“(a) Except as otherwise provided in this title, the Postal Service shall appoint all officers and employees of the Postal Service.

“(b) Officers and employees of the Postal Service (other than those individuals appointed under sections 202, 204, and 1001 (c) of this title) shall be in the postal career service, which shall be a part of the civil service. Such appointments and promotions shall be in accordance with the procedures established by the Postal Service. The Postal Service shall establish procedures, in accordance with this title, to assure its officers and employees meaningful opportunities for promotion and career development and to assure its officers and employees full protection of their employment rights by guaranteeing them an opportunity for a fair hearing on adverse actions, with representatives of their own choosing.

“(c) The Postal Service may hire individuals as executives under employment contracts for periods not in excess of 5 years. Notwithstanding any such contract, the Postal Service may at its discretion

and at any time remove any such individual without prejudice to his contract rights.

“(d) Notwithstanding section 5533, 5535, or 5536 of title 5, or any other provision of law, any officer or employee of the Government of the United States is eligible to serve and receive pay concurrently as an officer or employee of the Postal Service (other than as a member of the Board or of the Postal Rate Commission) and as an officer or employee of any other department, agency, or establishment of the Government of the United States.

“(e) The Postal Service shall have the right, consistent with section 1003 and chapter 12 of this title and applicable laws, regulations, and collective-bargaining agreements—

“(1) to direct officers and employees of the Postal Service in the performance of official duties;

“(2) to hire, promote, transfer, assign, and retain officers and employees in positions within the Postal Service, and to suspend, demote, discharge, or take other disciplinary action against such officers and employees;

“(3) to relieve officers and employees from duties because of lack of work or for other legitimate reasons;

“(4) to maintain the efficiency of the operations entrusted to it;

“(5) to determine the methods, means, and personnel by which such operations are to be conducted;

“(6) to prescribe a uniform dress to be worn by letter carriers and other designated employees; and

“(7) to take whatever actions may be necessary to carry out its mission in emergency situations.

“§ 1002. Political recommendations

“(a) Except as provided in subsection (e) of this section, each appointment, promotion, assignment, transfer, or designation, interim or otherwise, of an officer or employee in the Postal Service (except a Governor or member of the Postal Rate Commission) shall be made without regard to any recommendation or statement, oral or written, with respect to any person who requests or is under consideration for such appointment, promotion, assignment, transfer, or designation, made by—

“(1) any Member of the Senate or House of Representatives (including the Resident Commissioner from Puerto Rico);

“(2) any elected official of the government of any State (including the Commonwealth of Puerto Rico) or of any county, city, or other political subdivision of such State or Commonwealth;

“(3) any official of a national political party or of a political party of any State (including the Commonwealth of Puerto Rico), county, city, or other subdivision of such State or Commonwealth; or

“(4) any other individual or organization.

“(b) Except as provided in subsection (e) of this section, a person or organization referred to in clause (1), (2), (3), or (4) of subsection (a) of this section is prohibited from making or transmitting to the Postal Service, or to any other officer or employee of the Government of the United States, any recommendation or statement, oral or written, with respect to any person who requests or is under consideration

for any such appointment, promotion, assignment, transfer, or designation. The Postal Service and any officer or employee of the Government of the United States, subject to subsection (e) of this section—

“(1) shall not solicit, request, consider, or accept any such recommendation or statement; and

“(2) shall return any such written recommendation or statement received by him, appropriately marked as in violation of this section, to the person or organization making or transmitting the same.

“(c) A person who requests or is under consideration for any such appointment, promotion, assignment, transfer, or designation is prohibited from requesting or soliciting any such recommendation or statement from any person or organization except a statement of the type referred to in subsection (e) (2) of this section.

“(d) Each employment form of the Postal Service used in connection with any such appointment, promotion, assignment, transfer, or designation shall contain appropriate language in boldface type informing all persons concerned of the provisions of this section. During the time any such appointment, promotion, assignment, transfer, or designation is under consideration, appropriate notice of the provisions of this section printed in boldface type shall be posted in the post office concerned.

“(e) The Postal Service or any authorized officer or employee of the Government of the United States may solicit, accept, and consider, and any other individual or organization may furnish or transmit to the Postal Service or such authorized officer or employee, any statement with respect to a person who requests or is under consideration for such appointment, promotion, assignment, transfer, or designation, if—

“(1) the statement is furnished pursuant to a request or requirement of the Postal Service and consists solely of an evaluation of the work performance, ability, aptitude, and general qualifications of such persons;

“(2) the statement relates solely to the character and residence of such person;

“(3) the statement is furnished pursuant to a request made by an authorized representative of the Government of the United States solely in order to determine whether such person meets the loyalty, suitability, and character requirements for employment with the Government of the United States; or

“(4) the statement is furnished by a former employer of such person pursuant to a request of the Postal Service, and consists solely of an evaluation of the work performance, ability, aptitude, and general qualifications of such person during his employment with such former employer.

“(f) The Postal Service shall take any action it determines necessary and proper, including but not limited to suspension, removal from office, or disqualification from the Postal Service, to enforce the provisions of this section.

“(g) The provisions of this section shall not affect the right of an officer or employee of the Postal Service to petition Congress as authorized by section 7102 of title 5.

“§ 1003. Employment policy

“(a) *Except as provided under chapters 2 and 12 of this title or other provision of law, the Postal Service shall classify and fix the compensation and benefits of all officers and employees in the Postal Service. It shall be the policy of the Postal Service to maintain compensation and benefits for all officers and employees on a standard of comparability to the compensation and benefits paid for comparable levels of work in the private sector of the economy. No officer or employee shall be paid compensation at a rate in excess of the rate for level I of the Executive Schedule under section 5312 of title 5.*

“(b) *The Postal Service shall follow an employment policy designed, without compromising the policy of section 101(a) of this title, to extend opportunity to the disadvantaged and the handicapped.*

“§ 1004. Supervisory and other managerial organizations

“(a) *It shall be the policy of the Postal Service to provide compensation, working conditions, and career opportunities that will assure the attraction and retention of qualified and capable supervisory and other managerial personnel; to provide adequate and reasonable differentials in rates of pay between employees in the clerk and carrier grades in the line work force and supervisory and other managerial personnel; to establish and maintain continuously a program for all such personnel that reflects the essential importance of a well-trained and well-motivated force to improve the effectiveness of postal operations; and to promote the leadership status of such personnel with respect to rank-and-file employees, recognizing that the role of such personnel in primary level management is particularly vital to the process of converting general postal policies into successful postal operations.*

“(b) *The Postal Service shall provide a program for consultation with recognized organizations of supervisory and other managerial personnel who are not subject to collective-bargaining agreements under chapter 12 of this title. Upon presentation of evidence satisfactory to the Postal Service that a supervisory organization represents a majority of supervisors, or that a managerial organization (other than an organization representing supervisors) represents a substantial percentage of managerial employees, such organization or organizations shall be entitled to participate directly in the planning and development of pay policies and schedules, fringe benefit programs, and other programs relating to supervisory and other managerial employees.*

“§ 1005. Applicability of laws relating to Federal employees

“(a) (1) *Except as otherwise provided in this subsection, the provisions of chapter 75 of title 5 shall apply to officers and employees of the Postal Service except to the extent of any inconsistency with—*

“(A) *the provisions of any collective-bargaining agreement negotiated on behalf of and applicable to them; or*

“(B) *procedures established by the Postal Service and approved by the Civil Service Commission.*

“(2) *The provisions of title 5 relating to a preference eligible (as that term is defined under section 2108(3) of such title) shall apply to an applicant for appointment and any officer or employee of the Postal Service in the same manner and under the same conditions as if the*

applicant, officer, or employee were subject to the competitive service under such title. The provisions of this paragraph shall not be modified by any program developed under section 1004 of this title or any collective-bargaining agreement entered into under chapter 12 of this title.

"(3) The provisions of this subsection shall not apply to those individuals appointed under sections 202, 204, and 1001(c) of this title.

"(b) Section 5941 of title 5 shall apply to the Postal Service. For purposes of such section, the pay of officers and employees of the Postal Service shall be considered to be fixed by statute, and the basic pay of an employee shall be the pay (but not any allowance or benefit) of that officer or employee established in accordance with the provisions of this title.

"(c) Officers and employees of the Postal Service shall be covered by subchapter I of chapter 81 of title 5, relating to compensation for work injuries.

"(d) Officers and employees of the Postal Service (other than the Governors) shall be covered by chapter 83 of title 5 relating to civil service retirement. The Postal Service shall withhold from pay and shall pay into the Civil Service Retirement and Disability Fund the amounts specified in such chapter. The Postal Service, upon request of the Civil Service Commission, but not less frequently than annually, shall pay to the Civil Service Commission the costs reasonably related to the administration of Fund activities for officers and employees of the Postal Service.

"(e) Sick and annual leave, and compensatory time of officers and employees of the Postal Service, whether accrued prior to or after commencement of operations of the Postal Service, shall be obligations of the Postal Service under the provisions of this chapter.

"(f) Compensation, benefits, and other terms and conditions of employment in effect immediately prior to the effective date of this section, whether provided by statute or by rules and regulations of the former Post Office Department or the executive branch of the Government of the United States, shall continue to apply to officers and employees of the Postal Service, until changed by the Postal Service in accordance with this chapter and chapter 12 of this title. Subject to the provisions of this chapter and chapter 12 of this title, the provisions of subchapter I of chapter 85 and chapters 87 and 89 of title 5 shall apply to officers and employees of the Postal Service, unless varied, added to, or substituted for, under this subsection. No variation, addition, or substitution with respect to fringe benefits shall result in a program of fringe benefits which on the whole is less favorable to the officers and employees than fringe benefits in effect on the effective date of this section, and as to officers and employees for whom there is a collective-bargaining representative, no such variation, addition, or substitution shall be made except by agreement between the collective-bargaining representative and the Postal Service.

"§ 1006. Right of transfer

"Officers and employees in the postal career service of the Postal Service shall be eligible for promotion or transfer to any other position in the Postal Service or the executive branch of the Government of the United States for which they are qualified. The authority given by

this section shall be used to provide a maximum degree of career promotion opportunities for officers and employees and to insure continued improvement of postal services.

“§ 1007. Seniority for employees in rural service

“Subject to agreements made under chapter 12 of this title, the seniority of an employee of the Postal Service occupying a position whose regular duty involves the collection and delivery of mail on a rural route shall be preserved. Seniority for such employee shall commence on the first day of his service in such a position, or, in the event such an employee transfers to another such position, on the day he enters duty in the other position. Upon initial assignment, such an employee shall be assigned to the least desirable route and shall attain assignment to more desirable routes by seniority. Promotions and assignments for such an employee in such position shall be based on seniority and ability. If ability be sufficient, seniority shall govern.

“§ 1008. Temporary employees or carriers

“(a) A person temporarily employed to deliver mail is deemed an employee of the Postal Service and is subject to the provisions of chapter 83 of title 18 to the same extent as other employees of the Postal Service.

“(b) Any person, when engaged in carrying mail under contract with the Postal Service, or employed by the Postal Service, is deemed a carrier or person entrusted with the mail and having custody thereof, within the meaning of sections 1701, 1708, and 2114 of title 18.

“§ 1009. Personnel not to receive fees

“An officer or employee of the Postal Service may not receive any fee or perquisite from a patron of the Postal Service on account of the duties performed by virtue of his appointment, except as authorized by law.

“§ 1010. Administration of oaths related to postal inspection matters

“Officers and employees of the Postal Service performing duties related to the inspection of postal matters may administer oaths required or authorized by law or regulation with respect to any matter coming before them in the performance of their official duties.

§ 1011. Oath of office

“Before entering upon their duties and before receiving any salary, all officers and employees of the Postal Service shall take and subscribe the following oath or affirmation:

“I, _____, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter.”

A person authorized to administer oaths by the laws of the United States, including section 2903 of title 5, or of a State or territory, or an officer, civil or military, holding a commission under the United States, or any officer or employee of the Postal Service designated by the Board may administer and certify the oath or affirmation.

"Chapter 12.—EMPLOYMENT-MANAGEMENT AGREEMENTS

"Sec.

"1201. Definition.

"1202. Bargaining units.

"1203. Recognition of labor organizations.

"1204. Elections.

"1205. Deduction of dues.

"1206. Collective-bargaining agreements.

"1207. Labor disputes.

"1208. Suits.

"1209. Applicability of Federal labor laws.

"§ 1201. Definition

"As used in this chapter, 'guards' means—

"(1) maintenance guards who, on the effective date of this chapter, are in key position KP-5 under the provisions of former section 3514 of title 39; and

"(2) security guards, who may be employed in the Postal Service and whose primary duties shall include the exercise of authority to enforce rules to protect the safety of property, mail, or persons on the premises.

"§ 1202. Bargaining units

"The National Labor Relations Board shall decide in each case the unit appropriate for collective bargaining in the Postal Service. The National Labor Relations Board shall not include in any bargaining unit—

"(1) any management official or supervisor;

"(2) any employee engaged in personnel work in other than a purely nonconfidential clerical capacity;

"(3) both professional employees and employees who are not professional employees unless a majority of such professional employees vote for inclusion in such unit; or

"(4) together with other employees, any individual employed as a security guard to enforce against employees and other persons, rules to protect property of the Postal Service or to protect the safety of property, mail, or persons on the premises of the Postal Service; but no labor organization shall be certified as the representative of employees in a bargaining unit of security guards if such organization admits to membership, or is affiliated directly or indirectly with an organization which admits to membership, employees other than guards.

"§ 1203. Recognition of labor organizations

"(a) The Postal Service shall accord exclusive recognition to a labor organization when the organization has been selected by a majority of the employees in an appropriate unit as their representative.

"(b) Agreements and supplements in effect on the date of enactment of this section covering employees in the former Post Office Department shall continue to be recognized by the Postal Service until altered or amended pursuant to law.

"(c) When a petition has been filed, in accordance with such regulations as may be prescribed by the National Labor Relations Board—

“(1) by an employee, a group of employees, or any labor organization acting in their behalf, alleging that (A) a substantial number of employees wish to be represented for collective bargaining by a labor organization and that the Postal Service declines to recognize such labor organization as the representative; or (B) the labor organization which has been certified or is being currently recognized by the Postal Service as the bargaining representative is no longer a representative; or

“(2) by the Postal Service, alleging that one or more labor organizations has presented to it a claim to be recognized as the representative;

the National Labor Relations Board shall investigate such petition and, if it has reasonable cause to believe that a question of representation exists, shall provide for an appropriate hearing upon due notice. Such hearing may be conducted by an officer or employee of the National Labor Relations Board, who shall not make any recommendations with respect thereto. If the National Labor Relations Board finds upon the record of such hearing that such a question of representation exists, it shall direct an election by secret ballot and shall certify the results thereof.

“(d) A petition filed under subsection (c) (1) of this section shall be accompanied by a statement signed by at least 30 percent of the employees in the appropriate unit stating that they desire that an election be conducted for either of the purposes set forth in such subsection.

“(e) Nothing in this section shall be construed to prohibit the waiving of hearings by stipulation for the purpose of a consent election in conformity with regulations and rules of decision of the National Labor Relations Board.

“§ 1204. Elections

“(a) All elections authorized under this chapter shall be conducted under the supervision of the National Labor Relations Board, or persons designated by it, and shall be by secret ballot. Each employee eligible to vote shall be provided the opportunity to choose the labor organization he wishes to represent him, from among those on the ballot, or ‘no union’.

“(b) In any election where none of the choices on the ballot receives a majority, a runoff shall be conducted, the ballot providing for a selection between the 2 choices receiving the largest and second largest number of valid votes cast in the election. In the event of a tie vote, additional runoff elections shall be conducted until one of the choices has received a majority of the votes.

“(c) No election shall be held in any bargaining unit within which, in the preceding 12-month period, a valid election has been held.

“§ 1205. Deductions of dues

“(a) When a labor organization holds exclusive recognition, or when an organization of personnel not subject to collective-bargaining agreements has consultation rights under section 1004 of this title, the Postal Service shall deduct the regular and periodic dues of the organization from the pay of all members of the organization in the unit

of recognition if the Post Office Department or the Postal Service has received from each employee, on whose account such deductions are made, a written assignment which shall be irrevocable for a period of not more than one year.

“(b) Any agreement in effect immediately prior to the date of enactment of the Postal Reorganization Act between the Post Office Department and any organization of postal employees which provides for deduction by the Department of the regular and periodic dues of the organization from the pay of its members, shall continue in full force and effect and the obligation for such deductions shall be assumed by the Postal Service. No such deduction shall be made from the pay of any employee except on his written assignment, which shall be irrevocable for a period of not more than one year.

“§ 1206. Collective-bargaining agreements

“(a) Collective-bargaining agreements between the Postal Service and bargaining representatives recognized under section 1203 of this title shall be effective for not less than 2 years.

“(b) Collective-bargaining agreements between the Postal Service and bargaining representatives recognized under section 1203 may include any procedures for resolution by the parties of grievances and adverse actions arising under the agreement, including procedures culminating in binding third-party arbitration, or the parties may adopt any such procedures by mutual agreement in the event of a dispute.

“(c) The Postal Service and bargaining representatives recognized under section 1203 may by mutual agreement adopt procedures for the resolution of disputes or impasses arising in the negotiation of a collective-bargaining agreement.

“§ 1207. Labor disputes

“(a) If there is a collective-bargaining agreement in effect, no party to such agreement shall terminate or modify such agreement unless the party desiring such termination or modification serves written notice upon the other party to the agreement of the proposed termination or modification not less than 90 days prior to the expiration date thereof, or not less than 90 days prior to the time it is proposed to make such termination or modification. The party serving such notice shall notify the Federal Mediation and Conciliation Service of the existence of a dispute within 45 days of such notice, if no agreement has been reached by that time.

“(b) If the parties fail to reach agreement or to adopt a procedure providing for a binding resolution of a dispute by the expiration date of the agreement in effect, or the date of the proposed termination or modification, the Director of the Federal Mediation and Conciliation Service shall direct the establishment of a factfinding panel consisting of 3 persons. For this purpose, he shall submit to the parties a list of not less than 15 names, from which list each party within 10 days, shall select 1 person. The 2 so selected shall then choose from the list a third person who shall serve as chairman of the factfinding panel. If either of the parties fails to select a person or if the 2 members are unable to agree on the third person within 3 days, the selection shall be made by the Director. The factfinding

panel shall issue after due investigation a report of its findings, with or without recommendations, to the parties no later than 45 days from the date the list of names is submitted.

“(c) (1) If no agreement is reached within 90 days after the expiration or termination of the agreement or the date on which the agreement became subject to modification under subsection (a) of this section, or if the parties decide upon arbitration but do not agree upon the procedures therefor, an arbitration board shall be established consisting of 3 members, not members of the factfinding panel, 1 of whom shall be selected by the Postal Service, 1 by the bargaining representative of the employees, and the third by the 2 thus selected. If either of the parties fails to select a member, or if the member chosen by the parties fails to agree on the third person within 5 days after their first meeting, the selection shall be made by the Director. If the parties do not agree on the framing of the issues to be submitted, the factfinding panel shall frame the issues and submit them to the arbitration board.

“(2) The arbitration board shall give the parties a full and fair hearing, including an opportunity to present evidence in support of their claims, and an opportunity to present their case in person, by counsel or by other representative as they may elect. Decisions of the arbitration board shall be conclusive and binding upon the parties. The arbitration board shall render its decision within 45 days after its appointment.

“(3) Costs of the arbitration board and factfinding panel shall be shared equally by the Postal Service and the bargaining representative.

“(d) In the case of a bargaining unit whose recognized collective-bargaining representative does not have an agreement with the Postal Service, if the parties fail to reach agreement within 90 days of the commencement of collective bargaining, a factfinding panel will be established in accordance with the terms of subsection (b) of this section, unless the parties have previously agreed to another procedure for a binding resolution of their differences. If the parties fail to reach agreement within 180 days of the commencement of collective bargaining, and if they have not agreed to another procedure for binding resolution, an arbitration board shall be established to provide conclusive and binding arbitration in accordance with the terms of subsection (c) of this section.

“§ 1208. Suits

“(a) The courts of the United States shall have jurisdiction with respect to actions brought by the National Labor Relations Board under this chapter to the same extent that they have jurisdiction with respect to actions under title 29.

“(b) Suits for violation of contracts between the Postal Service and a labor organization representing Postal Service employees, or between any such labor organizations, may be brought in any district court of the United States having jurisdiction of the parties, without respect to the amount in controversy.

“(c) A labor organization and the Postal Service shall be bound by the authorized acts of their agents. Any labor organization may sue or be sued as an entity and in behalf of the employees whom it represents in the courts of the United States. Any money judgment against a labor organization in a district court of the United States

shall be enforceable only against the organization as an entity and against its assets, and shall not be enforceable against any individual member or his assets.

"(d) For the purposes of actions and proceedings by or against labor organizations in the district courts of the United States, district courts shall be deemed to have jurisdiction of a labor organization (1) in the district in which such organization maintains its principal offices, or (2) in any district in which its duly authorized officers or agents are engaged in representing or acting for employee members.

"(e) The service of summons, subpoena, or other legal process of any court of the United States upon an officer or agent of a labor organization, in his capacity as such, shall constitute service upon the labor organization.

"§ 1209. Applicability of Federal labor laws

"(a) Employee-management relations shall, to the extent not inconsistent with provisions of this title, be subject to the provisions of subchapter II of chapter 7 of title 29.

"(b) The provisions of chapter 11 of title 29 shall be applicable to labor organizations that have or are seeking to attain recognition under section 1203 of this title, and to such organizations' officers, agents, shop stewards, other representatives, and members to the extent to which such provisions would be applicable if the Postal Service were an employer under section 402 of title 29. In addition to the authority conferred on him under section 438 of title 29, the Secretary of Labor shall have authority, by regulation issued with the written concurrence of the Postal Service, to prescribe simplified reports for any such labor organization. The Secretary of Labor may revoke such provision for simplified forms of any such labor organization if he determines, after such investigation as he deems proper and after due notice and opportunity for a hearing, that the purposes of this chapter and of chapter 11 of title 29 would be served thereby.

"(c) Each employee of the Postal Service shall have the right, freely and without fear of penalty or reprisal, to form, join, and assist a labor organization or to refrain from any such activity, and each employee shall be protected in the exercise of this right.

"PART III—MODERNIZATION AND FISCAL ADMINISTRATION

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"Chapter 20.—FINANCE

Sec.
"2201. Definitions.
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“§ 2001. Definition

“As used in this chapter—

“(1) ‘Fund’ means the Postal Service Fund established by section 2003 of this chapter; and

“(2) ‘obligations’, when referring to debt instruments issued by the Postal Service, means notes, bonds, debentures, mortgages, and any other evidence of indebtedness.

“§ 2002. Capital of the Postal Service

“(a) The initial capital of the Postal Service shall consist of the equity, as reflected in the budget of the President, of the Government of the United States in the former Post Office Department. The value of assets and the amount of liabilities transferred to the Postal Service upon the commencement of operations of the Postal Service shall be determined by the Postal Service subject to the approval of the Comptroller General, in accordance with the following guidelines:

“(1) Assets shall be valued on the basis of original cost less depreciation, to the extent that such value can be determined. The value recorded on the former Post Office Department’s books of account shall be prima facie evidence of asset value.

“(2) All liabilities attributable to operations of the former Post Office Department shall remain liabilities of the Government of the United States, except that upon commencement of operations of the Postal Service, the unexpended balances of appropriations made to, held or used by, or available to the former Post Office Department and all liabilities chargeable thereto shall become assets and liabilities, respectively, of the Postal Service.

“(b) The capital of the Postal Service at any time shall consist of its assets, including the balance in the Fund, less its liabilities.

“(c) The Postal Service, and the Administrator of General Services where properties under the jurisdiction of the Administrator are involved, with the approval of the Director of the Office of Management and Budget, shall determine which Federal properties shall be transferred to the Postal Service and which shall remain under the jurisdiction of any other department, agency, or establishment of the Government of the United States upon the commencement of operations of the Postal Service. The transfer shall be accomplished at the time of or as near as possible to the commencement of operations of the Postal Service and the valuation of the assets and capital of the Postal Service shall be adjusted accordingly. The following properties shall be included in the transfer:

“(1) the mail equipment shops located in Washington, District of Columbia;

“(2) all machinery, equipment, and appurtenances of the former Post Office Department;

“(3) all real property whose ownership was acquired by the Postmaster General under former section 2103 of this title, as in effect immediately prior to the effective date of this section, or which immediately prior to such effective date, is under the administration of the former Post Office Department for the purpose of constructing a postal building from funds appropriated or transferred to the former Post Office Department, together with all funds appropriated or allocated therefor;

"(4) all real property 55 percent or more of which is occupied by or under control of the former Post Office Department immediately prior to the effective date of this section;

"(5) all contracts, records, and documents relating to the operation of the departmental service and the postal field service of the former Post Office Department; and

"(6) all other property and assets of the former Post Office Department.

"(d) After the commencement of operations of the Postal Service, the President is authorized to transfer to the Postal Service, and the Postal Service is authorized to transfer to other departments, agencies, or independent establishments of the Government of the United States, with or without reimbursement, any property of that department, agency, or independent establishment and the Postal Service, respectively, when the public interest would be served by such transfer.

"§ 2003. The Postal Service Fund

"(a) There is established in the Treasury of the United States a revolving fund to be called the Postal Service Fund which shall be available to the Postal Service without fiscal-year limitation to carry out the purposes, functions, and powers authorized by this title.

"(b) There shall be deposited in the Fund, subject to withdrawal by check by the Postal Service—

"(1) revenues from postal and nonpostal services rendered by the Postal Service;

"(2) amounts received from obligations issued by the Postal Service;

"(3) amounts appropriated for the use of the Postal Service;

"(4) interest which may be earned on investments of the Fund;

"(5) any other receipts of the Postal Service; and

"(6) the balance in the Post Office Department Fund established under former section 2202 of title 39 as of the commencement of operations of the Postal Service.

"(c) If the Postal Service determines that the moneys of the Fund are in excess of current needs, it may request the investment of such amounts as it deems advisable by the Secretary of the Treasury in obligations of, or obligations guaranteed by, the Government of the United States, and, with the approval of the Secretary, in such other obligations or securities as it deems appropriate.

"(d) With the approval of the Secretary of the Treasury, the Postal Service may deposit moneys of the Fund in any Federal Reserve bank, any depository for public funds, or in such other places and in such manner as the Postal Service and the Secretary may mutually agree.

"(e) The Fund shall be available for the payment of all expenses incurred by the Postal Service in carrying out its functions under this title and, subject to the provisions of section 3604(b) of this title, all of the expenses of the Postal Rate Commission. Neither the Fund nor any of the funds credited to it shall be subject to apportionment under the provisions of section 665 of title 31.

"§ 2004. Transitional appropriations

"Such sums as are necessary to insure a sound financial transition for the Postal Service and a rate policy consistent with chapter 36 of this title are hereby authorized to be appropriated to the Fund without regard to fiscal-year limitation.

“§ 2005. Obligations

“(a) *The Postal Service is authorized to borrow money and to issue and sell such obligations as it determines necessary to carry out the purposes of this title. The aggregate amount of any such obligations outstanding at any one time shall not exceed \$10,000,000,000. In any one fiscal year the net increase in the amount of obligations outstanding issued for the purpose of capital improvements shall not exceed \$1,500,000,000, and the net increase in the amount of obligations outstanding issued for the purpose of defraying operating expenses of the Postal Service shall not exceed \$500,000,000.*

“(b) *The Postal Service may pledge the assets of the Postal Service and pledge and use its revenues and receipts for the payment of the principal of or interest on such obligations, for the purchase or redemption thereof, and for other purposes incidental thereto, including creation of reserve, sinking, and other funds which may be similarly pledged and used, to such extent and in such manner as it deems necessary or desirable. The Postal Service is authorized to enter into binding covenants with the holders of such obligations, and with the trustee, if any, under any agreement entered into in connection with the issuance thereof with respect to the establishment of reserve, sinking, and other funds, application and use of revenues and receipts of the Postal Service, stipulations concerning the subsequent issuance of obligations or the execution of leases or lease purchases relating to priorities of the Postal Service and such other matters as the Postal Service deems necessary or desirable to enhance the marketability of such obligations.*

“(c) *Obligations issued by the Postal Service under this section—*

“(1) *shall be in such forms and denominations;*

“(2) *shall be sold at such times and in such amounts;*

“(3) *shall mature at such time or times;*

“(4) *shall be sold at such prices;*

“(5) *shall bear such rates of interest;*

“(6) *may be redeemable before maturity in such manner, at such times, and at such redemption premiums;*

“(7) *may be entitled to such relative priorities of claim on the assets of the Postal Service with respect to principal and interest payments; and*

“(8) *shall be subject to such terms and conditions;*

as the Postal Service determines.

“(d) *Obligations issued by the Postal Service under this section shall—*

“(1) *be negotiable or nonnegotiable and bearer or registered instruments, as specified therein and in any indenture or covenant relating thereto;*

“(2) *contain a recital that they are issued under this section, and such recital shall be conclusive evidence of the regularity of the issuance and sale of such obligations and of their validity;*

“(3) *be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of any officer or agency of the Government of the United States, and the Secretary of the Treasury or any other officer or agency having authority over or control of any such fiduciary, trust, or public funds, may at any time sell any of the obligations of the Postal Service acquired under this section;*

"(4) be exempt both as to principal and interest from all taxation now or hereafter imposed by any State or local taxing authority except estate, inheritance, and gift taxes; and

"(5) not be obligations of, nor shall payment of the principal thereof or interest thereon be guaranteed by, the Government of the United States, except as provided in section 2006(c) of this title.

"§ 2006. Relationship between the Treasury and the Postal Service

"(a) At least 15 days before selling any issue of obligations under section 2005 of this title, the Postal Service shall advise the Secretary of the Treasury of the amount, proposed date of sale, maturities, terms and conditions, and expected maximum rates of interest of the proposed issue in appropriate detail and shall consult with him or his designee thereon. The Secretary may elect to purchase such obligations under such terms, including rates of interest, as he and the Postal Service may agree, but at a rate of yield no less than the prevailing yield on outstanding marketable Treasury securities of comparable maturity, as determined by the Secretary. If the Secretary does not purchase such obligations, the Postal Service may proceed to issue and sell them to a party or parties other than the Secretary upon notice to the Secretary and upon consultation as to the date of issuance, maximum rates of interest, and other terms and conditions.

"(b) Subject to the conditions of subsection (a) of this section, the Postal Service may require the Secretary of the Treasury to purchase obligations of the Postal Service in such amounts as will not cause the holding by the Secretary of the Treasury resulting from such required purchases to exceed \$2,000,000,000 at any one time. This subsection shall not be construed as limiting the authority of the Secretary to purchase obligations of the Postal Service in excess of such amount.

"(c) Notwithstanding section 2005(d)(5) of this title, obligations issued by the Postal Service shall be obligations of the Government of the United States, and payment of principal and interest thereon shall be fully guaranteed by the Government of the United States, such guaranty being expressed on the face thereof, if and to the extent that—

"(1) the Postal Service requests the Secretary of the Treasury to pledge the full faith and credit of the Government of the United States for the payment of principal and interest thereon; and

"(2) the Secretary, in his discretion, determines that it would be in the public interest to do so.

"§ 2007. Public debt character of the obligations of the Postal Service

"For the purpose of any purchase of the obligations of the Postal Service, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the obligations of the Postal Service under this chapter. The Secretary of the Treasury may, at any time, sell any of the

obligations of the Postal Service acquired by him under this chapter. All redemptions, purchases and sales by the Secretary of the obligations of the Postal Service shall be treated as public debt transactions of the United States.

“§ 2008. Audit and expenditures

“(a) The accounts and operations of the Postal Service shall be audited by the Comptroller General and reports thereon made to the Congress to the extent and at such times as he may determine.

“(b) The Postal Service shall maintain an adequate internal audit of the financial transactions of the Postal Service.

“(c) Subject only to the provisions of this chapter, the Postal Service is authorized to make such expenditures and to enter into such contracts, agreements, and arrangements, upon such terms and conditions and in such manner as it deems necessary, including the final settlement of all claims and litigation by or against the Postal Service.

“(d) Nothing in this section shall be construed as denying to the Postal Service the power to obtain audits of the accounts of the Postal Service and reports concerning its financial condition and operations by certified public accounting firms. Such audits and reports shall be in addition to those required by this section.

“(e) At least once each year beginning with the fiscal year commencing after June 30, 1971, the Postal Service shall obtain a certification from an independent, certified public accounting firm of the accuracy of any financial statements of the Postal Service used in determining and establishing postal rates.

“§ 2009. Annual budget

“The Postal Service shall cause to be prepared annually a budget program which shall be submitted to the Office of Management and Budget, under such rules and regulations as the President may establish as to the date of submission, the form and content, the classifications of data, and the manner in which such budget program shall be prepared and presented. The budget program shall be a business-type budget, or plan of operations, with due allowance given to the need for flexibility, including provision for emergencies and contingencies, in order that the Postal Service may properly carry out its activities as authorized by law. The budget program shall contain estimates of the financial condition and operations of the Postal Service for the current and ensuing fiscal years and the actual condition and results of operation for the last completed fiscal year. Such budget program shall include a statement of financial condition, a statement of income and expense, an analysis of surplus or deficit, a statement of sources and application of funds, and such other supplementary statements and information as are necessary or desirable to make known the financial condition and operations of the Postal Service. Such statements shall include estimates of operations by major types of activities, together with estimates of administrative expenses and estimates of borrowings.

“§ 2010. Restrictions on agreements

“The Postal Service shall promote modern and efficient operations and should refrain from expending any funds, engaging in any practice, or entering into any agreement or contract, other than an agree-

ment or contract under chapter 12 of this title, which restricts the use of new equipment or devices which may reduce the cost or improve the quality of postal services, except where such restriction is necessary to insure safe and healthful employment conditions.

"Chapter 22.—CONVICT LABOR

"Sec.

"2201. No postal equipment or supplies manufactured by convict labor.

"§ 2201. No postal equipment or supplies manufactured by convict labor

"Except as provided in chapter 307 of title 18, the Postal Service may not make a contract for the purchase of equipment or supplies to be manufactured by convict labor.

"Chapter 24.—APPROPRIATIONS AND ANNUAL REPORT

"Sec.

"2401. Appropriations.

"2402. Annual report.

"§ 2401. Appropriations

"(a) There are appropriated to the Postal Service all revenues received by the Postal Service.

"(b) (1) As reimbursement to the Postal Service for public service costs incurred by it in providing a maximum degree of effective and regular postal service nationwide, in communities where post offices may not be deemed self-sustaining, as elsewhere, there are authorized to be appropriated to the Postal Service the following amounts:

"(A) for each of the fiscal years 1972 through 1979, an amount equal to 10 percent of the sum appropriated to the former Post Office Department by the Act of Congress for its use in fiscal year 1971;

"(B) for fiscal year 1980, an amount equal to 9 percent of such sum for fiscal year 1971;

"(C) for fiscal year 1981, an amount equal to 8 percent of such sum for fiscal year 1971;

"(D) for fiscal year 1982, an amount equal to 7 percent of such sum for fiscal year 1971;

"(E) for fiscal year 1983, an amount equal to 6 percent of such sum for fiscal year 1971;

"(F) for fiscal year 1984, an amount equal to 5 percent of such sum for fiscal year 1971; and

"(G) except as provided in paragraph (2) of this subsection, for each fiscal year thereafter an amount equal to 5 percent of such sum for fiscal year 1971.

"(2) After fiscal year 1984 the Postal Service may reduce the percentage figure in paragraph (1)(G) of this subsection, including a reduction to 0, if the Postal Service finds that the amounts determined under such paragraph are no longer required to operate the Postal Service in accordance with the policies of this title.

"(3) The Postal Service, in requesting amounts to be appropriated under this subsection, shall present to the appropriate committees of the Congress a comprehensive statement of its compliance with the

public service cost policy established under section 101 (b) of this title.

"(c) There are authorized to be appropriated to the Postal Service each year a sum determined by the Postal Service to be equal to the difference between the revenues the Postal Service would have received if sections 3217, 3403-3405, and 3626 of this title and the Federal Voting Assistance Act of 1955 had not been enacted and the estimated revenues to be received on mail carried under such sections and Act.

"§ 2402. Annual report

"The Postmaster General shall render an annual report to the Board concerning the operations of the Postal Service under this title. Upon approval thereof, or after making such changes as it considers appropriate, the Board shall transmit such report to the President and the Congress.

"Chapter 26.—DEBTS AND COLLECTION

"Sec.

"2601. Collection and adjustment of debts.

"2602. Transportation of international mail by air carriers of the United States.

"2603. Settlement of claims for damages caused by the Postal Service.

"2604. Delivery of stolen money to owner.

"2605. Suits to recover wrongful or fraudulent payments.

"§ 2601. Collection and adjustment of debts

"(a) The Postal Service—

"(1) shall collect debts due the Postal Service;

"(2) shall collect and remit fines, penalties, and forfeitures arising out of matters affecting the Postal Service;

"(3) may adjust, pay, or credit the account of a postmaster or of an enlisted person of an Armed Force performing postal duties, for any loss of Postal Service funds, papers, postage, or other stamped stock or accountable paper; and

"(4) may prescribe penalties for failure to render accounts.

The Postal Service may refer any matter, which is uncollectable through administrative action, to the General Accounting Office for collection. This subsection does not affect the authority of the Attorney General in cases in which judicial proceedings are instituted.

"(b) In all cases of disability or alleged liability for any sum of money by way of damages or otherwise, under any provision of law in relation to the officers, employees, operations, or business of the Postal Service, the Postal Service shall determine whether the interests of the Postal Service probably require the exercise of its powers over the same. Upon the determination, the Postal Service on such terms as it deems just and expedient, may—

"(1) remove the disability; or

"(2) compromise, release, or discharge the claim for such sum of money and damages.

"§ 2062. Transportation of international mail by air carriers of the United States

"(a) The Postal Service may offset against any balances due another country resulting from the transaction of international money order business, or otherwise, amounts due from that country to the United States, or to the United States for the account of air carriers of the United States transporting mail of that country, when—

"(1) the Postal Service puts into effect rates of compensation to be charged another country for transportation; and

"(2) the United States is required to collect from another country the amounts owed for transportation for the account of the air carriers.

"(b) When the Postal Service has proceeded under authority of subsection (a) of this section, it shall—

"(1) give appropriate credit to the country involved;

"(2) pay to the air carrier the portion of the amount so credited which is owed to the air carrier for its services in transporting the mail of the other country; and

"(3) deposit in the Postal Service Fund that portion of the amount so credited which is due the United States on its own account.

"(c) The Postal Service, may advance to an air carrier, out of funds available for payment of balances due other countries, the amounts determined by the Postal Service to be due from another country to an air carrier for the transportation of its mails when—

"(1) collections are to be made by the United States for the account of air carriers; and

"(2) the Postal Service determines that the balance of funds available is such that the advances may be made therefrom.

Collection from another country of the amount so advanced shall be made by offset, or otherwise, and the appropriation from which the advance is made shall be reimbursed by the collections made by the United States.

"(d) If the United States is unable to collect from the debtor country an amount paid or advanced to an air carrier within 12 months after payment or advance has been made, the United States may deduct the uncollected amount from any sums owed by it to the air carrier.

"(e) The Postal Service shall adopt such accounting procedures as may be necessary to conform to and carry out the purposes of this section.

"§ 2603. Settlement of claims for damages caused by the Postal Service

"When the Postal Service finds a claim for damage to persons or property resulting from the operation of the Postal Service to be a proper charge against the United States, and it is not cognizable under section 2672 of title 28, it may adjust and settle the claim.

"§ 2604. Delivery of stolen money to owner

"When the Postal Service is satisfied that money or property in the possession of the Postal Service represents money or property stolen from the mails, or the proceeds thereof, it may deliver it to the person it finds to be the rightful owner.

"§ 2605. Suits to recover wrongful or fraudulent payments

"The Postal Service shall request the Attorney General to bring a suit to recover with interest any payment made from moneys of, or credit granted by, the Postal Service as a result of—

"(1) mistake;

"(2) fraudulent representations;

"(3) collusion; or

"(4) misconduct of an officer or employee of the Postal Service.

"PART IV—MAIL MATTER

<i>"Chapter</i>	<i>Sec.</i>
<i>"30. NONMAILABLE MATTER.....</i>	<i>3001</i>
<i>"32. PENALTY AND FRANKED MAIL.....</i>	<i>3201</i>
<i>"34. ARMED FORCES AND FREE POSTAGE.....</i>	<i>3401</i>
<i>"36. POSTAL RATES, CLASSES, AND SERVICES.....</i>	<i>3601</i>

"Chapter 30.—NONMAILABLE MATTER*"Sec.*

- "3001. Nonmailable matter.*
- "3002. Nonmailable motor vehicle master keys.*
- "3003. Mail bearing a fictitious name or address.*
- "3004. Delivery of mail to persons not residents of the place of address.*
- "3005. False representations; lotteries.*
- "3006. Unlawful matter.*
- "3007. Detention of mail for temporary periods.*
- "3008. Prohibition of pandering advertisements.*
- "3009. Mailing of unordered merchandise.*
- "3010. Mailing of sexually oriented advertisements.*
- "3011. Judicial enforcement.*

"§ 3001. Nonmailable matter

"(a) Matter the deposit of which in the mails is punishable under section 1302, 1341, 1342, 1461, 1463, 1714, 1715, 1716, 1717, or 1718 of title 18 is nonmailable.

"(b) Except as provided in subsection (c) of this section, nonmailable matter which reaches the office of delivery or which may be seized or detained for violation of law, shall be disposed of as the Postal Service shall direct.

"(c) (1) Matter which—

"(A) exceeds the size and weight limits prescribed for the particular class of mail; or

"(B) is of a character perishable within the period required for transportation and delivery;
is nonmailable.

"(2) Matter made nonmailable by this subsection which reaches the office of destination may be delivered in accordance with its address, if the party addressed furnishes the name and address of the sender.

"(d) Matter otherwise legally acceptable in the mails which—

"(1) is in the form of, and reasonably could be interpreted or construed as, a bill, invoice, or statement of account due; but

"(2) constitutes, in fact, a solicitation for the order by the addressee of goods or services, or both;

is nonmailable matter, shall not be carried or delivered by mail, and shall be disposed of as the Postal Service directs, unless such matter bears on its face, in conspicuous and legible type in contrast by typography, layout, or color with other printing on its face, in accordance with regulations which the Postal Service shall prescribe—

"(A) the following notice: 'This is a solicitation for the order of goods or services, or both, and not a bill, invoice, or statement of account due. You are under no obligation to make any payments on account of this offer unless you accept this offer.'; or

"(B) in lieu thereof, a notice to the same effect in words which the Postal Service may prescribe.

“(e) Except as otherwise provided by law, proceedings concerning the mailability of matter under this chapter and chapters 71 and 83 of title 18 shall be conducted in accordance with chapters 5 and 7 of title 5.

“§ 3002. Nonmailable motor vehicle master keys

“(a) Except as provided in subsection (b) of this section, any motor vehicle master key, any pattern, impression, or mold from which a motor vehicle master key may be made, or any advertisement for the sale of any such key, pattern, impression, or mold, is nonmailable matter and shall not be carried or delivered by mail.

“(b) The Postal Service is authorized to make such exemptions from the provisions of subsection (a) of this section as it deems necessary.

“(c) For the purposes of this section, ‘motor vehicle master key’ means any key (other than the key furnished by the manufacturer with the motor vehicle, or the key furnished with a replacement lock, or any exact duplicate of such keys) designed to operate 2 or more motor vehicle ignition, door, or trunk locks of different combinations.

“§ 3003. Mail bearing a fictitious name or address

“(a) Upon evidence satisfactory to the Postal Service that any person is using a fictitious, false, or assumed name, title, or address in conducting, promoting, or carrying on or assisting therein, by means of the postal services of the United States, an activity in violation of sections 1302, 1341, and 1342 of title 18, it may—

“(1) withhold mail so addressed from delivery; and

“(2) require the party claiming the mail to furnish proof to it of the claimant’s identity and right to receive the mail.

“(b) The Postal Service may issue an order directing that mail, covered by subsection (a) of this section, be forwarded to a dead letter office as fictitious matter, or be returned to the sender when—

“(1) the party claiming the mail fails to furnish proof of his identity and right to receive the mail; or

“(2) the Postal Service determines that the mail is addressed to a fictitious, false, or assumed name, title, or address.

“§ 3004. Delivery of mail to persons not residents of the place of address

“Whenever the Postal Service determines that letters or parcels sent in the mail are addressed to places not the residence or regular business address of the person for whom they are intended, to enable the person to escape identification, the Postal Service may deliver the mail only upon identification of the person so addressed.

“§ 3005. False representations; lotteries

“(a) Upon evidence satisfactory to the Postal Service that any person is engaged in conducting a scheme or device for obtaining money or property through the mail by means of false representations, or is engaged in conducting a lottery, gift enterprise, or scheme for the distribution of money or of real or personal property, by lottery, chance, or drawing of any kind, the Postal Service may issue an order which—

“(1) directs the postmaster of the post office at which mail arrives, addressed to such a person or to his representative, to return such mail to the sender appropriately marked as in violation of this section, if the person, or his representative, is first notified

and given reasonable opportunity to be present at the receiving post office to survey the mail before the postmaster returns the mail to the sender; and

“(2) forbids the payment by a postmaster to the person or his representative of any money order or postal note drawn to the order of either and provides for the return to the remitter of the sum named in the money order or postal note.

“(b) The public advertisement by a person engaged in activities covered by subsection (a) of this section, that remittances may be made by mail to a person named in the advertisement, is *prima facie* evidence that the latter is the agent or representative of the advertiser for the receipt of remittances on behalf of the advertiser. The Postal Service may ascertain the existence of the agency in any other legal way satisfactory to it.

“(c) As used in this section and section 3006 of this title, the term ‘representative’ includes an agent or representative acting as an individual or as a firm, bank, corporation, or association of any kind.

“§ 3006. Unlawful matter

“Upon evidence satisfactory to the Postal Service that a person is obtaining or attempting to obtain remittances of money or property of any kind through the mail for an obscene, lewd, lascivious, indecent, filthy, or vile thing or is depositing or causing to be deposited in the United States mail information as to where, how, or from whom such a thing may be obtained, the Postal Service may—

“(1) direct any postmaster at an office at which mail arrives, addressed to such a person or to his representative, to return the mail to the sender marked ‘Unlawful’; and

“(2) forbid the payment by a postmaster to such a person or his representative of any money order or postal note drawn to the order of either and provide for the return to the remitter of the sum named in the money order.

“§ 3007. Detention of mail for temporary periods

“(a) In preparation for or during the pendency of proceedings under sections 3005 and 3006 of this title, the United States district court in the district in which the defendant receives his mail shall, upon application therefor by the Postal Service and upon a showing of probable cause to believe either section is being violated, enter a temporary restraining order and preliminary injunction pursuant to rule 65 of the Federal Rules of Civil Procedure directing the detention of the defendant’s incoming mail by the postmaster pending the conclusion of the statutory proceedings and any appeal therefrom. The district court may provide in the order that the detained mail be open to examination by the defendant and such mail be delivered as is clearly not connected with the alleged unlawful activity. An action taken by a court hereunder does not affect or determine any fact at issue in the statutory proceedings.

“(b) This section does not apply to mail addressed to publishers of newspapers and other periodical publications entitled to a periodical publication rate or to mail addressed to the agents of those publishers.

“§ 3008. Prohibition of pandering advertisements

“(a) Whoever for himself, or by his agents or assigns, mails or causes to be mailed any pandering advertisement which offers for sale matter which the addressee in his sole discretion believes to be erotically arousing or sexually provocative shall be subject to an order of the Postal Service to refrain from further mailings of such materials to designated addresses thereof.

“(b) Upon receipt of notice from an addressee that he has received such mail matter, determined by the addressee in his sole discretion to be of the character described in subsection (a) of this section, the Postal Service shall issue an order, if requested by the addressee, to the sender thereof, directing the sender and his agents or assigns to refrain from further mailings to the named addressees.

“(c) The order of the Postal Service shall expressly prohibit the sender and his agents or assigns from making any further mailings to the designated addresses, effective on the thirtieth calendar day after receipt of the order. The order shall also direct the sender and his agents or assigns to delete immediately the names of the designated addressees from all mailing lists owned or controlled by the sender or his agents or assigns and, further, shall prohibit the sender and his agents or assigns from the sale, rental, exchange, or other transaction involving mailing lists bearing the names of the designated addressees.

“(d) Whenever the Postal Service believes that the sender or anyone acting on his behalf has violated or is violating the order given under this section, it shall serve upon the sender, by registered or certified mail, a complaint stating the reasons for its belief and request that any response thereto be filed in writing with the Postal Service within 15 days after the date of such service. If the Postal Service, after appropriate hearing if requested by the sender, and without a hearing if such a hearing is not requested, thereafter determines that the order given has been or is being violated, it is authorized to request the Attorney General to make application, and the Attorney General is authorized to make application, to a district court of the United States for an order directing compliance with such notice.

“(e) Any district court of the United States within the jurisdiction of which any mail matter shall have been sent or received in violation of the order provided for by this section shall have jurisdiction, upon application by the Attorney General, to issue an order commanding compliance with such notice. Failure to observe such order may be punishable by the court as contempt thereof.

“(f) Receipt of mail matter 30 days or more after the effective date of the order provided for by this section shall create a rebuttable presumption that such mail was sent after such effective date.

“(g) Upon request of any addressee, the order of the Postal Service shall include the names of any of his minor children who have not attained their nineteenth birthday, and who reside with the addressee.

“(h) The provisions of subchapter II of chapter 5, relating to administrative procedure, and chapter 7, relating to judicial review, of title 5, shall not apply to any provisions of this section.

“(i) For purposes of this section—

“(1) mail matter, directed to a specific address covered in the order of the Postal Service, without designation of a specific addressee thereon, shall be considered as addressed to the person named in the Postal Service’s order; and

“(2) the term ‘children’ includes natural children, stepchildren, adopted children, and children who are wards of or in custody of the addressee or who are living with such addressee in a regular parent-child relationship.

“§ 3009. Mailing of unordered merchandise

“(a) Except for (1) free samples clearly and conspicuously marked as such, and (2) merchandise mailed by a charitable organization soliciting contributions, the mailing of unordered merchandise or communications prohibited by subsection (c) of this section constitutes an unfair method of competition and an unfair trade practice in violation of section 45(a)(1) of title 15.

“(b) Any merchandise mailed in violation of subsection (a) of this section, or within the exceptions contained therein, may be treated as a gift by the recipient, who shall have the right to retain, use, discard, or dispose of it in any manner he sees fit without any obligation whatsoever to the sender. All such merchandise shall have attached to it a clear and conspicuous statement informing the recipient that he may treat the merchandise as a gift to him and has the right to retain, use, discard, or dispose of it in any manner he sees fit without any obligation whatsoever to the sender.

“(c) No mailer of any merchandise mailed in violation of subsection (a) of this section, or within the exceptions contained therein, shall mail to any recipient of such merchandise a bill for such merchandise or any dunning communications.

“(d) For the purposes of this section, ‘unordered merchandise’ means merchandise mailed without the prior expressed request or consent of the recipient.

“§ 3010. Mailing of sexually oriented advertisements

“(a) Any person who mails or causes to be mailed any sexually oriented advertisement shall place on the envelope or cover thereof his name and address as the sender thereof and such mark or notice as the Postal Service may prescribe.

“(b) Any person, on his own behalf or on the behalf of any of his children who has not attained the age of 19 years and who resides with him or is under his care, custody, or supervision, may file with the Postal Service a statement, in such form and manner as the Postal Service may prescribe, that he desires to receive no sexually oriented advertisements through the mails. The Postal Service shall maintain and keep current, insofar as practicable, a list of the names and addresses of such persons and shall make the list (including portions thereof or changes therein) available to any person, upon such reasonable terms and conditions as it may prescribe, including the payment of such service charge as it determines to be necessary to defray the cost of compiling and maintaining the list and making it available as provided in this sentence. No person shall mail or cause to be mailed any sexually oriented advertisement to any individual whose name and address has been on the list for more than 30 days.

“(c) No person shall sell, lease, lend, exchange, or license the use of, or, except for the purpose expressly authorized by this section, use any mailing list compiled in whole or in part from the list maintained by the Postal Service pursuant to this section.

“(d) ‘Sexually oriented advertisement’ means any advertisement that depicts, in actual or simulated form, or explicitly describes, in a predominantly sexual context, human genitalia, any act of natural or unnatural sexual intercourse, any act of sadism or masochism, or any other erotic subject directly related to the foregoing. Material otherwise within the definition of this subsection shall be deemed not to constitute a sexually oriented advertisement if it constitutes only a small and insignificant part of the whole of a single catalog, book, periodical, or other work the remainder of which is not primarily devoted to sexual matters.

“§ 3011. Judicial enforcement

“(a) Whenever the Postal Service believes that any person is mailing or causing to be mailed any sexually oriented advertisement in violation of section 3010 of this title, it may request the Attorney General to commence a civil action against such person in a district court of the United States. Upon a finding by the court of a violation of that section, the court may issue an order including one or more of the following provisions as the court deems just under the circumstances:

“(1) a direction to the defendant to refrain from mailing any sexually oriented advertisement to a specific addressee, to any group of addressees, or to all persons;

“(2) a direction to any postmaster to whom sexually oriented advertisements originating with such defendant are tendered for transmission through the mails to refuse to accept such advertisements for mailing; or

“(3) a direction to any postmaster at the office at which registered or certified letters or other letters or mail arrive, addressed to the defendant or his representative, to return the registered or certified letters or other letters or mail to the sender appropriately marked as being in response to mail in violation of section 3010 of this title, after the defendant, or his representative, has been notified and given reasonable opportunity to examine such letters or mail and to obtain delivery of mail which is clearly not connected with activity alleged to be in violation of section 3010 of this title.

“(b) The statement that remittances may be made to a person named in a sexually oriented advertisement is prima facie evidence that such named person is the principal, agent, or representative of the mailer for the receipt of remittances on his behalf. The court is not precluded from ascertaining the existence of the agency on the basis of any other evidence.

“(c) In preparation for, or during the pendency of, a civil action under subsection (a) of this section, a district court of the United States, upon application therefor by the Attorney General and upon a showing of probable cause to believe the statute is being violated, may

enter a temporary restraining order or preliminary injunction containing such terms as the court deems just, including, but not limited to, provisions enjoining the defendant from mailing any sexually oriented advertisement to any person or class of persons, directing any postmaster to refuse to accept such defendant's sexually oriented advertisements for mailing, and directing the detention of the defendant's incoming mail by any postmaster pending the conclusion of the judicial proceedings. Any action taken by a court under this subsection does not affect or determine any fact at issue in any other proceeding under this section.

"(d) A civil action under this section may be brought in the judicial district in which the defendant resides, or has his principal place of business, or in any judicial district in which any sexually oriented advertisement mailed in violation of section 3010 has been delivered by mail according to the direction thereon.

"(e) Nothing in this section or in section 3010 shall be construed as amending, preempting, limiting, modifying, or otherwise in any way affecting section 1461 or 1463 of title 18 or section 3006, 3007, or 3008 of this title.

"Chapter 32.—PENALTY AND FRANKED MAIL

"Sec.

"3201. Definitions.

"3202. Penalty mail.

"3203. Endorsements on penalty covers.

"3204. Restrictions on use of penalty mail.

"3205. Accounting for penalty covers.

"3206. Reimbursement for penalty mail service.

"3207. Limit of weight of penalty mail; postage on overweight matter.

"3208. Shipment by most economical means.

"3209. Executive departments to supply information.

"3210. Official correspondence of Vice President and Members of Congress.

"3211. Public documents.

"3212. Congressional Record under frank of Members of Congress.

"3213. Seeds and reports from Department of Agriculture.

"3214. Mailing privilege of former Presidents.

"3215. Lending or permitting use of frank unlawful.

"3216. Reimbursement for franked mailings.

"3217. Correspondence of members of diplomatic corps and consuls of countries of Postal Union of Americas and Spain.

"3218. Franked mail for surviving spouses of Members of Congress.

"§ 3201. Definitions

"As used in this chapter—

"(1) 'penalty mail' means official mail, other than franked mail, which is authorized by law to be transmitted in the mail without prepayment of postage;

"(2) 'penalty cover' means envelopes, wrappers, labels, or cards used to transmit penalty mail;

"(3) 'frank' means the autographic or facsimile signature of persons authorized by sections 3210–3216 and 3218 of this title to transmit matter through the mail without prepayment of postage or other indicia contemplated by sections 733 and 907 of title 44;

“(4) ‘franked mail’ means mail which is transmitted in the mail under a frank; and

“(5) ‘Members of Congress’ includes Senators, Representatives, Delegates, and Resident Commissioners.

“§ 3202. Penalty mail

“(a) Subject to the limitations imposed by sections 3204 and 3207 of this title, there may be transmitted as penalty mail—

“(1) official mail of—

“(A) officers of the Government of the United States other than Members of Congress;

“(B) the Smithsonian Institution;

“(C) the Pan American Union;

“(D) the Pan American Sanitary Bureau;

“(E) the United States Employment Service and the system of employment offices operated by it in conformity with the provisions of sections 49-49c, 49d, 49e-49k of title 29, and all State employment systems which receive funds appropriated under authority of those sections; and

“(F) and college officer or other person connected with the extension department of the college as the Secretary of Agriculture may designate to the Postal Service to the extent that the official mail consists of correspondence, bulletins, and reports for the furtherance of the purpose of sections 341-343 and 344-348 of title 7;

“(2) mail relating to naturalization to be sent to the Immigration and Naturalization Service by clerks of courts addressed to the Department of Justice or the Immigration and Naturalization Service, or any official thereof;

“(3) mail relating to a collection of statistics, survey, or census authorized by title 13 and addressed to the Department of Commerce or a bureau or agency thereof;

“(4) mail of State agriculture experiment stations pursuant to sections 325 and 361f of title 7; and

“(5) articles for copyright deposited with postmasters and addressed to the Register of Copyrights pursuant to section 15 of title 17.

“(b) A department or officer authorized to use penalty covers may enclose them with return address to any person from or through whom official information is desired. The penalty cover may be used only to transmit the official information and endorsements relating thereto.

“(c) This section does not apply to officers who receive a fixed allowance as compensation for their services including expenses of postage.

“§ 3203. Endorsements on penalty covers

“(a) Except as otherwise provided in this section, penalty covers shall bear, over the words ‘Official Business’ an endorsement showing the name of the department, bureau, or office from which, or officer from whom, it is transmitted. The penalty for the unlawful use of all penalty covers shall be printed thereon.

“(b) The Postal Service shall prescribe the endorsement to be placed on covers mailed under clauses (1) (E), (2), and (3) of section 3202(a) of this title.

“§ 3204. Restrictions on use of penalty mail

“(a) *Except as otherwise provided in this section, an officer, executive department, or independent establishment of the Government of the United States may not mail, as penalty mail, any article or document unless—*

“(1) *a request therefor has been previously received by the department or establishment; or*

“(2) *its mailing is required by law.*

“(b) *Subsection (a) of this section does not prohibit the mailing, as penalty mail, by an officer, executive department, or independent agency of—*

“(1) *enclosures reasonably related to the subject matter of official correspondence;*

“(2) *informational releases relating to the census of the United States and authorized by title 13;*

“(3) *matter concerning the sale of Government securities;*

“(4) *forms, blanks, and copies of statutes, rules, regulations, instructions, administrative orders, and interpretations necessary in the administration of the department or establishment;*

“(5) *agricultural bulletins;*

“(6) *lists of public documents offered for sale by the Superintendent of Documents;*

“(7) *announcements of the publication of maps, atlases, and statistical and other reports offered for sale by the Federal Power Commission as authorized by section 825k of title 16; or*

“(8) *articles or documents to educational institutions or public libraries, or to Federal, State, or other public authorities.*

“§ 3205. Accounting for penalty covers

“*Executive departments and agencies, independent establishments of the Government of the United States, and organizations and persons authorized by law to use penalty mail, shall account for all penalty covers through the Postal Service.*

“§ 3206. Reimbursement for penalty mail service

“(a) *Except as provided in subsections (b) and (c) of this section, executive departments and agencies, independent establishments of the Government of the United States, and Government corporations concerned, shall transfer to the Postal Service as postal revenue out of any appropriations or funds available to them, as a necessary expense of the appropriations or funds and of the activities concerned, the equivalent amount of postage due, as determined by the Postal Service, for matter sent in the mails by or to them as penalty mail under authority of section 3202 of this title.*

“(b) *The Department of Agriculture shall transfer to the Postal Service as postal revenues out of any appropriations made to it for that purpose the equivalent amount of postage, as determined by the Postal Service, for penalty mailings under clauses (1) (F) and (4) of section 3202 (a) of this title.*

“(c) *The Library of Congress shall transfer to the Postal Service as postal revenues out of any appropriations made to the Library for*

that purpose the equivalent amount of postage, as determined by the Postal Service, for penalty mailings under clause (5) of section 3202 (a) of this title.

“§ 3207. Limit of weight of penalty mail; postage on overweight matter

“(a) Penalty mail is restricted to articles not in excess of the weight and size prescribed for that class of mail receiving high priority in handling and delivery, except—

“(1) stamped paper and supplies sold or used by the Postal Service; and

“(2) books and documents published or circulated by order of Congress when mailed by the Superintendent of Documents.

“(b) A penalty mail article which is—

“(1) over 4 pounds in weight;

“(2) not in excess of the weight and size prescribed for mail matter; and

“(3) otherwise mailable;

is mailable at rates for that class of mail entitled to the lowest priority in handling and delivery, even though it may include written matter and may be sealed.

“§ 3208. Shipment by most economical means

“Shipments of official matter other than franked mail shall be sent by the most economical means of transportation practicable. The Postal Service may refuse to accept official matter for shipment by mail when in its judgment it may be shipped by other means at less expense, or it may provide for its transportation by freight or express, whenever a saving to the Government of the United States will result therefrom without detriment to the public service.

“§ 3209. Executive departments to supply information

“Persons and governmental organizations authorized to use penalty mail shall supply all information requested by the Postal Service necessary to carry out the provisions of this chapter as soon as practicable after request therefor.

“§ 3210. Official correspondence of Vice President and Members of Congress

“The Vice President, Members, and Members-elect of Congress, Secretary of the Senate, Sergeant at Arms of the Senate, Clerk of the House of Representatives, and Sergeant at Arms of the House of Representatives, until the thirtieth day of June following the expiration of their respective terms of office, may send as franked mail—

“(1) matter, not exceeding 4 pounds in weight, upon official or departmental business, to a Government official; and

“(2) correspondence, not exceeding 4 ounces in weight, upon official business to any person.

In the event of a vacancy in the office of the Secretary of the Senate, Sergeant at Arms of the Senate, Clerk of the House of Representatives, or Sergeant at Arms of the House of Representatives, any authorized person may exercise this privilege in the officer's name during the period of the vacancy.

“§ 3211. Public documents

“The Vice President, Members of Congress, the Secretary of the Senate, the Sergeant at Arms of the Senate, the Clerk of the House of Representatives, and the Sergeant at Arms of the House of Representatives, until the thirtieth day of June following the expiration of their respective terms of office, may send and receive as franked mail all public documents printed by order of Congress.

“§ 3212. Congressional Record under frank of Members of Congress

“Members of Congress may send as franked mail the Congressional Record, or any part thereof, or speeches or reports therein contained.

“§ 3213. Seeds and reports from Department of Agriculture

“Seeds and agricultural reports emanating from the Department of Agriculture may be mailed—

“(1) as penalty mail by the Secretary of Agriculture; and

“(2) until the thirtieth day of June following the expiration of their terms of office, as franked mail by Members of Congress.

“§ 3214. Mailing privilege of former Presidents

“A former President may send all his mail within the United States and its territories and possessions as franked mail.

“§ 3215. Lending or permitting use of frank unlawful

“A person entitled to use a frank may not lend it or permit its use by any committee, organization, or association, or permit its use by any person for the benefit or use of any committee, organization, or association. This section does not apply to any committee composed of Members of Congress.

“§ 3216. Reimbursement for franked mailings

“(a) The postage on mail matter sent and received through the mails under the franking privilege by the Vice President, Members and Members-elect of Congress, the Secretary of the Senate, Sergeant at Arms of the Senate, Clerk of the House of Representatives, and the Sergeant at Arms of the House of Representatives, including registry fees if registration is required, and postage on correspondence sent by the surviving spouse of a Member under section 3218 of this title, shall be paid by a lump-sum appropriation to the legislative branch for the purpose, and then paid to the Postal Service as postal revenue.

“(b) The postage on mail matter sent through the mails under the franking privilege by former Presidents shall be paid by reimbursement of the postal revenues each fiscal year out of the general funds of the Treasury in an amount equivalent to the postage which would otherwise be payable on the mail matter.

“§ 3217. Correspondence of members of diplomatic corps and consuls of countries of Postal Union of Americas and Spain

“Correspondence of the members of the diplomatic corps of the countries of the Postal Union of the Americas and Spain stationed in the United States may be reciprocally transmitted in the domestic mails free of postage, and be entitled to free registration without

right to indemnity in case of loss. The same privilege is accorded consuls of countries stationed in the United States, for official correspondence among themselves, and with the Government of the United States.

“§ 3218. Franked mail for surviving spouses of Members of Congress

“Upon the death of a Member of Congress during his term of office, the surviving spouse of such Member may send, for a period not to exceed 180 days after his death, as franked mail, correspondence relating to the death of the Member.

“Chapter 34.—ARMED FORCES AND FREE POSTAGE

“Sec.

“3401. Mailing privileges of members of Armed Forces of the United States and of friendly foreign nations.

“3402. Mailing privileges of members of Armed Forces of the United States and of friendly nations in the Canal Zone.

“3403. Matter for blind and other handicapped persons.

“3404. Unsealed letters sent by blind or physically handicapped persons.

“3405. Markings.

“§ 3401. Mailing privileges of members of Armed Forces of the United States and of friendly foreign nations

“(a) Letter mail or sound-recorded communications having the character of personal correspondence shall be carried, at no cost to the sender, in the manner provided by this section, when mailed by—

“(1) a member of the Armed Forces of the United States on active duty, as defined in section 101 (4) and (22) of title 10, and addressed to a place within the delivery limits of a United States post office, if—

“(A) such letter mail or sound-recorded communication is mailed by the member at an Armed Forces post office established in an overseas area, as designated by the President, where the Armed Forces of the United States are engaged in action against an enemy of the United States, engaged in military operations involving armed conflict with a hostile foreign force, or serving with a friendly foreign force in an armed conflict in which the United States is not a belligerent; or

“(B) the member is hospitalized in a facility under the jurisdiction of the Armed Forces of the United States as a result of disease or injury incurred as a result of service in an overseas area designated by the President under clause (A) of this paragraph; or

“(2) a member of an armed force of a friendly foreign nation at an Armed Forces post office and addressed to a place within the delivery limits of a United States post office, or a post office of the nation in whose armed forces the sender is a member, if—

“(A) the member is accorded free mailing privileges by his own government;

“(B) the foreign nation extends similar free mailing privileges to a member of the Armed Forces of the United States serving with, or in, a unit under the control of a command of that foreign nation;

“(C) the member is serving with, or in, a unit under the operational control of a command of the Armed Forces of the United States;

“(D) such letter mail or sound-recorded communication is mailed by the member—

“(i) at an Armed Forces post office established in an overseas area, as designated by the President, where the Armed Forces of the United States are engaged in action against an enemy of the United States, engaged in military operations involving armed conflict with a hostile foreign force, or serving with a friendly foreign force in an armed conflict in which the United States is not a belligerent; or

“(ii) while hospitalized in a facility under the jurisdiction of the Armed Forces of the United States as a result of disease or injury incurred as a result of services in an overseas area designated by the President under clause (D) (i) of this paragraph; and

“(E) the nation in whose armed forces the sender is a member has agreed to assume all international postal transportation charges incurred.

“(b) There shall be transported by air, between Armed Forces post offices which are located outside the 48 contiguous States of the United States or between any such Armed Forces post office and the point of embarkation or debarkation within the United States, the territories and possessions of the United States in the Pacific area, the Commonwealth of Puerto Rico, the Virgin Islands, or the Canal Zone, on a space available basis, on scheduled United States air carriers at rates fixed and determined by the Civil Aeronautics Board in accordance with section 1376 of title 49, the following categories of mail matter:

“(1) (A) letter mail or sound-recorded communications having the character of personal correspondence; and

“(B) parcels not exceeding 5 pounds in weight and 60 inches in length and girth combined;

which are mailed at or addressed to any such Armed Forces post office;

“(2) publications (entitled to a periodical publication rate, published once each week or more frequently, and featuring principally current news of interest to members of the Armed Forces and the general public) which are mailed at or addressed to any such Armed Forces post office (A) in an overseas area designated by the President under subsection (a) of this section, or (B) in an isolated, hardship, or combat support area overseas, or where adequate surface transportation is not available; and

“(3) parcels exceeding 5 pounds but not exceeding 70 pounds in weight and not exceeding 100 inches in length and girth combined, including surface-type official mail, which are mailed at or addressed to any such Armed Forces post office where adequate surface transportation is not available.

Whenever adequate service by scheduled United States air carriers is not available to provide transportation of mail matter by air in accordance with this subsection, the transportation of such mail may be authorized by other than scheduled United States air carriers.

“(c) The Department of Defense shall transfer to the Postal Service as postal revenues, out of any appropriations or funds available to the Department of Defense, as a necessary expense of the appropriations or funds and of the activities concerned, the equivalent amount of postage due, as determined by the Postal Service, for matter sent in the mails under authority of subsection (a) of this section.

“(d) The Department of Defense shall transfer to the Postal Service as postal revenues, out of any appropriations or funds available to the Department of Defense, as a necessary expense of the appropriations or funds and of the activities concerned, sums equal to the expenses incurred by the Postal Service, as determined by the Postal Service, in providing air transportation for mail mailed at or addressed to Armed Forces post offices established under section 406 of this title, but reimbursement under this subsection shall not include the expense of air transportation (1) for which the Postal Service collects a special charge to the extent the special charge covers the additional expense of air transportation or (2) that is provided by the Postal Service at the same postage rate or charge for mail which is neither mailed at nor addressed to an Armed Forces post office.

“(e) This section shall be administered under such conditions, and under such regulations, as the Postal Service and the Secretary of Defense jointly may prescribe.

“§ 3402. Mailing privileges of members of Armed Forces of the United States and of friendly foreign nations in the Canal Zone

“(a) For the purpose of section 3401 of this title, each post office in the Canal Zone postal service, to the extent that it provides mail service for members of the Armed Forces of the United States and of friendly foreign nations, shall be considered to be an Armed Forces post office established in an overseas area.

“(b) The Department of Defense shall reimburse the postal service of the Canal Zone, out of any appropriations or funds available to the Department of Defense, as a necessary expense of the appropriations or funds and of the activities concerned, the equivalent amount of postage due, and sums equal to the expenses incurred by, the postal service of the Canal Zone, as determined by the Governor of the Canal Zone, for matter sent in the mails, and in providing air transportation of mail, under section 3401 of this title.

“§ 3403. Matter for blind and other handicapped persons

“(a) The matter described in subsection (b) of this section (other than matter mailed under section 3404 of this title) may be mailed free of postage, if—

“(1) the matter is for the use of the blind or other persons who cannot use or read conventionally printed material because of a physical impairment and who are certified by competent authority as unable to read normal reading material in accordance with the provisions of sections 135a and 135b of title 2;

“(2) no charge, or rental, subscription, or other fee, is required for such matter or a charge, or rental, subscription, or other fee is required for such matter not in excess of the cost thereof;

“(3) the matter may be opened by the Postal Service for inspection; and

"(4) the matter contains no advertising.

"(b) The free mailing privilege provided by subsection (a) of this section is extended to—

"(1) reading matter and musical scores;

"(2) sound reproductions;

"(3) paper, records, tapes, and other material for the production of reading matter, musical scores, or sound reproductions;

"(4) reproducers or parts thereof, for sound reproductions; and

"(5) braille writers, typewriters, educational or other materials or devices, or parts thereof, used for writing by, or specifically designed or adapted for use of, a blind person or a person having a physical impairment as described in subsection (a) (1) of this section.

"§ 3404. Unsealed letters sent by blind or physically handicapped persons

"Unsealed letters sent by a blind person or a person having a physical impairment, as described in section 3403(a) (1) of this title, in raised characters or sight-saving type, or in the form of sound recordings, may be mailed free of postage.

"§ 3405. Markings

"All matter relating to blind or other handicapped persons mailed under section 3403 or 3404 of this title, shall bear the words 'Free Matter for the Blind or Handicapped', or words to that effect specified by the Postal Service, in the upper right-hand corner of the address area.

"Chapter 36.—POSTAL RATES, CLASSES, AND SERVICES

"SUBCHAPTER I—POSTAL RATE COMMISSION

"Sec.

"3601. Establishment.

"3602. Terms of office.

"3603. Rules; regulations; procedures.

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"SUBCHAPTER II—PERMANENT RATES AND CLASSES OF MAIL

"3621. Authority to fix rates and classes.

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"SUBCHAPTER III—TEMPORARY RATES AND CLASSES

"3641. Temporary changes in rates and classes.

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"3661. Postal services.

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"3681. Reimbursement.

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"3683. Uniform rates for books; films; other materials.

"3684. Limitations.

"3685. Filing of information relating to periodical publications.

“SUBCHAPTER I—POSTAL RATE COMMISSION

“§ 3601. Establishment

“There is established, as an independent establishment of the executive branch of the Government of the United States, the Postal Rate Commission composed of 5 Commissioners appointed by the President, not more than 3 of whom may be adherents of the same political party. One of the Commissioners shall be designated as Chairman by, and shall serve in the position of Chairman at the pleasure of, the President. The Commissioners shall be chosen on the basis of their professional qualifications and may be removed only in accordance with section 7521 of title 5.

“§ 3602. Terms of office

“The Commissioners of the Postal Rate Commission shall serve for terms of 6 years except that—

“(1) the terms of the Commissioners first taking office shall expire as designated by the President at the time of appointment, 1 at the end of 2 years, 2 at the end of 4 years, and 2 at the end of 6 years, following the appointment of the first of them; and

“(2) any Commissioner appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall serve for the remainder of such term.

“§ 3603. Rules; regulations; procedures

“The Postal Rate Commission shall promulgate rules and regulations and establish procedures, subject to chapters 5 and 7 of title 5, and take any other action they deem necessary and proper to carry out their functions and obligations to the Government of the United States and the people as prescribed under this chapter. Such rules, regulations, procedures, and actions shall not be subject to any change or supervision by the Postal Service.

“§ 3604. Administration

“(a) The Chairman of the Postal Rate Commission shall have the administrative responsibility for assigning the business of the Commission to the other Commissioners and to the officers and employees of the Commission. All final acts of the Commissioners shall be by a vote of an absolute majority thereof.

“(b) The Commission may obtain such facilities and supplies, and appoint and fix the compensation of such officers and employees, as may be necessary to permit the Commission to carry out its functions. The officers and employees so appointed (1) shall be paid at rates of compensation, and shall be entitled to programs offering employee benefits, established under chapter 10 or 12 of this title, as appropriate, and (2) shall be responsible solely to the Commissioners.

“(c) (1) The Commission shall periodically prepare and submit to the Postal Service a budget of the Commission's expenses, including but not limited to expenses for facilities, supplies, compensation, and employee benefits. The budget shall be considered approved—

“(A) as submitted if the Governors fail to act in accordance with clause (B) of this paragraph; or

“(B) as adjusted if the Governors holding office, by unanimous written decision, adjust the total amount of money requested in the budget.

Clause (B) shall not be construed to authorize the Governors to adjust any item included within the budget.

“(2) Expenses incurred under any budget approved under paragraph (1) of this subsection shall be paid out of the Postal Service Fund established under section 2003 of this title.

“(d) The provisions of section 410 and chapter 10 of this title shall apply to the Commission, as appropriate.

“SUBCHAPTER II—PERMANENT RATES AND CLASSES OF MAIL

“§ 3621. Authority to fix rates and classes

“Except as otherwise provided, the Governors are authorized to establish reasonable and equitable classes of mail and reasonable and equitable rates of postage and fees for postal services in accordance with the provisions of this chapter. Postal rates and fees shall be reasonable and equitable and sufficient to enable the Postal Service under honest, efficient, and economical management to maintain and continue the development of postal services of the kind and quality adapted to the needs of the United States. Postal rates and fees shall provide sufficient revenues so that the total estimated income and appropriations to the Postal Service will equal as nearly as practicable total estimated costs of the Postal Service. For purposes of this section, ‘total estimated costs’ shall include (without limitation) operating expenses, depreciation on capital facilities and equipment, debt service (including interest, amortization of debt discount and expense, and provision for sinking funds or other retirements of obligations to the extent that such provision exceeds applicable depreciation charges), and a reasonable provision for contingencies.

“§ 3622. Rates and fees

“(a) From time to time the Postal Service shall request the Postal Rate Commission to submit a recommended decision on changes in a rate or rates of postage or in a fee or fees for postal services if the Postal Service determines that such changes would be in the public interest and in accordance with the policies of this title. The Postal Service may submit such suggestions for rate adjustments as it deems suitable.

“(b) Upon receiving a request, the Commission shall make a recommended decision on the request for changes in rates or fees in each class of mail or type of service in accordance with the policies of this title and the following factors:

“(1) the establishment and maintenance of a fair and equitable schedule;

“(2) the value of the mail service actually provided each class or type of mail service to both the sender and the recipient, including but not limited to the collection, mode of transportation, and priority of delivery;

"(3) the requirement that each class of mail or type of mail service bear the direct and indirect postal costs attributable to that class or type plus that portion of all other costs of the Postal Service reasonably assignable to such class or type;

"(4) the effect of rate increases upon the general public, business mail users, and enterprises in the private sector of the economy engaged in the delivery of mail matter other than letters;

"(5) the available alternative means of sending and receiving letters and other mail matter at reasonable costs;

"(6) the degree of preparation of mail for delivery into the postal system performed by the mailer and its effect upon reducing costs to the Postal Service;

"(7) simplicity of structure for the entire schedule and simple, identifiable relationships between the rates or fees charged the various classes of mail for postal services; and

"(8) such other factors as the Commission deems appropriate.

"§ 3623. Mail classification

"(a) Within 2 years after the effective date of this subchapter, the Postal Service shall request the Postal Rate Commission to make a recommended decision on establishing a mail classification schedule in accordance with the provisions of this section.

"(b) Following the establishment of the mail classification schedule requested under subsection (a) of this section, the Postal Service may from time to time request that the Commission submit, or the Commission may submit to the Postal Service on its own initiative, a recommended decision on changes in the mail classification schedule.

"(c) The Commission shall make a recommended decision on establishing or changing the schedule in accordance with the policies of this title and the following factors:

"(1) the establishment and maintenance of a fair and equitable classification system for all mail;

"(2) the relative value to the people of the kinds of mail matter entered into the postal system and the desirability and justification for special classifications and services of mail;

"(3) the importance of providing classifications with extremely high degrees of reliability and speed of delivery;

"(4) the importance of providing classifications which do not require an extremely high degree of reliability and speed of delivery;

"(5) the desirability of special classifications from the point of view of both the user and of the Postal Service; and

"(6) such other factors as the Commission may deem appropriate.

"(d) The Postal Service shall maintain one or more classes of mail for the transmission of letters sealed against inspection. The rate for each such class shall be uniform throughout the United States, its territories, and possessions. One such class shall provide for the most expeditious handling and transportation afforded mail matter by the Postal Service. No letter of such a class of domestic origin shall be opened except under authority of a search warrant authorized by law, or by an officer or employee of the Postal Service for the sole purpose of determining an address at which the letter can be delivered, or pursuant to the authorization of the addressee.

“§ 3624. Recommended decisions of Commission

“(a) *The Postal Rate Commission shall promptly consider a request made under section 3622 or 3623 of this title, except that the Commission shall not recommend a decision until the opportunity for a hearing on the record under sections 556 and 557 of title 5 has been accorded to the Postal Service, users of the mails, and an officer of the Commission who shall be required to represent the interests of the general public.*

“(b) *In order to conduct its proceedings with utmost expedition consistent with procedural fairness to the parties, the Commission may (without limitation) adopt rules which provide for—*

“(1) *the advance submission of written direct testimony;*

“(2) *the conduct of prehearing conferences to define issues, and for other purposes to insure orderly and expeditious proceedings;*

“(3) *discovery both from the Postal Service and the parties to the proceedings;*

“(4) *limitation of testimony; and*

“(5) *the conduct of the entire proceedings off the record with the consent of the parties.*

“(c) *The Commission shall transmit its recommended decision in a rate, fee, or classification matter to the Governors. The recommended decision shall include a statement specifically responsive to the criteria established under section 3622 or 3623, as the case may be.*

“§ 3625. Action of the Governors

“(a) *Upon receiving a recommended decision from the Postal Rate Commission, the Governors may approve, allow under protest, reject, or modify that decision in accordance with the provisions of this section.*

“(b) *The Governors may approve the recommended decision and order the decision placed in effect.*

“(c) *The Governors may, under protest, allow a recommended decision of the Commission to take effect and (1) seek judicial review thereof under section 3628 of this title, or (2) return the recommended decision to the Commission for reconsideration and a further recommended decision, which shall be acted upon under this section and subject to review in accordance with section 3628 of this title.*

“(d) *The Governors may reject the recommended decision of the Commission and the Postal Service may resubmit its request to the Commission for reconsideration. Upon resubmission, the request shall be reconsidered, and further recommended decision of the Commission shall be acted upon under this section and subject to review in accordance with section 3268 of this title. However, with the unanimous written concurrence of all of the Governors then holding office, the Governors may modify any such further recommended decision of the Commission under this subsection if the Governors expressly find that (1) such modification is in accord with the record and the policies of this chapter, and (2) the rates recommended by the Commission are not adequate to provide sufficient total revenues so that total estimated income and appropriations will equal as nearly as practicable estimated total costs.*

“(e) *The decision of the Governors to approve, allow under protest, reject, or modify a recommended decision of the Commission shall be in writing and shall include an estimate of anticipated revenue and*

a statement of explanation and justification. The decision, the record of the Commission's hearings, and the Commission's recommended decision shall be made generally available at the time the decision is issued and shall be printed and made available for sale by the Public Printer within 10 days following the day the decision is issued.

“(f) The Board shall determine the date on which the new rates, fees, the mail classification schedule, and changes in such schedule under this subchapter shall become effective.

“§ 3626. Reduced rates

“If the rates of postage for any class of mail or kind of mailer under former sections 4358, 4359, 4421, 4422, 4452, or 4554 of this title, as such rates existed on the effective date of this subchapter, are, on the effective date of the first rate decision under this subchapter affecting that class or kind, less than the rates established by such decision, a separate rate schedule shall be adopted for that class or kind effective each time rates are established or changed under this subchapter, with annual increases as nearly equal as practicable, so that—

“(1) the revenues received from rates for mail under former sections 4358, 4452 (b) and (c), and 4554 (b) and (c) shall not, on and after the first day of the tenth year following the effective date of the first rate decision applicable to that class or kind, exceed the direct and indirect postal costs attributable to mail of such class or kind (excluding all other costs of the Postal Service); and

“(2) the rates for mail under sections 4359, 4421, 4422, 4452(a), and 4554(a) shall be equal, on and after the first day of the fifth year following the effective date of the first rate decision applicable to that class or kind, to the rates that would have been in effect for such mail if this subsection had not been enacted.

No person who would have been entitled to mail matter under former section 4359 of this title shall mail such matter at the rates provided under this subsection unless he files annually with the Postal Service a written request for permission to mail matter at such rates.

“§ 3627. Adjusting free and reduced rates

“If Congress fails to appropriate an amount authorized under section 2401(c) of this title for any class of mail sent at a free or reduced rate under section 3217, 3403–3405, or 3626 of this title, or under the Federal Voting Assistance Act of 1955, the rate for that class may be adjusted in accordance with the provisions of this subchapter so that the increased revenues received from the users of such class will equal the amount for that class that the Congress was to appropriate.

“§ 3628. Appellate review

“A decision of the Governors to approve, allow under protest, or modify the recommended decision of the Postal Rate Commission may be appealed to any court of appeals of the United States, within 15 days after its publication by the Public Printer, by an aggrieved party who appeared in the proceedings under section 3624(a) of this title. The court shall review the decision, in accordance with section 706 of title 5, and chapter 158 and section 2112 of title 28, except as otherwise provided in this section, on the basis of the record before the Com-

mission and the Governors. The court may affirm the decision or order that the entire matter be returned for further consideration, but the court may not modify the decision. The court shall make the matter a preferred cause and shall expedite judgment in every way. The court may not suspend the effectiveness of the changes, or otherwise prevent them from taking effect until final disposition of the suit by the court. No court shall have jurisdiction to review a decision made by the Commission or Governors under this chapter except as provided in this section.

“SUBCHAPTER III—TEMPORARY RATES AND CLASSES

“§ 3641. *Temporary changes in rates and classes*

“(a) *If the Postal Rate Commission does not transmit to the Governors within 90 days after the Postal Service has submitted, or within 30 days after the Postal Service has resubmitted, to the Commission a request for a recommended decision on a change in rates of postage or in fees for postal services, or on a change in the mail classification schedule (after such schedule is established under section 3623 of this title), the Postal Service, upon 10 days’ notice in the Federal Register, may place into effect temporary changes in rates of postage, in fees for postal service, or in the mail classification schedule it considers appropriate to carry out the provisions of this title. Any temporary change shall be effective for a period ending not later than 30 days after the Commission has transmitted its recommended decision to the Governors.*

“(b) *If, under section 3628 of this title, a court orders a matter returned to the Commission for further consideration, the Postal Service, with the consent of the Commission, may place into effect temporary changes in rates of postage, in fees for postal services, or in the mail classification schedule.*

“(c) *A rate of postage for a class of mail or a fee for a postal service under a temporary change under this section may not exceed the lesser of (1) the rate or fee requested for such class or service, or (2) a rate or fee which is more than one-third greater than the permanent rate or fee in effect for that class or service at the time a permanent change in the rate or fee of such class or service is requested under section 3622 of this title.*

“SUBCHAPTER IV—POSTAL SERVICES AND COMPLAINTS

“§ 3661. *Postal services*

“(a) *The Postal Service shall develop and promote adequate and efficient postal services.*

“(b) *When the Postal Service determines that there should be a change in the nature of postal services which will generally affect service on a nationwide or substantially nationwide basis, it shall submit a proposal, within a reasonable time prior to the effective date of such proposal, to the Postal Rate Commission requesting an advisory opinion on the change.*

“(c) *The Commission shall not issue its opinion on any proposal until an opportunity for hearing on the record under sections 556 and 557 of title 5 has been accorded to the Postal Service, users of the mail, and an officer of the Commission who shall be required to represent the interests of the general public. The opinion shall be in writing and shall include a certification by each Commissioner agreeing with the opinion that in his judgment the opinion conforms to the policies established under this title.*

“§ 3662. Rate and service complaints

“Interested parties who believe the Postal Service is charging rates which do not conform to the policies set out in this title or who believe that they are not receiving postal service in accordance with the policies of this title may lodge a complaint with the Postal Rate Commission in such form and in such manner as it may prescribe. The Commission may in its discretion hold hearings on such complaint. If the Commission, in a matter covered by subchapter II of this chapter, determines the complaint to be justified, it shall, after proceedings in conformity with section 3624 of this title, issue a recommended decision which shall be acted upon in accordance with the provisions of section 3625 of this title and subject to review in accordance with the provisions of section 3628 of this title. If a matter not covered by subchapter II of this chapter is involved, and the Commission after hearing finds the complaint to be justified, it shall render a public report thereon to the Postal Service which shall take such action as it deems appropriate.

“SUBCHAPTER V—GENERAL

“§ 3681. Reimbursement

“No mailer may be reimbursed for any amount paid under any rate or fee which, after such payment, is determined to have been unlawful after proceedings in accordance with the provisions of section 3628 of this title, or is superseded by a lower rate or fee established under subchapter II of this chapter.

“§ 3682. Size and weight limits

“(a) Except as provided in subsection (b) of this section—

“(1) the maximum weight of mail other than letter mail is 40 pounds; and

“(2) the maximum size is—

“(A) 78 inches in girth and length combined before July 1, 1971; and

“(B) 84 inches in girth and length combined on and after July 1, 1971.

“(b) The maximum size on mail, other than letter mail, is 100 inches in girth and length combined, and the maximum weight is 70 pounds if the mail—

“(1) is mailed at, or addressed for delivery at, other than first-class post offices or on rural or star routes, as such offices and routes existed on the day prior to the effective date of this section, as determined by the Postal Service;

“(2) contains baby fowl, live plants, trees, shrubs, or agricultural commodities but not the manufactured products of those commodities;

“(3) would have been entitled to be mailed under former section 4554 of this title;

“(4) is addressed to or mailed at any Armed Forces post office outside the 50 States; or

“(5) is addressed to or mailed in the Commonwealth of Puerto Rico, the States of Alaska and Hawaii, or a possession of the United States including the Canal Zone and the Trust Territory of the Pacific Islands.

“(c) The Postal Service may establish size and weight limitations for letter mail in the same manner as prescribed for changes in classification under subchapter II of this chapter.

“§ 3683. Uniform rates for books; films; other materials

“Notwithstanding any other provision of this title, the rates of postage established for mail matter enumerated in former section 4554 of this title shall be uniform for such mail of the same weight, and shall not vary with the distance transported.

“§ 3684. Limitations

“Except as provided in section 3627 of this title, no provision of this chapter shall be construed to give authority to the Governors to make any change in any provision of section 3682 or 3683 or chapter 30, 32, or 34 of this title, or of the Federal Voting Assistance Act of 1955.

“§ 3685. Filing of information relating to periodical publications

“(a) Each owner of a publication having periodical publication mail privileges shall furnish to the Postal Service at least once a year, and shall publish in such publication once a year, information in such form and detail and at such time as the Postal Service may require with respect to—

“(1) the identity of the editor, managing editor, publishers, and owners;

“(2) the identity of the corporation and stockholders thereof, if the publication is owned by a corporation;

“(3) the identity of known bondholders, mortgagees, and other security holders;

“(4) the extent and nature of the circulation of the publication, including, but not limited to, the number of copies distributed, the methods of distribution, and the extent to which such circulation is paid in whole or in part; and

“(5) such other information as the Postal Service may deem necessary to determine whether the publication meets the standards for periodical publication mail privileges.

The Postal Service shall not require the names of persons owning less than 1 percent of the total amount of stocks, bonds, mortgages, or other securities.

“(b) Each publication having such mail privileges shall furnish to the Postal Service information in such form and detail, and at such times, as the Postal Service requires to determine whether the publication continues to qualify for such privileges.

“(c) *The Postal Service shall make appropriate rules and regulations to carry out the purposes of this section, including provision for suspension or revocation of periodical publication mail privileges for failure to furnish the required information.*

“PART V—TRANSPORTATION OF MAIL

CHAPTER	Sec.
“50. GENERAL.....	5001
“52. TRANSPORTATION OF MAIL BY SURFACE CARRIER.....	5201
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“Chapter 50.—GENERAL

“Sec.

“5001. Provisions for carrying mail.

“5002. Transportation of mail of adjoining countries through the United States.

“5003. Establishment of post roads.

“5004. Discontinuance of service on post roads.

“5005. Mail transportation.

“5006. Lien on compensation of contractor.

“5007. Free transportation of postal employees.

“§ 5001. Provisions for carrying mail

“*The Postal Service shall provide for the transportation of mail in accordance with the policies established under section 101 (e) and (f) of this title and the provisions of this chapter. Notwithstanding any other provision of this title, the Postal Service may make arrangements on a temporary basis for the transportation of mail when, as determined by the Postal Service, an emergency arises. Such arrangements shall terminate when the emergency ceases and the Postal Service is promptly able to secure transportation services under other provisions of this title.*

“§ 5002. Transportation of mail of adjoining countries through the United States

“*The Postal Service, with the consent of the President, may make arrangements to allow the mail of countries adjoining the United States to be transported over the territory of the United States from one point in that country to any other point therein, at the expense of the country to which the mail belongs, upon obtaining a like privilege for the transportation of United States mail through the country to which the privilege is granted.*

“§ 5003. Establishment of post roads

“*The following are post roads:*

“(1) *the waters of the United States, during the time the mail is carried thereon;*

“(2) *railroads or part of railroads and air routes in operation;*

“(3) *canals, during the time the mail is carried thereon;*

“(4) *public roads, highways, and toll roads during the time the mail is carried thereon; and*

“(5) *letter-carrier routes established for the collection and delivery of mail.*

“§ 5004. Discontinuance of service on post roads

“*The Postal Service may discontinue service on a post road or part thereof when, in its opinion, the public interest so requires.*

“§ 5005. Mail transportation

“(a) *The Postal Service may obtain mail transportation service—*

“(1) *from common carriers by rail and motor vehicle or persons as provided in chapter 52 of this title;*

“(2) *from air carriers as provided in chapter 54 of this title;*

“(3) *from water carriers as provided in chapter 56 of this title; and*

“(4) *by contract from any person (as defined in section 5201 (7) of this title) or carrier for surface and water transportation under such terms and conditions as it deems appropriate, subject to the provisions of this section.*

“(b) (1) *Contracts for the transportation of mail procured under subsection (a) (4) of this section shall be for periods not in excess of 4 years (or where the Postal Service determines that special conditions or the use of special equipment warrants, not in excess of 6 years) and shall be entered into only after advertising a sufficient time previously for proposals. The Postal Service, with the consent of the holder of any such contract, may adjust the compensation allowed under that contract for increased or decreased costs resulting from changed conditions occurring during the term of the contract.*

“(2) *A contract made under subsection (a) (4) of this section may be renewed at the existing rate by mutual agreement between the holder and the Postal Service.*

“(3) *Any contract between the Postal Service and any carrier or person for the transportation of mail shall be available for inspection in the office of the Postal Service and either the Interstate Commerce Commission or the Civil Aeronautics Board, as appropriate, and in post offices on the post roads involved, as determined by the Postal Service, at least 15 days prior to the effective date of the contract.*

“(c) *The Postal Service, in determining whether to obtain transportation of mail by carrier or persons under subsection (a) (1) of this section, by contract under subsection (a) (4) of this section, or by Government motor vehicle, shall use the mode of transportation which best serves the public interest, due consideration being given to the cost of the transportation service under each mode.*

“§ 5006. Lien on compensation of contractor

“(a) *A person who—*

“(1) *performs service for a contractor or subcontractor in the transportation of mail;*

“(2) *files his contract for service with the Postal Service; and*

“(3) *files satisfactory evidence of performance with the Postal Service;*

shall have a lien on money due the contractor or subcontractor for the service.

“(b) *The Postal Service may pay the person establishing a lien under subsection (a) of this section the sum due him, when the contractor or subcontractor fails to pay the person the amount of his lien within 2 months after the expiration of the month in which the service was performed. It shall charge the amount so paid to the contract. The payments may not exceed the annual rate of pay of the contractor or subcontractor.*

“§ 5007. Free transportation of postal employees

“Each person or carrier engaged in the transportation of mail shall carry on any vessel, train, motor vehicle, or aircraft he operates, upon exhibiting their credentials and without extra charge therefor, persons on duty in charge of the mails or when traveling to and from such duty.

“Chapter 52.—TRANSPORTATION OF MAIL BY SURFACE CARRIER

Sec.

“5201. Definitions.

“5202. Applicability.

“5203. Authorization of service by carrier.

“5204. Changes in service; placement of equipment.

“5205. Evidence of service.

“5206. Fines and deductions.

“5207. Interstate Commerce Commission to fix rates.

“5208. Procedures.

“5209. Special rates.

“5210. Intermodal transportation.

“5211. Statistical studies.

“5212. Special contracts.

“5213. Carrier operations; receipts; expenditures.

“5214. Agreements with passenger common carriers by motor vehicle.

“2515. Star route certification.

“§ 5201. Definitions

“For purposes of this chapter—

“(1) ‘Commission’ means the Interstate Commerce Commission;

“(2) ‘carrier’ and ‘regulated surface carrier’ mean a railroad, a freight forwarder, a motor carrier, or an express company;

“(3) ‘railroad’ means a railway common carrier, including an electric urban and interurban railway common carrier;

“(4) ‘freight forwarder’ means any regulated freight forwarder which holds itself out to the general public as a common carrier to transport or provide transportation of property as authorized by a permit issued by the Commission;

“(5) ‘motor carrier’ means any common carrier by motor vehicle, except a passenger-carrying motor vehicle, within the meaning of section 303(a)(14) of title 49, which holds a certificate of public convenience and necessity issued by the Commission;

“(6) ‘express company’ means any express company engaged in transportation as a common carrier for hire under section 1(3) of title 49;

“(7) ‘person’ includes any person other than a carrier holding a certificate of public convenience and necessity issued by the Commission; and

“(8) ‘mail’ includes equipment and supplies of the Postal Service.

“§ 5202. Applicability

“This chapter applies to mail transportation performed by any person or carrier or carrier combination regardless of the mode of transportation actually used to provide the service.

“§ 5203. Authorization of service by carrier

“(a) *The Postal Service may establish mail routes and authorize mail transportation service thereon.*

“(b) *A carrier shall transport mail offered for transportation by the Postal Service in the manner, under the conditions, and with the service prescribed by the Postal Service. A carrier is entitled to receive fair and reasonable compensation for the transportation and service connected therewith.*

“(c) *The Postal Service shall determine the trains or motor vehicles upon which mail shall be transported, except that no carrier shall be compelled to transport mail on any train or vehicle which is operated exclusively for the transportation of passengers and their baggage.*

“(d) *A carrier shall transport with due speed such mail as the Postal Service directs under this section.*

“(e) *No carrier shall be required to serve territory it is not otherwise authorized to serve, to provide service for the Postal Service at a rate which is less than compensatory cost, or to provide service at a detriment to the carrier or its other customers.*

“(f) *Any order or determination of the Postal Service providing for the transportation of mail by a motor carrier shall be filed with the Commission. If the Commission finds, within 90 days after the filing, that the order or determination will be detrimental to the motor carrier or its customers, or that such carrier does not operate equipment suitable for the transportation of mail, the order or determination shall be terminated.*

“(g) *An order or determination of the Postal Service under this section shall be consistent with the orders of the Commission under sections 5207 and 5208 of this title.*

“§ 5204. Changes in service; placement of equipment

“(a) *The Postal Service may authorize, according to the need therefor, new or additional mail transportation service by carriers at the rate of compensation fixed under this chapter. It may reduce or discontinue service with pro rata reductions in compensation and indemnity for the loss of reasonable investment in equipment used exclusively for mail.*

“(b) *A railroad shall place cars for full or apartment post office service in position at such time before departure as the Postal Service directs.*

“§ 5205. Evidence of Service

“*A carrier shall submit evidence of its performance of mail transportation service, signed by an authorized official, in such form and at such times as the Postal Service requires. Mail transportation service is considered that of the carrier performing it regardless of the ownership of the property used by the carrier.*

“§ 5206. Fines and deductions

“(a) *The Postal Service may fine any carrier an amount not to exceed \$500 for each day the carrier refuses to perform mail transportation services required by it at rates or compensation established under this chapter.*

“(b) *The Postal Service shall fine a carrier an amount it deems reasonable for failure or refusal by that carrier to transport mail as required by the Postal Service under section 5203 of this title.*

“(c) *The Board may make deductions from the compensation of a carrier for failure to perform mail transportation service as required under section 5203 of this title. If the failure to perform is due to the fault of the carrier, it may deduct a sum not exceeding twice the compensation applying to such service. Such deductions shall not be made prior to the expiration of 60 days following service upon the carrier by the Board of notice of intention to assess a fine or make a deduction and of the basis therefor.*

“§ 5207. Interstate Commerce Commission to fix rates

“(a) *The Commission shall determine and fix the fair and reasonable rates or compensation for the transportation of mail by carrier and the service connected therewith, and shall prescribe the method of computing such rates or compensation. The Commission shall publish its orders stating its determination under this section which shall remain in force until changed by it after notice and hearing.*

“(b) *For the purpose of determining and fixing rates or compensation under this section, the Commission may make just and reasonable classifications of carriers and, where just and equitable, fix general rates applicable to carriers in the same classification.*

“(c) *In determining and fixing fair and reasonable rates or compensation under this section, the Commission shall consider the relation between the Government and carriers as public service corporations, and the nature of public service as distinguished, if there is a distinction, from the ordinary transportation business of the carriers.*

“(d) *Initial rates or compensation for mail transportation service by any carrier or carriers shall be those agreed to by the Postal Service and the carrier or carriers, and such rates or compensation shall continue in effect until such time as the Commission fixes the rates or compensation under subsection (a) of this section.*

“§ 5208. Procedures

“(a) *At any time after 6 months from the entry of an order stating the Commission's determination under section 5207 of this title, the Postal Service or an interested carrier may apply for a reexamination and substantially similar proceedings as have theretofore been had shall be followed with respect to the rates of compensation for services covered by the application. At the conclusion of the hearing the Commission shall enter an order stating its determination.*

“(b) *Except as authorized by sections 5207 (d), 5209, 5210, and 5212 of this title, the Postal Service shall pay a carrier the rates or compensation so determined and fixed for application at such stated times as named in the order.*

“(c) *The Postal Service may file with the Commission a comprehensive plan stating—*

“(1) *its requirements for the transportation of mail by carrier;*

“(2) *the character and speed of the trains or motor vehicles which are to carry the various kinds of mail;*

“(3) *the service, both terminal and en route, which carriers are to render;*

“(4) what it believes to be the fair and reasonable rates of compensation for the services required; and

“(5) all other information which may be material to the inquiry, but such other information may be filed at any time in the discretion of the Commission.

“(d) When a comprehensive plan is filed, the Commission shall give notice of not less than 30 days to each carrier required by the Postal Service to transport mail pursuant to such plan. A carrier may file its answer at the time fixed by the Commission, but not later than 30 days after the expiration date fixed by the Commission in the notice, and the Commission shall proceed with the hearing.

“§ 5209. Special rates

“Upon petition by the Postal Service, the Commission shall determine and fix carload or truckload, or less than carload or truckload, rates for the transportation of mail not entitled to high priority in transportation. A carrier shall perform the service at the rates so determined when requested to do so and under the conditions prescribed by the Postal Service.

“§ 5210. Intermodal transportation

“The Postal Service may permit a carrier to perform mail transportation by any form of transportation it deems appropriate at rates or compensation not exceeding those allowable for similar service by the designated form of transportation.

“§ 5211. Statistical studies

“The Postal Service may arrange for weighing and measuring mail transported on carrier mail routes and make other computations for statistical and administrative purposes to carry out the purposes of this chapter.

“§ 5212. Special contracts

“The Postal Service may enter into special contracts with any carrier or person, without advertising, for bids and for periods not in excess of 4 years. It may contract to pay lower rates or compensation or, where in its judgment conditions warrant, higher rates or compensation than those determined or fixed by the Commission. The fact that the Commission has not prescribed rates or compensation for the carrier involved, under section 5207 of this title, shall not preclude execution of a contract under this section. Such contracts may be negotiated only after reasonable notice has been posted in advance in post offices on the post roads to be served, and other carriers or persons have been given an opportunity to offer to negotiate for the transportation of mail.

“§ 5213. Carrier operations; receipts; expenditures

“The Postal Service shall request any carrier transporting the mails to furnish, under seal, such data relating to the operations, receipts, and expenditures of such carrier as may, in its judgment, be deemed necessary to enable it to ascertain the cost of mail transportation and the proper compensation to be paid for such service.

“§ 5214. Agreements with passenger common carriers by motor vehicle

“The Postal Service may enter into contracts under such terms and conditions as it shall prescribe and without advertising for bids for the transportation of mail, in passenger-carrying motor vehicles, by passenger common carriers, or by motor vehicles over the regular route on which the carrier is permitted by law to transport passengers.

“§ 5215. Star route certification

“(a) Any person who was a contractor under a star route, mail messenger, or contract motor vehicle service contract on the effective date of this section (or successor in interest to any such person), shall, upon application to the Commission for the territory within which such contractor operated on or before the effective date of this section be issued a certificate of public convenience and necessity as a motor carrier for the transportation of mail by the Commission without the Commission’s requiring further proof that the public convenience and necessity will be served by such operation and without further proceedings.

“(b) Applications of persons who were not contractors on the effective date of this section shall be decided in accordance with applicable Commission procedure.

“(c) For purposes of this section, the term ‘person’ has the same meaning given that term under section 1 of title 1.

“Chapter 54.—TRANSPORTATION OF MAIL BY AIR

“Sec.

“5401. Authorization.

“5402. Contracts for transportation of mail by air.

“5403. Fines.

“§ 5401. Authorization

“(a) The Postal Service is authorized to provide for the safe and expeditious transportation of mail by aircraft.

“(b) Except as otherwise provided in section 5402 of this title, the Postal Service may make such rules, regulations, and orders consistent with sections 1301–1542 of title 49, or any order, rule, or regulation made by the Civil Aeronautics Board thereunder, as may be necessary for such transportation.

“§ 5402. Contracts for transportation of mail by air

“(a) The Postal Service may contract with any certificated air carrier, without advertising for bids, in such manner and under such terms and conditions as it deems appropriate, for the transportation of mail by aircraft between any of the points between which the carrier is authorized by the Civil Aeronautics Board to engage in the transportation of mail. Such contracts shall be for the transportation of at least 750 pounds of mail per flight, and no more than 10 percent of the domestic mail transported under any such contract or 5 percent, based on weight, of the international mail transported under any such contract shall consist of letter mail. Any such contract shall be filed with the Civil Aeronautics Board not later than 90 days before its effective date. Unless the Civil Aeronautics Board shall determine

otherwise (under criteria prescribed by section 1302 of title 49) not later than 10 days prior to the effective date of the contract, such contract shall become effective.

“(b) When the Postal Service deems that the transportation of mail by aircraft is required between points between which the Civil Aeronautics Board has not authorized an air carrier or combination of air carriers to engage in the transportation of mail, it may contract with any air carrier in such manner and under such terms and conditions as it may deem appropriate for the transportation of any class or classes of mail. The transportation of mail under contracts entered into under this subsection is not, except for sections 1371(k) and 1386(b) of title 49, air transportation within the provisions of sections 1301–1542 of title 49. The Postal Service shall cancel such contract, in whole or in respect to certain points as the certificate shall require, upon the issuance by the Civil Aeronautics Board of an authorization under sections 1371–1386 of title 49 to any air carrier to engage in the transportation of mail by aircraft between any of the points named in the contract, and the inauguration of scheduled service by such carrier.

“(c) If the Postal Service determines that service by certificated air carriers or combination of air carriers between any pair or pairs of points is not adequate for its purposes, it may contract for a period of not more than 4 years, without advertising for bids, in such manner and under such terms and conditions as it may deem appropriate, with any air taxi operator or combination thereof for such air transportation service. Contracts made under this subsection may be renewed at the existing rate by mutual agreement between the holder and the Postal Service. The Postal Service, with the consent of the air taxi operator, may adjust the compensation under such contracts for increased or decreased costs occasioned by changed conditions occurring during the contract term. The Postal Service shall cancel such a contract when the Civil Aeronautics Board authorizes an additional certificated carrier or carriers to provide service between any pair or pairs of points covered by the contract, and such carrier or carriers inaugurate schedules adequate for its purposes.

“§ 5403. Fines

“The Postal Service may impose or remit fines on carriers transporting mail by air on routes extending beyond the borders of the United States for—

- “(1) unreasonable or unnecessary delay to mail; and
- “(2) other delinquencies in the transportation of the mail.

“Chapter 56.—TRANSPORTATION OF MAIL BY VESSEL

“Sec.

“5601. Sea post service.

“5602. Termination of contracts for foreign transportation.

“5603. Transportation of mail by vessel as freight or express.

“5604. Fines on ocean carriers.

“5605. Contracts for transportation of mail by vessel.

“§ 5601. Sea post service

“The Postal Service may maintain sea post service on ocean vessels conveying mail to and from the United States.

“§ 5602. Termination of contracts for foreign transportation

“Contracts for the transportation of mail by vessel between the United States and a foreign port shall be made subject to cancellation by the Postal Service or the Congress.

“§ 5603. Transportation of mail by vessel as freight or express

“The Postal Service may require that mail be transported by freight or express when—

“(1) there is no competition on a water route and the rate or compensation asked is excessive; or

“(2) no proposal is received.

A common carrier by water that fails or refuses to transport the mail when required to do so under this section shall be fined not more than \$500 for each day of refusal.

“§ 5604. Fines on ocean carriers

“The Postal Service may impose or remit fines on carriers transporting mail by vessel on routes extending beyond the borders of the United States for—

“(1) unreasonable or unnecessary delay to the mails; and

“(2) other delinquencies in the transportation of mail.

“§ 5605. Contracts for transportation of mail by vessel

“The Postal Service may contract for the transportation of mail by vessel without advertising for bids for periods of not in excess of 4 years.”

CONTINUATION OF EXISTING RATES AND FEES

SEC. 3. The classes of mail, the rates of postage, and fees for postal services prescribed by law or regulation made or adopted prior to the effective date of subchapter II of chapter 36 of title 39, United States Code, as enacted by section 2 of this Act, shall be in effect according to the terms of such law or regulation until changed in accordance with such subchapter.

TRANSITIONAL PROVISIONS

SEC. 4. (a) There are hereby transferred to the United States Postal Service all the functions, powers, and duties of the Post Office Department and the Postmaster General of the Post Office Department, and the Post Office Department and the office of Postmaster General of the Post Office Department are abolished.

(b) Postal revenues and fees collected on and after the effective date of this section shall be considered assets of the Postal Service.

SAVING PROVISIONS

SEC. 5. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective—

(A) under any provision of law amended by this Act; or

(B) in the exercise of duties, powers, or functions which are transferred under this Act;

by (i) any department or agency, any functions of which are transferred by this Act, or (ii) any court of competent jurisdiction; and

(2) which are in effect at the time the United States Postal Service commences operations, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Postal Service (in the exercise of any authority vested in it by this Act), by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this Act shall not affect any proceedings pending at the time this section takes effect before any department or agency (or component thereof), the functions of which are transferred by this Act; but such proceedings shall be continued before the Postal Service. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Postal Service (in the exercise of any authority vested in it by this Act), by a court of competent jurisdiction, or by operation of law.

(c) (1) Except as provided in paragraph (2) of this subsection—

(A) the provisions of this Act shall not affect suits commenced prior to the date this section takes effect; and

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted.

No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of any department or agency, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions of which are transferred by this Act, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act. Causes of actions, suits, actions, or other proceedings may be asserted by or against the Postal Service or such official of that Service as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(2) If before the date on which any provision of this Act takes effect, any department or agency, or officer thereof in his official capacity, is a party to a suit, and under this Act—

(A) such department or agency is transferred to the Postal Service; or

(B) any function of such department, agency, or officer is transferred to the Postal Service;

such suit shall be continued by the Postal Service.

(d) The amendment of any statute by this Act shall not release or extinguish any criminal prosecution, penalty, forfeiture, or liability incurred under such statute, unless the amending Act shall so expressly provide, and such statute shall be treated as still remaining in force for the purpose of sustaining any proper action or prosecution for the enforcement of such prosecution, penalty, forfeiture, or liability.

(e) *With respect to any function, power, or duty transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any department or agency, officer, or office so transferred, or functions of which are so transferred, shall be deemed to mean the officer or agency of the Postal Service in which this Act vests such function after such transfer.*

(f) *Provisions of title 39, United States Code, in effect immediately prior to the effective date of this section, but not reenacted by this Act, shall remain in force as rules or regulations of the Postal Service established by this Act, to the extent the Postal Service is authorized to adopt such provisions as rules or regulations, until they are revoked, amended, or revised by the Postal Service.*

(g) *Notwithstanding section 202 of title 39, United States Code, as enacted by section 2 of this Act, Governors of the Board of Governors of the Postal Service may be paid \$300 a day for not more than 60 days of meetings in each of the first 2 years following the effective date of such section 202.*

TECHNICAL AMENDMENTS

SEC. 6. (a) *Section 225(f) of the Act of December 15, 1967 (81 Stat. 643; 2 U.S.C. 356), is amended—*

(1) *by striking out the word “and” at the end of paragraph (C);*

(2) *by striking out the period at the end of paragraph (D) and inserting in lieu thereof “; and”; and*

(3) *by adding after paragraph (D) a new paragraph (E) as follows:*

“(E) *the Governors of the Board of Governors of the United States Postal Service appointed under section 202 of title 39, United States Code.*”

(b) *Subsection (d)(1) of section 19 of title 3, United States Code, is amended by striking out “Postmaster General.”*

(c) *Title 5, United States Code, is amended as follows:*

(1) *Section 101 is amended by striking out—*

“*The Post Office Department.*”

(2) *Section 104(1) is amended by inserting after “executive branch” the following: “(other than the United States Postal Service or the Postal Rate Commission).”*

(3) *Section 2104 is amended—*

(A) *by inserting the subsection designation “(a)” before the word “For”;*

(B) *by inserting after “except” the following: “as otherwise provided by this section or”;* and

(C) *by inserting at the end thereof the following new subsection:*

“(b) *Except as otherwise provided by law, an officer of the United States Postal Service or of the Postal Rate Commission is deemed not an officer for purposes of this title.*”

(4) *Section 2105 is amended by adding at the end thereof the following new subsection:*

“(e) Except as otherwise provided by law, an employee of the United States Postal Service or of the Postal Rate Commission is deemed not an employee for purposes of this title.”.

(5) Section 3104(a)(5) is repealed.

(6) Section 3304a(a) is amended by striking out “, in the postal field service,”.

(7) (A) Section 3327 is repealed.

(B) The analysis of subchapter I of chapter 33 is amended by striking out item 3327.

(8) Section 4301(1)(ii) is repealed.

(9) Section 5102(c)(1) is repealed.

(10) Section 5303(a)(2) is repealed.

(11) The first sentence of section 5304 is amended by striking out “the provisions of part III of title 39 relating to employees in the postal field service,”.

(12) Clause (5) of section 5312 is repealed.

(13) Section 5314 is amended—

(A) by striking out clause (3); and

(B) by inserting at the end thereof the following:

“(55) Chairman, Postal Rate Commission.”.

(14) Section 5315 is amended—

(A) by striking out clauses (21) and (45); and

(B) by inserting at the end thereof the following:

“(93) Members, Postal Rate Commission (4).”.

(15) Clauses (37), (60), and (123) of section 5316 are repealed.

(16) Section 5541(2)(vi) is repealed.

(17) Section 6301(2)(ii) is amended by striking out the first comma thereof and the phrase “except an hourly employee in the postal field service,”.

(18) Section 6323 is amended—

(A) by striking out of subsections (a) and (c) the phrase “(a substitute employee in the postal field service)” wherever it appears; and

(B) by striking out subsections (b) and (d).

(19) Section 7101 is amended by striking out “postal service” and inserting in lieu thereof “United States Postal Service”.

(20) Section 8344 is amended by adding at the end thereof the following new subsection:

“(c) This section does not apply to an individual appointed to serve as a Governor of the Board of Governors of the United States Postal Service.”.

(d) Paragraph seventh of section 5136 of the Revised Statutes, as amended (12 U.S.C. 24 seventh), is amended by inserting after “nor to bonds, notes, and other obligations issued by the Tennessee Valley Authority” the words “or by the United States Postal Service”.

(e) Section 602(c) of the Act of August 7, 1956 (70 Stat. 1113), as amended (12 U.S.C. 1701d-3(c)), is further amended by striking out “section 306 of the Penalty Mail Act of 1948 (39 U.S.C. 321n)” and inserting in lieu thereof “section 3204 of title 39, United States Code”.

(f) Section 301(a) of the Housing Act of 1948 (63 Stat. 431), as amended (12 U.S.C. 1701e(a)), is further amended by striking out "39 United States Code 321n" and inserting in lieu thereof "39 United States Code 3204".

(g) Section 8(b) of the Small Business Act, as amended by section 107 of the Act of October 11, 1967 (81 Stat. 269; 15 U.S.C. 637(b), (15)), is further amended by striking out "section 4154 of title 39, United States Code" which appears in paragraph 15 and inserting in lieu thereof "section 3204 of title 39, United States Code".

(h) Section 2(f) of the Act of May 28, 1963 (77 Stat. 50; 16 U.S.C. 460l-1(f)), is amended by striking out "section 4154, title 39, United States Code", and inserting in lieu thereof "section 3204 of title 39, United States Code".

(i) Section 8 of title 17, United States Code, is amended—

(1) by striking out "Postmaster General" and inserting in lieu thereof "United States Postal Service"; and

(2) by striking out "section 2506 of title 39" and inserting in lieu thereof "section 405 of title 39".

(j) Title 18, United States Code, is amended as follows:

(1) The analysis of chapter 1 is amended by inserting in item 12, before "Postal" the words "United States".

(2) Section 12 is amended to read as follows:

"§ 12. United States Postal Service defined

"As used in this title, the term 'Postal Service' means the United States Postal Service established under title 39, and every officer and employee of that Service, whether he has taken the oath of office."

(3) Section 440 is amended by striking out "Post Office Department" and inserting in lieu thereof "Postal Service".

(4) Section 441 is amended by striking out "Post Office Department or the".

(5) The first 2 paragraphs of section 500 are amended to read as follows:

"Whoever, with intent to defraud, falsely makes, forges, counterfeits, engraves, or prints any order in imitation of or purporting to be a money order issued by the Post Office Department or Postal Service, or by any officer or employee thereof; or

"Whoever forges or counterfeits the signature of any officer or employee of the Postal Service, upon or to any money order, postal note, or blank therefor provided or issued by or under the direction of the Post Office Department or the Postal Service, or post office department or corporation of any foreign country, and payable in the United States, or any material signature or indorsement thereon, or any material signature to any receipt or certificate of identification thereof; or".

(6) The last 3 paragraphs of section 501 thereof are amended to read as follows:

"Whoever makes or prints, or authorizes to be made or printed, any postage stamp, stamped envelope, or postal card, of the kind authorized and provided by the Post Office Department, or by the Postal Service, without the special authority and direction of the Department or Postal Service; or

"Whoever after such postage stamp, stamped envelope or postal card has been printed, with intent to defraud, delivers the same to any person not authorized by an instrument in writing, duly executed under the hand of the Postmaster General and the seal of the Post Office Department or the Postal Service, to receive it—

"Shall be fined not more than \$500 or imprisoned not more than five years, or both."

(7) Sections 612 and 876 are amended by striking out the phrase "Post Office Department" wherever it appears and inserting in lieu thereof "Postal Service".

(8) Section 877 is amended by striking out the phrase "Post Office Department of the United States" wherever it appears and inserting in lieu thereof "Postal Service".

(9) Section 1114 is amended by striking out "postal inspector, any postmaster, officer, or employee in the field service of the Post Office Department" and inserting in lieu thereof "officer or employee of the Postal Service".

(10) Section 1303 is amended by striking out "a postmaster or other person employed in" and inserting in lieu thereof "an officer or employee of".

(11) Section 1341 is amended by striking out "Post Office Department" and inserting in lieu thereof "Postal Service".

(12) Section 1342 is amended by striking out "Post Office Department of the United States" and inserting in lieu thereof "Postal Service".

(13) Section 1463 is amended by striking out "Postmaster General" in section 1463 and inserting in lieu thereof "Postal Service".

(14) Section 1696(c) is amended by striking out "section 500 of title 39" and inserting in lieu thereof "section 601 of title 39".

(15) Section 1699 is amended by striking out "Postmaster General" wherever appearing therein and inserting in lieu thereof "Postal Service".

(16)(A) Subsection (a) of section 1703 is amended to read as follows:

"(a) Whoever, being a Postal Service officer or employee, unlawfully secretes, destroys, detains, delays, or opens any letter, postal card, package, bag, or mail entrusted to him or which shall come into his possession, and which was intended to be conveyed by mail, or carried or delivered by any carrier or other employee of the Postal Service, or forwarded through or delivered from any post office or station thereof established by authority of the Postmaster General or the Postal Service, shall be fined not more than \$500 or imprisoned not more than five years, or both."

(B) Subsection (b) of section 1703 is amended by striking out the phrase "postmaster or Postal Service employee" wherever it appears and inserting in lieu thereof "Postal Service officer or employee".

(17) Section 1704 is amended by inserting "or the Postal Service" after the words "Post Office Department" wherever they appear.

(18) Section 1707 is amended by striking out "Post Office Department" and inserting in lieu thereof "Postal Service".

(19)(A) Section 1709 is amended to read as follows:

“§ 1709. Theft of mail matter by officer or employee

“Whoever, being a Postal Service officer or employee, embezzles any letter, postal card, package, bag, or mail, or any article or thing contained therein entrusted to him or which comes into his possession intended to be conveyed by mail, or carried or delivered by any carrier, messenger, agent, or other person employed in any department of the Postal Service, or forwarded through or delivered from any post office or station thereof established by authority of the Postmaster General or of the Postal Service; or steals, abstracts, or removes from any such letter, package, bag, or mail, any article or thing contained therein, shall be fined not more than \$2,000 or imprisoned not more than five years, or both.”

(B) The analysis of chapter 83 is amended by striking out—

“1709. Theft of mail matter by postmaster or employee.”

and inserting in lieu thereof—

“1709. Theft of mail matter by officer or employee.”

(20) Section 1710 is amended by striking out “postmaster or Postal Service employee” and inserting in lieu thereof “Postal Service Officer or employee”.

(21) Section 1711 is amended—

(A) by striking out the phrase “postmaster or Postal Service employee” and inserting in lieu thereof “Postal Service officer or employee”;

(B) by striking out “Post Office Department” and inserting in lieu thereof “Postal Service”;

(C) by striking out “postmaster” wherever it appears in the second paragraph and inserting in lieu thereof “Postal Service officer or employee”; and

(D) by striking out “Postmaster General” wherever appearing in section 1711, and inserting in lieu thereof “Postal Service”.

(22) Section 1712 is amended—

(A) by striking out the phrase “postmaster or Postal Service employee” and inserting in lieu thereof “Postal Service officer or employee”;

(B) by striking out “Post Office Department” and inserting in lieu thereof “Postal Service”;

(C) by striking out “postmaster or employee” in the second paragraph and inserting in lieu thereof “Postal Service officer or employee”; and

(D) by striking out “postmaster or other person” in the second paragraph and inserting in lieu thereof “officer or employee”.

(23) Section 1713 is amended by striking out “a postmaster or other person employed in any branch of the Postal Service” and inserting in lieu thereof “an officer or employee of the Postal Service”.

(24) Section 1715 is amended—

(A) by striking out “Postmaster General” wherever appearing therein and inserting in lieu thereof “Postal Service”; and

(B) by striking out “postmaster, letter carrier, or other person in” and inserting in lieu thereof “officer or employee of”.

(25) (A) The second, third, and fourth paragraphs of section 1716 are amended to read as follows:

"The Postal Service may permit the transmission in the mails, under such rules and regulations as it shall prescribe as to preparation and packing, of any such articles which are not outwardly or of their own force dangerous or injurious to life, health, or property.

"The Postal Service is authorized and directed to permit the transmission in the mails, under regulations to be prescribed by it, of live scorpions which are to be used for purposes of medical research or for the manufacture of antivenom. Such regulations shall include such provisions with respect to the packaging of such live scorpions for transmission in the mails as the Postal Service deems necessary or desirable for the protection of Postal Service personnel and of the public generally and for ease of handling by such personnel and by any individual connected with such research or manufacture. Nothing contained in this paragraph shall be construed to authorize the transmission in the mails of live scorpions by means of aircraft engaged in the carriage of passengers for compensation or hire.

"The transmission in the mails of poisonous drugs and medicines may be limited by the Postal Service to shipments of such articles from the manufacturer thereof or dealer therein to licensed physicians, surgeons, dentists, pharmacists, druggists, cosmetologists, barbers, and veterinarians under such rules and regulations as it shall prescribe."

(B) Section 1716 is amended—

(i) by striking out "Postmaster General" wherever else appearing therein and inserting in lieu thereof "Postal Service";

(ii) by striking out "letter carrier" in the first paragraph and inserting in lieu thereof "officer or employee of the Postal Service"; and

(iii) by striking out "postmaster, letter carrier, or other person in the postal service" in the seventh paragraph and inserting in lieu thereof "officer or employee of the Postal Service".

(26) Section 1716A is amended by striking out "section 4010" and inserting in lieu thereof "section 3002".

(27) Section 1717(b) is amended by striking out "of the United States".

(28) Section 1718 is amended by striking out "Postmaster General" and inserting in lieu thereof "Postal Service".

(29) Section 1721 is amended—

(A) by striking out "postmaster or postal service employee" and inserting in lieu thereof "Postal Service Officer or employee";

(B) by striking out the phrase "Post Office Department" wherever it appears and inserting in lieu thereof "Postal Service";

(C) by striking out "postmaster or other person" and inserting in lieu thereof "officer or employee"; and

(D) by striking out "the postmaster or any employee of a post office or station or branch thereof" and inserting in lieu thereof "any such officer or employee".

(30) Section 1722 is amended by striking out "any postmaster or to the Post Office Department or any officer of the Postal Service" and inserting in lieu thereof "the Postal Service or to any officer or employee of the Postal Service".

(31) Section 1723 is amended by striking out "the Postmaster General" and inserting in lieu thereof "a duly authorized officer of the Postal Service".

(32) Section 1724 is amended to read as follows:

“§ 1724. Postage on mail delivered by foreign vessels

“Except as otherwise provided by treaty or convention the Postal Service may require the transportation by any steamship of mail between the United States and any foreign port at the compensation fixed under authority of law. Upon refusal by the master or the commander of such steamship or vessel to accept the mail, when tendered by the Postal Service or its representative, the collector or other officer of the port empowered to grant clearance, on notice of the refusal aforesaid, shall withhold clearance, until the collector or other officer of the port is informed by the Postal Service or its representative that the master or commander of the steamship or vessel has accepted the mail or that conveyance by his steamship or vessel is no longer required by the Postal Service”.

(33) Section 1725 is amended by striking out “Postmaster General” and inserting in lieu thereof “Postal Service”.

(34) Section 1729 is amended by striking out “Postmaster General” and inserting in lieu thereof “Postal Service”.

(35) Section 1730 is amended by striking out “Postmaster General” and inserting in lieu thereof “Postal Service”.

(36) (A) Section 1733 is amended to read as follows:

“§ 1733. Mailing periodical publications without prepayment of postage

“Whoever, except as permitted by law, knowingly mails any periodical publication without the prepayment of postage, or, being an officer or employee of the Postal Service, knowingly permits any periodical publication to be mailed without prepayment of postage, shall be fined not more than \$1,000, or imprisoned not more than one year, or both.”.

(B) The analysis of chapter 83 is amended by striking out—

“1733. Affidavits relating to second-class mail.”

and inserting in lieu thereof—

“1733. Mailing periodical publications without prepayment of postage.”.

(37) (A) Chapter 83 is further amended by adding at the end thereof the following new sections:

“§ 1735. Sexually oriented advertisements

“(a) Whoever—

“(1) willfully uses the mails for the mailing, carriage in the mails, or delivery of any sexually oriented advertisement in violation of section 3010 of title 39, or willfully violates any regulations of the Board of Governors issued under such section; or

“(2) sells, leases, rents, lends, exchanges, or licenses the use of, or, except for the purpose expressly authorized by section 3010 of title 39, uses a mailing list maintained by the Board of Governors under such section;

shall be fined not more than \$5,000 or imprisoned not more than five years, or both, for the first offense, and shall be fined not more than \$10,000 or imprisoned not more than ten years, or both, for any second or subsequent offense.

“(b) For the purposes of this section, the term ‘sexually oriented advertisement’ shall have the same meaning as given it in section 3010(d) of title 39.

“§ 1736. Restrictive use of information

“(a) No information or evidence obtained by reason of compliance by a natural person with any provision of section 3010 of title 39, or regulations issued thereunder, shall, except as provided in subsection (c) of this section, be used, directly or indirectly, as evidence against that person in a criminal proceeding.

“(b) The fact of the performance of any act by an individual in compliance with any provision of section 3010 of title 39, or regulations issued thereunder, shall not be deemed the admission of any fact, or otherwise be used, directly or indirectly, as evidence against that person in a criminal proceeding, except as provided in subsection (c) of this section.

“(c) Subsections (a) and (b) of this section shall not preclude the use of any such information or evidence in a prosecution or other action under any applicable provision of law with respect to the furnishing of false information.

“§ 1737. Manufacturer of sexually related mail matter

“(a) Whoever shall print, reproduce, or manufacture any sexually related mail matter, intending or knowing that such matter will be deposited for mailing or delivery by mail in violation of section 3008 or 3010 of title 39, or in violation of any regulation of the Postal Service issued under such section, shall be fined not more than \$5,000 or imprisoned not more than five years, or both, for the first offense, and shall be fined not more than \$10,000 or imprisoned not more than ten years, or both, for any second or subsequent offense.

“(b) As used in this section, the term ‘sexually related mail matter’ means any matter which is within the scope of section 3008(a) or 3010(d) of title 39.”

(B) The table of contents of such chapter is amended by adding at the end thereof the following new items:

“1735. Sexually oriented advertisements.

“1736. Restrictive use of information.

“1737. Manufacturer of sexually related mail matter.”

(38) (A) Section 3061 is amended—

(i) by striking out the section heading and inserting in lieu thereof the following:

“§ 3061. Powers of postal personnel”;

(ii) by striking out of subsection (a) the words “postal inspectors may, to the extent authorized by the Postmaster General—” and inserting in lieu thereof “officers and employees of the Postal Service performing duties related to the inspection of postal matters may, to the extent authorized by the Board of Governors—”; and

(iii) by striking out of subsection (b) the words “postal service” and inserting in lieu thereof “Postal Service, including property of the Postal Service.”

(B) *The analysis of chapter 203 is amended by striking out—*

“3061. Powers of postal inspectors.”

and inserting in lieu thereof—

“3061. Powers of postal personnel.”

(k) *Section (d) of the Act of June 8, 1938 (52 Stat. 631), as amended (56 Stat. 250; 22 U.S.C. 611(d)), is further amended by striking out “file with the Postmaster General a sworn statement in compliance with section 2 of the Act of August 24, 1912 (37 Stat. 553), as amended”, and inserting in lieu thereof, “file with the United States Postal Service information in compliance with section 3611 of title 39, United States Code”.*

(l) (1) *The sixth subdivision of section 7 of the Act of July 31, 1894 (28 Stat. 206; 31 U.S.C. 72 Fifth), and the second proviso of section 10 of the Act of August 24, 1912 (37 Stat. 559; 31 U.S.C. 72 Fifth) are repealed.*

(2) *Section 1 of the Act of March 6, 1946 (60 Stat. 31), as amended (31 U.S.C. 129), is further amended by inserting after “Postmaster General,” the following: “the United States Postal Service.”*

(3) *Section 1302 of the Act of July 27, 1956, as amended (31 U.S.C. 724a), is further amended by adding the following sentence thereto: “Notwithstanding the other provisions of this section, judgments against the United States arising out of activities of the United States Postal Service shall be paid by the Postal Service out of any funds available to it.”*

(4) *Section 1 of the Act of September 30, 1890 (26 Stat. 511; 31 U.S.C. 1028) is hereby repealed.*

(m) (1) *Section 411(f) of the Public Buildings Act of 1949, as amended (68 Stat. 520; 40 U.S.C. 356(f)), is further amended by striking out in the third proviso “section 205 of the Post Office Department Property Act of 1954” and inserting in lieu thereof “section 2003 of title 39, United States Code”.*

(2) *Item (15) of section 602(d) of the Act of June 30, 1949 (63 Stat. 401, as amended (40 U.S.C. 474(15))) is further amended to read as follows:*

“(15) The United States Postal Service;”

(3) *Section 16 of the Act of September 9, 1959 (73 Stat. 483; 40 U.S.C. 615) is amended to read as follows:*

“Sec. 16. Nothing in this Act shall be construed to limit or repeal—

“(1) existing authorizations for the leasing of buildings by and for the General Services Administration; or

“(2) the authority conferred by law on the United States Postal Service.”

(4) *The third proviso of section 3 of the Act of August 10, 1939 (50 Stat. 479), as amended (40 U.S.C. 723), is further amended by striking out “insofar as such loss, destruction, or damage may be adjusted by the Postmaster General under the provisions of the Act of March 17, 1882, as amended (U.S.C. 1934 edition, title 39, sec. 49)”, and inserting in lieu thereof the following: “insofar as such loss, destruction, or damage relates to property of the United States Postal Service chargeable to its officers or employees”.*

(5) *Section 3a of the Government Losses in Shipment Act as added by section 2 of the Act of August 10, 1939 (53 Stat. 1358; 40 U.S.C. 724), is amended (A) by striking out the colon immediately preceding the proviso and inserting a period in lieu thereof; and (B) by striking out the proviso.*

(n) *Section 602(i) of the Act of August 20, 1964 (78 Stat. 529; 42 U.S.C. 2942(i)), is amended by striking out "section 4154 of title 39, United States Code" and inserting in lieu thereof "section 3204 of title 39, United States Code".*

(o) *Whenever any reference is made in any provision of law (other than this Act or a provision of law amended by this Act), regulation, rule, record, or document to the Post Office Department, the Postal Service, the postal field service, the field postal service, or the departmental service or departmental headquarters of the Post Office Department, such reference shall be considered a reference to the United States Postal Service. Any reference to any officer or employee of the Post Office Department, the Postal Service, the postal field service, the field postal service, or the departmental service or departmental headquarters of the Post Office Department shall be deemed a reference to the appropriate officer or employee of the United States Postal Service.*

(p) *Whenever reference is made in any provision of law (other than this Act or provision of law amended by this Act), regulation, rule, record, or document to a postal inspector or chief postal inspector of the Post Office Department, such reference shall be deemed to be a reference to the appropriate officer or employee of the United States Postal Service who performs duties related to the inspection of postal matters.*

(q) *Whenever reference is made in any law to title 39, United States Code, or provision of that title, as such title or provision existed prior to the effective date of this section, that reference shall be considered a reference to the appropriate provision of title 39, as amended by section 2 of this Act, unless no such provision is included therein.*

STUDY OF PRIVATE CARRIAGE OF MAIL

SEC. 7. The Congress finds that advances in communications technology, data processing, and the needs of mail users require a complete study and thorough reevaluation of the restrictions on the private carriage of letters and packets contained in chapter 6 of title 39, United States Code (as enacted by section 2 of this Act), and sections 1694-1696 of title 18, United States Code, and the regulations established and administered under these laws. The Board of Governors of the United States Postal Service shall submit to the President and the Congress within 2 years after the effective date of this section a report and recommendation for the modernization of these provisions of law, and such regulations and administrative provisions of law, and such regulations and administrative practices.

TRANSFER OF POST OFFICE DEPARTMENT PERSONNEL

SEC. 8. Officers and employees of the Post Office Department shall become officers and employees of the United States Postal Service on the effective date of this section. The provisions of this section shall

not apply to persons occupying the positions of Postmaster General, Deputy Postmaster General, Assistant Postmasters General, General Counsel, or Judicial Officer. This section shall not be construed, however, to prohibit the appointment of such persons to positions in the Postal Service.

COMPENSATION OF EMPLOYEES

SEC. 9. (a) The Postmaster General, under regulations made by him, shall increase the rates of basic pay or compensation of employees in the Post Office Department so that such rates will equal, as nearly as practicable, 108 percent of the rates of basic pay or compensation in effect immediately prior to the date of enactment of this Act. Such increases shall take effect on the first day of the first pay period which begins on or after April 16, 1970.

(b) Retroactive pay, compensation, or salary shall be paid by reason of this Act only in the case of an individual in the service of the United States (including service in the Armed Forces of the United States) on the date of enactment of this Act, except that such retroactive pay, compensation, or salary shall be paid—

(1) to an officer or employee who retired, during the period beginning on the first day of the first pay period which began on or after April 16, 1970, and ending on the date of enactment of this Act, for services rendered during such period; and

(2) in accordance with subchapter VIII of chapter 55 of title 5, United States Code, relating to settlement of accounts, for services rendered, during the period beginning on the first day of the first pay period which began on or after April 16, 1970, and ending on the date of enactment of this Act, by an officer or employee who died during such period.

Such retroactive pay, compensation, or salary shall not be considered as basic pay for the purposes of subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement, or any other retirement law or retirement system, in the case of any such retired or deceased officer or employee.

(c) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Government of the United States.

(d) For purposes of determining the amount of insurance for which an individual is eligible under chapter 87 of title 5, United States Code, relating to group life insurance for Government employees, all changes in rates of pay, compensation, and salary which result from the enactment of this section shall be held and considered to become effective as of the date of such enactment.

(e) No rate of basic pay or compensation, in excess of the rate of basic pay for GS-18 of the General Schedule in section 5332 of title 5, United States Code, shall be paid by reason of the enactment of this section.

LABOR AGREEMENTS

SEC. 10. (a) As soon as practicable after the enactment of this Act, the Postmaster General and the labor organizations which as of the effective date of this section hold national exclusive recognition rights granted by the Post Office Department, shall negotiate an agreement or agreements covering wages, hours, and working conditions of the employees represented by such labor organizations. The parties shall commence bargaining for such agreement or agreements not later than 30 days following delivery of a written request therefor by a labor organization to the Postmaster General or by the Postmaster General to a labor organization. Any agreement made pursuant to this section shall continue in force after the commencement of operations of the United States Postal Service in the same manner and to the same extent as if entered into between the Postal Service and recognized collective-bargaining representatives under chapter 12 of title 39, United States Code.

(b) Any agreement negotiated under this section shall establish a new wage schedule whereunder postal employees will reach the maximum pay step for their respective labor grades after not more than 8 years of satisfactory service in such grades. The agreements shall provide that where an employee had sufficient satisfactory service in the pay step he occupied on the effective date of this section to have qualified for advancement to the next highest pay step under the new wage schedule, had such schedule been in effect throughout the period of such service, the employee shall be advanced to such next highest pay step in the new schedule on the effective date of the new schedule.

(b) An agreement made under this section shall become effective at any time after the commencement of bargaining, in accordance with the terms thereof. The Postmaster General shall establish wages, hours, and working conditions in accordance with the terms of any agreement or agreements made under this section notwithstanding the provisions of any law other than title 39.

(d) If the parties fail to reach agreement within 90 days of the commencement of collective bargaining, a factfinding panel will be established in accordance with the terms of section 1207(b) of title 39, United States Code, unless the parties have previously agreed to another procedure for a binding resolution of their differences. If the parties fail to reach agreement within 180 days of the commencement of collective bargaining, and if they have not agreed to another procedure for binding resolution, an arbitration board shall be established to provide conclusive and binding arbitration in accordance with the terms of section 1207(c) of such title.

(e) Agreements made pursuant to this section and expenditures made under such agreements shall not be subject to the provisions of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665).

(f) For the purposes of this section, references to title 39 and sections of title 39 are references to title 39, United States Code, as enacted by section 2 of this Act.

SEPARABILITY AND LEGISLATIVE CONSTRUCTION

Sec. 11. (a) If a part of title 39, United States Code, as enacted by section 2 of this Act, is held invalid, the remainder of such title shall not be affected thereby; and if any other part of this Act is held to be invalid, the remainder of the Act shall not be affected thereby.

(b) An inference of a legislative construction is not to be drawn by reason of a chapter in title 39, United States Code, as enacted by section 2 of this Act, in which a section is placed nor by reason of the caption or catchline.

TRANSITIONAL EXPENSES

Sec. 12. Expenses of the United States Postal Service and the Postal Rate Commission, established under section 2 of this Act, from the date of enactment of this Act until the date of commencement of operations of the Postal Service and the Commission, shall be deemed to be necessary expenses of the administration of the Post Office Department as now constituted.

APPOINTMENT OF POSTMASTERS AND OTHER EMPLOYEES

SEC. 13. (a) Between the date of enactment of this Act and the date on which the Board of Governors of the United States Postal Service determines that section 1001 of title 39, United States Code (as enacted by section 2 of this Act), is effective, the Postmaster General shall appoint postmasters at offices of all classes in the competitive civil service by one of the three following methods which shall be applied in the following order of precedence:

(1) by selection of a qualified employee serving at the post office where the vacancy occurs, including an acting postmaster who was serving on January 1, 1969, who shall acquire a competitive status upon being appointed postmaster;

(2) if no qualified employee serving at the post office where the vacancy occurs is available for, and willing to accept, appointment by the method described in subparagraph (1), by selection of a qualified employee serving in the postal field service; or

(3) if no qualified employee is available for, and willing to accept, appointment by the methods described in subparagraph (1) or (2), by competitive examination in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service.

Enactment of this subsection shall not affect the status or tenure of postmasters in office on the date of enactment of this Act.

(b) (1) In the selection, appointment, and promotion of employees of the Post Office Department between the date of enactment of this Act and the date on which the Board of Governors of the Postal Service determines that former section 3311 of title 39, United States Code, is no longer effective, no political test or qualification shall be permitted or given consideration, and all such personnel actions shall be taken on the basis of merit and fitness. Any officer or employee of the Post Office Department who violates this subsection shall be removed from office or otherwise disciplined in accordance with procedures for disciplinary action established pursuant to law.

(2) *This subsection does not apply to the selection and appointment of officers whose appointment is vested in the President, by and with the advice and consent of the Senate, or to the selection, appointment, or promotion to a position designated by the Civil Service Commission as a position of a confidential or policy-determining character or as a position to be filled by a noncareer executive assignment.*

INVASION OF PRIVACY BY MAILING OF SEXUALLY ORIENTED ADVERTISEMENTS

SEC. 14. (a) The Congress finds—

(1) that the United States mails are being used for the indiscriminate dissemination of advertising matter so designed and so presented as to exploit sexual sensationalism for commercial gain;

(2) that such matter is profoundly shocking and offensive to many persons who receive it, unsolicited, through the mails;

(3) that such use of the mails constitutes a serious threat to the dignity and sanctity of the American home and subjects many persons to an unconscionable and unwarranted intrusion upon their fundamental personal right to privacy;

(4) that such use of the mail reduces the ability of responsible parents to protect their minor children from exposure to material which they as parents believe to be harmful to the normal and healthy ethical, mental, and social development of their children; and

(5) that the traffic in such offensive advertisements is so large that individual citizens will be helpless to protect their privacy or their families without stronger and more effective Federal controls over the mailing of such matter.

(b) On the basis of such findings, the Congress determines that it is contrary to the public policy of the United States for the facilities and services of the United States Postal Service to be used for the distribution of such materials to persons who do not want their privacy invaded in this manner or to persons who wish to protect their minor children from exposure to such material.

EFFECTIVE DATES

SEC. 15. (a) Except as provided in subsection (b) of this section, this section and sections 9 through 13 of this Act, and sections 202, 203, 205 (b) and (c), 206, and 401(2), and subchapter I of chapter 36 of title 39, United States Code, as enacted by section 2 of this Act, shall become effective on the date of enactment of this Act. Except as otherwise provided in this Act, the other provisions of this Act shall become effective within 1 year after the enactment of this Act on the date or dates established therefor by the Board of Governors and published by it in the Federal Register. References to the Postal Service in any provision of this Act (other than a provision referred to in the first sentence of this subsection) which becomes effective before the Postal Service commences operations shall be held and considered to refer to the Post Office Department until the Postal Service commences operations.

(b) Sections 3010 and 3011 of title 39, United States Code, as enacted by section 2 of this Act, and sections 1735, 1736, and 1737 of title 18, United States Code, as enacted by section 6(j) of this Act, shall become effective on the first day of the sixth month which begins after the date of enactment of this Act.

And the Senate agree to the same.

THADDEUS J. DULSKI,
DAVID N. HENDERSON,
ARNOLD OLSEN,
MORRIS K. UDALL,
DOMINICK V. DANIELS,
ROBERT J. CORBETT,
GLENN CUNNINGHAM,
EDWARD J. DERWINSKI,

Managers on the Part of the House.

GALE W. MCGEE,
JENNINGS RANDOLPH,
HIRAM L. FONG,
J. CALEB BOGGS,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 17070) to improve and modernize the postal service, to reorganize the Post Office Department, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all the House bill after the enacting clause and inserted a substitute. The House recedes from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment. The differences between the House bill and the substitute agreed to in conference are noted below except for minor technical and clarifying changes made necessary by reason of the conference agreement.

Title

The House bill was titled "Postal Reorganization and Salary Adjustment Act of 1970". The Senate amendment provided for the title to be "Postal Reorganization Act". The conference substitute adopts the Senate provision.

Postal policy

The House bill provided as a matter of policy that pay of postal employees was to be comparable to pay levels in major industries in the private sector. The Senate amendment contained a similar provision but made no reference to major industries, and the conference substitute conforms to the Senate amendment.

Board of Governors

The House bill provided for an 11-member Commission on Postal Costs and Revenues to direct the policy of the Postal Service. The Commission was to consist of 9 Commissioners appointed by the President, the Postmaster General, and the Deputy Postmaster General. The Senate amendment provided for a 15-member Board of Governors to direct the exercise of all powers of the Postal Service. The Board was to consist of 9 Governors appointed by the President, the Postmaster General, the Deputy Postmaster General, and 4 non-voting Members of Congress. The conference substitute adopts the Senate provision with an amendment eliminating Members of Congress from the membership on the Board.

The Senate amendment contained a provision not in the House bill providing for the President to designate one of the 9 Presidentially-appointed Governors as Chairman. The conference substitute adopts the Senate provision with an amendment providing for the Governors to designate one of the members of the Board as Chairman.

Meetings of Board of Governors

The House bill contained a provision not in the Senate amendment limiting to 30 the number of meetings for which the Governors could be paid each year. The conference substitute adopts the House provision with an amendment providing that the Governors may be paid for not more than 30 days of meetings each year, except that during each of the first 2 years they may be paid for up to 60 days of meetings.

Assistant Postmasters General

The House bill contained a provision providing for the Postmaster General to appoint such number of Assistant Postmasters General as he considered appropriate. The Senate amendment contained a provision providing for the Board of Governors to appoint such number of Assistant Postmasters General as it considered appropriate. The conference substitute adopts the House provision with an amendment providing for the Board of Governors to determine the number of such Assistant Postmasters General.

Duties of Assistant Postmasters General

The Senate amendment contained a provision not in the House bill providing for the Board of Governors to prescribe the duties of the Assistant Postmasters General. The conference substitute adopts the Senate provision.

Advisory Council

The House bill contained a provision with respect to the Advisory Council which required the inclusion, as members of the Council, of 4 mailers of moderate amounts of personal first-class mail. The Senate amendment contained no comparable provision with respect to membership on the Advisory Council and the conference substitute contains no such provision.

The House bill contained a provision providing for the Council to advise and consult with respect to postal rates and services and compensation of employees. The provision in the Senate amendment provided for consultation on all aspects of postal operation. The conference substitute conforms to the Senate provision.

Freedom of information

The Senate amendment contained a provision not in the House bill which continued the application, with certain exceptions, of the public information requirements of chapter 5 of title 5 of the United States Code. The conference substitute adopts the Senate provision.

Davis-Bacon Act

The House bill contained a provision applying the Davis-Bacon Act to Postal Service lease agreements for space in excess of 5,000 square feet. The Senate amendment contained a similar provision but applied the Davis-Bacon Act to agreements for space in excess of 6,500 square feet. The conference substitute adopts the Senate provision.

Contract employees

The House bill contained a provision permitting the Postal Service to hire executives on long term employment contracts when necessary. The Senate amendment contained a similar provision but permitted such contracts with executive officers and employees. The conference substitute adopts the House provision with an amendment limiting the term of any such contract to five years.

Right of transfer

The House bill contained a provision providing that employees of the Post Office Department on the effective date of the new Postal Service would be eligible to transfer to any position within the United States Government which was open and for which they were qualified. The Senate amendment contained a provision providing for promotion or transfer of any such employee of the Post Office Department or any employee of the Postal Service to any other position in the Postal Service or in the Executive Branch of the United States Government. The conference substitute adopts the Senate provision.

Political recommendations

The House bill contained provisions requiring that each appointment, promotion, assignment, transfer, or designation to a position in the Postal Service be made, subject to certain limited exceptions, without regard to any statement or recommendation, written or oral, by any Member of Congress, state or local elected official, political party official, or any other individual or organization. Both the solicitation and the submission of any such statement or recommendation were prohibited. Any person applying, or under consideration, for a position who solicited such a statement or recommendation would automatically be disqualified. The exceptions related to requests by authorized Federal officials for suitability and security clearances and for evaluations of ability and performance from supervisors in the Postal Service or former employers. The Senate amendment provided that political recommendations, tests, or qualifications for appointment in the Postal Service should not be taken into account in making such appointments and that the Postal Service could permanently disqualify anyone who violated the provision. The conference substitute adopts the House provisions with amendments permitting disqualification and authorizing the solicitation and furnishing of statements relating only to character and residence.

Area wage

The House bill contained a provision providing that comparability of compensation and benefits with private industries could be on an area wage basis. No comparable provision was contained in the Senate amendment and none is contained in the conference substitute.

Collective bargaining units

The House bill provided that in each case the appropriate unit in the Postal Service for collective bargaining would be determined by the National Labor Relations Board and that such unit would receive exclusive recognition. The House bill further provided that, during the period of transition between date of enactment of the

Postal Reorganization Act and commencement of the Postal Service, bargaining would be conducted by the Postmaster General and those labor organizations which, on the effective date of such Act, held national exclusive recognition. The Senate amendment provided that (1) the National Labor Relations Board should decide in each case the national unit in the Postal Service for collective bargaining (2) each such national unit would be a national craft unit, and (3) each such appropriate unit would receive national exclusive recognition. The Senate amendment contained a further provision for bargaining during the transitional period which excluded any reference to national exclusive recognition. The conference substitute adopts the House provisions.

It is the intent of the conference committee that these provisions of the conference substitute leave to the National Labor Relations Board the judgment as to what will be the appropriate units for collective bargaining in the Postal Service on the basis of the same criteria applied by the Board in determining appropriate bargaining units in the private sector. The conference substitute deems it desirable to leave the determination of appropriate bargaining units entirely in the judgment of the National Labor Relations Board rather than to predetermine such matters in any way.

Right to Work

The conference substitute contains the provision in the House bill which guaranteed each employee of the Postal Service the right to form, join, and assist a labor organization or to refrain from any such activity.

Additional fees and perquisites

The Senate amendment contained a provision not in the House bill which prohibited any Postal Service employee from receiving any fee or perquisite from a postal patron in connection with his official duties. The conference substitute contains the Senate provision.

Supervisory and other managerial personnel

The House bill contained provisions (1) providing for suitable differentials in the pay of supervisors in relation to the pay of employees they supervise, (2) providing for the recognition of an organization of supervisors representing the majority of supervisors and other managerial organizations with memberships including a substantial percentage of managerial employees other than supervisors, and granting such organizations the right to participate directly in consultation with the Postal Service on matters affecting the pay, benefits, and employment conditions of such employees, and (3) establishing the policy that the Postal Service would provide pay, working conditions, and career opportunities that would assure attraction and retention of qualified supervisory personnel. The Senate amendment contained in general provision permitting organizations of officers and employees not subject to collective bargaining agreements with memberships constituting a substantial percentage of personnel in their occupations or positions to participate directly in the planning and development of policies affecting their pay, benefits, and other related programs. The conference substitute adopts the House provisions with an amendment providing that such organizations of supervisors and of other

managerial employees shall have the right to participate directly in the planning and development of policies with respect to their pay, benefits, and other related programs.

Nothing contained in the House bill or the Senate amendment provided for, and nothing in the conference substitute permits, or is intended to permit, the establishment of a collective bargaining system for any personnel who are not within a collective bargaining unit. Neither the provisions relating to supervisory and other managerial organizations nor any other provision in the conference substitute establish any such collective bargaining system or grants any such organization or personnel the right to dictate policy or veto any decision reached by the Postal Service.

Transportation of mail generally

The House bill contained a provision permitting the Postal Service, in addition to its special contracting authority with respect to surface, air, and water carriers, to make contracts, without advertising under certain conditions, for the transportation of mail for periods not in excess of 4 years. The Senate amendment contained a similar provision and, in addition (1) authorized contracts for periods up to 6 years upon a determination by the Board of Governors of special conditions, and (2) required that renewal of such contracts without advertising be at the existing rates. The conference substitute conforms to the Senate provision.

Also, the Senate amendment contained a provision not in the House bill permitting, by mutual agreement, the adjustment of compensation on such contracts for increased or decreased costs due to changed conditions. The conference substitute adopts the Senate provision.

Special contracts

The House bill contained a provision permitting the Postal Service to enter into special 4-year contracts with surface carriers without advertising for bids. The Senate amendment contained a similar provision with certain additional limitations but required in the case of contracts without advertising that reasonable advance notice be posted in order to afford interested carriers and persons an opportunity to negotiate. The conference substitute adopts the House provision with an amendment including the Senate requirement with respect to reasonable advance notice.

Fines and deductions

The House bill contained a provision (1) permitting the Postal Service to make deductions from the compensation of a carrier for failure to perform transportation service where failure was due to the fault of the carrier, and (2) limiting the deduction to a sum not exceeding three times the compensation applying to such service. The Senate amendment contained an identical provision, except that the amount of the deduction was limited to twice the applicable compensation. The conference substitute conforms to the Senate provision.

Air transportation

The Senate amendment contained a provision not in the House bill which permitted the Board of Governors to contract for the carriage of mail, without advertising for bids, with certified air carriers under contracts which required by their terms carriage of at least 1,000 pounds

of mail per flight, no more than 10 percent of which by weight, in the case of domestic mail, and 5 percent in the case of international mail, could be letter mail. The conference substitute adopts the Senate provision with an amendment reducing the 1,000 pound requirement to 750 pounds and continuing the same percentage limitations.

The House bill contained a provision permitting the Postal Service to enter into special contracts for the transportation of mail by air between points between which the Civil Aeronautics Board has not authorized an air carrier to engage in the transportation of persons, property, or mail. The Senate amendment contained a provision permitting such contracts between points between which the Civil Aeronautics Board has not authorized an air carrier or combination of air carriers to engage in the transportation of mail. The conference substitute adopts the Senate provision.

In addition, the Senate amendment contained a provision not in the House bill for the negotiation of contracts for air taxi service. The conference substitute adopts the Senate provision.

Postal Rate Commission

The House bill contained a provision establishing a Postal Rate Board as an independent agency not part of the Postal Service. The Senate amendment contained a provision establishing an independent Postal Rate Commission within the Postal Service. The conference substitute adopts the House provision with amendments changing the name to Postal Rate Commission, requiring that the expenses of the Commission be paid from the Postal Service Fund, and permitting the Governors, by unanimous written decision, to modify the total amount of the Commission's budget.

Members of Postal Rate Commission

The House bill provided for 3 Commissioners to be appointed by the President for 6 year terms. The Senate amendment provided for 5 Presidential appointees and required Senate confirmation. The conference substitute provides for 5 Presidential appointees and does not require Senate confirmation.

Salary of Postal Rate Commission members

The House bill provided for compensation of the members of the Postal Rate Commission at the rate established for level IV of the Executive Schedule and compensated the Chairman an additional \$500. The Senate amendment contained a similar provision but provided compensation for the Chairman at the rate established for level III of the Executive Schedule. The conference substitute conforms to the Senate provision.

Postal Rate Commission personnel

The House bill provided that the Chairman of the Postal Rate Commission could appoint an Executive Director and such other additional personnel as may be necessary to carry out the functions of the Commission. The Senate amendment provided that the Commission could appoint such officers and employees as may be necessary to carry out the functions of the Commission. The conference substitute conforms to the Senate provision.

General appropriations

The Senate amendment contained a provision not in the House bill appropriating all revenues of the Postal Service to the Postal Service Fund for the use of the Postal Service. The conference substitute adopts the Senate provision.

Revenue foregone appropriation

The House bill contained a provision (1) authorizing the appropriation of a sum equal to the difference between revenue received on free and reduced rate matter and the revenue which would have been earned were such matter not entitled to be mailed free or at reduced rates, and (2) requiring that such free and reduced rates be adjusted to make up any revenue deficiency which occurs as a result of insufficient appropriations. The Senate amendment contained a similar provision but made no provision for adjustment of such rates in the case of insufficient appropriations.

The conference substitute adopts the Senate provision with an amendment permitting, but not requiring, the adjustment of rates on free and reduced rate matter if Congress fails to appropriate the amount of revenue foregone on such free and reduced rate matter.

Public service appropriations

The House bill provided for appropriations for public service on a declining basis (starting at 10 percent of the total cost of postal service for the fiscal year 1972) beginning with the effective date of the Postal Reorganization Act and ending December 31, 1977. The Senate amendment contained a provision authorizing annual appropriations on a continuing basis in amounts equal to 10 percent of total cost for any year or 10 percent of total cost for the fiscal year 1971, whichever is less. The conference substitute adopts the Senate provisions with an amendment authorizing an appropriation (1) each fiscal year through 1979 in an amount equal to 10 percent of total cost for the fiscal year 1971, (2) for the next 5 fiscal years following fiscal year 1979 on a 1 percent per year declining basis, and (3) thereafter appropriations may be continued at 5 percent, modified, or eliminated by the Postal Service.

Free and reduced rate mail

The House bill contained a provision providing that certain mail matter entitled under existing law to be mailed free or at reduced rates continue at such rates until changed by law. The Senate amendment contained no similar provision with respect to such mail matter which is entitled under existing law to be mailed at reduced rates. The conference substitute adopts the House provision with an amendment permitting the adjustment of rates on mail matter entitled to free or reduced rates to the extent Congress fails to appropriate sums equal to revenue foregone on such matter.

In addition, the Senate amendment contained provisions not in the House bill which would allow nonprofit preferred rate mailers 10 years and certain other mailers 5 years to adjust, under annual increases as nearly equal as practicable, to any new rates established by the Gover-

nors. The conference substitute adopts the Senate provisions with an amendment which provides that revenues from rates on nonprofit preferred rate mailings shall not, after 10 years, exceed postal costs for such mail excluding any portion of overhead or institutional costs.

The House bill contained a provision requiring the Postal Service to submit biannual reports to the Congress with recommendations for necessary changes in free and reduced rate mail and rates for such mail. No comparable provision was contained in the Senate amendment and none is contained in the conference substitute.

Initiating Postal Rate Commission recommendations

The House bill provided for the Postal Service to propose to the Postal Rate Commission changes in rates and classifications of mail. The Senate amendment provided (1) for the Board of Governors to request the Postal Rate Commission to recommend changes in rates and classifications of mail, and (2) after the initial change in classifications of mail, also for the Postal Rate Commission to recommend changes in classifications on its own initiative. The conference substitute adopts the Senate provision.

Rate Commission recommendations

The House bill contained a provision permitting the Board of Governors to adopt, reject, or modify recommendations of the Postal Rate Commission with respect to proposed changes in rates or classifications.

Under the Senate amendment, the Governors were required to act on the recommended decision of the Postal Rate Commission by (1) adopting such decision, (2) allowing such decision under protest, (3) rejecting such decision, or (4) modifying a subsequent decision by unanimous vote following rejection of a prior decision and resubmission of a request for a recommended decision.

The conference substitute conforms to the Senate provision.

Judicial review

The House bill provided that the final decision of the Postal Service on rate and classification changes would be subject to judicial review by United States Courts of Appeals on questions of law and procedure. The Senate amendment provided that such decisions would be subject to judicial review by the United States Court of Appeals for the District of Columbia Circuit on questions of law, procedure, and substantiality of the evidence. The conference substitute adopts the Senate provision with an amendment providing for review in any appropriate United States Court of Appeals.

Congressional veto

The House bill provided that a decision on rates or classification was to become final following termination of judicial review unless, within a certain time, either House of Congress by a majority vote disapproved of such decision. No comparable provision was contained in the Senate amendment and none is contained in the conference substitute.

Changes in postal service

The House bill provided that the Governors would make the final decision with respect to changes in postal service. The Senate amendment provided that the determination of the Postal Rate Commission on changes in postal service would be binding for a period of two years. The conference substitute adopts the House provision with an amendment providing that the Postal Service should make the final decision.

Standards for rate determinations

The House bill provided that revenues from rates and fees, plus revenue foregone appropriations for free and reduced rate mail matter, should be sufficient to cover full costs by January 1978. The Senate amendment provided that revenue from rates and fees, plus annual appropriations for public service, debt service, and revenue foregone should cover full costs. The conference substitute adopts the Senate provision with an amendment eliminating consideration of debt service.

The House bill contained provisions requiring that (1) rates be established in such a manner so as to apportion the costs of all postal operations on a fair and equitable basis, and (2) rates for each class of postal service cover the demonstrably related cost of such service. The Senate amendment also contained the requirement that postal rates be established in such a manner so as to apportion the costs of all postal operations on a fair and equitable basis, and provided several additional standards to be considered in making rate determinations. The conference substitute adopts the Senate provision with an amendment which incorporates the standard that each class of mail or type of mail service should bear the direct and indirect postal costs attributable to that class or type plus that portion of other costs of the postal service reasonably assignable to such class or type.

The provision in the conference substitute with respect to costs attributable to a class of mail or type or service establishes a floor for each class of mail equal to costs which consist of those costs, both direct and indirect, that vary over the short term in response to changes in volume of a particular class or, even though fixed rather than variable, are the consequence of providing the specific service involved. In addition, the conference substitute provides for a judgmental assignment of some part of the remaining costs.

Standards for mail classification

The Senate amendment contained provisions not in the House bill which set forth several factors to be considered in making changes in mail classification. The conference substitute conforms to the Senate provisions.

Uniform rates for books and related material

The Senate amendment contained a provision not in the House bill which required that rates of postage on books, films, printed music, printed test materials, sound recordings, playscripts and manuscripts, printed educational reference charts, and looseleaf pages of medical

information be uniform for parcels of the same weight and not be based on zones or otherwise vary with the destination of the parcel. The conference substitute adopts the Senate provision.

Agreements restricting use of equipment

The House bill contained a provision not in the Senate amendment which directed the Postal Service to refrain from expending any funds, engaging in any practice, or entering into any agreement or contract which restricts the use of new equipment or devices. The conference substitute adopts the House provision with an amendment which provides that the Postal Service should so refrain but which exempts collective bargaining agreements from the terms of the provision.

Nonmailable matter

The House bill contained a provision permitting the Postal Service to dispose of nonmailable matter. The Senate amendment contained a similar provision permitting the Board of Governors to dispose of nonmailable matter except that it permitted certain oversized or perishable nonmailable matter to be delivered to the addressee if he furnished the name and address of the mailer. The conference substitute adopts the Senate provision.

Unordered merchandise

The Senate amendment contained a provision not in the House bill providing that mailing of unordered merchandise, with certain exceptions, constitutes an unfair method of competition and an unfair trade practice in violation of the Federal Trade Commission Act and may be treated as a gift by the recipient. The conference substitute adopts the Senate provision.

Sealed mail

The Senate amendment contained a provision not in the House bill providing for the Postal Service to maintain one or more classes of mail for the transmission of letters sealed against inspection and further providing that when such letters are not deliverable in accordance with the address, or in accordance with instructions of the addressee, they will not be opened except under authority of a search warrant, the instructions of the addressee, or by an officer or employee of the Postal Service for the sole purpose of determining an address at which the letter can be delivered. The conference substitute adopts the Senate provision.

Collection and adjustment of debts

The Senate amendment contained a provision not in the House bill which permitted the Board of Governors to adjust, pay, or credit the account of a postmaster or of an enlisted person of the armed forces performing postal duties for any loss of Postal Service funds, papers, postage, or other stamp stock or accountable paper. The conference substitute adopts the Senate provision.

The Senate amendment contained a provision not in the House bill requiring the Board of Governors to request the Attorney General to bring a suit to recover with interest certain payments improperly made from monies of, or certain credit improperly granted by, the Postal Service. The conference substitute adopts the Senate provision.

Governors excluded from civil service retirement

The Senate amendment contained a provision not in the House bill providing that the Civil Service Retirement Act does not apply to an individual appointed to serve as a Governor of the Board of Governors of the Postal Service. The conference substitute adopts the Senate provision.

Salary increase of 8 percent

The House bill and the Senate amendment contained identical provisions directing the Postmaster General to increase by 8 percent the salary rates of employees of the Post Office Department, effective retroactively to the beginning of the first pay period commencing on or after April 16, 1970. It is the intent of the conference committee that the 8 percent increase will be effective, under regulations issued by the Postmaster General, by adjustment of the pay and compensation schedules in effect immediately before enactment of the Postal Reorganization Act as they apply to employees of the Post Office Department.

Pay ceiling

The Senate amendment contained a provision not in the House bill providing that the 8 percent salary increase for postal personnel of the General Schedule (required by both the House bill and the Senate amendment) should not increase the salary rate of any officer or employee to a salary rate in excess of the rate for level V of the Executive Schedule. The conference substitute adopts the Senate provision with an amendment which provides that no salary rate of an officer or employee shall be increased, by reason of such 8 percent increase, to a rate in excess of the rate for grade GS 18 of the General Schedule.

Mailing of sexually oriented advertisements

The Senate amendment contained a provision not in the House bill permitting postal patrons to advise the Postal Service that they do not wish to receive sexually oriented advertisements, and requiring any person who mails such advertisements to place on the envelope his name, address, and such mark or notice as the Board of Governors may prescribe. The conference substitute adopts the Senate provision.

Supplemental legislation

The House bill contained a provision indicating the intent of Congress that further legislation be enacted giving additional guidance to the Postal Service concerning the division of costs among the several classes of mail. The Senate amendment contained no comparable provision and the conference substitute contains none.

Continuance of existing rates

The Senate amendment contained a provision not in the House bill providing that classes of mail, rates, and fees as in effect immediately prior to the effective date of the authority of the Postal Service to fix such classes, rates, and fees shall remain in effect until changed in accordance with such authority. The conference substitute adopts the Senate provision.

Transitional provisions

The Senate amendment contained a provision not in the House bill specifically transferring to the Postal Service all the functions, powers, and duties of the Post Office Department and the Postmaster General of the Post Office Department, and abolishing the Post Office Department and the office of Postmaster General of the Post Office Department. The conference substitute adopts the Senate provision.

Savings provisions

The House bill and the Senate amendment contained similar provisions maintaining the force and effect of outstanding orders, rules, and regulations until specifically repealed, amended, or revised by the Postal Service. In addition, the Senate amendment contained provisions protecting certain proceedings and other legal matters commenced prior to the effective date of the Postal Reorganization Act. The conference substitute adopts the Senate provision.

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