

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: In the nature of a substitute.

**IN THE SENATE OF THE UNITED STATES—113th Cong., 2d Sess.**

**S. 1486**

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

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended  
to be proposed by Mr. CARPER (for himself and Mr.  
COBURN)

Viz:

1 Strike all after the enacting clause and insert the fol-

2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Postal Reform Act of

5 2014”.

6 **SEC. 2. TABLE OF CONTENTS.**

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

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Definitions.

**TITLE I—POSTAL SERVICE WORKFORCE**

Sec. 101. Annual Federal Employee Retirement System and Civil Service Retirement System assessments.

Sec. 102. Postal Service authority to negotiate retirement benefit terms for new employees.

## 2

- Sec. 103. Restructuring of payments for retiree health benefits.
- Sec. 104. Postal Service Health Benefits Program.
- Sec. 105. Labor disputes.
- Sec. 106. Prefunding and financial reporting with respect to workers' compensation liability.

## TITLE II—POSTAL SERVICE OPERATIONS

- Sec. 201. Maintenance of delivery service standards.
- Sec. 202. Preserving mail processing capacity; review of discontinuances, closings, and consolidations.
- Sec. 203. Preserving community post offices.
- Sec. 204. Changes to mail delivery schedule.
- Sec. 205. Delivery point modernization.
- Sec. 206. Postal services for market-dominant products.

## TITLE III—POSTAL SERVICE REVENUE

- Sec. 301. Postal rates.
- Sec. 302. Nonpostal services.
- Sec. 303. Shipping of wine, beer, and distilled spirits.

## TITLE IV—POSTAL SERVICE GOVERNANCE

- Sec. 401. Board of Governors of the Postal Service.
- Sec. 402. Strategic Advisory Commission on Postal Service Solvency and Innovation.
- Sec. 403. Long-term solvency plan; annual financial plan and budget.
- Sec. 404. Chief Innovation Officer; innovation strategy.
- Sec. 405. Area and district office structure.
- Sec. 406. Inspector General of the Postal Service.
- Sec. 407. Postal Regulatory Commission.

## TITLE V—FEDERAL EMPLOYEES' COMPENSATION ACT

- Sec. 501. Short title; references.
- Sec. 502. Federal workers compensation reforms for retirement-age employees.
- Sec. 503. Augmented compensation for dependents.
- Sec. 504. Schedule compensation payments.
- Sec. 505. Vocational rehabilitation.
- Sec. 506. Reporting requirements.
- Sec. 507. Disability management review; independent medical examinations.
- Sec. 508. Waiting period.
- Sec. 509. Election of benefits.
- Sec. 510. Sanction for noncooperation with field nurses.
- Sec. 511. Subrogation of continuation of pay.
- Sec. 512. Integrity and compliance.
- Sec. 513. Amount of compensation.
- Sec. 514. Terrorism injuries; zones of armed conflict.
- Sec. 515. Technical and conforming amendments.
- Sec. 516. Regulations.
- Sec. 517. Effective date.

## TITLE VI—PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF REAL PROPERTY

- Sec. 601. Short title.

Sec. 602. Purpose.

Sec. 603. Property management and expedited disposal of real property.

Sec. 604. Report of the Comptroller General.

Sec. 605. Technical and conforming amendment.

1 **SEC. 3. DEFINITIONS.**

2 In this Act, the following definitions shall apply:

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

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

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

9 **SEC. 101. ANNUAL FEDERAL EMPLOYEE RETIREMENT SYS-**  
10 **TEM AND CIVIL SERVICE RETIREMENT SYS-**  
11 **TEM ASSESSMENTS.**

12 (a) USE OF POSTAL-SPECIFIC ASSUMPTIONS IN NOR-  
13 MAL COST CALCULATION.—

14 (1) IN GENERAL.—Section 8423(a) of title 5,  
15 United States Code, is amended—

16 (A) in paragraph (1), by inserting “other  
17 than the United States Postal Service” after  
18 “Each employing agency”; and

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

20 “(5)(A) The United States Postal Service shall  
21 contribute to the Fund an amount equal to the prod-  
22 uct of—

1           “(i) the normal-cost percentage, as deter-  
2           mined for employees of the United States Post-  
3           al Service under subparagraph (B), multiplied  
4           by

5           “(ii) the aggregate amount of basic pay  
6           payable by the United States Postal Service, for  
7           the period involved, to employees of the United  
8           States Postal Service.

9           “(B)(i) In determining the normal-cost percent-  
10          age for employees of the United States Postal Serv-  
11          ice, the Office shall use—

12           “(I) demographic factors specific to the  
13           employees; and

14           “(II) appropriate economic assumptions, as  
15           determined by the Office, regarding wage and  
16           salary trends specific to the employees.

17           “(ii) The United States Postal Service shall  
18           provide any data or projections the Office requires  
19           in order to determine the normal-cost percentage for  
20           employees of the United States Postal Service con-  
21           sistent with clause (i).

22           “(iii) Notwithstanding paragraph (2), in deter-  
23           mining the normal-cost percentage to be applied for  
24           employees of the United States Postal Service, the  
25           Office shall take into account amounts provided

1 under section 8422 and amounts provided under sec-  
2 tion 1005(g)(3)(A)(i) of title 39.

3 “(iv) The Office shall review the determination  
4 of the normal-cost percentage for employees of the  
5 United States Postal Service and make such adjust-  
6 ments as the Office determines are necessary—

7 “(I) upon request of the United States  
8 Postal Service, but no more frequently than  
9 once each fiscal year; and

10 “(II) at any additional times, as the Office  
11 considers appropriate.”.

12 (2) INITIAL DETERMINATION.—Not later than  
13 180 days after the date on which the Office receives  
14 the appropriate data or projections from the Postal  
15 Service under clause (ii) of section 8423(a)(5)(B) of  
16 title 5, United States Code, as added by paragraph  
17 (1), the Office shall determine the normal-cost per-  
18 centage for employees of the Postal Service in ac-  
19 cordance with the requirements under such section  
20 8423(a)(5)(B).

21 (3) APPLICABILITY.—On and after the date on  
22 which the Office determines the normal-cost percent-  
23 age under paragraph (2), the contributions of the  
24 Postal Service to the Civil Service Retirement and  
25 Disability Fund relating to employees covered under

1 chapter 84 of title 5, United States Code, shall be  
2 determined in accordance with paragraph (5) of sec-  
3 tion 8423(a) of title 5, United States Code, as added  
4 by paragraph (1).

5 (b) POSTAL FUNDING SURPLUS OR LIABILITY.—

6 (1) TREATMENT OF POSTAL FUNDING SUR-  
7 PLUS.—Section 8423(b) of title 5, United States  
8 Code, is amended—

9 (A) by redesignating paragraph (5) as  
10 paragraph (6); and

11 (B) by inserting after paragraph (4) the  
12 following:

13 “(5)(A) In this paragraph, the term ‘postal  
14 funding surplus’ means the amount by which the  
15 amount of supplemental liability computed under  
16 paragraph (1)(B) is less than zero.

17 “(B) After the date on which the Office deter-  
18 mines under paragraph (7)(C) the amount of supple-  
19 mental liability computed under paragraph (1)(B) as  
20 of the close of the fiscal year ending on September  
21 30, 2013, not later than the date on which the Post-  
22 master General makes a request under subpara-  
23 graph (C) of this paragraph, and if the amount de-  
24 termined under paragraph (7)(C) is less than zero,  
25 the Postmaster General may request that some or

1 all of the amount of the postal funding surplus, not  
2 to exceed \$6,000,000,000, be returned to the United  
3 States Postal Service, and not later than 10 days  
4 after the request, the Director shall transfer to the  
5 United States Postal Service from the Fund an  
6 amount equal to the portion of the postal funding  
7 surplus requested, for use in accordance with sub-  
8 paragraph (E)(i).

9 “(C)(i) Subject to clause (ii), after the date on  
10 which the Office computes the amount of supple-  
11 mental liability under paragraph (1)(B) as of the  
12 close of the fiscal year ending on September 30,  
13 2014, and if such amount is less than zero, the  
14 Postmaster General may request that some of the  
15 amount of the postal funding surplus, not to exceed  
16  $\frac{2}{3}$  of the amount, be returned to the United States  
17 Postal Service, and not later than 10 days after the  
18 request, the Director shall transfer to the United  
19 States Postal Service from the Fund an amount  
20 equal to the portion of the postal funding surplus re-  
21 quested, for use in accordance with subparagraph  
22 (E)(ii).

23 “(ii) If any amount requested by the Post-  
24 master General under subparagraph (B) is not  
25 transferred from the Fund as of the close of the fis-

1 cal year ending on September 30, 2014, for purposes  
2 of this subparagraph, the Office shall recompute the  
3 amount of supplemental liability computed under  
4 paragraph (1)(B) as of the close of that fiscal year  
5 by subtracting from the balance of the Fund the  
6 amount requested under subparagraph (B) of this  
7 paragraph.

8 “(D) If the amount of supplemental liability  
9 computed under paragraph (1)(B) as of the close of  
10 any fiscal year commencing after September 30,  
11 2014, is less than zero, the Office shall establish an  
12 amortization schedule, including a series of equal an-  
13 nual installments that—

14 “(i) provide for the liquidation of the post-  
15 al funding surplus in 40 years, commencing on  
16 September 30 of the subsequent fiscal year; and

17 “(ii) shall be transferred to the United  
18 States Postal Service from the Fund for use in  
19 accordance with subparagraph (E)(ii).

20 “(E)(i) The United States Postal Service may  
21 use an amount transferred under subparagraph (B)  
22 only for the purpose of repaying any obligation  
23 issued under section 2005(a) of title 39.



1           “(ii) The United States Postal Service may use  
2           an amount transferred under subparagraph (C) or  
3           (D) only—

4                   “(I) by directing that some or all of the  
5                   amount be transferred to the Postal Service Re-  
6                   tiree Health Benefits Fund for the purpose of  
7                   reducing any Postal Service actuarial liability  
8                   referred to under section 8909a;

9                   “(II) by directing that some or all of the  
10                   amount be transferred to the Civil Service Re-  
11                   tirement and Disability Fund for the purpose of  
12                   reducing any supplemental liability under sec-  
13                   tion 8348(h);

14                   “(III) by directing that some or all of the  
15                   amount be transferred to the Civil Service Re-  
16                   tirement and Disability Fund for the purpose of  
17                   reducing any supplemental liability under sec-  
18                   tion 8423(b)(1)(B);

19                   “(IV) by directing that some or all of the  
20                   amount be transferred to the Postal Service  
21                   Workers’ Compensation Accrued Liability Fund  
22                   for the purpose of reducing any Postal Service  
23                   actuarial liability under section 2012 of title 39;  
24                   or

1           “(V) as described in clause (i), if none of  
2           the liabilities referred to in subclause (I), (II),  
3           (III), or (IV) remain unpaid.”.

4           (2) SUPPLEMENTAL LIABILITY CALCULA-  
5           TION.—

6           (A) FERS.—Section 8423(b) of title 5,  
7           United States Code, as amended by paragraph  
8           (1) of this subsection, is amended—

9                   (i) in paragraph (6), as so redesign-  
10                   nated, in the matter preceding subpara-  
11                   graph (A), by striking “For the purpose”  
12                   and inserting “Subject to paragraph (7),  
13                   for the purpose”; and

14                   (ii) by adding at the end the fol-  
15                   lowing:

16                   “(7)(A) For the purpose of carrying out para-  
17                   graph (1)(B) with respect to the fiscal year ending  
18                   September 30, 2013, and each fiscal year thereafter,  
19                   the Office shall, consistent with subsection  
20                   (a)(5)(B), use—

21                           “(i) demographic factors specific to current  
22                           and former employees of the United States  
23                           Postal Service; and

24                           “(ii) appropriate economic assumptions, as  
25                           determined by the Office, regarding wage and

1 salary trends specific to current employees of  
2 the United States Postal Service.

3 “(B) The United States Postal Service shall  
4 provide any data or projections the Office requires  
5 in order to carry out paragraph (1)(B) consistent  
6 with subparagraph (A) of this paragraph.

7 “(C) Not later than 180 days after the later of  
8 the date on which the Office receives the appropriate  
9 data or projections from the United States Postal  
10 Service under subparagraph (B) or the date of en-  
11 actment of the Postal Reform Act of 2014, the Of-  
12 fice shall determine or redetermine whether there is  
13 a postal funding surplus (as defined in paragraph  
14 (5)) or a supplemental liability described in para-  
15 graph (1)(B) (and the amount thereof) as of the  
16 close of the fiscal year ending on September 30,  
17 2013, in accordance with the requirements under  
18 subparagraph (A) of this paragraph.”.

19 (B) CSRS.—Section 8348(h) of title 5,  
20 United States Code, is amended—

21 (i) in paragraph (2), by striking sub-  
22 paragraph (B) and inserting the following:

23 “(B)(i)(I) Not later than the date on which the Office  
24 determines the normal-cost percentage under section  
25 101(a)(2) of the Postal Reform Act of 2014, the Office

1 shall redetermine the Postal surplus or supplemental li-  
2 ability as of the close of the fiscal year ending on Sep-  
3 tember 30, 2013, in accordance with the requirements  
4 under paragraph (4).

5 “(II) If the result of the redetermination under sub-  
6 clause (I) is a surplus, that amount shall remain in the  
7 Fund until distribution is authorized under subparagraph  
8 (C).

9 “(III) If the result of the redetermination under sub-  
10 clause (I) is a supplemental liability, the Office shall estab-  
11 lish an amortization schedule, including a series of annual  
12 installments commencing on September 30, 2015, which  
13 provides for the liquidation of such liability by September  
14 30, 2054.

15 “(ii)(I) The Office shall redetermine the Postal sur-  
16 plus or supplemental liability as of the close of each fiscal  
17 year beginning after September 30, 2013, in accordance  
18 with the requirements under paragraph (4).

19 “(II) If the result of the redetermination under sub-  
20 clause (I) is a surplus, that amount shall remain in the  
21 Fund until distribution is authorized under subparagraph  
22 (C).

23 “(III) On and after June 15, 2015, if the result of  
24 the redetermination under subclause (I) is a supplemental  
25 liability, the Office shall establish an amortization sched-

1 rule, including a series of annual installments commencing  
2 on September 30 of the subsequent fiscal year, which pro-  
3 vides for the liquidation of such liability by September 30,  
4 2054.”; and

5 (ii) by adding at the end the fol-  
6 lowing:

7 “(4)(A) For the purpose of carrying out paragraphs  
8 (1) and (2), the Office shall, consistent with section  
9 8423(a)(5)(B), use—

10 “(i) demographic factors specific to current and  
11 former employees of the United States Postal Serv-  
12 ice; and

13 “(ii) appropriate economic assumptions, as de-  
14 termined by the Office, regarding wage and salary  
15 trends specific to the employees.

16 “(B) The United States Postal Service shall provide  
17 any data or projections the Office requires in order to  
18 carry out paragraphs (1) and (2) consistent with subpara-  
19 graph (A) of this paragraph.”.

20 **SEC. 102. POSTAL SERVICE AUTHORITY TO NEGOTIATE RE-**  
21 **TIREMENT BENEFIT TERMS FOR NEW EM-**  
22 **PLOYEES.**

23 (a) **AUTHORITY TO NEGOTIATE RETIREMENT BEN-**  
24 **EFIT TERMS.—**

1           (1) COLLECTIVE BARGAINING OVER CERTAIN  
2 RETIREMENT BENEFITS.—Section 1005 of title 39,  
3 United States Code, is amended by adding at the  
4 end the following:

5           “(g)(1) In this subsection—

6           “(A) the term ‘collective bargaining agreement’  
7 means a collective bargaining agreement between the  
8 Postal Service and a bargaining representative rec-  
9 ognized under section 1203 entered into after the  
10 date of enactment of the Postal Reform Act of 2014;

11           “(B) the term ‘new employee’ means an indi-  
12 vidual who becomes an officer or employee of the  
13 Postal Service after the date of enactment of the  
14 Postal Reform Act of 2014; and

15           “(C) the term ‘not eligible to receive FERS  
16 service credit’, with respect to an officer or employee  
17 of the Postal Service, means that service by the offi-  
18 cer or employee of the Postal Service as an officer  
19 or employee of the Postal Service shall not be cred-  
20 itable service for purposes of chapter 84 of title 5.

21           “(2)(A) A collective bargaining agreement may pro-  
22 vide, notwithstanding chapter 84 of title 5, that some or  
23 all new employees covered under the collective bargaining  
24 agreement shall be not eligible to receive FERS service

1 credit for service performed during any pay period begin-  
2 ning after the effective date of the provision.

3 “(B) If a new employee is not eligible to receive  
4 FERS credit pursuant to a collective bargaining agree-  
5 ment, any subsequent service by the new employee as an  
6 officer or employee of the Postal Service shall not be cred-  
7 itable service for purposes of chapter 84 of title 5.

8 “(C) Subject to the requirements under this sub-  
9 section, a collective bargaining agreement may include 1  
10 or more additional retirement benefit plans for the benefit  
11 of some or all new employees covered under the collective  
12 bargaining agreement.

13 “(3)(A) A collective bargaining agreement may estab-  
14 lish, with respect to some or all new employees covered  
15 under the collective bargaining agreement—

16 “(i) without regard to section 8422 of title 5—

17 “(I) the amounts to be deducted and with-  
18 held from the pay of the new employees for de-  
19 posit in the Treasury of the United States to  
20 the credit of the Civil Service Retirement and  
21 Disability Fund; and

22 “(II) the corresponding adjustment under  
23 section 8423(a)(5)(B)(iii) of title 5 to the  
24 amount of the contributions to be made by the  
25 Postal Service to the Fund; and

1           “(ii) for any retirement benefit plan established  
2           under the collective bargaining agreement, the  
3           amounts to be deducted and withheld from the pay  
4           of the new employees under the retirement benefit  
5           plan for the benefit of the new employees.

6           “(B) Except as provided in paragraph (2)(B), a col-  
7           lective bargaining agreement may establish the amounts  
8           described in subparagraph (A)(i) with respect to some or  
9           all new employees who were covered under a previous col-  
10          lective bargaining agreement.

11          “(4)(A) A collective bargaining agreement among the  
12          Postal Service and all bargaining representatives recog-  
13          nized under section 1203 may establish, without regard  
14          to section 8432 of title 5, with respect to some or all new  
15          employees covered under the collective bargaining agree-  
16          ment, whether the Postal Service shall make contributions  
17          to the Thrift Savings Fund for the benefit of the new em-  
18          ployees, and, if the Postal Service shall make such con-  
19          tributions, the amounts that the Postal Service shall con-  
20          tribute.

21          “(B) A collective bargaining agreement described in  
22          subparagraph (A) may not establish more than 1 option  
23          regarding the contributions by the Postal Service to the  
24          Thrift Savings Fund that will apply to some or all new  
25          employees covered under the agreement.



1       “(C) If a collective bargaining agreement described  
2 in subparagraph (A) is not in effect, and if the Postal  
3 Service or a bargaining representative requests that the  
4 Postal Service and all bargaining representatives com-  
5 mence collective bargaining to seek such an agreement, the  
6 procedures under section 1207(d) shall apply.

7       “(D) Except as provided in subparagraph (A), noth-  
8 ing in this subsection or in a provision of a collective bar-  
9 gaining agreement entered under this subsection shall af-  
10 fect the coverage of an officer or employee of the Postal  
11 Service under subchapter III of chapter 84 of title 5.”.

12           (2) APPLICABILITY OF LAWS RELATING TO  
13 FEDERAL EMPLOYEES.—Section 1005 of title 39,  
14 United States Code, is amended—

15           (A) in subsection (d)(1), by striking “Offi-  
16 cers” and inserting “Except as provided in sub-  
17 section (g), officers”; and

18           (B) in subsection (f), in the second sen-  
19 tence—

20           (i) by inserting “84,” before “87,”;

21           and

22           (ii) by striking “this subsection.” and  
23 inserting “this subsection or subsection  
24 (g).”.

1           (3) INELIGIBILITY FOR AUTOMATIC ENROLL-  
2           MENT IN THRIFT SAVINGS PLAN.—Section  
3           8432(b)(2)(D) of title 5, United States Code, is  
4           amended—

5                   (A) by striking “clause (ii)” and inserting  
6                   “clauses (ii) and (iii)”; and

7                   (B) by adding at the end following:

8                           “(iii) An individual for whom a collec-  
9                           tive bargaining agreement authorized  
10                           under section 1005(g)(4) of title 39 estab-  
11                           lishes whether the Postal Service shall  
12                           make contributions to the Thrift Savings  
13                           Fund for the benefit of the individual and  
14                           the amount of the contributions shall not  
15                           be an eligible individual for purposes of  
16                           this paragraph.”.

17           (b) SPECIAL RULES RELATING TO FERS COVERAGE  
18           FOR COVERED POSTAL EMPLOYEES.—

19                   (1) IN GENERAL.—Subchapter II of chapter 84  
20                   of title 5, United States Code, is amended by adding  
21                   at the end the following:

22           **“§ 8426. Postal Service retirement**

23                   “(1) The application of sections 8422 and 8423  
24                   of this title and subchapters III and VII of this  
25                   chapter with respect to an officer or employee of the

1 Postal Service may be modified as provided under  
2 section 1005(g) of title 39.”.

3 (2) TECHNICAL AND CONFORMING AMEND-  
4 MENTS.—The table of sections for subchapter II of  
5 chapter 84 of title 5, United States Code, is amend-  
6 ed by adding at the end the following:

“8426. Postal Service retirement.”.

7 **SEC. 103. RESTRUCTURING OF PAYMENTS FOR RETIREE**  
8 **HEALTH BENEFITS.**

9 (a) CONTRIBUTIONS.—Section 8906(g)(2)(A) of title  
10 5, United States Code, is amended by striking “through  
11 September 30, 2016, be paid by the United States Postal  
12 Service, and thereafter shall” and inserting “after the date  
13 of enactment of the Postal Reform Act of 2014”.

14 (b) POSTAL SERVICE RETIREE HEALTH BENEFITS  
15 FUND.—Section 8909a of title 5, United States Code, is  
16 amended—

17 (1) in subsection (d)—

18 (A) by striking paragraph (2) and insert-  
19 ing the following:

20 “(2)(A) Not later than June 30, 2016, the Office  
21 shall compute, and by June 30 of each succeeding year,  
22 the Office shall recompute, a schedule including a series  
23 of annual installments which provide for the liquidation  
24 of the amount described under subparagraph (B) (regard-  
25 less of whether the amount is a liability or surplus) by

1 September 30, 2052, or within 15 years, whichever is  
2 later, including interest at the rate used in the computa-  
3 tions under this subsection.

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

8 “(i) 80 percent of the Postal Service actuarial  
9 liability as of September 30 of the preceding fiscal  
10 year; and

11 “(ii) the value of the assets of the Postal Re-  
12 tiree Health Benefits Fund as of September 30 of  
13 the preceding fiscal year.”;

14 (B) in paragraph (3)—

15 (i) in subparagraph (A)—

16 (I) in clause (iii), by adding  
17 “and” at the end;

18 (II) in clause (iv), by striking the  
19 semicolon at the end and inserting a  
20 period; and

21 (III) by striking clauses (v)  
22 through (x); and

23 (ii) in subparagraph (B), by striking  
24 “2017” and inserting “2016”;

1 (C) by amending paragraph (4) to read as  
2 follows:

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

5 “(A) economic and actuarial methods and as-  
6 sumptions consistent with the methods and assump-  
7 tions used in determining the Postal surplus or sup-  
8 plemental liability under section 8348(h); and

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

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

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

15 “(A) the net present value of future payments  
16 required under section 8906(g)(2)(A) for current  
17 and future United States Postal Service annuitants;  
18 and

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

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

23 “(e) Subsections (a) through (d) of this section shall  
24 be subject to section 104 of the Postal Reform Act of  
25 2014.”.

1 (c) CANCELLATION OF CERTAIN UNPAID OBLIGA-  
2 TIONS OF THE POSTAL SERVICE.—Any obligation of the  
3 Postal Service under section 8909a(d)(3)(A) of title 5,  
4 United States Code, as in effect on the day before the date  
5 of enactment of this Act, that remains unpaid as of such  
6 date of enactment is cancelled.

7 (d) TECHNICAL AND CONFORMING AMENDMENT.—  
8 The heading of section 8909a of title 5, United States  
9 Code, is amended by striking “**Benefit**” and inserting  
10 “**Benefits**”.

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

12 (a) ESTABLISHMENT.—

13 (1) IN GENERAL.—Chapter 89 of title 5, United  
14 States Code, is amended by inserting after section  
15 8903b the following:

16 “§ 8903c. **Postal Service Health Benefits Program**

17 “(a) DEFINITIONS.—In this section—

18 “(1) the term ‘initial participating carrier’  
19 means a carrier that enters into a contract with the  
20 Office to participate in the Postal Service Health  
21 Benefits Program during the contract year begin-  
22 ning in January 2016;

23 “(2) the term ‘Medicare eligible individual’  
24 means an individual who—

1           “(A) is entitled to Medicare part A, but ex-  
2           cluding an individual who is eligible to enroll  
3           under such part under section 1818 of the So-  
4           cial Security Act (42 U.S.C. 1395i-2); and

5           “(B) is eligible to enroll in Medicare part  
6           B;

7           “(3) the term ‘Medicare part A’ means the  
8           Medicare program for hospital insurance benefits  
9           under part A of title XVIII of the Social Security  
10          Act (42 U.S.C. 1395c et seq.);

11          “(4) the term ‘Medicare part B’ means the  
12          Medicare program for supplementary medical insur-  
13          ance benefits under part B of title XVIII of the So-  
14          cial Security Act (42 U.S.C. 1395j et seq.);

15          “(5) the term ‘Medicare part D’ means the  
16          Medicare insurance program established under part  
17          D of title XVIII of the Social Security Act (42  
18          U.S.C. 1395w-101 et seq.);

19          “(6) the term ‘Office’ means the Office of Per-  
20          sonnel Management;

21          “(7) the term ‘Postal Service’ means the United  
22          States Postal Service;

23          “(8) the term ‘Postal Service annuitant’ means  
24          an annuitant enrolled in a health benefits plan under  
25          this chapter whose Government contribution is paid

1 by the Postal Service or the Postal Service Retiree  
2 Health Benefits Fund under section 8906(g)(2);

3 “(9) the term ‘Postal Service employee’ means  
4 an employee of the Postal Service enrolled in a  
5 health benefits plan under this chapter;

6 “(10) the term ‘Postal Service Health Benefits  
7 Program’ means the program of health benefits  
8 plans established under subsection (c);

9 “(11) the term ‘Postal Service Medicare eligible  
10 annuitant’ means an individual who—

11 “(A) is a Postal Service annuitant; and

12 “(B) is a Medicare eligible individual;

13 “(12) the term ‘PSHBP plan’ means a health  
14 benefits plan offered under the Postal Service  
15 Health Benefits Program; and

16 “(13) the term ‘qualified carrier’ means a car-  
17 rier for which the total enrollment in the plans pro-  
18 vided under this chapter includes, in the contract  
19 year beginning in January 2015, 5,000 or more en-  
20 rollees who are—

21 “(A) Postal Service employees; or

22 “(B) Postal Service annuitants.

23 “(b) APPLICATION OF SECTION.—The requirements  
24 under this section shall—



1           “(1) apply to the contract year beginning in  
2           January 2016, and each contract year thereafter;  
3           and

4           “(2) supersede other provisions of this chapter  
5           to the extent of any specific inconsistency, as deter-  
6           mined by the Office.

7           “(c) ESTABLISHMENT OF THE POSTAL SERVICE  
8           HEALTH BENEFITS PROGRAM.—

9           “(1) IN GENERAL.—The Office shall establish  
10          the Postal Service Health Benefits Program, which  
11          shall—

12                 “(A) consist of health benefit plans offered  
13                 under this chapter;

14                 “(B) include plans offered by—

15                         “(i) each qualified carrier; and

16                         “(ii) any other carrier determined ap-  
17                         propriate by the Office;

18                 “(C) be available for participation by all  
19                 Postal Service employees, in accordance with  
20                 subsection (d);

21                 “(D) be available for participation by all  
22                 Postal Service annuitants, in accordance with  
23                 subsection (d);

24                 “(E) not be available for participation by  
25                 an individual who is not a Postal Service em-

1           ployee or Postal Service annuitant (except as a  
2           family member of such an employee or annu-  
3           itant); and

4                   “(F) be implemented and administered by  
5           the Office.

6                   “(2) SEPARATE POSTAL SERVICE RISK POOL.—

7           The Office shall ensure that each PSHBP plan in-  
8           cludes rates, one for enrollment as an individual, one  
9           for enrollment for self plus one, and one for enroll-  
10          ment for self and family within each option in the  
11          PSHBP plan, that reasonably and equitably reflect  
12          the cost of benefits provided to a risk pool consisting  
13          solely of Postal Service employees and Postal Service  
14          annuitants (and family members of such employees  
15          and annuitants), taking into specific account the re-  
16          duction in benefits cost for the PSHBP plan due to  
17          the Medicare enrollment requirements under sub-  
18          section (e) and any savings or subsidies resulting  
19          from subsection (f).

20                   “(3) ACTUARIALLY EQUIVALENT COVERAGE.—

21          The Office shall ensure that each carrier partici-  
22          pating in the Postal Service Health Benefits Pro-  
23          gram provides coverage under the PSHBP plans of-  
24          fered by the carrier that is actuarially equivalent, as  
25          determined by the Director of the Office, to the cov-

1 erage that the carrier provides under the health ben-  
2 efits plans offered by the carrier under the Federal  
3 Employee Health Benefits Program that are not  
4 PSHBP plans.

5 “(d) ELECTION OF COVERAGE.—

6 “(1) IN GENERAL.—Except as provided in para-  
7 graphs (2) and (3), each Postal Service employee  
8 and Postal Service annuitant who elects to receive  
9 health benefits coverage under this chapter—

10 “(A) shall be subject to the requirements  
11 under this section; and

12 “(B) may only enroll in a PSHBP plan.

13 “(2) ANNUITANTS.—A Postal Service annuitant  
14 shall not be subject to this section if the Postal  
15 Service annuitant—

16 “(A) is enrolled in a health benefits plan  
17 under this chapter for the contract year begin-  
18 ning in January 2015 that is not a health bene-  
19 fits plan offered by an initial participating car-  
20 rier, unless the Postal Service annuitant volun-  
21 tarily enrolls in a PSHBP plan; or

22 “(B) resides in a geographic area for  
23 which there is not a PSHBP plan in which the  
24 Postal Service annuitant may enroll.

1           “(3) EMPLOYEES.—A Postal Service employee  
2           who is enrolled in a health benefits plan under this  
3           chapter for the contract year beginning in January  
4           2015 that is not a health benefits plan offered by an  
5           initial participating carrier shall not be subject to  
6           the requirements under this section, except that—

7                   “(A) if the Postal Service employee  
8                   changes enrollment to a different health bene-  
9                   fits plan under this chapter after the start of  
10                  the contract year beginning in January 2016,  
11                  the Postal Service employee may only enroll in  
12                  a PSHBP plan; and

13                  “(B) upon becoming a Postal Service an-  
14                  nuitant, if the Postal Service employee elects to  
15                  continue coverage under this chapter, the Post-  
16                  al Service employee shall enroll in a PSHBP  
17                  plan during the open season that is—

18                           “(i) being held when the Postal Serv-  
19                           vice employee becomes a Postal Service an-  
20                           nuitant; or

21                           “(ii) if the date on which the Postal  
22                           Service employee becomes a Postal Service  
23                           annuitant falls outside of an open season,  
24                           the first open season following that date.

25           “(e) REQUIREMENT OF MEDICARE ENROLLMENT.—

1           “(1) POSTAL SERVICE MEDICARE ELIGIBLE AN-  
2           NUITANTS.—A Postal Service Medicare eligible an-  
3           nuitant subject to this section may not continue cov-  
4           erage under the Postal Service Health Benefits Pro-  
5           gram unless the Postal Service Medicare eligible an-  
6           nuitant enrolls in Medicare part A, Medicare part B,  
7           and Medicare part D (as part of a prescription drug  
8           plan described in subsection (f)).

9           “(2) MEDICARE ELIGIBLE FAMILY MEMBERS.—  
10          If a family member of a Postal Service annuitant  
11          who is subject to this section is a Medicare eligible  
12          individual, the family member may not be covered  
13          under the Postal Service Health Benefits Program  
14          as a family member of the Postal Service annuitant  
15          unless the family member enrolls in Medicare part  
16          A, Medicare part B, and Medicare part D (as part  
17          of a prescription drug plan described in subsection  
18          (f)).

19          “(f) MEDICARE PART D PRESCRIPTION DRUG BENE-  
20          FITS.—The Office shall require each PSHBP plan to pro-  
21          vide prescription drug benefits for Postal Service annu-  
22          itants and family members who are eligible for Medicare  
23          part D through a prescription drug plan offered under a  
24          waiver under section 1860D–22 of the Social Security Act  
25          (42 U.S.C. 1395w–132).

1 “(g) POSTAL SERVICE CONTRIBUTION.—

2 “(1) IN GENERAL.—Subject to subsection (i),  
3 for purposes of applying section 8906(b) to the  
4 Postal Service, the weighted average shall be cal-  
5 culated in accordance with paragraph (2).

6 “(2) WEIGHTED AVERAGE CALCULATION.—Not  
7 later than October 1 of each year, the Office shall  
8 determine the weighted average of the rates estab-  
9 lished pursuant to subsection (c)(2) for PSHBP  
10 plans that will be in effect during the following con-  
11 tract year with respect to—

12 “(A) enrollments for self only;

13 “(B) enrollments for self plus one; and

14 “(C) enrollments for self and family.

15 “(h) RESERVES.—

16 “(1) SEPARATE RESERVES.—

17 “(A) IN GENERAL.—The Office shall en-  
18 sure that each PSHBP plan maintains separate  
19 reserves (including a separate contingency re-  
20 serve) with respect to the enrollees in the  
21 PSHBP plan in accordance with section 8909.

22 “(B) REFERENCES.—For purposes of the  
23 Postal Service Health Benefits Program, each  
24 reference to ‘the Government’ in section 8909

1 shall be deemed to be a reference to the Postal  
2 Service.

3 “(C) AMOUNTS TO BE CREDITED.—The re-  
4 serves (including the separate contingency re-  
5 serve) maintained by each PSHBP plan shall  
6 be credited with a proportionate amount of the  
7 funds in the existing reserves for health benefits  
8 plans offered by an initial participating carrier.

9 “(2) DISCONTINUATION OF PSHBP PLAN.—In  
10 applying section 8909(e) relating to a PSHBP plan  
11 that is discontinued, the Office shall credit the sepa-  
12 rate Postal Service contingency reserve maintained  
13 under paragraph (1) for that plan only to the sepa-  
14 rate Postal Service contingency reserves of the  
15 PSHBP plans continuing under this chapter.

16 “(i) NO EFFECT ON EXISTING LAW.—Nothing in  
17 this section shall be construed as affecting section 1005(f)  
18 of title 39 regarding variations, additions, or substitutions  
19 to the provisions of this chapter.”.

20 (2) TECHNICAL AND CONFORMING AMEND-  
21 MENTS.—

22 (A) Section 8903(1) of title 5, United  
23 States Code, is amended by striking “two levels  
24 of benefits” and inserting “2 levels of benefits  
25 for enrollees under this chapter generally and 2

1 levels of benefits for enrollees under the Postal  
2 Service Health Benefits Program established  
3 under section 8903c”.

4 (B) The table of sections for chapter 89 of  
5 title 5, United States Code, is amended by in-  
6 serting after the item relating to section 8903b  
7 the following:

“8903c. Postal Service Health Benefits Program.”.

8 (b) SPECIAL ENROLLMENT PERIOD FOR POSTAL  
9 SERVICE MEDICARE ELIGIBLE ANNUITANTS AND MEDI-  
10 CARE ELIGIBLE FAMILY MEMBERS OF POSTAL SERVICE  
11 ANNUITANTS.—

12 (1) SPECIAL ENROLLMENT PERIOD.—Section  
13 1837 of the Social Security Act (42 U.S.C. 1395p)  
14 is amended by adding at the end the following new  
15 subsection:

16 “(m)(1)(A) In the case of any individual who is sub-  
17 ject to the enrollment requirement of section 8903c(e) of  
18 title 5, United States Code, who has elected not to enroll  
19 (or to be deemed enrolled) during the individual’s initial  
20 enrollment period, there shall be a special enrollment pe-  
21 riod described in subparagraph (B).

22 “(B) The special enrollment period described in this  
23 subparagraph is the 6-month period, beginning on August  
24 1, 2015 and ending on January 31, 2016.

25 “(2)(A) In the case of any individual who—



1           “(i) was initially not subject to the enrollment  
2 requirement of section 8903c(e) of title 5, United  
3 States Code;

4           “(ii) is eligible to enroll in a plan under chapter  
5 89 of title 5, United States Code, because of an in-  
6 voluntary loss of health care coverage;

7           “(iii) upon the involuntary loss of health care  
8 coverage, becomes subject to the enrollment require-  
9 ment of section 8903c(e) of title 5, United States  
10 Code, because of enrollment in a PSHBP plan; and

11           “(iv) has elected not to enroll (or to be deemed  
12 enrolled) during the individual’s initial enrollment  
13 period,

14 there shall be a special enrollment period described  
15 in subparagraph (B).

16           “(B) The special enrollment period described in this  
17 subparagraph is the period of time equivalent to the period  
18 of time in which the individual has the ability to enroll  
19 in a PSHBP plan due to the involuntary loss of health  
20 care coverage, pursuant to chapter 89 of title 5, United  
21 States Code, and its implementing regulations.

22           “(C) For purposes of this subsection, the term  
23 ‘PSHBP plan’ has the meaning under section 8903c(a)  
24 of title 5, United States Code.

1       “(3) In the case of an individual who enrolls during  
2 the special enrollment period provided under paragraphs  
3 (1) and (2), the coverage period under this part shall begin  
4 on the first day of the month in which the individual en-  
5 rolls.”.

6           (2) WAIVER OF INCREASE OF PREMIUM.—Sec-  
7 tion 1839(b) of the Social Security Act (42 U.S.C.  
8 1395r(b)) is amended by striking “(i)(4) or (l)” and  
9 inserting “(i)(4), (l), or (m)”.

10 **SEC. 105. LABOR DISPUTES.**

11       Section 1207(c) of title 39, United States Code, is  
12 amended—

13           (1) in paragraph (2)—

14               (A) by inserting “(A)” after “(2)”;

15               (B) by striking the last sentence and in-  
16 sserting “The arbitration board shall render a  
17 decision not later than 45 days after the date  
18 of its appointment.”; and

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

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

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

24           “(4) Nothing in this section may be construed to limit  
25 the relevant factors that the arbitration board may take

1 into consideration in rendering a decision under paragraph  
2 (2).”.

3 **SEC. 106. PREFUNDING AND FINANCIAL REPORTING WITH**  
4 **RESPECT TO WORKERS’ COMPENSATION LI-**  
5 **ABILITY.**

6 (a) FINANCIAL PROVISIONS RELATING TO WORKERS’  
7 COMPENSATION LIABILITY.—

8 (1) IN GENERAL.—Chapter 20 of title 39,  
9 United States Code, is amended by adding at the  
10 end the following:

11 **“§ 2012. Provisions relating to workers’ compensation**  
12 **prefunding**

13 “(a) DEFINITIONS.—

14 “(1) IN GENERAL.—In this section—

15 “(A) the term ‘adjusted net income’, ex-  
16 cept as provided in paragraph (2), means the  
17 net income (or loss) reported by the Postal  
18 Service in the statement of operations included  
19 in the annual report required under section  
20 3654(a)(1)(B);

21 “(B) the term ‘Fund’ means the Postal  
22 Service Workers’ Compensation Accrued Liabil-  
23 ity Fund established under subsection (b); and

24 “(C) the term ‘Postal Service actuarial li-  
25 ability’ means, as of September 30 of a fiscal

1           year, the net present value of projected future  
2           payments required to be made by the Postal  
3           Service under section 8147 of title 5 (including  
4           any payments required to be made from the  
5           Fund under subsection (f) of this section) on  
6           account of injuries or deaths that occurred dur-  
7           ing that fiscal year or any preceding fiscal year.

8           “(2) CALCULATION OF ADJUSTED NET IN-  
9           COME.—In calculating adjusted net income for a fis-  
10          cal year—

11                   “(A) any payment made under subsection  
12                   (e) shall not be taken into account; and

13                   “(B) any change in the net present value  
14                   of projected future payments required to be  
15                   made by the Postal Service under section 8147  
16                   of title 5 shall not be taken into account.

17          “(b) ESTABLISHMENT.—There is established in the  
18          Treasury of the United States a revolving fund, to be  
19          called the Postal Service Workers’ Compensation Accrued  
20          Liability Fund.

21                   “(c) AVAILABILITY.—The Fund shall be available  
22          without fiscal year limitation for payments required under  
23          subsection (f).

24                   “(d) INVESTMENT.—

1           “(1) IN GENERAL.—The Secretary of the  
2           Treasury shall immediately invest, in interest-bear-  
3           ing securities of the United States, such currently  
4           available portions of the Fund as are not imme-  
5           diately required for payments from the Fund.

6           “(2) MANNER OF INVESTMENTS.—Investments  
7           under paragraph (1) shall be made in the same  
8           manner as investments for the Civil Service Retire-  
9           ment and Disability Fund under section 8348 of  
10          title 5.

11          “(e) PAYMENTS TO FUND.—

12           “(1) COST ATTRIBUTABLE TO 1 YEAR OF EM-  
13           PLOYEES’ SERVICE.—Not later than June 30, 2017,  
14           and not later than June 30 of each year thereafter,  
15           the Postal Service shall compute—

16           “(A) with respect to each of the 3 pre-  
17           ceding fiscal years, the net present value, as of  
18           September 30 of the fiscal year, of projected fu-  
19           ture payments required to be paid by the Postal  
20           Service under section 8147 of title 5 on account  
21           of injuries or deaths that occurred during the  
22           fiscal year;

23           “(B) for each of the 3 amounts computed  
24           under subparagraph (A), the sum of—

25           “(i) the amount; and

1                   “(ii) accrued interest on the amount  
2                   through September 30 of the preceding fis-  
3                   cal year; and

4                   “(C) the average of the 3 sums computed  
5                   under subparagraph (B).

6                   “(2) LIQUIDATION SCHEDULE.—

7                   “(A) COMPUTATION; RECOMPUTATION.—  
8                   Not later than June 30, 2017, the Postal Serv-  
9                   ice shall compute, and not later than June 30  
10                  of each year thereafter the Postal Service shall  
11                  recompute, a schedule including a series of an-  
12                  nual installments that provide for the liquida-  
13                  tion of the amount described in subparagraph  
14                  (B) (regardless of whether the amount is a li-  
15                  ability or surplus), including interest at the rate  
16                  used in the computations under paragraph (1),  
17                  by the later of—

18                               “(i) September 30, 2058; or

19                               “(ii) September 30 of the fiscal year  
20                               that is 15 years after the fiscal year in  
21                               which the computation or recomputation is  
22                               made.

23                   “(B) AMOUNT TO BE LIQUIDATED.—The  
24                   amount described in this subparagraph is the  
25                   difference between—

1 “(i) the difference between—

2 “(I) 80 percent of the Postal  
3 Service actuarial liability as of Sep-  
4 tember 30 of the preceding fiscal year;  
5 and

6 “(II) 80 percent of the amount  
7 computed under paragraph (1)(C) as  
8 of September 30 of the preceding fis-  
9 cal year; and

10 “(ii) the value of the assets of the  
11 Fund as of September 30 of the preceding  
12 fiscal year.

13 “(3) LIQUIDATION OF LIABILITY.—

14 “(A) IN GENERAL.—Subject to subpara-  
15 graph (B), not later than September 30, 2018,  
16 and not later than September 30 of each year  
17 thereafter, the Postal Service shall pay into the  
18 Fund the lesser of—

19 “(i) the sum of—

20 “(I) 80 percent of the amount  
21 computed under paragraph (1)(C)  
22 during the fiscal year; and

23 “(II) any annual installment  
24 computed under paragraph (2)(A);  
25 and

1 “(ii) the amount by which—

2 “(I) the amount of adjusted net  
3 income earned by the Postal Service  
4 during the fiscal year that ended 1  
5 year before the date by which a pay-  
6 ment is required to be made under  
7 this subparagraph; exceeds

8 “(II) \$1,000,000,000.

9 “(B) EXCEPTION.—If the amount of ad-  
10 justed net income earned by the Postal Service  
11 during a fiscal year does not exceed  
12 \$1,000,000,000, the Postal Service shall not be  
13 required to make a payment under this para-  
14 graph during the subsequent fiscal year.

15 “(f) PAYMENTS FROM FUND.—

16 “(1) IN GENERAL.—Beginning with the fiscal  
17 year ending on September 30, 2018, for each pay-  
18 ment that the Postal Service is required to make  
19 under section 8147 of title 5 during the fiscal  
20 year—

21 “(A) a fraction of the amount of the pay-  
22 ment shall be paid from the Fund in accordance  
23 with paragraph (2) of this subsection; and

24 “(B) the remaining amount of the payment  
25 shall be paid by the Postal Service.



1           “(2) FRACTION.—The fraction to be paid from  
2           the Fund, as required under paragraph (1), is, with  
3           respect to the fiscal year during which the payment  
4           is required to be made, the quotient of—

5                   “(A) the value of the assets of the Fund  
6                   as of September 30 of the preceding fiscal year;  
7                   and

8                   “(B) the sum of—

9                           “(i) the Postal Service actuarial liabil-  
10                           ity as of the end of the fiscal year before  
11                           the preceding fiscal year, plus interest ac-  
12                           crued on that amount through the end of  
13                           the preceding fiscal year; and

14                           “(ii) the amount calculated under sub-  
15                           section (e)(1)(C) as of the end of the fiscal  
16                           year before the preceding fiscal year, plus  
17                           interest accrued on that amount through  
18                           the end of the preceding fiscal year.

19           “(g) ASSUMPTIONS AND METHODOLOGY.—The as-  
20           sumptions and methodology used in the computations  
21           under this section shall be consistent, insofar as reason-  
22           able and appropriate, with the assumptions and method-  
23           ology used by the Postal Service in making computations  
24           of its assets and liabilities for the financial reporting re-  
25           quired under section 3654.”.

1           (2) TECHNICAL AND CONFORMING AMEND-  
2           MENT.—The table of sections for chapter 20 of title  
3           39, United States Code, is amended by adding at  
4           the end the following:

“2012. Provisions relating to workers’ compensation prefunding.”.

5           (b) ADDITIONAL ANNUAL FINANCIAL REPORTING.—

6           (1) IN GENERAL.—Section 3654(b) of title 39,  
7           United States Code, is amended by adding at the  
8           end the following:

9           “(4)(A) Each report required by subsection  
10          (a)(1)(B) shall include, with respect to the workers’  
11          compensation obligations of the Postal Service—

12                 “(i) as of the last day of the fiscal year to  
13                 which the report applies, the amount of the  
14                 Postal Service actuarial liability;

15                 “(ii) the value of the assets in the Fund,  
16                 and the difference between that amount and the  
17                 amount of the Postal Service actuarial liability;

18                 “(iii) the amounts calculated under para-  
19                 graphs (1) and (2) of section 2012(e);

20                 “(iv) significant methods and assumptions  
21                 underlying the relevant actuarial valuations;

22                 “(v) any payments to the Fund and from  
23                 the Fund for the fiscal year to which the report  
24                 applies; and

1           “(vi) the assumed rate of return on bal-  
2           ances of the Fund and the actual rate of return  
3           for the fiscal year to which the report applies.

4           “(B) In this paragraph, the terms ‘Fund’ and  
5           ‘Postal Service actuarial liability’ have the meaning  
6           given those terms in section 2012(a).”.

7           (2) APPLICABILITY.—The amendment made by  
8           paragraph (1) shall apply with respect to the report  
9           required under section 3654(a)(1)(B) of title 39,  
10          United States Code, for the fiscal year ending on  
11          September 30, 2014, and to such report for each fis-  
12          cal year thereafter.

13           **TITLE II—POSTAL SERVICE**  
14           **OPERATIONS**

15          **SEC. 201. MAINTENANCE OF DELIVERY SERVICE STAND-**  
16           **ARDS.**

17          (a) MORATORIUM ON CHANGES IN DELIVERY SERV-  
18          ICE STANDARDS.—During the 2-year period beginning on  
19          the date of enactment of this Act, the Postal Service shall  
20          maintain the service standards for first-class mail and  
21          periodicals under part 121 of title 39, Code of Federal  
22          Regulations, as in effect on October 1, 2013.

23          (b) GAO STUDY AND REPORT.—

24           (1) STUDY.—The Comptroller General of the  
25          United States shall conduct a study that assesses—

1 (A) how the Postal Service measures deliv-  
2 ery times for the purpose of determining wheth-  
3 er service standards have been met; and

4 (B) whether the method used by the Postal  
5 Service to measure delivery times reflects the  
6 total period of time beginning when a mailed  
7 item is transferred from a postal customer and  
8 ending when the mailed item arrives at its final  
9 destination.

10 (2) REPORT.—Not later than 1 year after the  
11 date of enactment of this Act, the Comptroller Gen-  
12 eral shall submit to the Committee on Homeland Se-  
13 curity and Governmental Affairs of the Senate and  
14 the Committee on Oversight and Government Re-  
15 form of the House of Representatives a report on  
16 the findings of the study conducted under paragraph  
17 (1) that includes recommendations as to whether the  
18 Postal Service should use additional or improved  
19 methods to—

20 (A) measure the actual delivery times expe-  
21 rienced by postal customers; and

22 (B) assess compliance with the service  
23 standards promulgated under section 3691 of  
24 title 39, United States Code.

1           (3) CONSULTATION.—In conducting the study  
2           under paragraph (1), the Comptroller General shall  
3           consult with the Commission to the extent appro-  
4           priate.

5 **SEC. 202. PRESERVING MAIL PROCESSING CAPACITY; RE-**  
6                           **VIEW OF DISCONTINUANCES, CLOSINGS, AND**  
7                           **CONSOLIDATIONS.**

8           (a) MORATORIUM ON CLOSURES OF POSTAL FACILI-  
9           TIES.—During the 2-year period beginning on the date of  
10          enactment of this Act, the Postal Service may not close  
11          or consolidate any postal facility (as that term is defined  
12          in section 404(f) of title 39, United States Code, as added  
13          by this section) that was open as of October 1, 2013.

14          (b) PROCEDURES FOR CLOSING OR CONSOLIDATION  
15          OF POSTAL FACILITIES.—Section 404 of title 39, United  
16          States Code, is amended by adding at the end the fol-  
17          lowing:

18               “(f) CLOSING OR CONSOLIDATION OF CERTAIN  
19          POSTAL FACILITIES.—

20               “(1) DEFINITION.—In this subsection, the term  
21          ‘postal facility’ means a processing and distribution  
22          center, processing and distribution facility, network  
23          distribution center, or other facility that is operated  
24          by the Postal Service, the primary function of which  
25          is to sort and process mail.

1 “(2) AREA MAIL PROCESSING STUDIES.—

2 “(A) APPLICABILITY.—In this para-  
3 graph—

4 “(i) the term ‘area mail processing  
5 study’ means an area mail processing fea-  
6 sibility study described in section 2–1 of  
7 Handbook PO–408 of the Postal Service,  
8 entitled ‘Area Mail Processing Guidelines’,  
9 as in effect on October 1, 2013;

10 “(ii) the term ‘closing’, with respect to  
11 a covered postal facility, means the trans-  
12 fer of all incoming and outgoing mail  
13 sortation and processing operations of the  
14 covered postal facility to a different cov-  
15 ered postal facility;

16 “(iii) the term ‘consolidate’, with re-  
17 spect to a covered postal facility, means  
18 the transfer of either all incoming or all  
19 outgoing mail sortation and processing op-  
20 erations of the covered postal facility to a  
21 different covered postal facility; and

22 “(iv) the term ‘covered postal facility’  
23 means a postal facility, the primary func-  
24 tion of which is to sort and process first-

1 class mail originating or designating within  
2 a defined geographic area.

3 “(B) NEW AREA MAIL PROCESSING STUD-  
4 IES.—Before making a determination under  
5 subsection (a)(3) as to the necessity for the  
6 closing or consolidation of a covered postal fa-  
7 cility, the Postal Service shall—

8 “(i) conduct an area mail processing  
9 study relating to the covered postal facility  
10 that includes consideration of a plan to re-  
11 duce the capacity of the covered postal fa-  
12 cility without closing the covered postal fa-  
13 cility; and

14 “(ii) upon completing the study under  
15 clause (i)—

16 “(I) publish the results of the  
17 study on the website of the Postal  
18 Service; and

19 “(II) publish a notice that the  
20 study is complete and the results of  
21 the study are available to the public,  
22 including on the website of the Postal  
23 Service.

24 “(C) COMPLETED OR ONGOING AREA MAIL  
25 PROCESSING STUDIES.—

1                   “(i) IN GENERAL.—In the case of a  
2 covered postal facility described in clause  
3 (ii), the Postal Service shall—

4                   “(I) consider a plan to reduce the  
5 capacity of the covered postal facility  
6 without closing the covered postal fa-  
7 cility; and

8                   “(II) publish the results of the  
9 consideration under subclause (I) with  
10 or as an amendment to the area mail  
11 processing study relating to the cov-  
12 ered postal facility.

13                   “(ii) POSTAL FACILITIES.—A covered  
14 postal facility described in this clause is a  
15 covered postal facility—

16                   “(I) for which, as of the date of  
17 enactment of this subsection, an area  
18 mail processing study—

19                   “(aa) has been completed  
20 but does not include a plan to re-  
21 duce the capacity of the covered  
22 postal facility without closing the  
23 covered postal facility; or

24                   “(bb) is in progress; and



1                   “(II) which, as of the date of en-  
2                   actment of this subsection, has not  
3                   been closed or consolidated.

4                   “(3) NOTICE, PUBLIC COMMENT, AND PUBLIC  
5                   HEARING.—If the Postal Service makes a determina-  
6                   tion under subsection (a)(3) to close or consolidate  
7                   a postal facility, the Postal Service shall—

8                   “(A) provide notice of the determination  
9                   to—

10                   “(i) Congress; and

11                   “(ii) the Postal Regulatory Commis-  
12                   sion;

13                   “(B) provide adequate public notice of the  
14                   intention of the Postal Service to close or con-  
15                   solidate the postal facility;

16                   “(C) ensure that interested persons have  
17                   an opportunity to submit public comments dur-  
18                   ing a 45-day period after the Postal Service  
19                   provides the notice of intention under subpara-  
20                   graph (B);

21                   “(D) before the 45-day period described in  
22                   subparagraph (C), provide public notice of the  
23                   opportunity under subparagraph (C) to submit  
24                   public comments during that period by—

1 “(i) publication on the website of the  
2 Postal Service;

3 “(ii) posting at the affected postal fa-  
4 cility; and

5 “(iii) publicizing the date and location  
6 of the public community meeting under  
7 subparagraph (E); and

8 “(E) during the 45-day period described in  
9 subparagraph (C), conduct a public meeting  
10 that provides an opportunity for comments to  
11 be submitted verbally or in writing.

12 “(4) FURTHER CONSIDERATIONS.—The Postal  
13 Service, in making a determination under subsection  
14 (a)(3) to close or consolidate a postal facility, shall  
15 consider—

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

18 “(B) the effect of the closing or consolida-  
19 tion on the affected community, including the  
20 impact the closing or consolidation may have on  
21 a State, region, or locality;

22 “(C) the effect of the closing or consolida-  
23 tion on the travel times and distances for af-  
24 fected customers to access services under the  
25 proposed closing or consolidation;

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

3           “(E) significant characteristics of certain  
4           geographical areas, such as remoteness and  
5           broadband Internet availability, that would like-  
6           ly result in the closing or consolidation having  
7           a unique effect;

8           “(F) the effect of the closing or consolida-  
9           tion on small businesses in the area, including  
10          shipping and communications with customers;

11          “(G) the extent to which significant  
12          changes in delivery service resulting from the  
13          closure or consolidation of the postal facility  
14          would affect the ability of individuals and busi-  
15          nesses in the region served by the postal facility  
16          to participate in the national economy;

17          “(H) the extent to which the Postal Serv-  
18          ice can take action to mitigate significant nega-  
19          tive impacts identified through the consider-  
20          ations under this paragraph; and

21          “(I) any other factor the Postal Service de-  
22          termines is necessary.

23          “(5) NOTICE OF FINAL DETERMINATION; JUS-  
24          TIFICATION STATEMENT.—If the Postal Service de-  
25          termines to close or consolidate a postal facility, the

1 Postal Service shall post on the website of the Postal  
2 Service—

3 “(A) notice of the final determination to  
4 close or consolidate the postal facility; and

5 “(B) a closing or consolidation justification  
6 statement that includes—

7 “(i) a response to the public com-  
8 ments received with respect to the consid-  
9 erations described under paragraph (4);

10 “(ii) a description of the consider-  
11 ations made by the Postal Service under  
12 paragraph (4); and

13 “(iii) the actions that the Postal Serv-  
14 ice will take to mitigate any significant  
15 negative effects identified under paragraph  
16 (4).

17 “(6) CLOSING OR CONSOLIDATION OF POSTAL  
18 FACILITIES.—

19 “(A) IN GENERAL.—Not earlier than 15  
20 days after the date on which the Postal Service  
21 posts notice of a final determination and a jus-  
22 tification statement under paragraph (5) with  
23 respect to a postal facility, the Postal Service  
24 may close or consolidate the postal facility.

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

10           “(7) PROTECTION OF CERTAIN INFORMA-  
11           TION.—Nothing in this subsection shall be construed  
12           to require the Postal Service to disclose any—

13                   “(A) proprietary data;

14                   “(B) information relating to the security of  
15           a postal facility; or

16                   “(C) information that is exempt from dis-  
17           closure under section 552 of title 5.”.

18 **SEC. 203. PRESERVING COMMUNITY POST OFFICES.**

19           Section 404(d) of title 39, United States Code, is  
20           amended—

21                   (1) by striking “(6) For purposes of paragraph  
22           (5)” and inserting the following:

23                   “(8) DATE OF RECEIPT OF APPEALS.—For pur-  
24           poses of paragraph (7)”;

1           (2) by striking “(5) A determination” and in-  
2           serting the following:

3           “(7) APPEALS.—A determination”;

4           (3) by striking “(d)(1) The Postal Service” and  
5           all that follows through the end of paragraph (4)  
6           and inserting the following:

7           “(d) DISCONTINUANCE OF POST OFFICES.—

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

9           “(A) the term ‘post office’ means a post  
10           office, post office branch, post office classified  
11           station, or other facility that is operated by the  
12           Postal Service, the primary function of which is  
13           to provide retail postal services;

14           “(B) the term ‘discontinuance’ has the  
15           meaning given the term in section 241.3 of title  
16           39, Code of Federal Regulations, as in effect on  
17           November 1, 2013; and

18           “(C) the term ‘rural post office’ means a  
19           post office that is—

20           “(i) in a rural area, as defined by the  
21           Census Bureau; and

22           “(ii) within the K or L cost ascertain-  
23           ment grouping, as classified by the Postal  
24           Service.



1 “(I) through a letter carrier; or

2 “(II) by collocating postal services

3 at a commercial or government entity;

4 “(B) provide postal customers served by

5 the post office an opportunity to present their

6 views, which may be by nonbinding survey con-

7 ducted by mail; and

8 “(C) if the Postal Service determines to

9 discontinue the post office, provide adequate

10 public notice of its intention to discontinue the

11 post office at least 60 days prior to the pro-

12 posed date of the discontinuance to persons

13 served by the post office.

14 “(3) CONSIDERATIONS.—The Postal Service, in

15 making a determination whether or not to dis-

16 continue a post office—

17 “(A) shall consider—

18 “(i) the effect of the discontinuance

19 on the community served by the post of-

20 fice;

21 “(ii) the effect of the discontinuance

22 on businesses, including small businesses,

23 in the area;



1                   “(iii) the effect of the discontinuance  
2                   on employees of the Postal Service em-  
3                   ployed at the post office;

4                   “(iv) whether the discontinuance  
5                   would have a significant adverse effect on  
6                   regular postal services to rural areas, com-  
7                   munities, and small towns where post of-  
8                   fices are not self-sustaining;

9                   “(v) the extent to which the commu-  
10                  nity served by the post office lacks access  
11                  to Internet, broadband, or cellular tele-  
12                  phone service;

13                  “(vi) the extent to which postal cus-  
14                  tomers served by the post office would con-  
15                  tinue after the discontinuance to receive  
16                  substantially similar access to essential  
17                  items, such as prescription drugs and time-  
18                  sensitive communications;

19                  “(vii) the proximity and accessibility  
20                  of other post offices;

21                  “(viii) whether substantial economic  
22                  savings to the Postal Service would result  
23                  from the discontinuance; and

24                  “(ix) any other factors that the Postal  
25                  Service determines are necessary; and

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

4           “(4) WRITTEN DETERMINATION AND FIND-  
5           INGS.—

6           “(A) IN GENERAL.—Any determination of  
7           the Postal Service to discontinue a post office  
8           shall—

9                     “(i) be in writing;

10                    “(ii) include the findings of the Postal  
11                    Service with respect to the considerations  
12                    required to be made under paragraph (3);  
13                    and

14                    “(iii) with respect to a determination  
15                    to discontinue a rural post office, include a  
16                    summary of the determinations required  
17                    under paragraph (5).

18           “(B) AVAILABILITY OF FINDINGS.—The  
19           Postal Service shall make available, to persons  
20           served by a post office that the Postal Service  
21           determines to discontinue, any determination  
22           and findings under subparagraph (A) with re-  
23           spect to that post office.

24           “(C) NOTICE BEFORE DISCONTINUANCE.—  
25           The Postal Service may not take any action to

1           discontinue a post office until 60 days after the  
2           date on which the Postal Service makes avail-  
3           able, to persons served by the post office, the  
4           written determination and findings with respect  
5           to the post office as required under subpara-  
6           graph (B).

7           “(5) RURAL POST OFFICES.—During the 5-year  
8           period beginning on the date of enactment of the  
9           Postal Reform Act of 2014, the Postal Service may  
10          not make a determination under subsection (a)(3) to  
11          discontinue a rural post office unless the Postal  
12          Service—

13                 “(A)(i) determines that postal customers  
14                 served by the post office would continue after  
15                 the discontinuance to receive substantially simi-  
16                 lar access to essential items, such as prescrip-  
17                 tion medications and time-sensitive communica-  
18                 tions, that are sent through the mails; or

19                 “(ii) takes action to substantially amelio-  
20                 rate any projected reduction in access to essen-  
21                 tial items described in clause (i); and

22                 “(B) determines that—

23                         “(i) there is unlikely to be undue eco-  
24                         nomic loss to the community served by the

1 post office as a result of the discontinu-  
2 ance;

3 “(ii) the area served by the post office  
4 has adequate access to broadband Internet  
5 service; and

6 “(iii) there is a road with year-round  
7 access connecting the community to an-  
8 other post office that is within a reason-  
9 able distance from the post office proposed  
10 to be discontinued.

11 “(6) REDUCTIONS IN HOURS OF OPERATION.—

12 “(A) CONSIDERATIONS.—The Postal Serv-  
13 ice, prior to making a determination under  
14 paragraph (2)(A)(ii)(I) to reduce the number of  
15 hours per day that a post office operates, shall  
16 consider—

17 “(i) the impact of the proposed reduc-  
18 tion in hours on local businesses;

19 “(ii) the effect of the proposed reduc-  
20 tion in hours on the community served by  
21 the post office;

22 “(iii) the ability of the Postal Service  
23 to hire qualified employees to operate the  
24 post office during the reduced hours;

1 “(iv) the proximity and accessibility of  
2 other post offices in the general region,  
3 and the hours those post offices are open;

4 “(v) the impact of the proposed reduc-  
5 tion in hours on the elderly and other vul-  
6 nerable populations; and

7 “(vi) the impact of alternative sched-  
8 ules on the community served by the post  
9 office, including consideration of which  
10 schedules would most effectively mitigate  
11 any negative impacts identified under  
12 clauses (i) through (v).

13 “(B) FINDINGS.—If the Postal Service de-  
14 termines, after considering the factors under  
15 subparagraph (A), to reduce the number of  
16 hours per day that a post office operates, the  
17 Postal Service shall make available to persons  
18 served by the post office—

19 “(i) a summary of the findings of the  
20 Postal Service under subparagraph (A);

21 “(ii) the hours during which the post  
22 office will be open; and

23 “(iii) an explanation of the change in  
24 hours referred to in clause (ii).”;

25 (4) in paragraph (7), as so designated—

1 (A) by striking “close or consolidate” and  
2 inserting “discontinue”;

3 (B) by striking “under paragraph (3)” and  
4 inserting “under paragraph (4)”;

5 (C) by moving subparagraphs (A), (B),  
6 and (C) 2 ems to the right; and

7 (D) by moving the flush text following sub-  
8 paragraph (C) 2 ems to the right; and

9 (5) in paragraph (8), as so designated, by mov-  
10 ing subparagraphs (A) and (B) 2 ems to the right.

11 **SEC. 204. CHANGES TO MAIL DELIVERY SCHEDULE.**

12 (a) LIMITATION ON CHANGE IN SCHEDULE.—

13 (1) IN GENERAL.—The Postal Service may es-  
14 tablish a general, nationwide delivery schedule of 5  
15 days per week to street addresses under the author-  
16 ity of the Postal Service under title 39, United  
17 States Code—

18 (A) if the Postal Service determines that  
19 such a delivery schedule would contribute to the  
20 achievement of long-term solvency; and

21 (B) at any time after the total mail volume  
22 during any period of 4 consecutive quarters, be-  
23 ginning with the first full quarter after the date  
24 of enactment of this Act, is less than  
25 140,000,000,000 pieces, as reported in the

1 Form 10–Q quarterly reports filed by the Post-  
2 al Service with the Postal Regulatory Commis-  
3 sion under section 3654(a)(1)(A) of title 39,  
4 United States Code.

5 (2) CONTINUATION OF AUTHORITY.—If each  
6 condition under subsection (a)(1) is satisfied, the  
7 fact that total mail volume during any period of 4  
8 consecutive quarters, after the first quarter of the  
9 period described in subsection (a)(1)(B), exceeds  
10 140,000,000,000 pieces shall not affect the contin-  
11 ued authority of the Postal Service to establish or  
12 maintain a nationwide delivery schedule of 5 days  
13 per week.

14 (b) IMPLEMENTATION.—

15 (1) IN GENERAL.—If the Postal Service intends  
16 to establish a change in delivery schedule under sub-  
17 section (a), the Postal Service shall—

18 (A) identify customers and communities  
19 for whom the change may have a dispropor-  
20 tionate, negative impact, including small busi-  
21 ness customers, the elderly, those who live in lo-  
22 cations without access to broadband Internet  
23 service, and the customers identified as “par-  
24 ticularly affected” in the Advisory Opinion on

1 Elimination of Saturday Delivery issued by the  
2 Commission on March 24, 2011;

3 (B) develop measures to ameliorate any  
4 disproportionately negative impact the change  
5 would have on customers and communities iden-  
6 tified under subparagraph (A);

7 (C) implement measures to increase rev-  
8 enue and reduce costs, including the measures  
9 authorized under this Act and the amendments  
10 made by this Act;

11 (D) evaluate whether any increase in rev-  
12 enue or reduction in costs, or anticipated in-  
13 crease in revenue or reduction in costs, result-  
14 ing from the measures implemented under sub-  
15 paragraph (C) are sufficient to allow the Postal  
16 Service, without implementing a change in de-  
17 livery schedule under subsection (a), to achieve  
18 long-term solvency; and

19 (E) not later than 3 months before the ef-  
20 fective date for any proposed change, submit a  
21 report that includes the determination required  
22 under subsection (a)(1) and details any meas-  
23 ures developed or implemented pursuant to sub-  
24 paragraph (B) or (C) of this paragraph to—



1 (i) the Committee on Homeland Secu-  
2 rity and Governmental Affairs of the Sen-  
3 ate;

4 (ii) the Committee on Oversight and  
5 Government Reform of the House of Rep-  
6 resentatives; and

7 (iii) the Commission.

8 (2) RULE OF CONSTRUCTION.—Nothing in this  
9 subsection shall be construed to affect the authority  
10 of the Postal Service to establish a nationwide deliv-  
11 ery schedule of 5 days per week if the conditions  
12 under subsection (a) are satisfied.

13 (c) GAO REPORT.—Not later than 270 days after the  
14 date of enactment of this Act, the Comptroller General  
15 of the United States shall submit to the Committee on  
16 Homeland Security and Governmental Affairs of the Sen-  
17 ate and the Committee on Oversight and Government Re-  
18 form of the House of Representatives a report evaluating  
19 the extent to which a change in delivery schedule would  
20 improve the financial condition of the Postal Service and  
21 assist in the efforts of the Postal Service to achieve long-  
22 term solvency, taking into consideration other ongoing and  
23 planned efforts to increase revenue and reduce costs, con-  
24 sistent with the requirements of this Act.

1 (d) RULES OF CONSTRUCTION.—Nothing in this sec-  
2 tion shall be construed to—

3 (1) require the decrease or increase in delivery  
4 frequency for any route for which the Postal Service  
5 provided delivery on fewer than 6 days per week as  
6 of the date of enactment of this Act;

7 (2) require that the Postal Service deliver mail  
8 on Federal holidays;

9 (3) authorize any change in—

10 (A) the days and times that postal retail  
11 service or any mail acceptance is available at  
12 postal retail facilities or processing facilities; or

13 (B) the locations at which postal retail  
14 service or mail acceptance occurs at postal re-  
15 tail facilities or processing facilities;

16 (4) require any change in the frequency of de-  
17 livery to a post office box;

18 (5) prohibit the collection or delivery of a com-  
19 petitive mail product on a weekend, a recognized  
20 Federal holiday, or any other specific day of the  
21 week; or

22 (6) prohibit the Postal Service from exercising  
23 its authority to make changes to processing or retail  
24 networks.

1           (e) PACKAGES.—Notwithstanding any other provision  
2 of this section, for a period of not less than 5 years, begin-  
3 ning on the date of enactment of this Act, the Postal Serv-  
4 ice shall provide package service—

5           (1) 6 days per week to each street address that  
6 was eligible to receive package service 6 days per  
7 week, and to each new street address that is located  
8 in an area that was eligible to receive package serv-  
9 ice 6 days per week, as of October 1, 2013; and

10           (2) 7 days per week to each street address for  
11 which the Postal Service determines that such serv-  
12 ice provides an economic benefit to the Postal Serv-  
13 ice.

14           (f) MAILBOX ACCESS.—If the Postal Service estab-  
15 lishes a general, nationwide delivery schedule of 5 days  
16 per week consistent with the provisions of this section, the  
17 Postal Service shall amend the Mailing Standards of the  
18 United States, Domestic Mail Manual to ensure that the  
19 provisions of section 508.3.2.10 of such manual, as in ef-  
20 fect on October 1, 2013, shall apply on any day on which  
21 the Postal Service does not deliver the mail under the es-  
22 tablished delivery schedule.

1 **SEC. 205. DELIVERY POINT MODERNIZATION.**

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

5 **“§ 3692. Delivery point modernization**

6 “(a) DEFINITIONS.—In this section, the following  
7 definitions shall apply:

8 “(1) CENTRALIZED DELIVERY.—The term ‘cen-  
9 tralized delivery’ means a primary mode of mail de-  
10 livery whereby mail is delivered to a group or cluster  
11 of mail receptacles at a single location.

12 “(2) CURBSIDE DELIVERY.—The term ‘curbside  
13 delivery’ means a primary mode of mail delivery  
14 whereby mail is delivered to a mail receptacle that  
15 is situated at the edge of a public sidewalk abutting  
16 a road or curb, at a road, or at a curb.

17 “(3) DELIVERY POINT.—The term ‘delivery  
18 point’ means a mailbox or other receptacle to which  
19 mail is delivered.

20 “(4) DISTRICT OFFICE.—The term ‘district of-  
21 fice’ means the central office of an administrative  
22 field unit with responsibility for postal operations in  
23 a designated geographic area (as defined under reg-  
24 ulations, directives, or other guidance of the Postal  
25 Service).

1           “(5) DOOR DELIVERY.—The term ‘door deliv-  
2           ery’—

3           “(A) means a primary mode of mail deliv-  
4           ery whereby mail is—

5           “(i) delivered to a mail receptacle at  
6           or near a postal customer’s door; or

7           “(ii) hand-delivered to a postal cus-  
8           tomer; and

9           “(B) does not include curbside or central-  
10          ized delivery.

11          “(6) PRIMARY MODE OF MAIL DELIVERY.—The  
12          term ‘primary mode of mail delivery’ means the typ-  
13          ical method by which the Postal Service delivers mail  
14          to the delivery point of a postal customer.

15          “(b) POLICY.—Except as otherwise provided in this  
16          section, including paragraphs (4) and (5) of subsection  
17          (c), it shall be the policy of the Postal Service to use the  
18          primary mode of mail delivery that is most cost effective  
19          and is in the best long-term interest of the Postal Service.

20          “(c) CONVERSION TO OTHER DELIVERY MODES.—

21                 “(1) NEW ADDRESSES.—Except as provided in  
22                 paragraphs (4) and (5), the Postal Service shall pro-  
23                 vide centralized delivery to new addresses established  
24                 after the date of enactment of the Postal Reform

1 Act of 2014, or if centralized delivery is not prac-  
2 ticable shall provide curbside delivery.

3 “(2) BUSINESS ADDRESS CONVERSION.—The  
4 Postal Service shall carry out a program to convert  
5 business addresses with door delivery on the date of  
6 enactment of the Postal Reform Act of 2014 to cen-  
7 tralized delivery or to curbside delivery.

8 “(3) RESIDENTIAL ADDRESS CONVERSION.—

9 “(A) IDENTIFICATION.—Not later than 9  
10 months after the date of enactment of the Post-  
11 al Reform Act of 2014, the head of each dis-  
12 trict office of the Postal Service shall identify  
13 residential addresses within the service area of  
14 the district office that are appropriate can-  
15 didates for conversion from door delivery to a  
16 more cost-effective primary mode of delivery, in  
17 accordance with standards established by the  
18 Postal Service.

19 “(B) VOLUNTARY CONVERSION.—Not later  
20 than 1 year after the date of enactment of the  
21 Postal Reform Act of 2014, and consistent with  
22 subsection (b) and paragraph (4), the Postal  
23 Service shall begin implementation of a pro-  
24 gram to convert, on a voluntary basis, the ad-  
25 dresses identified under subparagraph (A) from

1 door delivery to a more cost-effective primary  
2 mode of delivery.

3 “(C) PROCEDURES.—In pursuing conver-  
4 sion under subparagraph (B), the Postal Serv-  
5 ice shall establish procedures to—

6 “(i) solicit and consider input from  
7 postal customers, State and local govern-  
8 ments, local associations, and property  
9 owners; and

10 “(ii) place centralized delivery points  
11 in locations that maximize delivery effi-  
12 ciency, ease of use for postal customers,  
13 and respect for private property rights.

14 “(4) EXCEPTIONS.—In establishing a primary  
15 mode of mail delivery for new addresses under para-  
16 graph (1) or converting the primary mode of mail  
17 delivery for an address under paragraph (2) or (3),  
18 the Postal Service may provide door delivery if—

19 “(A) a physical barrier precludes the effi-  
20 cient provision of centralized delivery or  
21 curbside delivery;

22 “(B) the address is located in a registered  
23 historic district, as that term is defined in sec-  
24 tion 47(c)(3)(B) of the Internal Revenue Code  
25 of 1986; or

1           “(C) the Postal Service determines that  
2 the provision of centralized delivery or curbside  
3 delivery would be impractical, would not be cost  
4 effective, or would not be in the best long-term  
5 interest of the Postal Service.

6           “(5) WAIVER FOR PHYSICAL HARDSHIP.—

7           “(A) IN GENERAL.—The Postal Service  
8 shall establish and maintain a waiver program  
9 under which, upon the application of a postal  
10 customer, door delivery may be continued or  
11 provided to a delivery point if—

12           “(i) centralized delivery or curbside  
13 delivery would, but for this paragraph, be  
14 the primary mode of mail delivery for the  
15 delivery point; and

16           “(ii) a physical hardship prevents the  
17 postal customer from receiving his or her  
18 mail through any other form of mail deliv-  
19 ery.

20           “(B) PUBLICITY; SIMPLICITY.—In estab-  
21 lishing and maintaining the waiver program  
22 under subparagraph (A), the Postal Service  
23 shall—

24           “(i) publicize the waiver program; and



1                   “(ii) provide a simple application  
2                   process for participation in the waiver pro-  
3                   gram.

4                   “(C) POSTAL SERVICE DISCRETION.—  
5                   Nothing in this paragraph shall be construed  
6                   to—

7                   “(i) prohibit the Postal Service from  
8                   requiring evidence of a physical hardship  
9                   in an appropriate case; or

10                   “(ii) require the Postal Service to re-  
11                   quire evidence of a physical hardship in  
12                   any case.”.

13                   (b) CLERICAL AMENDMENT.—The table of sections  
14 for subchapter VII of chapter 36 of title 39, United States  
15 Code, is amended by adding at the end the following:

“3692. Delivery point modernization.”.

16 **SEC. 206. POSTAL SERVICES FOR MARKET-DOMINANT**  
17 **PRODUCTS.**

18                   (a) IN GENERAL.—Strike section 3661 of title 39,  
19 United States Code, and insert the following:

20 **“§ 3661. Postal services for market-dominant prod-**  
21 **ucts**

22                   “(a) GENERAL OBLIGATION.—The Postal Service  
23 shall develop and promote adequate and efficient postal  
24 services with respect to its market-dominant products.

1           “(b) PROPOSED CHANGES FOR MARKET-DOMINANT  
2 PRODUCTS.—

3           “(1) SUBMISSION OF PROPOSAL.—If the Postal  
4 Service determines that there should be a change in  
5 the nature of postal services relating to market-dom-  
6 inant products that will generally affect service on a  
7 nationwide or substantially nationwide basis, the  
8 Postal Service shall submit a proposal to the Postal  
9 Regulatory Commission requesting an advisory opin-  
10 ion on the change.

11           “(2) ADVISORY OPINION.—Upon receipt of a  
12 proposal under paragraph (1), the Postal Regulatory  
13 Commission shall—

14           “(A) provide notice and an opportunity for  
15 public comment and a public hearing on the  
16 proposal; and

17           “(B) issue an advisory opinion not later  
18 than—

19           “(i) 90 days after the date on which  
20 the Postal Regulatory Commission receives  
21 the proposal; or

22           “(ii) a date that the Postal Regu-  
23 latory Commission and the Postal Service  
24 may determine jointly.

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

5                   “(A) a statement of whether the Postal  
6           Service plans to modify the proposal to address  
7           any concerns or implement any recommenda-  
8           tions made by the Commission; and

9                   “(B) for any matter that the Postal Serv-  
10          ice determines not to address and any rec-  
11          ommendation that the Postal Service deter-  
12          mines not to implement, the reasons for the de-  
13          termination.

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

17                   “(A) on or after the date on which the  
18          Postal Service submits the response required  
19          under paragraph (3);

20                   “(B) on or after a date that the Postal  
21          Regulatory Commission and the Postal Service  
22          may determine jointly; or

23                   “(C) after the date described in paragraph  
24          (2)(B), if—

1 “(i) the Postal Regulatory Commis-  
2 sion fails to issue an advisory opinion on  
3 or before the date described in paragraph  
4 (2)(B); and

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

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

11 “(c) LIMITATION.—

12 “(1) NO CHANGES FOR COMPETITIVE PROD-  
13 UCTS.—Nothing in this section shall be construed as  
14 authorizing the making of changes under this sec-  
15 tion to the nature of service provided for competitive  
16 products.

17 “(2) HYBRID CHANGES.—For a change that af-  
18 fects the nature of service provided for both market-  
19 dominant products and competitive products, only  
20 the effect on market-dominant products shall be sub-  
21 ject to this section.”.

22 (b) TECHNICAL AND CONFORMING AMENDMENT.—  
23 The table of sections for chapter 36 of title 39, United  
24 States Code, is amended by striking the item relating to  
25 section 3661 and inserting the following:

“3661. Postal services for market-dominant products.”.

1           **TITLE III—POSTAL SERVICE**  
2                           **REVENUE**

3 **SEC. 301. POSTAL RATES.**

4           (a) MODERN RATE SYSTEM.—

5                   (1) IN GENERAL.—Chapter 36 of title 39,  
6           United States Code, is amended by striking section  
7           3622 and inserting the following:

8 **“§ 3622. Modern rate system**

9           “(a) AUTHORITY GENERALLY.—

10                   “(1) BOARD OF GOVERNORS.—The Board may  
11           establish, and from time to time thereafter revise, a  
12           system of rates and classes for market-dominant  
13           products (referred to in this section as the ‘system’),  
14           consistent with the requirements under this section.

15                   “(2) NO DELEGATION.—The authority under  
16           this section may not be delegated to the Postmaster  
17           General or to any other individual or entity.

18           “(b) OBJECTIVES.—The system shall be designed to  
19           achieve the following objectives, each of which shall be ap-  
20           plied in conjunction with the others:

21                   “(1) To maximize incentives for the Postal  
22           Service to reduce costs and increase efficiency.

23                   “(2) To create predictability and stability in  
24           rates.

1           “(3) To maintain high quality service standards  
2 established under section 3691.

3           “(4) To assure adequate revenues and maintain  
4 the financial stability of the Postal Service.

5           “(5) To establish and maintain a just and rea-  
6 sonable schedule for rates and classifications, how-  
7 ever the objective under this paragraph shall not be  
8 construed to prohibit the Board from making  
9 changes of unequal magnitude within, between, or  
10 among classes of mail.

11           “(6) To allocate the total institutional costs of  
12 the Postal Service appropriately between market-  
13 dominant and competitive products, in accordance  
14 with regulations promulgated by the Postal Regu-  
15 latory Commission (referred to in this section as the  
16 ‘Commission’) under section 3633.

17           “(c) FACTORS.—In establishing or revising the sys-  
18 tem, the Board shall take into account—

19           “(1) the value of the mail service provided  
20 through each class or type of mail service to both  
21 the sender and the recipient, including the edu-  
22 cational, cultural, scientific, and informational value;

23           “(2) the direct and indirect postal costs attrib-  
24 utable to each class or type of mail service;

1           “(3) the effect of rate increases upon Postal  
2 Service customers;

3           “(4) the available alternative means of sending  
4 and receiving letters and other mail matter;

5           “(5) the simplicity of structure for the entire  
6 schedule and simple, identifiable relationships be-  
7 tween the rates or fees charged the various classes  
8 of mail for postal services; and

9           “(6) the policies of this title as well as such  
10 other factors as the Board determines appropriate.

11       “(d) ADJUSTMENTS CONSISTENT WITH SYSTEM.—

12           “(1) NOTICE.—The Board shall provide notice  
13 of any adjustment in rates or classes proposed to be  
14 made under this section that is consistent with the  
15 system then in effect—

16           “(A) not later than—

17           “(i) 90 days before the implementa-  
18 tion of any rate or class adjustment that  
19 affects all or substantially all market-domi-  
20 nant products; and

21           “(ii) 45 days before the implementa-  
22 tion of any other rate or class adjustment;  
23 and

24           “(B) to—

25           “(i) the public, including by—

1                   “(I) publication in the Federal  
2                   Register; and

3                   “(II) posting on the website of  
4                   the Postal Service; and

5                   “(ii) the Commission.

6                   “(2) PUBLIC COMMENT.—The Board shall so-  
7                   licit and receive public comments on any proposed  
8                   rate or class adjustment, and shall take such com-  
9                   ments into account in making its final determination  
10                  as to a rate or class adjustment.

11                  “(3) FINAL DECISION.—Not later than 10 days  
12                  before the implementation of a rate or class adjust-  
13                  ment, the Board shall issue a final decision on the  
14                  adjustment which shall—

15                         “(A) be published in the Federal Register  
16                         and posted on the website of the Postal Service;  
17                         and

18                         “(B) include an explanation responding to  
19                         all relevant comments received.

20                  “(4) COMMISSION REVIEW.—

21                         “(A) IN GENERAL.—Any adjustment made  
22                         by the Board under this section shall be subject  
23                         to review by the Commission under section  
24                         3662.



1                   “(B) APPLICATION OF SECTION 3662.—In  
2                   a review described in subparagraph (A), section  
3                   3662 shall be applied by substituting ‘Board of  
4                   Governors’ for ‘Postal Service’ where applicable.

5                   “(e) RATE BASE.—The rates for market-dominant  
6 products in effect on the date of enactment of the Postal  
7 Reform Act of 2014, including any rates adjusted under  
8 this section on an expedited basis due to either extraor-  
9 dinary or exceptional circumstances, shall remain in effect  
10 unless adjusted in accordance with this section.

11                   “(f) LIMITATIONS ON RATE ADJUSTMENTS.—

12                   “(1) APPLICABILITY OF LIMITATIONS.—The  
13 limitations under this subsection shall remain in ef-  
14 fect unless revised or eliminated by the Board under  
15 subsection (g).

16                   “(2) ANNUAL LIMITATION.—There shall be an  
17 annual limitation on the percentage changes in rates  
18 for market-dominant products as a whole under this  
19 section that shall be equal to the percentage change  
20 in the Consumer Price Index for All Urban Con-  
21 sumers unadjusted for seasonal variation over the  
22 most recent available 12-month period preceding the  
23 date the Board provides notice of its intention to in-  
24 crease rates plus 1 percentage point.

25                   “(3) CONDITIONS.—

1           “(A) CLASSES OF MAIL.—The Board shall  
2 ensure that the annual percentage change in  
3 rates under this section for a class of mail, as  
4 defined in the Domestic Mail Classification  
5 Schedule (as in effect on the date of enactment  
6 of the Postal Accountability and Enhancement  
7 Act), does not exceed the annual limitation  
8 under paragraph (2) by more than 2 percentage  
9 points.

10           “(B) USE OF UNUSED RATE ADJUSTMENT  
11 AUTHORITY.—

12           “(i) DEFINITION.—In this subpara-  
13 graph, the term ‘unused rate adjustment  
14 authority’ means the difference between—

15           “(I) the maximum amount of a  
16 rate adjustment that the Board is au-  
17 thorized to make in any year subject  
18 to the annual limitation under para-  
19 graph (2); and

20           “(II) the amount of the rate ad-  
21 justment the Board actually makes in  
22 that year.

23           “(ii) AUTHORITY.—Subject to clause  
24 (iii), the Board may use any unused rate  
25 adjustment authority for any of the 5

1 years following the year the authority oc-  
2 curred.

3 “(iii) LIMITATIONS.—In exercising the  
4 authority under clause (ii) in any year, the  
5 Governors—

6 “(I) may use unused rate adjust-  
7 ment authority from more than 1  
8 year;

9 “(II) may use any part of the un-  
10 used rate adjustment authority from  
11 any year; and

12 “(III) may not exceed the annual  
13 limitation under paragraph (2) by  
14 more than 2 percentage points.

15 “(4) EXCEPTION TO ANNUAL LIMITATION.—  
16 Notwithstanding the annual limitation under para-  
17 graph (2), and provided there is not sufficient un-  
18 used rate adjustment authority under paragraph  
19 (3)(B), rates may be adjusted on an expedited basis  
20 due to either extraordinary or exceptional cir-  
21 cumstances, provided that the Commission deter-  
22 mines, after notice and opportunity for public com-  
23 ment, and within 90 days after any request by the  
24 Board, that such adjustment is reasonable and equi-  
25 table and necessary to enable the Postal Service,

1 under best practices of honest, efficient, and eco-  
2 nomical management, to maintain and continue the  
3 development of postal services of the kind and qual-  
4 ity adapted to the needs of the United States.

5 “(g) ADOPTION OF NEW SYSTEM.—

6 “(1) BOARD PROPOSAL.—Not earlier than Jan-  
7 uary 1, 2017, and as appropriate thereafter, if the  
8 Board determines that an objective under subsection  
9 (b) is not being met, the Board, as it determines ap-  
10 propriate to achieve the objectives under subsection  
11 (b) and taking into account the factors under sub-  
12 section (c), may propose a new system of rates and  
13 classes, which may include revision or elimination of  
14 the limitations established under subsection (f).

15 “(2) NOTICE.—Before adopting a new system  
16 proposed under paragraph (1), the Board shall—

17 “(A) submit to the Commission, for review  
18 under paragraph (3)—

19 “(i) the proposal; and

20 “(ii) an explanation of—

21 “(I) the determination of the  
22 Board that an objective under sub-  
23 section (b) is not being met; and

24 “(II) how the proposed system  
25 will achieve the objectives under sub-

1 section (b), taking into account the  
2 factors under subsection (c);

3 “(B) notify the Committee on Homeland  
4 Security and Governmental Affairs of the Sen-  
5 ate and the Committee on Oversight and Gov-  
6 ernment Affairs of the House of Representa-  
7 tives of the proposal and the submission under  
8 subparagraph (A); and

9 “(C) notify the public, including by posting  
10 the proposal on the website of the Postal Serv-  
11 ice.

12 “(3) COMMISSION REVIEW.—

13 “(A) SOLICITATION OF OUTSIDE COM-  
14 MENTS AND INFORMATION.—Upon receiving a  
15 proposal submitted under paragraph (2)(A), the  
16 Commission—

17 “(i) shall provide the public with—

18 “(I) notice of the proposal; and

19 “(II) an opportunity to comment  
20 on the proposal;

21 “(ii) shall solicit the views of the In-  
22 spector General of the Postal Service and  
23 the Comptroller General of the United  
24 States on the proposal, including any rec-  
25 ommended changes to the proposed system

1 to better achieve the objectives under sub-  
2 section (b);

3 “(iii) may hold a public hearing on  
4 the proposal; and

5 “(iv) shall review and consider all rel-  
6 evant comments and information con-  
7 cerning the proposal provided to the Com-  
8 mission under clauses (i), (ii), and (iii).

9 “(B) COMMISSION RECOMMENDATION.—  
10 Not later than 60 days after the date on which  
11 the Commission receives a proposal from the  
12 Board under paragraph (2)(A), or a date that  
13 the Commission and the Board may determine  
14 jointly, the Commission shall submit to the  
15 Board—

16 “(i) an evaluation of the proposal, in-  
17 cluding the extent to which the Commis-  
18 sion concludes the proposal is likely to  
19 achieve the objectives under subsection (b);  
20 and

21 “(ii) a recommendation that the  
22 Board accept, reject, or modify the pro-  
23 posal.

24 “(4) FINAL BOARD ACTION.—The Board—

1           “(A) shall consider the recommendation  
2 submitted by the Commission under paragraph  
3 (3)(B); and

4           “(B) shall—

5                 “(i) adopt the recommendation;

6                 “(ii) by a vote of  $\frac{2}{3}$  of the members  
7 of the Board then serving—

8                 “(I) reject the recommendation  
9 (including all or part of a rec-  
10 ommended modification); and

11                 “(II) not earlier than 30 days  
12 after the date on which the Board re-  
13 ceives the recommendation, adopt, in  
14 whole or in part, the proposal as sub-  
15 mitted to the Commission under para-  
16 graph (2)(A); or

17                 “(iii) withdraw the proposal.

18           “(5) FAILURE TO SUBMIT RECOMMENDA-  
19 TIONS.—If the Commission fails to submit a rec-  
20 ommendation to the Board under paragraph (3)(B)  
21 by the date described in that paragraph with respect  
22 to a proposal submitted by the Board under para-  
23 graph (2)(A), the Board may adopt the proposal.

24           “(h) WORKSHARE DISCOUNTS.—

1           “(1) DEFINITION.—In this subsection, the term  
2           ‘workshare discount’ refers to rate discounts pro-  
3           vided to mailers for the presorting, prebarcoding,  
4           handling, or transportation of mail, as further de-  
5           fined by the Board under subsection (a).

6           “(2) SCOPE.—The Board shall ensure that such  
7           discounts do not exceed the cost that the Postal  
8           Service avoids as a result of workshare activity, un-  
9           less—

10                   “(A) the discount is—

11                           “(i) associated with a new postal serv-  
12                           ice, a change to an existing postal service,  
13                           or with a new work share initiative related  
14                           to an existing postal service; and

15                           “(ii) necessary to induce mailer behav-  
16                           ior that furthers the economically efficient  
17                           operation of the Postal Service and the  
18                           portion of the discount in excess of the  
19                           cost that the Postal Service avoids as a re-  
20                           sult of the workshare activity will be  
21                           phased out over a limited period of time;

22                   “(B) the amount of the discount above  
23           costs avoided—

24                           “(i) is necessary to mitigate rate  
25                           shock; and



1 “(ii) will be phased out over time;

2 “(C) the discount is provided in connection  
3 with a category of mail consisting exclusively of  
4 mail matter of educational, cultural, scientific,  
5 or informational value; or

6 “(D) reduction or elimination of the dis-  
7 count would—

8 “(i) impede the efficient operation of  
9 the Postal Service;

10 “(ii) lead to a loss of volume in the af-  
11 fected category of mail and reduce the ag-  
12 gregate contribution to the institutional  
13 costs of the Postal Service from the cat-  
14 egory subject to the discount below what it  
15 otherwise would have been if the discount  
16 had not been reduced or eliminated; or

17 “(iii) result in a further increase in  
18 the rates paid by mailers not able to take  
19 advantage of the discount.

20 “(3) NOTICE.—Whenever a workshare discount  
21 is established, the Board shall ensure that the notice  
22 provided under subsection (d)(1) includes—

23 “(A) the reasons for establishing the dis-  
24 count;

1           “(B) the data, economic analyses, and  
2           other information relied on by the Board to jus-  
3           tify the rate; and

4           “(C) a certification that the discount will  
5           not adversely affect rates or services provided to  
6           users of postal services who do not take advan-  
7           tage of the discount rate.

8           “(i) NEGOTIATED SERVICE AGREEMENTS.—The  
9           Board shall ensure that any agreement between the Postal  
10          Service and a mailer that adjusts rates or classes in a  
11          manner that is specific to the mailer—

12           “(1) is available on public and reasonable terms  
13          to similarly situated mailers;

14           “(2) either—

15           “(A) improves the net financial position of  
16          the Postal Service through reducing Postal  
17          Service costs or increasing the overall contribu-  
18          tion to the institutional costs of the Postal  
19          Service taking into account changes in volume  
20          and revenues from mailers ineligible for the  
21          agreement; or

22           “(B) enhances the performance of mail  
23          preparation, processing, transportation, or other  
24          functions; and

25           “(3) does not cause—

1           “(A) unfair competitive advantage for the  
2           Postal Service or mailers eligible for the agree-  
3           ment; or

4           “(B) unreasonable disruption to the vol-  
5           ume or revenues of other mailers ineligible for  
6           the agreement.

7           “(j) CONSIDERATION OF PRIOR COMMISSION DECI-  
8           SIONS.—In making any determination under this section,  
9           including the construction and interpretation of the terms  
10          used in this section, the Board shall give consideration to  
11          decisions of the Commission made prior to the date of en-  
12          actment of the Postal Reform Act of 2014, and shall in-  
13          clude an explanation of any deviation from such decisions  
14          in the notice required under subsection (d)(1).”.

15           (2) TECHNICAL AND CONFORMING AMEND-  
16          MENT.—The table of sections for chapter 36 of title  
17          39, United States Code, is amended by striking the  
18          item relating to section 3622 and inserting the fol-  
19          lowing:

“3622. Modern rate system.”.

20           (b) REPEAL OF RATE PREFERENCES FOR QUALI-  
21          FIED POLITICAL COMMITTEES.—Section 3626 of title 39,  
22          United States Code, is amended—

23           (1) by striking subsection (e);

24           (2) by redesignating subsections (f), (g), and

25          (h) as subsections (e), (f), and (g), respectively;

1           (3) by redesignating subsections (j) through (n)  
2 as subsections (h) through (l), respectively; and

3           (4) in subsection (h), as redesignated by para-  
4 graph (3)—

5           (A) in paragraph (1)(D), by striking “sub-  
6 section (m)(2)” and inserting “subsection  
7 (k)(2)”; and

8           (B) in paragraph (3)(B), by striking “sub-  
9 section (m)” and inserting “subsection (k)”.

10 **SEC. 302. NONPOSTAL SERVICES.**

11       (a) AUTHORIZATION OF NEW NONPOSTAL SERV-  
12 ICES.—

13           (1) IN GENERAL.—Section 404 of title 39,  
14 United States Code, as amended by this Act, is  
15 amended—

16           (A) in subsection (a)—

17           (i) by redesignating paragraphs (6)  
18 through (8) as paragraphs (7) through (9),  
19 respectively; and

20           (ii) by inserting after paragraph (5)  
21 the following:

22           “(6) on and after the date of enactment of the  
23 Postal Reform Act of 2014, except as provided in  
24 subsection (e) and subject to subsection (h)—

1           “(A) to provide other services that are not  
2 postal services, if the provision of such serv-  
3 ices—

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

7           “(ii) is consistent with the public in-  
8 terest and demonstrated likely public de-  
9 mand for—

10           “(I) the Postal Service, rather  
11 than another entity, to provide the  
12 services; or

13           “(II) the Postal Service, in addi-  
14 tion to or in partnership with another  
15 entity, to provide the services;

16           “(iii) would not create unfair competi-  
17 tion with the private sector, taking into  
18 consideration the extent to which the Post-  
19 al Service will not, either by legal obliga-  
20 tion or voluntarily, comply with any State  
21 or local laws or requirements generally ap-  
22 plicable to the provision of such services;

23           “(iv) does not unreasonably interfere  
24 with or detract from the value of postal  
25 services, including—

1 “(I) the cost and efficiency of  
2 postal services; and

3 “(II) access to postal retail serv-  
4 ice;

5 “(v) will be undertaken in accordance  
6 with all Federal laws and regulations ap-  
7 plicable to the provision of such services;  
8 and

9 “(vi) is reasonably expected to im-  
10 prove the net financial position of the  
11 Postal Service, based on a market analysis  
12 conducted by or on behalf of the Postal  
13 Service; and

14 “(B) to classify a service provided under  
15 subparagraph (A) as an experimental product  
16 subject to section 3641;”;

17 (B) in subsection (e)(1), by inserting “and  
18 that was offered by the Postal Service on the  
19 date of enactment of the Postal Reform Act of  
20 2014” after “102(5)”; and

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

22 “(g) TREATMENT OF NEW NONPOSTAL SERVICES.—  
23 For purposes of chapters 20 and 36 of this title, nonpostal  
24 services provided under subsection (a)(6) shall be treated  
25 as competitive products.

1           “(h) FEDERAL REGULATION OF NEW NONPOSTAL  
2 SERVICES.—The Postal Service shall ensure that any non-  
3 postal service provided under subsection (a)(6) that is oth-  
4 erwise subject to the jurisdiction and regulation of a Fed-  
5 eral regulatory agency remains subject to the jurisdiction  
6 and regulation of the Federal regulatory agency notwith-  
7 standing the fact that the nonpostal service is provided  
8 by the Postal Service.”.

9           (2) COMPLAINTS.—Section 3662(a) of title 39,  
10 United States Code, is amended by inserting  
11 “404(a)(6),” after “403(c),”.

12           (3) MARKET ANALYSIS.—During the 5-year pe-  
13 riod beginning on the date of enactment of this Act,  
14 not later than 7 days after the date on which any  
15 market analysis conducted under section  
16 404(a)(6)(A)(vi) of title 39, United States Code, as  
17 amended by this section, is completed, the Postal  
18 Service shall submit a copy of the market analysis  
19 to—

20                   (A) the Postal Regulatory Commission;

21                   (B) the Committee on Homeland Security  
22 and Governmental Affairs of the Senate; and

23                   (C) the Committee on Oversight and Gov-  
24 ernment Reform of the House of Representa-  
25 tives.

1 (b) GOVERNMENTAL SERVICES.—Section 411 of title  
2 39, United States Code, is amended—

3 (1) in the second sentence, by striking “this  
4 section” and inserting “this subsection”;

5 (2) by striking “Executive agencies” and insert-  
6 ing “(a) FEDERAL GOVERNMENT.—Executive agen-  
7 cies”; and

8 (3) by adding at the end the following—

9 “(b) STATE, LOCAL, AND TRIBAL GOVERNMENTS.—

10 “(1) AUTHORITY OF POSTAL SERVICE.—The  
11 Postal Service is authorized to furnish property and  
12 services to States, local governments, and tribal gov-  
13 ernments, under such terms and conditions, includ-  
14 ing the possibility for reimbursement, as the Postal  
15 Service and the applicable State, local government,  
16 or tribal government shall determine appropriate.

17 “(2) DEFINITIONS.—For purposes of this sub-  
18 section—

19 “(A) the term ‘local government’ means—

20 “(i) a county, municipality, city, town,  
21 township, local public authority, school dis-  
22 trict, special district, intrastate district,  
23 council of governments, or regional or  
24 interstate government entity;



1                   “(ii) an agency or instrumentality of  
2                   an entity described in clause (i); or

3                   “(iii) a rural community, an unincor-  
4                   porated town or village, or an instrumen-  
5                   tality of a rural community or an unincor-  
6                   porated town or village;

7                   “(B) the term ‘State’ includes the District  
8                   of Columbia, the Commonwealth of Puerto  
9                   Rico, the United States Virgin Islands, Guam,  
10                  American Samoa, the Commonwealth of the  
11                  Northern Mariana Islands, and any other terri-  
12                  tory or possession of the United States; and

13                  “(C) the term ‘tribal government’ means  
14                  the government of an Indian tribe, as that term  
15                  is defined in section 4(e) of the Indian Self-De-  
16                  termination Act (25 U.S.C. 450b(e)).

17                  “(c) REPORT.—The Postal Service shall submit to  
18                  the Postal Regulatory Commission, together with the re-  
19                  port required under section 3652, a report that details the  
20                  costs and revenues of the property and services furnished  
21                  by the Postal Service under this section during the period  
22                  covered by the report required under section 3652.

23                  “(d) REIMBURSEMENT DETERMINATION.—In deter-  
24                  mining the possibility for reimbursement under sub-  
25                  sections (a) and (b), the Postal Service shall ensure that

1 each property or service furnished under such subsections  
2 covers its costs attributable, as that term is defined in sec-  
3 tion 3631(b).”.

4 (c) CONFORMING AMENDMENTS.—

5 (1) SECTION 404(e) OF TITLE 39.—Section  
6 404(e) of title 39, United States Code, is amended—

7 (A) by striking “(e)(1) In this” and insert-  
8 ing the following:

9 “(e) PREVIOUSLY OFFERED NONPOSTAL SERV-  
10 ICES.—

11 “(1) DEFINITION.—In this”;

12 (B) in paragraph (2), by striking “(2)  
13 Nothing” and inserting the following:

14 “(2) ELIGIBLE NONPOSTAL SERVICES.—Noth-  
15 ing”;

16 (C) in paragraph (3)—

17 (i) by striking “(3) Not” and insert-  
18 ing the following:

19 “(3) REVIEW OF NONPOSTAL SERVICES.—Not”;

20 and

21 (ii) by moving subparagraphs (A) and

22 (B) 2 ems to the right;

23 (D) in paragraph (4), by striking “(4)  
24 Any” and inserting the following:

25 “(4) TERMINATION.—Any”; and

1 (E) by striking paragraph (5) and insert-  
2 ing the following:

3 “(5) DESIGNATION.—Each nonpostal service  
4 authorized under this subsection shall be designated  
5 as market-dominant or competitive based on the des-  
6 ignation of the nonpostal service in the Mail Classi-  
7 fication Schedule as in effect on the date of enact-  
8 ment of the Postal Reform Act of 2014.

9 “(6) RULE OF CONSTRUCTION.—Nothing in  
10 this subsection shall be construed to prevent the  
11 Postal Service from providing nonpostal services  
12 under subsection (a)(6).”.

13 (2) SECTION 3641 OF TITLE 39.—Section 3641  
14 of title 39, United States Code, is amended—

15 (A) in subsection (b)(1), by inserting “(or  
16 the appropriate consumers in the case of non-  
17 postal services)” after “users”;

18 (B) in the first sentence of subsection  
19 (b)(3), by striking “section 3642(b)(1)” and in-  
20 serting “sections 404(g) and 3642(b)(1)”;

21 (C) in the second sentence of subsection  
22 (b)(3), by striking “section 3633(3)” and in-  
23 serting “section 3633(a)(3)”;

1 (D) in subsection (e)(1), by striking  
2 “\$10,000,000” and inserting “\$50,000,000”;  
3 and

4 (E) in subsection (e)(2), by striking  
5 “\$50,000,000” and inserting “\$100,000,000”.

6 (3) TECHNICAL AND CONFORMING AMEND-  
7 MENTS.—Section 2003(b)(1) of title 39, United  
8 States Code, is amended by striking “postal and  
9 nonpostal services” and inserting “postal services,  
10 nonpostal services authorized under section 404(e),  
11 and property and services authorized under section  
12 411,”.

13 **SEC. 303. SHIPPING OF WINE, BEER, AND DISTILLED SPIR-**  
14 **ITS.**

15 (a) MAILABILITY.—

16 (1) NONMAILABLE ARTICLES.—Section 1716(f)  
17 of title 18, United States Code, is amended by strik-  
18 ing “mails” and inserting “mails, except to the ex-  
19 tent that the mailing is allowable under section  
20 3001(p) of title 39”.

21 (2) APPLICATION OF LAWS.—Section 1161 of  
22 title 18, United States Code, is amended by insert-  
23 ing “, and, with respect to the mailing of distilled  
24 spirits, wine, or malt beverages (as those terms are  
25 defined in section 117 of the Federal Alcohol Admin-

1        istration Act (27 U.S.C. 211)), is in conformity with  
2        section 3001(p) of title 39” after “Register”.

3        (b) REGULATIONS.—Section 3001 of title 39, United  
4 States Code, is amended by adding at the end the fol-  
5 lowing:

6        “(p)(1) In this subsection, the terms ‘distilled spirits’,  
7 ‘wine’, and ‘malt beverage’ have the same meanings as in  
8 section 117 of the Federal Alcohol Administration Act (27  
9 U.S.C. 211).

10       “(2) Distilled spirits, wine, or malt beverages shall  
11 be considered mailable if mailed—

12            “(A) in accordance with the laws and regula-  
13 tions of—

14            “(i) the State, territory, or district of the  
15 United States where the sender or duly author-  
16 ized agent initiates the mailing; and

17            “(ii) the State, territory, or district of the  
18 United States where the addressee or duly au-  
19 thorized agent takes delivery; and

20            “(B) to an addressee who is at least 21 years  
21 of age—

22            “(i) who provides a signature and presents  
23 a valid, government-issued photo identification  
24 upon delivery; or

25            “(ii) the duly authorized agent of whom—

1 “(I) is at least 21 years of age; and

2 “(II) provides a signature and pre-  
3 sents a valid, government-issued photo  
4 identification upon delivery.

5 “(3) The Postal Service shall prescribe such regula-  
6 tions as may be necessary to carry out this subsection.”.

7 (c) EFFECTIVE DATE.—The amendments made by  
8 this section shall take effect on the earlier of—

9 (1) the date on which the Postal Service issues  
10 regulations under section 3001(p) of title 39, United  
11 States Code, as amended by this section; and

12 (2) the date that is 120 days after the date of  
13 enactment of this Act.

14 **TITLE IV—POSTAL SERVICE**  
15 **GOVERNANCE**

16 **SEC. 401. BOARD OF GOVERNORS OF THE POSTAL SERVICE.**

17 (a) BOARD OF GOVERNORS.—Title 39, United States  
18 Code, is amended by striking section 202 and inserting  
19 the following:

20 **“§ 202. Board of Governors**

21 “(a) IN GENERAL.—The exercise of the power of the  
22 Postal Service shall be directed by a Board of Governors  
23 composed of 9 members appointed in accordance with this  
24 section, each of whom shall be a voting member of the  
25 Board.

1 “(b) MEMBERSHIP.—

2 “(1) COMPOSITION.—The Board shall be com-  
3 posed of—

4 “(A) the Postmaster General; and

5 “(B) 8 members, to be known as Gov-  
6 ernors, who shall be appointed by the President,  
7 by and with the advice and consent of the Sen-  
8 ate.

9 “(2) AFFILIATION.—Not more than 4 of the  
10 Governors may be members of any 1 political party.

11 “(3) CHAIRPERSON.—The Governors shall elect  
12 a Chairperson from among the members of the  
13 Board.

14 “(c) QUALIFICATIONS.—

15 “(1) IN GENERAL.—The Governors shall rep-  
16 resent the public interest generally, and shall be cho-  
17 sen solely on the basis of experience in public serv-  
18 ice, law, or accounting, or on a demonstrated ability  
19 to manage organizations or corporations (in either  
20 the public or private sector) of substantial size.

21 “(2) NO SPECIFIC INTEREST.—A Governor may  
22 not be a representative of a specific interest using  
23 the Postal Service.

24 “(3) INITIAL APPOINTMENTS.—At least 1 of  
25 the Governors who is appointed to fill a position that

1 is vacant on the date of enactment of the Postal Re-  
2 form Act of 2014 shall, in addition to the qualifica-  
3 tions set forth in paragraph (1), be appointed based  
4 on the demonstrated ability of that individual to  
5 manage and improve financially troubled organiza-  
6 tions.

7 “(d) REMOVAL.—A Governor may be removed only  
8 for cause.

9 “(e) COMPENSATION.—

10 “(1) SALARY.—Each Governor shall receive a  
11 salary of \$30,000 each year, plus \$300 for each day,  
12 for not more than 42 days, on which the Governor  
13 attends a meeting of the Board. Nothing in this  
14 paragraph shall be construed to limit the number of  
15 days of meetings each year to 42 days.

16 “(2) REIMBURSEMENT FOR MEETINGS.—Each  
17 Governor shall be reimbursed for travel and reason-  
18 able expenses incurred in attending meetings of the  
19 Board.

20 “(f) TERMS.—

21 “(1) IN GENERAL.—Each Governor shall serve  
22 for a term of 7 years.

23 “(2) VACANCIES.—A Governor appointed to fill  
24 a vacancy occurring before the expiration of the



1 term to which the predecessor of that Governor was  
2 appointed shall serve for the remainder of that term.

3 “(3) CONTINUATION OF SERVICE.—A Governor  
4 may continue to serve after the expiration of the  
5 term of that Governor until a successor has been ap-  
6 pointed, except that a Governor may not continue to  
7 serve for more than 1 year after the date on which  
8 the term of that Governor would have otherwise ex-  
9 pired.

10 “(4) LIMIT.—A Governor may serve for not  
11 more than 2 terms.

12 “(g) POSTMASTER GENERAL.—

13 “(1) APPOINTMENT AND REMOVAL.—The Gov-  
14 ernors shall appoint and shall have the power to re-  
15 move the Postmaster General.

16 “(2) PAY AND TERM OF SERVICE.—The pay  
17 and term of service of the Postmaster General shall  
18 be determined by the Governors.

19 “(h) DEPUTY POSTMASTER GENERAL.—

20 “(1) APPOINTMENT AND REMOVAL.—The Gov-  
21 ernors and the Postmaster General shall appoint and  
22 shall have the power to remove the Deputy Post-  
23 master General.

24 “(2) PAY.—The pay of the Deputy Postmaster  
25 General shall be determined by the Governors.

1           “(3) TERM OF SERVICE.—The term of service  
2 of the Deputy Postmaster General shall be deter-  
3 mined by the Governors and the Postmaster Gen-  
4 eral.

5           “(i) EXECUTIVE COMMITTEE.—

6           “(1) AUTHORITY TO ESTABLISH.—The Board,  
7 by a vote of a majority of its members, may estab-  
8 lish an Executive Committee of the Board, con-  
9 sistent with paragraph (2).

10           “(2) BOARD MEMBERSHIP AND RESPONSIBIL-  
11 ITIES.—If established by the Board, the Executive  
12 Committee shall—

13           “(A) be composed of the Chairperson of  
14 the Board and 2 additional Governors des-  
15 ignated by the Board, except that not more  
16 than 2 members of the Executive Committee  
17 may be members of any 1 political party;

18           “(B) develop and oversee implementation  
19 of strategies and measures to ensure the long-  
20 term financial solvency of the Postal Service;

21           “(C) develop and oversee the implementa-  
22 tion of the financial plan and budget required  
23 under section 403 of the Postal Reform Act of  
24 2014 and updates to the financial plan and  
25 budget;

1           “(D) make recommendations to the Board  
2           regarding aspects of postal operations; and

3           “(E) assume such other responsibilities as  
4           the Board determines appropriate.

5           “(3) QUORUM.—2 members of the Executive  
6           Committee shall constitute a quorum for the trans-  
7           action of business by the Executive Committee.

8           “(4) TERMINATION.—The Executive Committee  
9           may be terminated by a vote of the majority of the  
10          members of the Board.”.

11          (b) PROCEDURES OF THE BOARD.—Section 205(c) of  
12          title 39, United States Code, is amended by striking “6  
13          members” and inserting “5 members”.

14          (c) INCUMBENTS; IMPLEMENTATION.—

15                 (1) INCUMBENTS.—An individual serving as a  
16                 Governor on the Board of Governors of the Postal  
17                 Service (referred to in this subsection as a “Gov-  
18                 ernor”) on the date of enactment of this Act may  
19                 continue to serve as a Governor until the expiration  
20                 of the term of that Governor.

21                 (2) IMPLEMENTATION OF MEMBERSHIP REDUC-  
22                 TION.—

23                         (A) IN GENERAL.—The following vacancies  
24                         in the position of Governor shall not be filled:

1 (i) One of the 2 positions as a Gov-  
2 ernor for which the term is scheduled to  
3 expire on December 8, 2014.

4 (ii) One of the 2 positions as a Gov-  
5 ernor for which the term is scheduled to  
6 expire on December 8, 2015.

7 (B) PREFERENCE FOR ABOLISHING VA-  
8 CANT POSITIONS.—

9 (i) POSITIONS EXPIRING IN 2014.—If  
10 1 of the 2 positions referred to in clause (i)  
11 of subparagraph (A) is vacant on the date  
12 of enactment of this Act, that vacant posi-  
13 tion shall be the position that is not filled,  
14 as required under such clause (i).

15 (ii) POSITIONS EXPIRING IN 2015.—If  
16 1 of the 2 positions referred to in clause  
17 (ii) of subparagraph (A) is vacant on the  
18 date of enactment of this Act, that vacant  
19 position shall be the position that is not  
20 filled, as required under such clause (ii).

21 (d) CONFORMING AMENDMENTS.—Title 39, United  
22 States Code, is amended—

23 (1) in section 102(3)—

24 (A) by striking “9” and inserting “8”; and

1 (B) by striking “202(a)” and inserting  
2 “202(b)(1)(C)”; and  
3 (2) in section 203—  
4 (A) by striking “202(c)” and inserting  
5 “202(g)”; and  
6 (B) by striking “202(d)” and inserting  
7 “202(h)”.

8 **SEC. 402. STRATEGIC ADVISORY COMMISSION ON POSTAL**  
9 **SERVICE SOLVENCY AND INNOVATION.**

10 (a) ESTABLISHMENT.—

11 (1) IN GENERAL.—There is established in the  
12 executive branch a Strategic Advisory Commission  
13 on Postal Service Solvency and Innovation (referred  
14 to in this section as the “Advisory Commission”).

15 (2) INDEPENDENCE.—The Advisory Commis-  
16 sion shall not be subject to the supervision of the  
17 Board of Governors of the Postal Service (referred  
18 to in this section as the “Board of Governors”), any  
19 Executive Committee established under section  
20 202(i) of title 39, United States Code, the Post-  
21 master General, or any other officer or employee of  
22 the Postal Service.

23 (b) PURPOSE.—The purpose of the Advisory Com-  
24 mission is to—

1           (1) provide strategic guidance to the President,  
2           Congress, the Board of Governors, the Postmaster  
3           General, and the Chief Innovation Officer on en-  
4           hancing the long-term solvency of the Postal Service;  
5           and

6           (2) foster innovative thinking to address the  
7           challenges facing the Postal Service without unfairly  
8           competing with the private sector.

9           (c) MEMBERSHIP.—

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

12                   (A) 3 members shall be appointed by the  
13           President, who shall designate 1 member ap-  
14           pointed under this subparagraph to serve as  
15           Chairperson of the Advisory Commission; and

16                   (B) 1 member shall be appointed by each  
17           of—

18                           (i) the majority leader of the Senate;

19                           (ii) the minority leader of the Senate;

20                           (iii) the Speaker of the House of Rep-  
21           resentatives; and

22                           (iv) the minority leader of the House  
23           of Representatives.

24           (2) QUALIFICATIONS.—Members of the Advi-  
25           sory Commission shall have—

1 (A) recognized and significant experience  
2 in such fields as business, technology, and pub-  
3 lic administration;

4 (B) a documented record of innovative  
5 thinking;

6 (C) familiarity with new and emerging  
7 technologies; and

8 (D) experience with revitalizing organiza-  
9 tions, corporations, or communities that experi-  
10 enced significant financial challenges or other  
11 challenges.

12 (3) INCOMPATIBLE OFFICES.—An individual  
13 who is appointed to the Advisory Commission may  
14 not serve as an elected official or an officer or em-  
15 ployee of the Federal Government while serving as  
16 a member of the Advisory Commission, except in the  
17 capacity of that individual as a member of the Advi-  
18 sory Commission.

19 (4) DEADLINE FOR APPOINTMENT.—Each  
20 member of the Advisory Commission shall be ap-  
21 pointed not later than 60 days after the date of en-  
22 actment of this Act.

23 (5) MEETINGS; QUORUM; VACANCIES.—

24 (A) MEETINGS.—The Advisory Commis-  
25 sion shall meet at the call of the Chairperson or

1 a majority of the members of the Advisory  
2 Commission.

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

5 (C) VACANCIES.—Any vacancy in the Advi-  
6 sory Commission shall not affect the powers of  
7 the Advisory Commission, but shall be filled as  
8 soon as practicable in the same manner in  
9 which the original appointment was made.

10 (d) DUTIES AND POWERS.—

11 (1) DUTIES.—The Advisory Commission  
12 shall—

13 (A) study matters that the Advisory Com-  
14 mission determines are necessary and appro-  
15 priate to develop a strategic blueprint for the  
16 long-term solvency of the Postal Service, includ-  
17 ing—

18 (i) the financial, operational, and  
19 structural condition of the Postal Service;

20 (ii) alternative strategies and business  
21 models that the Postal Service could adopt;

22 (iii) opportunities for additional postal  
23 and nonpostal services that the Postal  
24 Service could offer;



1 (iv) the comparative postal practices  
2 of other countries, including innovative  
3 products and services that postal services  
4 in other countries have offered, including  
5 services that respond to the increasing use  
6 of electronic means of communication, and  
7 different approaches to mail delivery that  
8 other countries have adopted; and

9 (v) the governance and organizational  
10 and management structures of the Postal  
11 Service; and

12 (B) submit the report required under sub-  
13 section (h).

14 (2) HEARINGS.—The Advisory Commission may  
15 hold such hearings, take such testimony, and receive  
16 such evidence as is necessary to carry out this sec-  
17 tion.

18 (3) ACCESS TO INFORMATION.—The Advisory  
19 Commission may secure directly from the Postal  
20 Service, the Board of Governors, the Postal Regu-  
21 latory Commission, and any other Federal depart-  
22 ment or agency such information as the Advisory  
23 Commission considers necessary to carry out this  
24 section. Upon request of the Chairperson of the Ad-  
25 visory Commission, the head of the department or

1       agency shall furnish the information described in the  
2       preceding sentence to the Advisory Commission.

3       (e) APPLICABILITY OF LAWS.—The Federal Advisory  
4       Committee Act (5 U.S.C. App) and section 552a of title  
5       5, United States Code (commonly known as the “Privacy  
6       Act of 1974”) shall apply to the Advisory Commission.

7       (f) ASSISTANCE FROM FEDERAL AGENCIES.—

8             (1) POSTAL SERVICE.—The Postmaster General  
9       shall provide to the Advisory Commission adminis-  
10      trative support and other services for the perform-  
11      ance of the functions of the Advisory Commission.

12            (2) OTHER DEPARTMENTS AND AGENCIES.—An  
13      agency of the Federal Government may provide to  
14      the Advisory Committee such services, funds, facili-  
15      ties, staff, and other support services that the agen-  
16      cy determines to be advisable or is otherwise author-  
17      ized under law.

18      (g) PERSONNEL MATTERS.—

19            (1) ADVISORY COMMISSION MEMBERS.—

20              (A) COMPENSATION OF MEMBERS.—Each  
21      member of the Advisory Commission shall be  
22      compensated at a rate equal to the daily equiva-  
23      lent of the annual rate of basic pay prescribed  
24      for level IV of the Executive Schedule under  
25      section 5315 of title 5, United States Code, for

1 each day during which the member is engaged  
2 in the actual performance of the duties of the  
3 Advisory Commission.

4 (B) TRAVEL EXPENSES.—Each member of  
5 the Advisory Commission shall be allowed travel  
6 expenses, including per diem in lieu of subsist-  
7 ence, at the rate authorized for employees serv-  
8 ing intermittently in the Government service  
9 under section 5703 of title 5, United States  
10 Code, while away from home or regular place of  
11 business in the performance of services for the  
12 Advisory Commission.

13 (2) STAFF.—

14 (A) APPOINTMENT AND COMPENSATION.—  
15 The Chairperson, in accordance with rules  
16 agreed upon by the Advisory Commission, shall  
17 appoint and fix the compensation of an execu-  
18 tive director and such other personnel as may  
19 be necessary to enable the Advisory Commission  
20 to carry out the functions of the Advisory Com-  
21 mission, without regard to the provisions of title  
22 5, United States Code, governing appointments  
23 in the competitive service, and without regard  
24 to the provisions of chapter 51 and subchapter  
25 III of chapter 53 of such title relating to classi-

1           fication of positions and General Schedule pay  
2           rates, except that a rate of pay fixed under this  
3           subparagraph may not exceed the annual rate  
4           of basic pay prescribed for level V of the Execu-  
5           tive Schedule under section 5316 of title 5,  
6           United States Code.

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

13          (h) STRATEGIC BLUEPRINT FOR LONG-TERM SOL-  
14          VENCY.—

15           (1) IN GENERAL.—Not later than 9 months  
16          after the date of enactment of this Act, the Advisory  
17          Commission shall submit a report that contains a  
18          strategic blueprint for the long-term solvency of the  
19          Postal Service to—

20                   (A) the President;

21                   (B) the Committee on Homeland Security  
22                   and Governmental Affairs of the Senate;

23                   (C) the Committee on Oversight and Gov-  
24                   ernment Reform of the House of Representa-  
25                   tives;

1 (D) the Board of Governors; and

2 (E) the Postmaster General.

3 (2) CONTENTS.—The strategic blueprint con-  
4 tained in the report submitted under paragraph (1)  
5 shall include—

6 (A) an assessment of the business model of  
7 the Postal Service as of the date on which the  
8 report is submitted;

9 (B) an assessment of potential future busi-  
10 ness models for the Postal Service, including an  
11 evaluation of the appropriate balance between—

12 (i) necessary reductions in costs and  
13 services; and

14 (ii) additional opportunities for  
15 growth and revenue;

16 (C) a strategy for addressing significant  
17 current and future liabilities;

18 (D) identification of opportunities for fur-  
19 ther reductions in costs;

20 (E) identification of opportunities for new  
21 and innovative products and services;

22 (F) a strategy for future growth;

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

1 (H) recommendations for any legislative  
2 changes necessary to implement the strategic  
3 blueprint described in this paragraph.

4 (i) STUDY AND STRATEGIC PLAN ON INTERAGENCY  
5 AGREEMENTS FOR POST OFFICES.—

6 (1) DUTIES OF ADVISORY COMMISSION.—

7 (A) STUDY.—

8 (i) IN GENERAL.—The Advisory Com-  
9 mission shall conduct a study concerning  
10 the advisability of the Postal Service enter-  
11 ing into interagency agreements with Fed-  
12 eral, State, and local agencies, with respect  
13 to post offices, that—

14 (I) streamline and consolidate  
15 services provided by Federal, State,  
16 and local agencies;

17 (II) decrease the costs incurred  
18 by Federal agencies in providing serv-  
19 ices to the general public; and

20 (III) improve the efficiency and  
21 maintain the customer service stand-  
22 ards of the Federal, State, and local  
23 agencies.

24 (ii) CLARIFICATION OF INTERAGENCY  
25 AGREEMENTS.—The study under clause (i)

1 shall include consideration of the advis-  
2 ability of the Postal Service entering into  
3 an interagency agreement with Federal  
4 agencies responsible for providing services  
5 to the general public.

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

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

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

15 (2) POSTAL SERVICE STRATEGIC PLAN.—

16 (A) IN GENERAL.—Not later than 6  
17 months after the date on which the Advisory  
18 Commission submits to the Postal Service the  
19 findings under paragraph (1)(B), the Postal  
20 Service shall submit a nonbinding strategic plan  
21 for entering into interagency agreements con-  
22 cerning post offices to—

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

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

4 (B) LIMITATIONS.—The strategic plan  
5 submitted under subparagraph (A) shall be con-  
6 sistent with public interest and demand.

7 (C) COST SAVINGS PROJECTIONS.—The  
8 strategic plan submitted under subparagraph  
9 (A) shall include, for each proposed interagency  
10 agreement, a projection of cost savings to be re-  
11 alized by the Postal Service and by any other  
12 Federal agency that is a party to the agree-  
13 ment.

14 (j) TERMINATION OF THE COMMISSION.—The Advi-  
15 sory Commission shall terminate on the earlier of—

16 (1) the date that is 60 days after the later of—

17 (A) the date on which the Advisory Com-  
18 mission submits the report on the strategic  
19 blueprint for long-term solvency under sub-  
20 section (h); or

21 (B) the date on which the Advisory Com-  
22 mission submits the findings on interagency  
23 agreements for post offices under subsection (i);  
24 or



1           (2) the date that is 1 year after the date of en-  
2           actment.

3           (k) AUTHORIZATION OF APPROPRIATIONS.—There  
4           are authorized to be appropriated out of the Postal Service  
5           Fund a total of not more than \$3,000,000 for fiscal years  
6           2014 and 2015.

7           **SEC. 403. LONG-TERM SOLVENCY PLAN; ANNUAL FINAN-**  
8           **CIAL PLAN AND BUDGET.**

9           (a) DEFINITIONS.—In this section—

10           (1) the term “Board of Governors” means the  
11           Board of Governors of the Postal Service;

12           (2) the term “long-term solvency plan” means  
13           the plan required to be submitted by the Postmaster  
14           General under subsection (b)(1); and

15           (3) the term “solvency” means the ability of the  
16           Postal Service to pay debts and meet expenses, in-  
17           cluding the ability to perform maintenance and re-  
18           pairs, make investments, and maintain financial re-  
19           serves, as necessary to fulfill the requirements  
20           under, and comply with the policies of, title 39,  
21           United States Code, and other obligations of the  
22           Postal Service.

23           (b) PLAN FOR THE LONG-TERM SOLVENCY OF THE  
24           POSTAL SERVICE.—

25           (1) SOLVENCY PLAN REQUIRED.—

1           (A) IN GENERAL.—Not later than the date  
2 described in subparagraph (B), the Postmaster  
3 General shall submit to the Board of Governors  
4 a plan describing the actions the Postal Service  
5 intends to take to achieve long-term solvency.

6           (B) DATE.—The date described in this  
7 subparagraph is the later of—

8                 (i) the date that is 90 days after the  
9 date of enactment of this Act; and

10                (ii) the earliest date as of which the  
11 Board of Governors has the number of  
12 members required for a quorum.

13           (2) CONSIDERATIONS.—The long-term solvency  
14 plan shall take into account—

15                 (A) the legal authority of the Postal Serv-  
16 ice;

17                 (B) changes in the legal authority and re-  
18 sponsibilities of the Postal Service under this  
19 Act and the amendments made by this Act;

20                 (C) any cost savings that the Postal Serv-  
21 ice anticipates will be achieved through negotia-  
22 tions with employees of the Postal Service;

23                 (D) projected changes in mail volume;

1           (E) the impact of any regulations that the  
2 Postal Service is required to promulgate under  
3 Federal law;

4           (F) projected changes in the number of  
5 employees needed to carry out the responsibil-  
6 ities of the Postal Service; and

7           (G) the long-term capital needs of the  
8 Postal Service, including the need to maintain,  
9 repair, and replace facilities and equipment.

10 (3) REVIEW AND SUBMISSION TO CONGRESS.—

11           (A) REVIEW.—Upon receipt of the long-  
12 term solvency plan, the Board of Governors  
13 shall review the long-term solvency plan and  
14 may request that the Postmaster General make  
15 changes to the long-term solvency plan.

16           (B) SUBMISSION TO CONGRESS.—Not later  
17 than 60 days after initial receipt of the long-  
18 term solvency plan, the Board of Governors  
19 shall provide a copy of the long-term solvency  
20 plan to the Committee on Homeland Security  
21 and Governmental Affairs of the Senate and the  
22 Committee on Oversight and Government Re-  
23 form of the House of Representatives, together  
24 with a letter indicating whether and in what re-  
25 spects the Board of Governors agrees or dis-

1 agrees with the measures set out in the long-  
2 term solvency plan.

3 (4) UPDATES.—

4 (A) ANNUAL UPDATES REQUIRED.—The  
5 Postmaster General shall update and submit to  
6 the Board of Governors the long-term solvency  
7 plan not less frequently than annually for 5  
8 years after the date of enactment of this Act.

9 (B) REVIEW BY BOARD OF GOVERNORS.—

10 The Board of Governors shall review and sub-  
11 mit to Congress the updates under this para-  
12 graph in accordance with paragraph (3).

13 (c) ANNUAL FINANCIAL PLAN AND BUDGET.—

14 (1) IN GENERAL.—For each of the first 5 full  
15 fiscal years after the date of enactment of this Act,  
16 not later than August 1 of the preceding fiscal year,  
17 the Postmaster General shall submit to the Board of  
18 Governors a financial plan and budget for the fiscal  
19 year that is consistent with the goal of achieving the  
20 long-term solvency of the Postal Service.

21 (2) CONTENTS OF FINANCIAL PLAN AND BUDG-  
22 ET.—The financial plan and budget for a fiscal year  
23 shall—

1 (A) promote the financial stability of the  
2 Postal Service and provide for progress towards  
3 the long-term solvency of the Postal Service;

4 (B) include the annual budget program of  
5 the Postal Service under section 2009 of title  
6 39, United States Code, and the plan of the  
7 Postal Service commonly referred to as the “In-  
8 tegrated Financial Plan”;

9 (C) describe lump-sum expenditures by all  
10 categories traditionally used by the Postal Serv-  
11 ice;

12 (D) describe capital expenditures, together  
13 with a schedule of projected capital commit-  
14 ments and cash outlays of the Postal Service,  
15 and proposed sources of funding;

16 (E) contain estimates of overall debt (both  
17 outstanding and expected to be incurred);

18 (F) contain cash flow and liquidity fore-  
19 casts for the Postal Service at such intervals as  
20 the Board of Governors may require;

21 (G) include a statement describing meth-  
22 ods of estimations and significant assumptions;  
23 and

24 (H) address any other issues that the  
25 Board of Governors considers appropriate.

1           (3) PROCESS FOR SUBMISSION AND APPROVAL  
2 OF FINANCIAL PLAN AND BUDGET.—

3           (A) DEFINITION.—In this paragraph, the  
4 term “covered recipient” means—

5                   (i) the Postmaster General;

6                   (ii) the President;

7                   (iii) the Committee on Homeland Se-  
8                   curity and Governmental Affairs of the  
9                   Senate; and

10                   (iv) the Committee on Oversight and  
11                   Government Reform of the House of Rep-  
12                   resentatives.

13           (B) REVIEW BY THE BOARD OF GOV-  
14           ERNORS.—

15                   (i) IN GENERAL.—Upon receipt of a  
16                   financial plan and budget under paragraph  
17                   (1), the Board of Governors shall promptly  
18                   review the financial plan and budget.

19                   (ii) ADDITIONAL INFORMATION.—In  
20                   conducting the review under this subpara-  
21                   graph, the Board of Governors may re-  
22                   quest any additional information it con-  
23                   siders necessary and appropriate to carry  
24                   out the duties of the Board of Governors.

1 (C) APPROVAL OF FINANCIAL PLAN AND  
2 BUDGET SUBMITTED BY THE POSTMASTER  
3 GENERAL.—If the Board of Governors deter-  
4 mines that the financial plan and budget for a  
5 fiscal year received under paragraph (1) meets  
6 the requirements under paragraph (2) and oth-  
7 erwise adequately addresses the financial situa-  
8 tion of the Postal Service—

9 (i) the Board of Governors shall ap-  
10 prove the financial plan and budget and  
11 submit a notice of approval to each covered  
12 recipient; and

13 (ii) the Postmaster General shall sub-  
14 mit the annual budget program for the rel-  
15 evant fiscal year to the Office of Manage-  
16 ment and Budget in accordance with sec-  
17 tion 2009 of title 39, United States Code.

18 (D) DISAPPROVAL OF FINANCIAL PLAN  
19 AND BUDGET SUBMITTED BY THE POSTMASTER  
20 GENERAL.—

21 (i) IN GENERAL.—If the Board of  
22 Governors determines that the financial  
23 plan and budget for a fiscal year under  
24 paragraph (1) does not meet the require-  
25 ments under paragraph (2) or is otherwise

1 inadequate in addressing the financial situ-  
2 ation of the Postal Service, the Board of  
3 Governors shall—

4 (I) disapprove the financial plan  
5 and budget;

6 (II) submit to each covered re-  
7 cipient a statement that describes the  
8 reasons for the disapproval;

9 (III) direct the Postmaster Gen-  
10 eral to appropriately revise the finan-  
11 cial plan and budget for the Postal  
12 Service; and

13 (IV) submit the revised financial  
14 plan and budget to each covered re-  
15 cipient.

16 (ii) SUBMISSION TO OFFICE OF MAN-  
17 AGEMENT AND BUDGET.—Upon receipt of  
18 a revised financial plan and budget under  
19 clause (i)(IV), the Postmaster General  
20 shall submit the annual budget program  
21 for the relevant fiscal year to the Office of  
22 Management and Budget in accordance  
23 with section 2009 of title 39, United  
24 States Code.





1 paragraphs (B) through (E) shall apply  
2 with respect to a proposed revision to a fi-  
3 nancial plan and budget in the same man-  
4 ner as such procedures apply with respect  
5 to the original financial plan and budget.

6 (d) ASSUMPTIONS BASED ON CURRENT LAW.—In  
7 preparing the long-term solvency plan or an annual finan-  
8 cial plan and budget required under this section, the Post-  
9 al Service shall base estimates of revenues and expendi-  
10 tures on Federal law as in effect at the time of the prepa-  
11 ration of the long-term solvency plan or the financial plan  
12 and budget.

13 **SEC. 404. CHIEF INNOVATION OFFICER; INNOVATION**  
14 **STRATEGY.**

15 (a) CHIEF INNOVATION OFFICER.—

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

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

20 “(a) ESTABLISHMENT.—There shall be in the Postal  
21 Service a Chief Innovation Officer appointed by the Post-  
22 master General.

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

1 “(1) the postal and shipping industry;

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

4 “(3) brand marketing strategy;

5 “(4) new and emerging technology, including  
6 communications technology; or

7 “(5) business process management.

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

10 “(1) innovative postal products and services,  
11 particularly products and services that use new and  
12 emerging technology, including communications  
13 technology, to improve the net financial position of  
14 the Postal Service; and

15 “(2) nonpostal services authorized under section  
16 404(a)(6) that have the potential to improve the net  
17 financial position of the Postal Service.

18 “(d) DEADLINE.—The Postmaster General shall ap-  
19 point a Chief Innovation Officer not later than 90 days  
20 after the date of enactment of the Postal Reform Act of  
21 2014.”.

22 (2) TECHNICAL AND CONFORMING AMEND-  
23 MENT.—The table of sections for chapter 2 of title  
24 39, United States Code, is amended by adding at  
25 the end the following:

“209. Chief Innovation Officer.”.

1 (b) INNOVATION STRATEGY.—

2 (1) INITIAL REPORT ON INNOVATION STRAT-  
3 EGY.—

4 (A) IN GENERAL.—Not later than 9  
5 months after the date of enactment of this Act,  
6 the Postmaster General, acting through the  
7 Chief Innovation Officer, shall submit a report  
8 that contains a comprehensive strategy (re-  
9 ferred to in this subsection as the “innovation  
10 strategy”) for improving the net financial posi-  
11 tion of the Postal Service through innovation,  
12 including the offering of new postal and non-  
13 postal services, to—

14 (i) the Committee on Homeland Secu-  
15 rity and Governmental Affairs of the Sen-  
16 ate; and

17 (ii) the Committee on Oversight and  
18 Government Reform of the House of Rep-  
19 resentatives.

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

23 (i) the specific innovative postal and  
24 nonpostal services to be developed and of-  
25 fered by the Postal Service, including—

1 (I) the nature of the market de-  
2 mand to be satisfied by each product  
3 or service; and

4 (II) the estimated date by which  
5 each product or service will be intro-  
6 duced;

7 (ii) the cost of developing and offering  
8 each product or service;

9 (iii) the anticipated sales volume for  
10 each product or service;

11 (iv) the anticipated revenues and prof-  
12 its to be generated by each product or  
13 service;

14 (v) the likelihood of success of each  
15 product or service and the risks associated  
16 with the development and sale of each  
17 product or service;

18 (vi) the trends anticipated in market  
19 conditions that may affect the success of  
20 each product or service during the 5-year  
21 period beginning on the date of the sub-  
22 mission of the report under subparagraph  
23 (A);

24 (vii) any innovations designed to im-  
25 prove the net financial position of the

1           Postal Service, other than the offering of  
2           new products and services; and

3                   (viii) the metrics that will be used to  
4           assess the effectiveness of the innovation  
5           strategy.

6           (2) ANNUAL REPORT.—

7                   (A) IN GENERAL.—Not later than 1 year  
8           after the date of the submission of the initial  
9           report containing the innovation strategy under  
10          paragraph (1), and annually thereafter for 10  
11          years, the Postmaster General, acting through  
12          the Chief Innovation Officer, shall submit a re-  
13          port on the implementation of the innovation  
14          strategy to—

15                   (i) the Committee on Homeland Secu-  
16                  rity and Governmental Affairs of the Sen-  
17                  ate; and

18                   (ii) the Committee on Oversight and  
19                  Government Reform of the House of Rep-  
20                  resentatives.

21                  (B) MATTERS TO BE ADDRESSED.—At a  
22          minimum, an annual report submitted under  
23          subparagraph (A) shall include—

1 (i) an update of the initial report on  
2 innovation strategy submitted under para-  
3 graph (1);

4 (ii) a description of the progress made  
5 by the Postal Service in implementing the  
6 products, services, and other innovations  
7 described in the initial report on innovation  
8 strategy; and

9 (iii) an analysis of the performance of  
10 each product, service, or other innovation  
11 described in the initial report on innovation  
12 strategy, including—

13 (I) the revenue generated by each  
14 product or service developed in ac-  
15 cordance with the innovation strategy  
16 under this section and the cost of de-  
17 veloping and offering each product or  
18 service for the preceding year;

19 (II) trends in each market in  
20 which a product or service is intended  
21 to satisfy a demand;

22 (III) each product or service  
23 identified in the innovation strategy  
24 that is to be discontinued, the date on  
25 which each discontinuance will occur,

1 and the reasons for each discontinu-  
2 ance;

3 (IV) each alteration that the  
4 Postal Service plans to make to a  
5 product or service identified in the in-  
6 novation strategy to address changing  
7 market conditions and an explanation  
8 of how each alteration will ensure the  
9 success of the product or service;

10 (V) the performance of innova-  
11 tions other than new products and  
12 services that are designed to improve  
13 the net financial position of the Postal  
14 Service; and

15 (VI) the performance of the inno-  
16 vation strategy according to the  
17 metrics described in paragraph  
18 (1)(B)(viii).

19 **SEC. 405. AREA AND DISTRICT OFFICE STRUCTURE.**

20 (a) DEFINITIONS.—In this section—

21 (1) the term “area office” means the central of-  
22 fice of an administrative field unit with responsibility  
23 for postal operations in a designated geographic area  
24 that is comprised of district offices;



1           (2) the term “district office” means the central  
2 office of an administrative field unit with responsi-  
3 bility for postal operations in a designated geo-  
4 graphic area (as defined under regulations, direc-  
5 tives, or other guidance of the Postal Service, as in  
6 effect on January 1, 2013); and

7           (3) the term “State” includes the District of  
8 Columbia, the Commonwealth of Puerto Rico, the  
9 United States Virgin Islands, Guam, American  
10 Samoa, the Commonwealth of the Northern Mariana  
11 Islands, and any other territory or possession of the  
12 United States.

13       (b) PLAN REQUIRED.—Not later than 1 year after  
14 the date of enactment of this Act, the Postal Service shall  
15 submit to the Committee on Homeland Security and Gov-  
16 ernmental Affairs of the Senate and the Committee on  
17 Oversight and Government Reform of the House of Rep-  
18 resentatives a comprehensive strategic plan for an area of-  
19 fice and district office structure that will—

20           (1) be efficient and cost effective;

21           (2) not substantially and adversely affect the  
22 operations of the Postal Service; and

23           (3) reduce the total number of area and district  
24 offices.

1 (c) IMPLEMENTATION.—Not later than 60 days after  
2 the date on which the Postal Service submits the plan  
3 under subsection (b), the Postal Service shall begin imple-  
4 menting the plan, including, where appropriate, by consoli-  
5 dating area and district offices.

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

14 **SEC. 406. INSPECTOR GENERAL OF THE POSTAL SERVICE.**

15 (a) APPOINTMENT OF INSPECTOR GENERAL OF THE  
16 POSTAL SERVICE BY PRESIDENT.—The Inspector General  
17 Act of 1978 (5 U.S.C. App.) is amended—

18 (1) in section 8G—

19 (A) in subsection (a)—

20 (i) in paragraph (2), by striking “the  
21 Postal Regulatory Commission, and the  
22 United States Postal Service” and insert-  
23 ing “and the Postal Regulatory Commis-  
24 sion”;

1 (ii) in paragraph (3), by striking  
2 “subsection (h)(1)” and inserting “sub-  
3 section (g)(1)”; and

4 (iii) in paragraph (4)—

5 (I) in the matter preceding sub-  
6 paragraph (A), by striking “sub-  
7 section (h)(1)” and inserting “sub-  
8 section (g)(1)”;

9 (II) by striking subparagraph  
10 (B); and

11 (III) by redesignating subpara-  
12 graphs (C) through (H) as subpara-  
13 graphs (B) through (G), respectively;

14 (B) in subsection (c), by striking “Except  
15 as provided under subsection (f) of this section,  
16 the” and inserting “The”;

17 (C) by striking subsection (f); and

18 (D) by redesignating subsections (g) and  
19 (h) as subsections (f) and (g), respectively;

20 (2) by inserting after section 8M the following:

21 **“SEC. 8N. SPECIAL PROVISIONS CONCERNING THE INSPEC-**  
22 **TOR GENERAL OF THE UNITED STATES POST-**  
23 **AL SERVICE.**

24 “(a) In this section—

1           “(1) the term ‘Governors’ has the meaning  
2           given that term in section 102(3) of title 39, United  
3           States Code; and

4           “(2) the term ‘Inspector General’ means the In-  
5           spector General of the United States Postal Service.

6           “(b) In carrying out the duties and responsibilities  
7           specified in this Act, the Inspector General shall have  
8           oversight responsibility for all activities of the Postal In-  
9           spection Service, including any internal investigation per-  
10          formed by the Postal Inspection Service. The Chief Postal  
11          Inspector shall promptly report the significant activities  
12          being carried out by the Postal Inspection Service to the  
13          Inspector General.

14          “(c)(1)(A) The Inspector General shall be under the  
15          authority, direction, and control of the Governors with re-  
16          spect to audits or investigations, or the issuance of sub-  
17          poenas, which require access to sensitive information con-  
18          cerning—

19                 “(i) ongoing civil or criminal investigations or  
20                 proceedings;

21                 “(ii) undercover operations;

22                 “(iii) the identity of confidential sources, in-  
23                 cluding protected witnesses;

24                 “(iv) intelligence or counterintelligence matters;  
25                 or

1           “(v) other matters the disclosure of which  
2           would constitute a serious threat to national secu-  
3           rity.

4           “(B) With respect to the information described under  
5           subparagraph (A), the Governors may prohibit the Inspec-  
6           tor General from carrying out or completing any audit or  
7           investigation, or from issuing any subpoena, after the In-  
8           specter General has decided to initiate, carry out, or com-  
9           plete such audit or investigation or to issue such subpoena,  
10          if the Governors determine that such prohibition is nec-  
11          essary to prevent the disclosure of any information de-  
12          scribed under subparagraph (A) or to prevent the signifi-  
13          cant impairment to the national interests of the United  
14          States.

15          “(C) If the Governors exercise any power under sub-  
16          paragraph (A) or (B), the Governors shall notify the In-  
17          specter General in writing of the reasons for the exercise  
18          of such power. Not later than 30 days after receipt of any  
19          such notice, the Inspector General shall transmit a copy  
20          of the notice to the Committee on Homeland Security and  
21          Governmental Affairs of the Senate and the Committee  
22          on Oversight and Government Reform of the House of  
23          Representatives, and to other appropriate committees or  
24          subcommittees of the Congress.

1       “(2) In carrying out the duties and responsibilities  
2 specified in this Act, the Inspector General—

3               “(A) may initiate, conduct, and supervise such  
4 audits and investigations of the United States Postal  
5 Service as the Inspector General considers appro-  
6 priate; and

7               “(B) shall give particular regard to the activi-  
8 ties of the Postal Inspection Service with a view to-  
9 ward avoiding duplication and ensuring effective co-  
10 ordination and cooperation.

11       “(3) Any report required to be transmitted by the  
12 Governors to the appropriate committees or subcommit-  
13 tees of the Congress under section 5(d) shall also be trans-  
14 mitted, within the 7-day period specified under that sec-  
15 tion, to the Committee on Homeland Security and Govern-  
16 mental Affairs of the Senate and the Committee on Over-  
17 sight and Government Reform of the House of Represent-  
18 atives.

19       “(d) Nothing in this Act shall restrict, eliminate, or  
20 otherwise adversely affect any of the rights, privileges, or  
21 benefits of either employees of the United States Postal  
22 Service, or labor organizations representing employees of  
23 the United States Postal Service, under chapter 12 of title  
24 39, United States Code, the National Labor Relations Act  
25 (29 U.S.C. 151 et seq.), any handbook or manual affecting

1 employee labor relations with the United States Postal  
2 Service, or any collective bargaining agreement.

3 “(e) There are authorized to be appropriated, out of  
4 the Postal Service Fund, such sums as may be necessary  
5 for the Office of Inspector General of the United States  
6 Postal Service.”; and

7 (3) in section 12—

8 (A) in paragraph (1), by striking “or the  
9 Federal Cochairpersons of the Commissions es-  
10 tablished under section 15301 of title 40,  
11 United States Code” and inserting “the Federal  
12 Cochairpersons of the Commissions established  
13 under section 15301 of title 40, United States  
14 Code; or the Board of Governors of the United  
15 States Postal Service”; and

16 (B) in paragraph (2), by striking “or the  
17 Commissions established under section 15301  
18 of title 40, United States Code” and inserting  
19 “the Commissions established under section  
20 15301 of title 40, United States Code, or the  
21 United States Postal Service”.

22 (b) TECHNICAL AND CONFORMING AMENDMENTS.—  
23 Title 39, United States Code, is amended—

1 (1) in section 102(4), by striking “section  
2 202(e) of this title” and inserting “section 3 of the  
3 Inspector General Act of 1978 (5 U.S.C. App.)”;

4 (2) in section 1001(b), in the first sentence, by  
5 inserting “, and section 3 of the Inspector General  
6 Act of 1978 (5 U.S.C. App.)” after “1001(c) of this  
7 title”; and

8 (3) in section 1005(a)(3), by inserting “, and  
9 section 3 of the Inspector General Act of 1978 (5  
10 U.S.C. App.)” after “1001(c) of this title”.

11 (c) APPLICABILITY.—

12 (1) IN GENERAL.—The amendments made by  
13 this section shall apply with respect to the first indi-  
14 vidual appointed as Inspector General of the Postal  
15 Service after the date of enactment of this Act.

16 (2) RULE OF CONSTRUCTION.—Nothing in this  
17 Act may be construed to alter the authority or the  
18 length of the term of the individual serving as In-  
19 spector General of the Postal Service on the date of  
20 enactment of this Act.

21 **SEC. 407. POSTAL REGULATORY COMMISSION.**

22 (a) COMMISSIONERS.—Section 502 of title 39, United  
23 States Code, is amended—

24 (1) in subsection (c), by striking “subsection  
25 (f)” and inserting “subsections (f) and (g)”; and



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

2 “(g) The Commissioners may serve for not more than  
3 2 full terms.”.

4 (b) ADMINISTRATION.—Section 504 of title 39,  
5 United States Code, is amended—

6 (1) in subsection (a), in the second sentence—

7 (A) by striking “The Chairman” and in-  
8 serting “Subject to the policies adopted under  
9 subsection (b), the Chairman”; and

10 (B) by striking “all the executive” and in-  
11 serting “the day-to-day executive”;

12 (2) by amending subsection (b) to read as fol-  
13 lows:

14 “(b)(1) The Chairman shall be governed by the poli-  
15 cies adopted by the Commission under paragraph (2)(A)  
16 in carrying out any of the functions under this section.

17 “(2) The Commission shall adopt, by a vote of the  
18 majority of the members of the Commission, policies that  
19 shall govern all functions of the Commission, including the  
20 finances, operations, and administration of the Commis-  
21 sion.

22 “(3) The Commission shall review and, if necessary,  
23 revise the policies adopted under paragraph (2) not less  
24 frequently than every 4 years. Adoption of revised policies,

1 or re-adoption of existing policies, shall be by a vote of  
 2 the majority of the members of the Commission.”; and

3 (3) in subsection (c), by striking “The Chair-  
 4 man” and inserting “Subject to the policies adopted  
 5 under subsection (b), the Chairman”.

6 **TITLE V—FEDERAL EMPLOYEES’**  
 7 **COMPENSATION ACT**

8 **SEC. 501. SHORT TITLE; REFERENCES.**

9 (a) SHORT TITLE.—This title may be cited as the  
 10 “Workers’ Compensation Reform Act of 2014”.

11 (b) REFERENCES.—Except as otherwise expressly  
 12 provided, whenever in this title an amendment or repeal  
 13 is expressed in terms of an amendment to, or a repeal  
 14 of, a section or other provision, the reference shall be con-  
 15 sidered to be made to a section or other provision of title  
 16 5, United States Code.

17 **SEC. 502. FEDERAL WORKERS COMPENSATION REFORMS**  
 18 **FOR RETIREMENT-AGE EMPLOYEES.**

19 (a) CONVERSION OF ENTITLEMENT AT RETIREMENT  
 20 AGE.—

21 (1) DEFINITIONS.—Section 8101 is amended—

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

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

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

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

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

7 “(22) ‘covered claim for total disability’ means  
8 a claim for a period of total disability that com-  
9 menced before the date of enactment of the Work-  
10 ers’ Compensation Reform Act of 2014;

11 “(23) ‘covered claim for partial disability’  
12 means a claim for a period of partial disability that  
13 commenced before the date of enactment of the  
14 Workers’ Compensation Reform Act of 2014; and

15 “(24) ‘individual who has an exempt disability  
16 condition’ means an individual—

17 “(A) who—

18 “(i) is eligible to receive continuous  
19 periodic compensation for total disability  
20 under section 8105 on the date of enact-  
21 ment of the Workers’ Compensation Re-  
22 form Act of 2014; and

23 “(ii) meets the criteria under section  
24 8105(e);

1           “(B) who, on the date of enactment of the  
2           Workers’ Compensation Reform Act of 2014—

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

6           “(ii) has sustained a currently irre-  
7           versible severe mental or physical disability  
8           for which the Secretary of Labor has au-  
9           thorized, for at least the 1-year period end-  
10          ing on the date of enactment of the Work-  
11          ers’ Compensation Reform Act of 2014,  
12          constant in-home care or custodial care,  
13          such as placement in a nursing home; or

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

17          “(i) for not less than the 3-year pe-  
18          riod ending on the date of enactment of  
19          the Workers’ Compensation Reform Act of  
20          2014; or

21          “(ii) if the individual became eligible  
22          to receive continuous periodic compensa-  
23          tion for total disability under section 8105  
24          during the period beginning on the date  
25          that is 3 years before the date of enact-

1           ment of the Workers' Compensation Re-  
2           form Act of 2014 and ending on such date  
3           of enactment, for not less than the 3-year  
4           period beginning on the date on which the  
5           individual became eligible.”.

6           (2) TOTAL DISABILITY.—Section 8105 is  
7           amended—

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

11          (B) by redesignating subsection (b) as sub-  
12          section (c); and

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

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

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

22          “(2) EXCEPTIONS.—

23                 “(A) COVERED RECIPIENTS WHO HAVE AT-  
24                 TAINED RETIREMENT AGE, HAVE AN EXEMPT  
25                 DISABILITY CONDITION, OR FACE FINANCIAL

1           HARDSHIP.—Paragraph (1) shall not apply to a  
2 covered claim for total disability by an employee  
3 if the employee—

4                   “(i) on the date of enactment of the  
5 Workers’ Compensation Reform Act of  
6 2014, has attained retirement age;

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

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

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

1 disability provided under subsection (a) until  
2 the later of—

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

5 “(ii) the date that is 3 years after the  
6 date of enactment of the Workers’ Com-  
7 pensation Reform Act of 2014.”.

8 (3) PARTIAL DISABILITY.—Section 8106 is  
9 amended—

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

13 (B) by redesignating subsections (b) and  
14 (c) as subsections (e) and (d), respectively; and

15 (C) by inserting after subsection (a) the  
16 following:

17 “(b) CONVERSION OF ENTITLEMENT AT RETIRE-  
18 MENT AGE.—

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

1 “(2) EXCEPTIONS.—

2 “(A) COVERED RECIPIENTS WHO HAVE AT-  
3 TAINED RETIREMENT AGE OR FACE FINANCIAL  
4 HARDSHIP.—Paragraph (1) shall not apply to a  
5 covered claim for partial disability by an em-  
6 ployee if the employee—

7 “(i) on the date of enactment of the  
8 Workers’ Compensation Reform Act of  
9 2014, has attained retirement age; or

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

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



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

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

5                    “(ii) the date that is 3 years after the  
6                    date of enactment of the Workers’ Com-  
7                    pensation Reform Act of 2014.”.

8    **SEC. 503. AUGMENTED COMPENSATION FOR DEPENDENTS.**

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

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

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

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

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

19                    “(2) EXCEPTIONS.—

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

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



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

4 (C) by striking “75 percent” each place it  
5 appears and inserting “66  $\frac{2}{3}$  percent”;

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

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

10 “(b) EXCEPTIONS.—

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

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

20 “(B) subsection (a) shall be applied by  
21 substituting ‘75 percent’ for ‘66  $\frac{2}{3}$  percent’  
22 each place it appears.

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

1 date that is 3 years after the date of enactment of  
2 the Workers' Compensation Reform Act of 2014—

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

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

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

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

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

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

20 “(g) If the death occurred before the date of enact-  
21 ment of the Workers' Compensation Reform Act of 2014,  
22 subsections (a) and (e) shall be applied by substituting  
23 ‘75 percent’ for ‘66  $\frac{2}{3}$  percent’ each place it appears.”.

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

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

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

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

8           “(c) If the death occurred before the date of enact-  
9           ment of the Workers’ Compensation Reform Act of 2014,  
10          subsection (b)(2)(B) shall be applied by substituting ‘75  
11          percent’ for ‘66  $\frac{2}{3}$  percent.’”.

12   **SEC. 504. SCHEDULE COMPENSATION PAYMENTS.**

13          Section 8107 is amended—

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

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

18          “(d) RATE FOR COMPENSATION.—

19           “(1) ANNUAL SALARY.—

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

1 amount of compensation payable under the  
2 schedule.

3 “(B) ESTABLISHMENT.—

4 “(i) IN GENERAL.—The Secretary of  
5 Labor shall establish an annual salary for  
6 purposes of subparagraph (A) in the  
7 amount the Secretary determines will re-  
8 sult in the aggregate cost of payments  
9 made under this section being equal to  
10 what would have been the aggregate cost  
11 of payments under this section if the  
12 amendments made by section 504 of the  
13 Workers’ Compensation Reform Act of  
14 2014 had not been enacted.

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

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

13                  “(2) CERTAIN INJURIES.—For an injury that  
14                  occurred before the date of enactment of the Work-  
15                  ers’ Compensation Reform Act of 2014, the rate  
16                  under subsection (a) shall be 66  $\frac{2}{3}$  percent of the  
17                  employee’s monthly pay.

18                  “(e) SIMULTANEOUS RECEIPT.—

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

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

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

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

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

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



1 **SEC. 505. VOCATIONAL REHABILITATION.**

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

3 (1) in subsection (a)—

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

8 “(a) IN GENERAL.—

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

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

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

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

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

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

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

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

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

19 “(1) shall—

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

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



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

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

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

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

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

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

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

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

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

4 (e) TECHNICAL AND CONFORMING AMENDMENTS.—

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

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

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

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

“1538. Authorization for assisted reemployment.”.

21 **SEC. 506. REPORTING REQUIREMENTS.**

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

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

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

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

6 “(2) has not attained retirement age.

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

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

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

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

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

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

11 **SEC. 507. DISABILITY MANAGEMENT REVIEW; INDE-**  
12 **PENDENT MEDICAL EXAMINATIONS.**

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

15          “(e) DISABILITY MANAGEMENT REVIEW.—

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

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

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



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

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

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

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

19          “(4) FREQUENCY.—

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

25           “(B) MINIMUM FREQUENCY.—

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

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

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

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

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

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

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

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

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

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

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

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



1 employee who is the subject of the re-  
2 quest.

3 “(ii) NOT GRANTED.—If the Secretary  
4 determines not to grant a request de-  
5 scribed in clause (i), the Secretary shall  
6 promptly notify the officer who made the  
7 request and provide an explanation of the  
8 reasons why the request was denied.”.

9 **SEC. 508. WAITING PERIOD.**

10 (a) IN GENERAL.—Section 8117 is amended—

11 (1) in the section heading, by striking “**Time**  
12 **of accrual of right**” and inserting “**Waiting**  
13 **period**”;

14 (2) in subsection (a)—

15 (A) in the matter preceding paragraph (1),  
16 by striking “An employee” and all that follows  
17 through “is not entitled” and inserting “IN  
18 GENERAL.—An employee is not entitled to con-  
19 tinuation of pay within the meaning of section  
20 8118 for the first 3 days of temporary disability  
21 or, if section 8118 does not apply, is not enti-  
22 tled”;

23 (B) in paragraph (1), by adding “or” at  
24 the end;

25 (C) by striking paragraph (2); and

1 (D) by redesignating paragraph (3) as  
2 paragraph (2); and  
3 (3) in subsection (b)—

4 (A) by striking “A Postal Service” the first  
5 place it appears and all that follows through “A  
6 Postal Service” the second place it appears and  
7 inserting “USE OF LEAVE.—An”;

8 (B) by striking “that 3-day period” and in-  
9 serting “the first 3 days of temporary dis-  
10 ability”; and

11 (C) by striking “or is followed by perma-  
12 nent disability”.

13 (b) CONTINUATION OF PAY.—Section 8118 is amend-  
14 ed—

15 (1) in the section heading, by striking “; **elec-**  
16 **tion to use annual or sick leave**”;

17 (2) in subsection (b)(1), by striking “section  
18 8117(b)” and inserting “section 8117”;

19 (3) by striking subsection (c); and

20 (4) by redesignating subsection (d) as sub-  
21 section (c).

22 (c) TECHNICAL AND CONFORMING AMENDMENTS.—

23 The table of sections for chapter 81 is amended by strik-  
24 ing the items relating to sections 8117 and 8118 and in-  
25 serting the following:

“8117. Waiting period.

“8118. Continuation of pay.”.

1 **SEC. 509. ELECTION OF BENEFITS.**

2 (a) IN GENERAL.—Section 8116 is amended by add-  
3 ing at the end the following:

4 “(e) RETIREMENT BENEFITS.—

5 “(1) IN GENERAL.—An individual entitled to  
6 compensation benefits payable under this subchapter  
7 and under chapter 83 or 84 or any other retirement  
8 system for employees of the Government, for the  
9 same period, shall elect which benefits the individual  
10 will receive.

11 “(2) ELECTION.—

12 “(A) DEADLINE.—An individual shall  
13 make an election under paragraph (1) in ac-  
14 cordance with such deadlines as the Secretary  
15 of Labor shall establish, which shall be a rea-  
16 sonable period after the individual has received  
17 notice of a final determination that the indi-  
18 vidual is entitled to compensation benefits pay-  
19 able under this subchapter.

20 “(B) REVOCABILITY.—An election under  
21 paragraph (1) shall be revocable, notwith-  
22 standing any other provision of law, except for  
23 any period during which an individual—

1                   “(i) was qualified for benefits payable  
2                   under both this subchapter and under a re-  
3                   tirement system described in paragraph  
4                   (1); and

5                   “(ii) was paid benefits under the re-  
6                   tirement system after having been notified  
7                   of eligibility for benefits under this sub-  
8                   chapter.

9                   “(3) INFORMED CHOICE.—The Secretary of  
10                  Labor shall provide information, and shall ensure  
11                  that information is provided, to an individual de-  
12                  scribed in paragraph (1) about the benefits available  
13                  to the individual under this subchapter or under  
14                  chapter 83 or 84 or any other retirement system re-  
15                  ferred to in paragraph (1) the individual may elect  
16                  to receive.”.

17                  (b) TECHNICAL AND CONFORMING AMENDMENTS.—  
18                  Sections 8337(f)(3) and 8464a(a)(3) are each amended by  
19                  striking “Paragraphs” and inserting “Except as provided  
20                  under chapter 81, paragraphs”.

21                  **SEC. 510. SANCTION FOR NONCOOPERATION WITH FIELD**  
22                  **NURSES.**

23                  Section 8123, as amended by section 507, is amended  
24                  by adding at the end the following:

25                  “(f) FIELD NURSES.—





1 (B) by inserting “continuation of pay or”  
2 before “compensation payable”.

3 (b) ADJUSTMENT AFTER RECOVERY FROM A THIRD  
4 PERSON.—Section 8132 is amended—

5 (1) in the first sentence—

6 (A) by inserting “continuation of pay or”  
7 before “compensation is payable”;

8 (B) by inserting “continuation of pay or”  
9 before “compensation from the United States”;

10 (C) by striking “by him or in his behalf”  
11 and inserting “by the beneficiary or on behalf  
12 of the beneficiary”;

13 (D) by inserting “continuation of pay and”  
14 before “compensation paid by the United  
15 States”; and

16 (E) by striking “compensation payable to  
17 him” and inserting “continuation of pay or  
18 compensation payable to the beneficiary”;

19 (2) in the second sentence, by striking “his des-  
20 ignee” and inserting “the designee of the bene-  
21 ficiary”; and

22 (3) in the fourth sentence, by striking “If com-  
23 pensation” and all that follows through “payable to  
24 him by the United States” and inserting “If con-  
25 tinuation of pay or compensation has not been paid

1 to the beneficiary, the money or property shall be  
2 credited against continuation of pay or compensation  
3 payable to the beneficiary by the United States”.

4 (c) EFFECTIVE DATE.—This section and the amend-  
5 ments made by this section shall take effect on the date  
6 of enactment of this Act.

7 **SEC. 512. INTEGRITY AND COMPLIANCE.**

8 (a) IN GENERAL.—Subchapter I of chapter 81 is  
9 amended by adding at the end the following:

10 **“§ 8153. Integrity and Compliance Program**

11 “(a) DEFINITIONS.—In this section—

12 “(1) the term ‘FECA program’ means the Fed-  
13 eral Employees Compensation Program administered  
14 under this subchapter;

15 “(2) the term ‘improper payment’ has the  
16 meaning given that term in section 2(g) of the Im-  
17 proper Payments Information Act of 2002 (31  
18 U.S.C. 3321 note);

19 “(3) the term ‘Inspector General’—

20 “(A) means an Inspector General described  
21 in subparagraph (A), (B), or (I) of section  
22 11(b)(1) of the Inspector General Act of 1978  
23 (5 U.S.C. App.); and

1           “(B) does not include the Inspector Gen-  
2           eral of an entity having no employees covered  
3           under the FECA program;

4           “(4) the term ‘Integrity and Compliance Pro-  
5           gram’ means the Integrity and Compliance Program  
6           established under subsection (b);

7           “(5) the term ‘provider’ means a provider of  
8           medical or other services under the FECA program;

9           “(6) the term ‘Secretary’ means the Secretary  
10          of Labor; and

11          “(7) the term ‘Task Force’ means the FECA  
12          Integrity and Compliance Task Force established  
13          under subsection (c)(2)(A).

14          “(b) INTEGRITY AND COMPLIANCE PROGRAM.—Not  
15          later than 270 days after the date of enactment of this  
16          section, the Secretary shall establish an Integrity and  
17          Compliance Program for the purpose of preventing, identi-  
18          fying, and recovering fraudulent and other improper pay-  
19          ments for the FECA program, which shall include—

20                 “(1) procedures for identifying potentially im-  
21                 proper payments before payment is made to claim-  
22                 ants and providers, including, where appropriate,  
23                 predictive analytics;

1           “(2) reviews after payment is made to identify  
2           potentially improper payments to claimants and pro-  
3           viders;

4           “(3) ongoing screening and verification proce-  
5           dures to ensure the continued eligibility of medical  
6           providers to provide services under the FECA pro-  
7           gram, including licensure, Federal disbarment, and  
8           the existence of relevant criminal convictions;

9           “(4) provision of appropriate information, edu-  
10          cation, and training to claimants and providers on  
11          requirements to ensure the integrity of the FECA  
12          program, including payments under the FECA pro-  
13          gram;

14          “(5) appropriate controls and audits to ensure  
15          that providers adopt internal controls and proce-  
16          dures for compliance with requirements under the  
17          FECA program;

18          “(6) procedures to ensure—

19                 “(A) initial and continuing eligibility of  
20                 claimants for compensation, benefits, or services  
21                 under the FECA program; and

22                 “(B) ongoing verification of information in  
23                 databases relating to claimants to ensure accu-  
24                 racy and completeness; and



1                   “(ii) the Postmaster General, who  
2                   shall serve as the Vice Chairperson of the  
3                   Task Force;

4                   “(iii) the Attorney General;

5                   “(iv) the Director of the Office of  
6                   Management and Budget; and

7                   “(v) other appropriate Federal offi-  
8                   cials, as determined by the Chairperson  
9                   and Vice Chairperson of the Task Force.

10                  “(C) ADVISORY MEMBERS.—The following  
11                  officials shall attend meetings of the Task  
12                  Force and participate as ad hoc, advisory mem-  
13                  bers, to provide technical assistance and guid-  
14                  ance to the Task Force with respect to the du-  
15                  ties of the Task Force:

16                         “(i) The Inspector General of the De-  
17                         partment of Labor.

18                         “(ii) The Inspector General of the  
19                         United States Postal Service.

20                         “(iii) The Inspectors General of other  
21                         appropriate agencies and instrumentalities  
22                         of the United States that employ a signifi-  
23                         cant number of individuals receiving com-  
24                         pensation, benefits, or services under the

1 FECA program, as determined by the  
2 Chairperson of the Task Force.

3 “(D) DUTIES.—The Task Force shall—

4 “(i) set forth, in writing, a description  
5 of the respective roles and responsibilities  
6 in preventing, identifying, recovering, and  
7 prosecuting fraud under, and otherwise en-  
8 suring integrity and compliance of, the  
9 FECA program of—

10 “(I) the Secretary (including sub-  
11 ordinate officials such as the Director  
12 of the Office of Workers’ Compensa-  
13 tion Programs);

14 “(II) the Inspector General of  
15 the Department of Labor;

16 “(III) the Inspectors General of  
17 agencies and instrumentalities of the  
18 United States that employ claimants  
19 under the FECA program;

20 “(IV) the Attorney General; and

21 “(V) any other relevant officials;

22 “(ii) develop procedures for sharing  
23 information of possible fraud under the  
24 FECA program or other intentional  
25 misstatements by claimants or providers



1 under the FECA program, including proce-  
2 dures addressing—

3 “(I) notification of appropriate  
4 officials of the Department of Labor  
5 of potential fraud or other intentional  
6 misstatements, including provision of  
7 supporting information;

8 “(II) timely and appropriate re-  
9 sponse by officials of the Department  
10 of Labor to notifications described in  
11 subclause (I);

12 “(III) the inclusion of informa-  
13 tion and evidence relating to fraud  
14 and other intentional misstatements  
15 in criminal, civil, and administrative  
16 proceedings relating to the provision  
17 of compensation, benefits, or medical  
18 services (including payments to pro-  
19 viders) under the FECA program;

20 “(IV) the coordination of crimi-  
21 nal investigations with the administra-  
22 tion of the FECA program; and

23 “(V) the protection of informa-  
24 tion relating to an investigation of  
25 possible fraud under the FECA pro-

1                   gram from potential disclosure, in-  
2                   cluding requirements that enable in-  
3                   vestigative files to be appropriately  
4                   separated from case management  
5                   files; and

6                   “(iii) not later than 1 year after the  
7                   date of enactment of this section, submit  
8                   to the Committee on Homeland Security  
9                   and Governmental Affairs of the Senate  
10                  and the Committee on Oversight and Gov-  
11                  ernment Reform and the Committee on  
12                  Education and the Workforce of the House  
13                  of Representatives a report that includes  
14                  the description and procedures required  
15                  under clauses (i) and (ii).

16                  “(3) RULE OF CONSTRUCTION.—Nothing in  
17                  this subsection shall be construed to limit or restrict  
18                  any authority of an Inspector General.

19                  “(d) IMPROVEMENTS TO ACCESS OF FEDERAL DATA-  
20 BASES.—

21                  “(1) IN GENERAL.—In order to improve compli-  
22                  ance with the requirements under and the integrity  
23                  of the FECA program, or as required to otherwise  
24                  detect and prevent improper payments under the  
25                  FECA program (including for purposes of computer

1 matching under subsection (e)(1)(D)), upon written  
2 request—

3 “(A) the Commissioner of Social Security  
4 shall make available to the Secretary, the Post-  
5 master General, and each Inspector General the  
6 Social Security earnings information of a living  
7 or deceased employee;

8 “(B) the Director of the Office of Per-  
9 sonnel Management shall make available to the  
10 Secretary, the Postmaster General, and each  
11 Inspector General the information in the data-  
12 bases of Federal employees and retirees main-  
13 tained by the Director; and

14 “(C) the Secretary of Veterans Affairs  
15 shall make available to the Secretary, the Post-  
16 master General, and each Inspector General the  
17 information in the database of disabled individ-  
18 uals maintained by the Secretary of Veterans  
19 Affairs.

20 “(2) NATIONAL DIRECTORY OF NEW HIRES.—  
21 Upon written request, the Secretary of Health and  
22 Human Services shall make available to the Sec-  
23 retary, the Postmaster General, each Inspector Gen-  
24 eral, and the Comptroller General of the United  
25 States the information in the National Directory of

1 New Hires for purposes of carrying out this sub-  
2 chapter, in order to improve compliance with the re-  
3 quirements under and the integrity of the FECA  
4 program, or as required to otherwise detect and pre-  
5 vent improper payments under the FECA program  
6 (including for purposes of computer matching under  
7 subsection (e)(1)(D)). The Comptroller General may  
8 obtain information from the National Directory of  
9 New Hires for purposes of any audit, evaluation, or  
10 investigation, including any audit, evaluation, or in-  
11 vestigation relating to program integrity.

12 “(3) PROCEDURES.—The Secretary shall estab-  
13 lish procedures for correlating the identity and sta-  
14 tus of recipients of compensation, benefits, or serv-  
15 ices under this subchapter with Social Security earn-  
16 ings information described in paragraph (1)(A).

17 “(4) PROVISION.—Information requested under  
18 this subsection shall be provided—

19 “(A) in a timely manner;

20 “(B) at a reasonable cost to the Secretary,  
21 the Postmaster General, or an Inspector Gen-  
22 eral;

23 “(C) without cost to the Comptroller Gen-  
24 eral of the United States; and

1           “(D) in the manner, frequency, and form  
2 reasonably specified by the officer making the  
3 request, which, upon request, shall include elec-  
4 tronic form.

5           “(5) ASSESSMENT OF DATA COST-EFFECTIVE-  
6 NESS.—

7           “(A) IN GENERAL.—The Secretary shall  
8 consider and assess procedures for correlating  
9 the identity and status of recipients of com-  
10 pensation, benefits, or services under this sub-  
11 chapter with information relating to employees,  
12 retirees, and individuals described in subpara-  
13 graphs (B) and (C) of paragraph (1) and para-  
14 graph (2).

15           “(B) REPORT.—Not later than 1 year  
16 after the date of enactment of this section, the  
17 Secretary shall submit to the Committee on  
18 Homeland Security and Governmental Affairs  
19 of the Senate and the Committee on Oversight  
20 and Government Reform and the Committee on  
21 Education and the Workforce of the House of  
22 Representatives a report on the cost-effective-  
23 ness of the use of the databases described in  
24 subparagraphs (B) and (C) of paragraph (1)  
25 and paragraph (2) for program compliance and

1 integrity. The report required under this sub-  
2 paragraph may be included as part of the re-  
3 port required under subsection (f).

4 “(6) UNITED STATES POSTAL SERVICE FECA  
5 ENROLLEE DATABASE.—Not later than 180 days  
6 after the date of enactment of this section, in order  
7 to track, verify, and communicate with the Secretary  
8 and other relevant entities, the Postmaster General  
9 shall establish an electronic database of information  
10 relating to employees of the United States Postal  
11 Service who have applied for or are receiving com-  
12 pensation, benefits, or services under this sub-  
13 chapter.

14 “(7) RULE OF CONSTRUCTION.—Nothing in  
15 this subsection shall be construed to limit the au-  
16 thority of the Comptroller General of the United  
17 States under section 716 of title 31.

18 “(e) GENERAL PROTOCOLS AND SECURITY.—

19 “(1) ESTABLISHMENT.—

20 “(A) IN GENERAL.—In order to ensure  
21 strong information security and privacy stand-  
22 ards, the Task Force shall establish protocols  
23 for the secure transfer and storage of any infor-  
24 mation provided to an individual or entity  
25 under this section.

1           “(B) CONSIDERATIONS.—In establishing  
2 protocols under subparagraph (A), the Task  
3 Force shall consider any recommendations sub-  
4 mitted to the Secretary by the Inspector Gen-  
5 eral of the Department of Health and Human  
6 Services with respect to the secure transfer and  
7 storage of information, and to comply with pri-  
8 vacy laws and best practices.

9           “(C) FRAUD CASE PROTECTION.—The  
10 Task Force shall establish protocols and proce-  
11 dures to enable information and materials relat-  
12 ing to an active investigation of possible fraud  
13 relating to the FECA program to be appro-  
14 priately kept separate from the files for employ-  
15 ees relating to the provision of compensation,  
16 benefits, or services under the FECA program.

17           “(D) COMPUTER MATCHING BY FEDERAL  
18 AGENCIES FOR PURPOSES OF INVESTIGATION  
19 AND PREVENTION OF IMPROPER PAYMENTS  
20 AND FRAUD.—

21           “(i) IN GENERAL.—Except as pro-  
22 vided in this subparagraph, in accordance  
23 with section 552a (commonly known as the  
24 Privacy Act of 1974), the Secretary, the  
25 Postmaster General, each Inspector Gen-

1 eral, and the head of each agency may  
2 enter into computer matching agreements  
3 that allow ongoing data matching (which  
4 shall include automated data matching) in  
5 order to assist in the detection and preven-  
6 tion of improper payments under the  
7 FECA program.

8 “(ii) REVIEW.—Not later than 60  
9 days after a proposal for an agreement  
10 under clause (i) has been presented to a  
11 Data Integrity Board established under  
12 section 552a(u) for consideration, the Data  
13 Integrity Board shall approve or deny the  
14 agreement.

15 “(iii) TERMINATION DATE.—An  
16 agreement under clause (i)—

17 “(I) shall have a termination  
18 date of less than 3 years; and

19 “(II) during the 3-month period  
20 ending on the date on which the  
21 agreement is scheduled to terminate,  
22 may be renewed by the agencies enter-  
23 ing the agreement for not more than  
24 3 years.



1           “(iv) MULTIPLE AGENCIES.—For pur-  
2           poses of this subparagraph, section  
3           552a(o)(1) shall be applied by substituting  
4           ‘between the source agency and the recipi-  
5           ent agency or non-Federal agency or an  
6           agreement governing multiple agencies’ for  
7           ‘between the source agency and the recipi-  
8           ent agency or non-Federal agency’ in the  
9           matter preceding subparagraph (A).

10           “(v) COST-BENEFIT ANALYSIS.—An  
11           agreement under clause (i) may be entered  
12           without regard to section 552a(o)(1)(B),  
13           relating to a cost-benefit analysis of the  
14           proposed matching program.

15           “(vi) GUIDANCE BY THE OFFICE OF  
16           MANAGEMENT AND BUDGET.—Not later  
17           than 6 months after the date of enactment  
18           of the Workers’ Compensation Reform Act  
19           of 2014, and in consultation with the  
20           Council of Inspectors General on Integrity  
21           and Efficiency, the Secretary of Health  
22           and Human Services, the Commissioner of  
23           Social Security, and the head of any other  
24           relevant agency, the Director of the Office  
25           of Management and Budget shall—

1                   “(I) issue guidance for agencies  
2                   regarding implementing this subpara-  
3                   graph, which shall include standards  
4                   for reimbursement costs, when nec-  
5                   essary, between agencies; and

6                   “(II) establish standards and de-  
7                   velop standard matching agreements  
8                   for the purpose of improving the proc-  
9                   ess for establishing data use or com-  
10                  puter matching agreements.

11                 “(2) COMPLIANCE.—The Secretary, the Post-  
12                 master General, and each Inspector General shall  
13                 ensure that any information provided to an indi-  
14                 vidual or entity under this section is provided in ac-  
15                 cordance with protocols established under paragraph  
16                 (1).

17                 “(3) RULE OF CONSTRUCTION.—Nothing in  
18                 this section shall be construed to affect the rights of  
19                 an individual under section 552a(p).

20                 “(f) REPORT.—Not later than 1 year after the date  
21                 of enactment of this section, and annually thereafter for  
22                 5 years, the Secretary shall submit a report on the activi-  
23                 ties of the Secretary under this section, including imple-  
24                 mentation of the Integrity and Compliance Program, to—

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

3           “(2) the Committee on Oversight and Govern-  
4           ment Reform and the Committee on Education and  
5           the Workforce of the House of Representatives.

6           “(g) GAO REVIEW.—The Comptroller General of the  
7           United States shall—

8           “(1) conduct periodic reviews of the Integrity  
9           and Compliance Program; and

10          “(2) submit reports on the results of the re-  
11          views under paragraph (1) to the Committee on  
12          Homeland Security and Governmental Affairs of the  
13          Senate and the Committee on Oversight and Govern-  
14          ment Reform and the Committee on Education and  
15          the Workforce of the House of Representatives not  
16          later than—

17                  “(A) 2 years after the date of enactment  
18                  of this section; and

19                  “(B) 3 years after submission of the report  
20                  under subparagraph (A).”.

21          (b) TECHNICAL AND CONFORMING AMENDMENT.—

22          The table of sections for chapter 81 is amended by insert-  
23          ing after the item relating to section 8152 the following:

          “8153. Integrity and Compliance Program.”.

1 (c) EFFECTIVE DATE.—This section and the amend-  
2 ments made by this section shall take effect on the date  
3 of enactment of this Act.

4 **SEC. 513. AMOUNT OF COMPENSATION.**

5 (a) INJURIES TO FACE, HEAD, AND NECK.—Section  
6 8107(c)(21) is amended—

7 (1) by striking “not to exceed \$3,500” and in-  
8 serting “in proportion to the severity of the dis-  
9 figurement, not to exceed \$50,000,”; and

10 (2) by adding at the end the following: “The  
11 maximum amount of compensation under this para-  
12 graph shall be increased on March 1 of each year by  
13 the amount determined by the Secretary of Labor to  
14 represent the percent change in the price index pub-  
15 lished for December of the preceding year over the  
16 price index published for the December of the year  
17 prior to the preceding year, adjusted to the nearest  
18 one-tenth of 1 percent.”.

19 (b) FUNERAL EXPENSES.—Section 8134(a) is  
20 amended—

21 (1) by striking “\$800” and inserting “\$6,000”;  
22 and

23 (2) by adding at the end the following: “The  
24 maximum amount of compensation under this sub-  
25 section shall be increased on March 1 of each year

1 by the amount determined by the Secretary of Labor  
2 to represent the percent change in the price index  
3 published for December of the preceding year over  
4 the price index published for the December of the  
5 year prior to the preceding year, adjusted to the  
6 nearest one-tenth of 1 percent.”.

7 (c) APPLICATION.—The amendments made by this  
8 section shall apply to injuries or deaths, respectively, oc-  
9 ccurring on or after the date of enactment of this Act.

10 **SEC. 514. TERRORISM INJURIES; ZONES OF ARMED CON-**  
11 **FLICT.**

12 (a) COVERING TERRORISM INJURIES.—Section  
13 8102(b) is amended in the matter preceding paragraph  
14 (1)—

15 (1) by inserting “or from an attack by a ter-  
16 rorist or terrorist organization, either known or un-  
17 known,” after “force or individual,”; and

18 (2) by striking “outside” and all that follows  
19 through “1979)” and inserting “outside of the  
20 United States”.

21 (b) CONTINUATION OF PAY IN A ZONE OF ARMED  
22 CONFLICT.—Section 8118, as amended by section 508(b)  
23 of this Act, is amended—

1           (1) in subsection (b), by striking “Continu-  
2           ation” and inserting “Except as provided under sub-  
3           section (d)(2), continuation”;

4           (2) in subsection (c), as redesignated by section  
5           508(b)(4) of this Act, by striking “subsection (a)”  
6           and inserting “subsection (a) or (d)”; and

7           (3) inserting before subsection (e) the following:  
8           “(d) CONTINUATION OF PAY IN A ZONE OF ARMED  
9           CONFLICT.—

10           “(1) IN GENERAL.—Notwithstanding subsection  
11           (a), the United States shall authorize the continu-  
12           ation of pay of an employee described in subpara-  
13           graph (A), (C), (D), or (F) of section 8101(1),  
14           who—

15           “(A) files a claim for a period of wage loss  
16           due to an injury in performance of duty in a  
17           zone of armed conflict (as determined by the  
18           Secretary of Labor under paragraph (3)); and

19           “(B) files the claim for such wage loss ben-  
20           efit with the immediate superior of the em-  
21           ployee not later than 45 days after the later  
22           of—

23           “(i) the termination of the assignment  
24           of the employee to the zone of armed con-  
25           flict; or

1                   “(ii) the return of the employee to the  
2                   United States.

3                   “(2) CONTINUATION OF PAY.—Notwithstanding  
4                   subsection (b), continuation of pay under this sub-  
5                   section shall be furnished for a period not to exceed  
6                   135 days without any break in time or waiting pe-  
7                   riod, unless controverted under regulations pre-  
8                   scribed by the Secretary of Labor.

9                   “(3) DETERMINATION OF ZONES OF ARMED  
10                  CONFLICT.—For purposes of this subsection, the  
11                  Secretary of Labor, in consultation with the Sec-  
12                  retary of State and the Secretary of Defense, shall  
13                  determine whether a foreign country or other foreign  
14                  geographic area outside of the United States (as de-  
15                  fined in section 202(a)(7) of the State Department  
16                  Basic Authorities Act of 1956 (22 U.S.C.  
17                  4302(a)(7)) is a zone of armed conflict based on  
18                  whether—

19                         “(A) the Armed Forces of the United  
20                         States are involved in hostilities in the country  
21                         or area;

22                         “(B) the incidence of civil insurrection,  
23                         civil war, terrorism, or wartime conditions  
24                         threatens physical harm or imminent danger to

1 the health or well-being of United States civil-  
2 ian employees in the country or area;

3 “(C) the country or area has been des-  
4 ignedated a combat zone by the President under  
5 section 112(e) of the Internal Revenue Code of  
6 1986;

7 “(D) a contingency operation involving  
8 combat operations directly affects civilian em-  
9 ployees in the country or area; or

10 “(E) there exist other relevant conditions  
11 and factors.”.

12 **SEC. 515. TECHNICAL AND CONFORMING AMENDMENTS.**

13 Chapter 81 is amended—

14 (1) in section 8101(1)(D), by inserting “for an  
15 injury that occurred before the effective date of sec-  
16 tion 204(e) of the District of Columbia Self-Govern-  
17 ment and Governmental Reorganization Act (Public  
18 Law 93–198; 87 Stat. 783; 5 U.S.C. 8101 note)”  
19 before the semicolon;

20 (2) in section 8139, by inserting “under this  
21 subchapter” after “Compensation awarded”; and

22 (3) in section 8148(a), by striking “section  
23 8106” and inserting “section 8106a”.



1 **SEC. 516. REGULATIONS.**

2 (a) IN GENERAL.—As soon as possible after the date  
3 of enactment of this Act, the Secretary of Labor shall pro-  
4 mulgate regulations (which may include interim final reg-  
5 ulations) to carry out this title.

6 (b) CONTENTS.—The regulations promulgated under  
7 subsection (a) shall include, for purposes of the amend-  
8 ments made by sections 502 and 503, clarification of—

9 (1) what is a claim; and

10 (2) what is the date on which a period of dis-  
11 ability, for which a claim is made, commences.

12 **SEC. 517. EFFECTIVE DATE.**

13 Except as otherwise provided in this title, this title  
14 and the amendments made by this title shall take effect  
15 60 days after the date of enactment of this Act.

16 **TITLE VI—PROPERTY MANAGE-**  
17 **MENT AND EXPEDITED DIS-**  
18 **POSAL OF REAL PROPERTY**

19 **SEC. 601. SHORT TITLE.**

20 This title may be cited as the “Federal Real Property  
21 Asset Management Reform Act of 2014”.

22 **SEC. 602. PURPOSE.**

23 The purpose of this title is to increase the efficiency  
24 and effectiveness of the Federal Government in managing  
25 real property by—

1           (1) requiring agencies to maintain an up-to-  
2           date inventory of real property;

3           (2) establishing a Federal Real Property Coun-  
4           cil to develop guidance on and ensure the implemen-  
5           tation of strategies for better managing Federal real  
6           property; and

7           (3) authorizing a pilot program to expedite the  
8           disposal of surplus real property.

9   **SEC. 603. PROPERTY MANAGEMENT AND EXPEDITED DIS-**  
10                                   **POSAL OF REAL PROPERTY.**

11           Chapter 5 of subtitle I of title 40, United States  
12           Code, is amended by adding at the end the following:

13   “SUBCHAPTER VII—PROPERTY MANAGEMENT  
14           AND EXPEDITED DISPOSAL OF REAL PROP-  
15           ERTY

16   “§ 621. **Definitions**

17           “In this subchapter:

18                   “(1) ADMINISTRATOR.—The term ‘Adminis-  
19                   trator’ means the Administrator of General Services.

20                   “(2) COUNCIL.—The term ‘Council’ means the  
21                   Federal Real Property Council established by section  
22                   623(a).

23                   “(3) DIRECTOR.—The term ‘Director’ means  
24                   the Director of the Office of Management and Budg-  
25                   et.

1           “(4) DISPOSAL.—The term ‘disposal’ means  
2 any action that constitutes the removal of any real  
3 property from the Federal inventory, including sale,  
4 deed, demolition, or exchange.

5           “(5) EXCESS PROPERTY.—The term ‘excess  
6 property’ means any real property under the control  
7 of a Federal agency that the head of the Federal  
8 agency determines is not required to meet the needs  
9 or responsibilities of the Federal agency.

10          “(6) FEDERAL AGENCY.—The term ‘Federal  
11 agency’ means—

12           “(A) an executive department or inde-  
13 pendent establishment in the executive branch  
14 of the Government; or

15           “(B) a wholly owned Government corpora-  
16 tion.

17          “(7) FIELD OFFICE.—The term ‘field office’  
18 means any office of a Federal agency that is not the  
19 headquarters office location for the Federal agency.

20          “(8) POSTAL PROPERTY.—The term ‘postal  
21 property’ means any building owned by the United  
22 States Postal Service.

23          “(9) SURPLUS PROPERTY.—

24           “(A) IN GENERAL.—The term ‘surplus  
25 property’ means excess real property that is not

1 required to meet the needs or responsibilities of  
2 any Federal agency.

3 “(B) EXCLUSIONS.—The term ‘surplus  
4 property’ does not include—

5 “(i) any military installation (as de-  
6 fined in section 2910 of the Defense Base  
7 Closure and Realignment Act of 1990 (10  
8 U.S.C. 2687 note; Public Law 101–510));

9 “(ii) any property that is excepted  
10 from the definition of the term ‘property’  
11 under section 102;

12 “(iii) Indian and native Eskimo prop-  
13 erty held in trust by the Federal Govern-  
14 ment as described in section  
15 3301(a)(5)(C)(iii);

16 “(iv) real property operated and main-  
17 tained by the Tennessee Valley Authority  
18 pursuant to the Tennessee Valley Author-  
19 ity Act of 1933 (16 U.S.C. 831 et seq.);

20 “(v) any real property the Director  
21 excludes for reasons of national security;

22 “(vi) any public lands (as defined in  
23 section 203 of the Public Lands Corps Act  
24 of 1993 (16 U.S.C. 1722)) administered  
25 by—

1                   “(I) the Secretary of the Interior,  
2                   acting through—

3                   “(aa) the Director of the  
4                   Bureau of Land Management;

5                   “(bb) the Director of the  
6                   National Park Service;

7                   “(cc) the Commissioner of  
8                   Reclamation; or

9                   “(dd) the Director of the  
10                  United States Fish and Wildlife  
11                  Service; or

12                  “(II) the Secretary of Agri-  
13                  culture, acting through the Chief of  
14                  the Forest Service; or

15                  “(vii) any property operated and  
16                  maintained by the United States Postal  
17                  Service.

18                  “(10) UNDERUTILIZED PROPERTY.—The term  
19                  ‘underutilized property’ means a portion or the en-  
20                  tirety of any real property, including any improve-  
21                  ments, that is used—

22                  “(A) irregularly or intermittently by the  
23                  accountable Federal agency for program pur-  
24                  poses of the Federal agency; or

1                   “(B) for program purposes that can be  
2                   satisfied with only a portion of the property.

3 **“§ 622. Duties of Federal agencies**

4                   “Each Federal agency shall—

5                   “(1) maintain adequate inventory controls and  
6                   accountability systems for real property under the  
7                   control of the Federal agency;

8                   “(2) develop current and future workforce pro-  
9                   jections so as to have the capacity to assess the  
10                  needs of the Federal workforce regarding the use of  
11                  real property;

12                  “(3) continuously survey real property under  
13                  the control of the Federal agency to identify excess  
14                  property, underutilized property, and other real  
15                  property suitable to be used for—

16                         “(A) colocation with other Federal agen-  
17                         cies; or

18                         “(B) consolidation with other facilities;

19                         “(4) promptly report excess property and un-  
20                         derutilized property to the Administrator;

21                         “(5) establish goals that will lead the Federal  
22                         agency to reduce excess property and underutilized  
23                         property in the inventory of the Federal agency;

1           “(6) submit to the Council a report on all ex-  
2           cess property and underutilized property in the in-  
3           ventory of the Federal agency, including—

4                   “(A) whether underutilized property can be  
5                   better utilized; and

6                   “(B) the extent to which the Federal agen-  
7                   cy believes that the underutilized property  
8                   serves the needs of the Federal agency to retain  
9                   underutilized property;

10           “(7) adopt workplace practices, configurations,  
11           and management techniques that can achieve in-  
12           creased levels of productivity and decrease the need  
13           for real property assets;

14           “(8) assess leased space to identify space that  
15           is not fully used or occupied;

16           “(9) on an annual basis and subject to the  
17           guidance of the Council—

18                   “(A) conduct an inventory of real property  
19                   under control of the Federal agency; and

20                   “(B) make an assessment of each real  
21                   property, which shall include—

22                           “(i) the age and condition of the prop-  
23                           erty;

24                           “(ii) the size of the property in square  
25                           footage and acreage;

1                   “(iii) the geographical location of the  
2                   property, including an address and descrip-  
3                   tion;

4                   “(iv) the extent to which the property  
5                   is being utilized;

6                   “(v) the actual annual operating costs  
7                   associated with the property;

8                   “(vi) the total cost of capital expendi-  
9                   tures associated with the property;

10                  “(vii) sustainability metrics associated  
11                  with the property;

12                  “(viii) the number of Federal employ-  
13                  ees and functions housed at the property;

14                  “(ix) the extent to which the mission  
15                  of the Federal agency is dependent on the  
16                  property;

17                  “(x) the estimated amount of capital  
18                  expenditures projected to maintain and op-  
19                  erate the property over each of the next 5  
20                  years after the date of enactment of this  
21                  subchapter; and

22                  “(xi) any additional information re-  
23                  quired by the Administrator to carry out  
24                  section 624; and



1           “(10) provide to the Council and the Adminis-  
2           trator the information described in paragraph (9)(B)  
3           to be used for the establishment and maintenance of  
4           the database described in section 624.

5   **“§ 623. Colocation among United States Postal Serv-**  
6           **ice properties**

7           “(a) IDENTIFICATION OF POSTAL PROPERTY.—Each  
8           year, the Postmaster General may—

9           “(1) identify a list of postal properties with  
10          space available for use by Federal agencies; and

11          “(2) submit the list to the Council.

12          “(b) SUBMISSION OF LIST OF POSTAL PROPERTIES  
13          TO FEDERAL AGENCIES.—

14          “(1) IN GENERAL.—Not later than 30 days  
15          after the completion of a list under subsection (a),  
16          the Council shall provide the list to each Federal  
17          agency.

18          “(2) REVIEW BY FEDERAL AGENCIES.—Not  
19          later than 90 days after the receipt of the list sub-  
20          mitted under paragraph (1), each Federal agency  
21          shall—

22                  “(A) review the list;

23                  “(B) identify real property assets under  
24          the control of the Federal agency; and

25                  “(C) recommend colocations if appropriate.

1           “(c) TERMS OF COLOCATION.—On approval of the  
 2 recommendations under subsection (b) by the Postmaster  
 3 General and the applicable agency head, the Federal agen-  
 4 cy or appropriate landholding entity may work with the  
 5 Postmaster General to establish appropriate terms of a  
 6 lease for each postal property.

7           **“§ 624. Establishment of a Federal Real Property**  
 8   **Council**

9           “(a) ESTABLISHMENT.—There is established a Fed-  
 10 eral Real Property Council.

11           “(b) PURPOSE.—The purpose of the Council shall be  
 12 to—

13                                   “(1) develop guidance and ensure implementa-  
 14 tion of an efficient and effective real property man-  
 15 agement strategy;

16                                   “(2) identify opportunities for the Federal Gov-  
 17 ernment to better manage real property assets; and

18                                   “(3) reduce the costs of managing real prop-  
 19 erty, including operations, maintenance, and secu-  
 20 rity.

21           “(c) COMPOSITION.—

22                                   “(1) IN GENERAL.—The Council shall be com-  
 23 posed exclusively of—

24   “(A) the senior real property officers of  
 25 each Federal agency;

1           “(B) the Deputy Director for Management  
2 of the Office of Management and Budget;

3           “(C) the Controller of the Office of Man-  
4 agement and Budget;

5           “(D) the Administrator; and

6           “(E) any other full-time or permanent  
7 part-time Federal officials or employees, as the  
8 Chairperson determines to be necessary.

9           “(2) CHAIRPERSON.—The Deputy Director for  
10 Management of the Office of Management and  
11 Budget shall serve as Chairperson of the Council.

12           “(3) EXECUTIVE DIRECTOR.—

13           “(A) IN GENERAL.—The Chairperson shall  
14 designate an Executive Director to assist in  
15 carrying out the duties of the Council.

16           “(B) QUALIFICATIONS; FULL-TIME.—The  
17 Executive Director shall—

18           “(i) be appointed from among individ-  
19 uals who have substantial experience in the  
20 areas of commercial real estate and devel-  
21 opment, real property management, and  
22 Federal operations and management; and

23           “(ii) serve full time.

24           “(d) MEETINGS.—

1           “(1) IN GENERAL.—The Council shall meet  
2 subject to the call of the Chairperson.

3           “(2) MINIMUM.—The Council shall meet not  
4 fewer than 4 times each year.

5           “(e) DUTIES.—The Council, in consultation with the  
6 Director and the Administrator, shall—

7           “(1) not later than 1 year after the date of en-  
8 actment of this subchapter, establish a real property  
9 management plan template, to be updated annually,  
10 which shall include performance measures, specific  
11 milestones, measurable savings, strategies, and Gov-  
12 ernment-wide goals based on the goals established  
13 under section 622(5) to reduce surplus property or  
14 to achieve better utilization of underutilized prop-  
15 erty, and evaluation criteria to determine the effec-  
16 tiveness of real property management that are de-  
17 signed to—

18           “(A) enable Congress and heads of Federal  
19 agencies to track progress in the achievement of  
20 real property management objectives on a Gov-  
21 ernment-wide basis;

22           “(B) improve the management of real  
23 property; and

24           “(C) allow for comparison of the perform-  
25 ance of Federal agencies against industry and

1 other public sector agencies in terms of per-  
2 formance;

3 “(2) develop standard use rates consistent  
4 throughout each category of space and with non-  
5 governmental space use rates;

6 “(3) develop a strategy to reduce the reliance of  
7 Federal agencies on leased space for long-term needs  
8 if ownership would be less costly;

9 “(4) provide guidance on eliminating inefficien-  
10 cies in the Federal leasing process;

11 “(5) compile a list of real property assets that  
12 are field offices that are suitable for colocation with  
13 other real property assets; and

14 “(6) not later than 1 year after the date of en-  
15 actment of this subchapter and annually during the  
16 4-year period beginning on the date that is 1 year  
17 after the date of enactment of this subchapter and  
18 ending on the date that is 5 years after the date of  
19 enactment of this subchapter, the Council shall sub-  
20 mit to the Director a report that contains—

21 “(A) a list of the remaining excess, sur-  
22 plus, and underutilized properties of each Fed-  
23 eral agency;

24 “(B) the progress of the Council toward  
25 developing guidance for Federal agencies to en-

1           sure that the assessment required under section  
2           622(9)(B) is carried out in a uniform manner;  
3           and

4                   “(C) the progress of Federal agencies to-  
5           ward achieving the goals established under sec-  
6           tion 622(5).

7           “(f) CONSULTATION.—In carrying out the duties de-  
8           scribed in subsection (e), the Council shall also consult  
9           with representatives of—

10                   “(1) State, local, tribal authorities, and affected  
11           communities; and

12                   “(2) appropriate private sector entities and  
13           nongovernmental organizations that have expertise  
14           in areas of—

15                           “(A) commercial real estate and develop-  
16           ment;

17                           “(B) government management and oper-  
18           ations;

19                           “(C) space planning;

20                           “(D) community development, including  
21           transportation and planning; and

22                           “(E) historic preservation.

23           “(g) COUNCIL RESOURCES.—The Director and the  
24           Administrator shall provide staffing, and administrative  
25           support for the Council, as appropriate.

1 **“§ 625. Federal real property inventory and database**

2 “(a) IN GENERAL.—Not later than 1 year after the  
3 date of enactment of this subchapter, the Administrator  
4 shall establish and maintain a single, comprehensive, and  
5 descriptive database of all real property under the custody  
6 and control of all Federal agencies.

7 “(b) CONTENTS.—The database shall include—

8 “(1) information provided to the Administrator  
9 under section 622(9)(B); and

10 “(2) a list of real property disposals completed,  
11 including—

12 “(A) the date and disposal method used  
13 for each real property;

14 “(B) the proceeds obtained from the dis-  
15 posal of each real property;

16 “(C) the amount of time required to dis-  
17 pose of the real property, including the date on  
18 which the real property is designated as excess  
19 property;

20 “(D) the date on which the property is  
21 designated as surplus property and the date on  
22 which the property is disposed; and

23 “(E) all costs associated with the disposal.

24 “(c) ACCESSIBILITY.—

25 “(1) COMMITTEES.—The database established  
26 under subsection (a) shall be made available on re-

1       quest to the Committee on Homeland Security and  
2       Governmental Affairs and the Committee on Envi-  
3       ronment and Public Works of the Senate and the  
4       Committee on Oversight and Government Reform  
5       and the Committee on Transportation and Infra-  
6       structure of the House of Representatives.

7               “(2) GENERAL PUBLIC.—Not later than 3 years  
8       after the date of enactment of this subchapter and  
9       to the extent consistent with national security, the  
10       Administrator shall make the database established  
11       under subsection (a) accessible to the public at no  
12       cost through the website of the General Services Ad-  
13       ministration.

14       **“§ 626. Limitation on certain leasing authorities**

15       “(a) IN GENERAL.—Except as provided in subsection  
16       (b), not later than December 31 of each year following  
17       the date of enactment of this subchapter, a Federal agency  
18       with independent leasing authority shall submit to the  
19       Council a list of all leases, including operating leases, in  
20       effect on the date of enactment of this subchapter that  
21       includes—

22               “(1) the date on which each lease was executed;

23               “(2) the date on which each lease will expire;

24               “(3) a description of the size of the space;

25               “(4) the location of the property;



1 “(5) the tenant agency;

2 “(6) the total annual rental rate; and

3 “(7) the amount of the net present value of the  
4 total estimated legal obligations of the Federal Gov-  
5 ernment over the life of the contract.

6 “(b) EXCEPTION.—Subsection (a) shall not apply  
7 to—

8 “(1) the United States Postal Service;

9 “(2) the Department of Veterans Affairs; or

10 “(3) any other property the President excludes  
11 from subsection (a) for reasons of national security.

12 **“§ 627. Expedited disposal pilot program**

13 “(a) ESTABLISHMENT.—The Director shall establish  
14 a pilot program for disposal of any surplus property by  
15 sale, transfer, or other means.

16 “(1) PROPERTIES FOR EXPEDITED DISPOSAL.—

17 “(A) IN GENERAL.—On an annual basis,  
18 the Director may authorize the expedited dis-  
19 posal of not more than 200 surplus properties.

20 “(B) PRIORITY.—In determining which  
21 properties to dispose of, the Director shall give  
22 priority to surplus properties that have the  
23 highest fair market value and the greatest po-  
24 tential for disposal.

1           “(C) COSTS ASSOCIATED WITH DIS-  
2           POSAL.—

3           “(i) IN GENERAL.—The Administrator  
4           may obligate an amount to pay any direct  
5           and indirect costs under section 572 re-  
6           lated to identifying and preparing prop-  
7           erties to be reported as excess property by  
8           a Federal agency.

9           “(ii) REIMBURSEMENT.—An amount  
10          obligated under clause (i) shall be paid  
11          from the proceeds of any sale of real prop-  
12          erty under this subsection.

13          “(iii) NET PROCEEDS.—Net proceeds  
14          shall be distributed under subsection (b).

15          “(D) MAXIMUM NET PROCEEDS.—Any real  
16          property authorized for disposal by sale under  
17          subparagraph (A) shall be disposed of in a  
18          manner that, as determined by the Adminis-  
19          trator in consultation with the head of the ap-  
20          plicable Federal agency, is structured and mar-  
21          keted to maximize the value to the Federal Gov-  
22          ernment.

23          “(E) MONETARY PROCEEDS REQUIRE-  
24          MENT.—Surplus property may be disposed of  
25          under this section only if disposal of the prop-

1           erty will generate monetary proceeds to the  
2           Federal Government that—

3                   “(i) exceed the costs of disposal of the  
4                   property; and

5                   “(ii) are not less than 90 percent of  
6                   fair market value.

7           “(2) APPLICABILITY OF CERTAIN LAW.—Any  
8           expedited disposal of real property conducted under  
9           this section shall not be subject to—

10                   “(A) any section of An Act Authorizing the  
11                   Transfer of Certain Real Property for Wildlife,  
12                   or Other Purposes (16 U.S.C. 667b);

13                   “(B) sections 107 and 317 of title 23;

14                   “(C) sections 545(b)(8), 550, 553, 554,  
15                   and 1304(b) of this title;

16                   “(D) section 501 of the McKinney-Vento  
17                   Homeless Assistance Act (42 U.S.C. 11411);

18                   “(E) section 47151 of title 49; or

19                   “(F) section 13(d) of the Surplus Property  
20                   Act of 1944 (50 U.S.C. App. 1622(d)).

21           “(3) EFFECT.—Except as provided in para-  
22           graph (2), nothing in this subchapter terminates or  
23           in any way limits the authority of any Federal agen-  
24           cy under any other provision of law to dispose of  
25           real property.

1 “(b) USE OF PROCEEDS.—

2 “(1) IN GENERAL.—Of the proceeds received  
3 from the disposal of any real property under this  
4 subchapter—

5 “(A) not less than 80 percent shall be re-  
6 turned to the general fund of the Treasury for  
7 debt reduction;

8 “(B) the lesser of 18 percent or the share  
9 of proceeds otherwise authorized to be retained  
10 under law shall be retained by the Federal  
11 agency that has custody and is accountable for  
12 the real property, subject to paragraph (2);

13 “(C) not greater than 2 percent shall be  
14 made available to carry out section 627, subject  
15 to annual appropriations; and

16 “(D) any remaining share of the proceeds  
17 shall be returned to the general fund of the  
18 Treasury for Federal budget deficit reduction.

19 “(2) LIMITATION ON USE OF PROCEEDS.—Any  
20 proceeds retained by Federal agencies under this  
21 section shall be—

22 “(A) deposited into the appropriate real  
23 property account of the Federal agency that  
24 had custody and accountability for the real

1 property, with the funds expended only as au-  
2 thorized in annual appropriations Acts;

3 “(B) used—

4 “(i) by not later than 2 years after  
5 the date of disposal of the real property;  
6 and

7 “(ii) only for activities relating to  
8 Federal real property asset management  
9 and disposal; and

10 “(C) if not used by the date described in  
11 subparagraph (B)(i), shall be deposited in the  
12 Treasury and used for Federal budget deficit  
13 reduction.

14 “(c) PUBLIC BENEFIT.—

15 “(1) CONVEYANCE.—Except as provided in  
16 paragraph (2), if a real property authorized to be  
17 disposed of under subsection (a) has not been dis-  
18 posed of by the date that is 2 years after the date  
19 the property is listed for sale, the Director, in con-  
20 sultation with the Administrator and the Secretary  
21 of Housing and Urban Development, may consider a  
22 request from the disposing Federal agency that the  
23 real property be conveyed to State and local govern-  
24 ments or nonprofit organizations for various public  
25 purposes or uses as permitted by applicable law.

1           “(2) PREDOMINANT USE AND SIZE STAND-  
2 ARDS.—

3           “(A) IN GENERAL.—Any real property au-  
4 thorized to be disposed of under subsection (a)  
5 shall not be conveyed under paragraph (1) if—

6                   “(i) the predominant use of the prop-  
7 erty is not for housing; and

8                   “(ii)(I) the area of the property is not  
9 less than 25,000 square feet; or

10                   “(II) the appraised fair market value  
11 of the property is greater than \$1,000,000.

12           “(B) APPRAISED FAIR MARKET VALUE.—  
13 The appraised fair market value described in  
14 subparagraph (A)(ii)(II) shall be determined by  
15 the Federal agency with custody or control of  
16 the property, in consultation with the Adminis-  
17 trator and standard appraisal practice.

18           “(d) ENFORCEMENT.—

19           “(1) INCREASE IN SIZE OF INVENTORY.—Ex-  
20 cept as provided in paragraph (2), if a Federal agen-  
21 cy fails to make available for public sale the real  
22 property authorized for disposal under subsection (a)  
23 by the date that is 18 months after the date on  
24 which the authorization is made, that Federal agen-  
25 cy, except for specific exceptions promulgated by the

1 Director, shall not increase the size of the civilian  
2 real property inventory, unless the square footage of  
3 the increase is offset, within an appropriate time as  
4 determined by the Director, through consolidation,  
5 colocation, or disposal of another building space  
6 from the inventory of that Federal agency.

7 “(2) EXCEPTION.—Paragraph (1) shall not  
8 apply to a Federal agency that acquires any real  
9 property not under the administrative jurisdiction of  
10 the Federal Government, by sale or lease, until the  
11 Director submits a certification to Congress of the  
12 disposal of all of those surplus properties.

13 “(e) TERMINATION OF AUTHORITY.—The authority  
14 provided by this section terminates on the date that is 5  
15 years after the date of enactment of this subchapter.

16 **“§ 628. Homeless assistance grants**

17 “(a) DEFINITIONS.—In this section:

18 “(1) ELIGIBLE NONPROFIT ORGANIZATION.—  
19 The term ‘eligible nonprofit organization’ means a  
20 nonprofit organization that is a representative of the  
21 homeless.

22 “(2) HOMELESS.—The term ‘homeless’ has the  
23 meaning given the term in section 103 of the  
24 McKinney-Vento Homeless Assistance Act (42

1 U.S.C. 11302), except that subsection (c) of that  
2 section shall not apply.

3 “(3) PERMANENT HOUSING.—The term ‘perma-  
4 nent housing’ has the meaning given the term in  
5 section 401 of the McKinney-Vento Homeless Assist-  
6 ance Act (42 U.S.C. 11360).

7 “(4) PRIVATE NONPROFIT ORGANIZATION.—  
8 The term ‘private nonprofit organization’ has the  
9 meaning given the term in section 401 of the  
10 McKinney-Vento Homeless Assistance Act (42  
11 U.S.C. 11360).

12 “(5) REPRESENTATIVE OF THE HOMELESS.—  
13 The term ‘representative of the homeless’ has the  
14 meaning given the term in section 501(i) of the  
15 McKinney-Vento Homeless Assistance Act (42  
16 U.S.C. 11411(i)).

17 “(6) SECRETARY.—The term ‘Secretary’ means  
18 the Secretary of Housing and Urban Development.

19 “(7) TRANSITIONAL HOUSING.—The term  
20 ‘transitional housing’ has the meaning given the  
21 term in section 401 of the McKinney-Vento Home-  
22 less Assistance Act (42 U.S.C. 11360).

23 “(b) GRANT AUTHORITY.—

24 “(1) IN GENERAL.—To the extent amounts are  
25 made available under section 626(b)(1)(B) for use



1 under this section, the Secretary shall make grants  
2 to eligible private nonprofit organizations through  
3 the continuum of care program established under  
4 subtitle C of title IV of the McKinney-Vento Home-  
5 less Assistance Act (42 U.S.C. 11381 et seq.), to  
6 purchase real property suitable for use to assist the  
7 homeless in accordance with subsection (c).

8 “(2) TERMS AND CONDITIONS.—Except as oth-  
9 erwise provided in this section, a grant under this  
10 section shall be subject to the same terms and condi-  
11 tions as a grant under the continuum of care pro-  
12 gram established under subtitle C of title IV of the  
13 McKinney-Vento Homeless Assistance Act (42  
14 U.S.C. 11381 et seq.).

15 “(c) USE OF PROPERTIES FOR HOUSING OR SHEL-  
16 TER FOR THE HOMELESS.—

17 “(1) ELIGIBLE USES.—An eligible private non-  
18 profit organization that receives a grant under sub-  
19 section (b) shall use the amounts received only to  
20 purchase or rehabilitate real property to provide per-  
21 manent housing, transitional housing, or temporary  
22 shelter to the homeless.

23 “(2) TERM OF USE.—The Secretary may not  
24 make a grant under subsection (b) to an eligible pri-  
25 vate nonprofit organization unless the eligible pri-

1 vate nonprofit organization provides to the Secretary  
2 such assurances as the Secretary determines nec-  
3 essary to ensure that any real property purchased or  
4 rehabilitated using amounts received under the grant  
5 is used only for the purposes described in paragraph  
6 (1) for a period of not less than 15 years.

7 “(d) PREFERENCE.—In awarding grants under sub-  
8 section (b), the Secretary shall give preference to eligible  
9 private nonprofit organizations that operate within areas  
10 in which Federal real property is being sold under the dis-  
11 posal program authorized under section 626.

12 “(e) REGULATIONS.—The Secretary may promulgate  
13 such regulations as are necessary to carry out this sec-  
14 tion.”.

15 **SEC. 604. REPORT OF THE COMPTROLLER GENERAL.**

16 (a) DRAFT.—Not later than 3 years after the date  
17 of enactment of this Act, the Comptroller General of the  
18 United States shall submit to Congress a draft report on  
19 the expedited disposal pilot program established by the  
20 amendments made by section 3.

21 (b) FINAL.—Not later than 5 years after the date  
22 of enactment of this Act, the Comptroller General of the  
23 United States shall submit to Congress a final report on  
24 the expedited disposal pilot program established by the  
25 amendments made by section 3.

1 **SEC. 605. TECHNICAL AND CONFORMING AMENDMENT.**

2 The table of sections for chapter 5 of subtitle I of  
3 title 40, United States Code, is amended by inserting after  
4 the item relating to section 611 the following:

“SUBCHAPTER VII—PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF  
REAL PROPERTY

“621. Definitions.

“622. Duties of Federal agencies.

“623. Colocation among United States Postal Service properties.

“624. Establishment of a Federal Real Property Council.

“625. Federal real property inventory and database.

“626. Limitation on certain leasing authorities.

“627. Expedited disposal pilot program.

“628. Homeless assistance grants.”.