AN ACT

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

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,
1 SECTION 1. SHORT TITLE.

This Act may be cited as the “21st Century Postal Service Act of 2012”.

2 SEC. 2. TABLE OF CONTENTS.

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 WORKFORCE MATTERS

Sec. 101. Treatment of postal funding surplus for Federal Employees Retirement System.
Sec. 102. Incentives for voluntary separation.
Sec. 103. Restructuring of payments for retiree health benefits.
Sec. 104. Postal Service Health Benefits Program.
Sec. 105. Medicare Educational Program for Postal Service Employees and Retirees.
Sec. 106. Arbitration; labor disputes.
Sec. 107. Retirement reporting.
Sec. 108. Executive compensation.

TITLE II—POSTAL SERVICES AND OPERATIONS

Sec. 201. Maintenance of delivery service standards.
Sec. 202. Preserving mail processing capacity.
Sec. 203. Establishment of retail service standards.
Sec. 204. Expanded retail access.
Sec. 205. Preserving community post offices.
Sec. 206. Area and district office structure.
Sec. 207. Limitations on changes to mail delivery schedule.
Sec. 208. Time limits for consideration of service changes.
Sec. 209. Public procedures for significant changes to mailing specifications.
Sec. 211. Chief Innovation Officer; innovation strategy.
Sec. 212. Strategic Advisory Commission on Postal Service Solvency and Innovation.
Sec. 213. Citizen’s service protection advocates.
Sec. 214. Capitol Complex post offices.

TITLE III—FEDERAL EMPLOYEES’ COMPENSATION ACT

Sec. 301. Short title; references.
Sec. 302. Federal workers compensation reforms for retirement-age employees.
Sec. 303. Augmented compensation for dependents.
Sec. 304. Schedule compensation payments.
Sec. 305. Vocational rehabilitation.
Sec. 306. Reporting requirements.
Sec. 307. Disability management review; independent medical examinations.
Sec. 308. Waiting period.
Sec. 309. Election of benefits.
Sec. 310. Sanction for noncooperation with field nurses.
Sec. 311. Subrogation of continuation of pay.
Sec. 312. Integrity and compliance.
Sec. 313. Amount of compensation.
Sec. 314. Terrorism injuries; zones of armed conflict.
Sec. 315. Technical and conforming amendments.
Sec. 316. Regulations.
Sec. 317. Effective date.

TITLE IV—OTHER MATTERS

Sec. 401. Solvency plan.
Sec. 402. Postal rates.
Sec. 403. Co-location with Federal agencies.
Sec. 404. Cooperation with State and local governments; intra-Service agreements.
Sec. 405. Shipping of wine, beer, and distilled spirits.
Sec. 406. Annual report on United States mailing industry.
Sec. 407. Use of negotiated service agreements.
Sec. 408. Contract disputes.
Sec. 409. Contracting provisions.
Sec. 410. Executive compensation.
Sec. 411. Sense of the Senate.

TITLE V—MISCELLANEOUS

Sec. 501. Government sponsored conferences.

SEC. 3. DEFINITIONS.

In this Act, the following definitions shall apply:

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

(2) POSTAL SERVICE.—The term “Postal Service” means the United States Postal Service.

TITLE I—POSTAL WORKFORCE MATTERS

SEC. 101. TREATMENT OF POSTAL FUNDING SURPLUS FOR FEDERAL EMPLOYEES RETIREMENT SYSTEM.

Section 8423(b) of title 5, United States Code, is amended—
(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following:

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

“(B)(i) Beginning with fiscal year 2011, for each fiscal year in which the amount computed under paragraph (1)(B) is less than zero, upon request of the Postmaster General, the Director shall transfer to the United States Postal Service from the Fund an amount equal to the postal funding surplus for that fiscal year for use in accordance with this paragraph.

“(ii) The Office shall calculate the amount under paragraph (1)(B) for a fiscal year by not later than June 15 after the close of the fiscal year, and shall transfer any postal funding surplus to the United States Postal Service within 10 days after a request by the Postmaster General.

“(C) For each of fiscal years 2011, 2012, 2013, and 2014 if the amount computed under paragraph (1)(B) is less than zero, a portion of the postal funding surplus for the fiscal year shall be used by the United States Postal Service for the cost of providing incentives for voluntary
separation, in accordance with section 102 of the 21st Century Postal Service Act of 2012 and sections 8332(p) and 8411(m) of this title, to employees of the United States Postal Service who voluntarily separate from service before October 1, 2015.

“(D) Any postal funding surplus for a fiscal year not expended under subparagraph (C) may be used by the United States Postal Service for the purposes of—

“(i) repaying any obligation issued under section 2005 of title 39; or

“(ii) making required payments to—

“(I) the Employees’ Compensation Fund established under section 8147;

“(II) the Postal Service Retiree Health Benefits Fund established under section 8909a;

“(III) the Employees Health Benefits Fund established under section 8909; or

“(IV) the Civil Service Retirement and Disability Fund.”.

SEC. 102. INCENTIVES FOR VOLUNTARY SEPARATION.

(a) Voluntary Separation Incentive Payments.—The Postal Service may provide voluntary separation incentive payments to employees of the Postal Service who voluntarily separate from service before October 1, 2015 (including payments to employees who retire
under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code, before October 1, 2015), which may not exceed the maximum amount provided under section 3523(b)(3)(B) of title 5, United States Code, for any employee.

(b) ADDITIONAL SERVICE CREDIT.—

(1) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8332 of title 5, United States Code, is amended by adding at the end the following:

“(p)(1)(A) For an employee of the United States Postal Service who is covered under this subchapter and voluntarily separates from service before October 1, 2015, the Office, if so directed by the United States Postal Service, shall add not more than 1 year to the total creditable service of the employee for purposes of determining entitlement to and computing the amount of an annuity under this subchapter (except for a disability annuity under section 8337).

“(B) An employee who receives additional creditable service under this paragraph may not receive a voluntary separation incentive payment from the United States Postal Service.

“(2) The United States Postal Service shall ensure that the average actuarial present value of the additional liability of the United States Postal Service to the Fund
resulting from additional creditable service provided under paragraph (1) or section 8411(m)(1) is not more than $25,000 per employee provided additional creditable service under paragraph (1) or section 8411(m)(1).

“(3)(A) Subject to subparagraph (B), and notwithstanding any other provision of law, no deduction, deposit, or contribution shall be required for service credited under this subsection.

“(B) The actuarial present value of the additional liability of the United States Postal Service to the Fund resulting from this subsection shall be included in the amount calculated under section 8348(h)(1)(A).”.

(2) Federal Employees Retirement System.—Section 8411 of title 5, United States Code, is amended by adding at the end the following:

“(m)(1)(A) For an employee of the United States Postal Service who is covered under this chapter and voluntarily separates from service before October 1, 2015, the Office, if so directed by the United States Postal Service, shall add not more than 2 years to the total creditable service of the employee for purposes of determining entitlement to and computing the amount of an annuity under this chapter (except for a disability annuity under subchapter V of that chapter).
“(B) An employee who receives additional creditable service under this paragraph may not receive a voluntary separation incentive payment from the United States Postal Service.

“(2) The United States Postal Service shall ensure that the average actuarial present value of the additional liability of the United States Postal Service to the Fund resulting from additional creditable service provided under paragraph (1) or section 8332(p)(1) is not more than $25,000 per employee provided additional creditable service under paragraph (1) or section 8332(p)(1).

“(3)(A) Subject to subparagraph (B), and notwithstanding any other provision of law, no deduction, deposit, or contribution shall be required for service credited under this subsection.

“(B) The actuarial present value of the additional liability of the United States Postal Service to the Fund resulting from this subsection shall be included in the amount calculated under section 8423(b)(1)(B).”.

(c) GOALS.—

(1) IN GENERAL.—The Postal Service shall offer incentives for voluntary separation under this section and the amendments made by this section as a means of ensuring that the size and cost of the workforce of the Postal Service is appropriate to the
work required of the Postal Service, including consider-
(A) the closure and consolidation of postal
facilities;
(B) the ability to operate existing postal
facilities more efficiently, including by reducing
the size or scope of operations of postal facili-
ties in lieu of closing postal facilities; and
(C) the number of employees eligible, or
projected in the near-term to be eligible, for re-
tirement, including early retirement.
(2) PERCENTAGE GOAL.—The Postal Service
shall offer incentives for voluntary separation under
this section to a sufficient number of employees as
would reasonably be expected to lead to an 18 per-
cent reduction in the total number of career employ-
ees of the Postal Service by the end of fiscal year
2015.
(3) DEFINITION.—In this subsection, the term
“career employee of the Postal Service” means an
employee of the Postal Service—
(A) whose appointment is not for a limited
period; and
(B) who is eligible for benefits, including retirement coverage under chapter 83 or 84 of title 5, United States Code.

(d) FUNDING.—The Postal Service shall carry out subsection (a) and sections 8332(p) and 8411(m) of title 5, United States Code, as added by subsection (b) of this section, using funds made available under section 8423(b)(5)(C) of title 5, United States Code, as amended by section 101 of this Act.

SEC. 103. RESTRUCTURING OF PAYMENTS FOR RETIREE HEALTH BENEFITS.

(a) CONTRIBUTIONS.—Section 8906(g)(2)(A) of title 5, United States Code, is amended by striking “through September 30, 2016, be paid by the United States Postal Service, and thereafter shall” and inserting “after the date of enactment of the 21st Century Postal Service Act of 2012”.

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

(1) in subsection (d)—

(A) by striking paragraph (2) and inserting the following: “(2)(A) Not later than 180 days after the date of enactment of the 21st Century Postal Service Act of 2012,
or March 31, 2013, whichever is later, the Office shall compute, and by June 30 of each succeeding year, the Office shall recompute, a schedule including a series of annual installments which provide for the liquidation of the amount described under subparagraph (B) (regardless of whether the amount is a liability or surplus) by September 30, 2052, or within 15 years, whichever is later, including interest at the rate used in the computations under this subsection.

“(B) The amount described in this subparagraph is the amount, as of the date on which the applicable computation or recomputation under subparagraph (A) is made, that is equal to the difference between—

“(i) 80 percent of the Postal Service actuarial liability as of September 30 of the most recently ended fiscal year; and

“(ii) the value of the assets of the Postal Retiree Health Benefits Fund as of September 30 of the most recently ended fiscal year.”.

(B) in paragraph (3)—

(i) in subparagraph (A) —

(I) in clause (iii), by adding “and” at the end;
(II) in clause (iv), by striking the semicolon at the end and inserting a period; and

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

(ii) in subparagraph (B), by striking “2017” and inserting “2013”;

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

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

“(A) economic and actuarial methods and assumptions consistent with the methods and assumptions used in determining the Postal surplus or supplemental liability under section 8348(h); and

“(B) any other methods and assumptions, including a health care cost trend rate, that the Director of the Office determines to be appropriate.”; and

(D) by adding at the end the following:

“(7) In this subsection, the term ‘Postal Service actuarial liability’ means the difference between—

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

“S 1789 ES
“(B) the net present value as computed under paragraph (1) attributable to the future service of United States Postal Service employees.”; and
(2) by adding at the end the following:
“(e) Subsections (a) through (d) of this section shall be subject to section 104 of the 21st Century Postal Service Act of 2012.”.

SEC. 104. POSTAL SERVICE HEALTH BENEFITS PROGRAM.
(a) DEFINITIONS.—In this section—
(1) the term “covered employee” means an officer or employee of the Postal Service who is—
(A) represented by a bargaining representative recognized under section 1203 of title 39, United States Code; or
(B) a member of the Postal Career Executive Service;
(2) the term “Federal Employee Health Benefits Program” means the health benefits program under chapter 89 of title 5, United States Code;
(3) the term “participants” means—
(A) covered employees; and
(B) officers and employees of the Postal Service who are not covered employees and who elect to participate in the Postal Service Health Benefits Program; and
(4) the term “Postal Service Health Benefits Program” means the health benefits program that may be agreed to under subsection (b)(1).

(b) COLLECTIVE BARGAINING.—

(1) IN GENERAL.—Consistent with section 1005(f) of title 39, United States Code, the Postal Service may negotiate jointly with all bargaining representatives recognized under section 1203 of title 39, United States Code, and enter into a joint collective bargaining agreement with those bargaining representatives to establish the Postal Service Health Benefits Program that satisfies the conditions under subsection (c). The Postal Service and the bargaining representatives shall negotiate in consultation with the Director of the Office of Personnel Management.

(2) CONSULTATION WITH SUPERVISORY AND MANAGERIAL PERSONNEL.—In the course of negotiations under paragraph (1), the Postal Service shall consult with each of the organizations of supervisory and other managerial personnel that are recognized under section 1004 of title 39, United States Code, concerning the views of the personnel represented by each of those organizations.
(3) **Arbitration Limitation.**—Notwithstanding chapter 12 of title 39, United States Code, there shall not be arbitration of any dispute in the negotiations under this subsection.

(4) **Time Limitation.**—The authority under this subsection shall extend until September 30, 2012.

(c) **Postal Service Health Benefits Program.**—The Postal Service Health Benefits Program—

(1) shall—

(A) be available for participation by all covered employees;

(B) be available for participation by any officer or employee of the Postal Service who is not a covered employee, at the option solely of that officer or employee;

(C) provide coverage that is actuarially equivalent to the types of plans available under the Federal Employee Health Benefits Program, as determined by the Director of the Office of Personnel Management;

(D) be administered in a manner determined in a joint agreement reached under subsection (b); and
(E) provide for transition of coverage under the Federal Employee Health Benefits Program of all participants to coverage under the Postal Service Health Benefits Program on January 1, 2013;

(2) may provide dental benefits; and

(3) may provide vision benefits.

(d) AGREEMENT AND IMPLEMENTATION.—If a joint agreement is reached under subsection (b)—

(1) the Postal Service shall implement the Postal Service Health Benefits Program;

(2) the Postal Service Health Benefits Program shall constitute an agreement between the collective bargaining representatives and the Postal Service for purposes of section 1005(f) of title 39, United States Code; and

(3) participants may not participate as employees in the Federal Employees Health Benefits Program.

(e) GOVERNMENT PLAN.—The Postal Service Health Benefits Program shall be a government plan as that term is defined under section 3(32) of Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(32)).

(f) REPORT.—Not later than June 30, 2013, the Postal Service shall submit a report to the Committee on
Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives that—

(1) reports on the implementation of this section; and

(2) requests any additional statutory authority that the Postal Service determines is necessary to carry out the purposes of this section.

(g) Rule of Construction.—Nothing in this section shall be construed as an endorsement by Congress for withdrawing officers and employees of the Postal Service from the Federal Employee Health Benefits Program.

SEC. 105. MEDICARE EDUCATIONAL PROGRAM FOR POSTAL SERVICE EMPLOYEES AND RETIREES.

(a) Educational Program.—The Postmaster General, in consultation with the Director of the Office of Personnel Management and the Administrator of the Centers for Medicare & Medicaid Services, shall develop an educational program for Postal Service employees and annuitants who may be eligible to enroll in the Medicare program for hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.) (commonly known as “Medicare Part A”) and the Medicare program for supplementary medical insurance benefits under part B of title XVIII of the Social Security Act.
(42 U.S.C. 1395j et seq.) (commonly known as “Medicare Part B”), the objective of which shall be to educate employees and annuitants on how Medicare benefits interact with and can supplement the benefits of the employee or annuitant under the Federal Employees Health Benefit Program.

(b) RULE OF CONSTRUCTION.—Nothing in this section may be construed to authorize the Postal Service to require a Postal Service employee or annuitant (as defined in subsection (c)) to enroll in Medicare.

(c) DEFINITION OF POSTAL SERVICE EMPLOYEE OR ANNUITANT.—In this section, the term “Postal Service employee or annuitant” means an individual who is—

(1) an employee of the Postal Service; or

(2) an annuitant covered under chapter 89 of title 5, United States Code, whose Government contribution is paid by the Postal Service under section 8906(g)(2) of such title.

SEC. 106. ARBITRATION; LABOR DISPUTES.

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

(1) in paragraph (2)—

(A) by inserting “(A)” after “(2)”;

(B) by striking the last sentence and inserting “The arbitration board shall render a
decision not later than 45 days after the date of its appointment.”; and

(C) by adding at the end the following:

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

(2) by adding at the end the following:

“(4) Nothing in this section may be construed to limit the relevant factors that the arbitration board may take into consideration in rendering a decision under paragraph (2).”.

SEC. 107. RETIREMENT REPORTING.

(a) TIMELINESS AND PENDING APPLICATIONS.—Not later than 60 days after the date of enactment of this Act, and every month thereafter, the Director of the Office of Personnel Management shall submit to Congress, the Comptroller General of the United States, and issue publicly (including on the website of the Office of Personnel Management) a report that—

(1) evaluates the timeliness, completeness, and accuracy of information submitted by the Postal Service relating to employees of the Postal Service who are retiring, as compared with such information submitted by agencies (as defined under section 551 of title 5, United States Code); and
(2) includes—

(A) the total number of applications for retirement benefits for employees of the Postal Service that are pending action by the Office of Personnel Management; and

(B) the number of months each such application has been pending.

(b) **Electronic Data Timetable.**—

(1) **In general.**—Not later than 60 days after the date of enactment of this Act, the Office of Personnel Management shall submit to Congress and the Comptroller General of the United States a timetable for completion of each component of a retirement systems modernization project of the Office of Personnel Management, including all data elements required for accurate completion of adjudication and the date by which electronic transmission of all personnel data to the Office of Personnel Management by the Postal Service shall commence.

(2) **Timetable considerations.**—In providing a timetable for the commencing of the electronic transmission of all personnel data by the Postal Service under paragraph (1), the Office of Personnel Management shall consider the milestones established by other payroll processors participating
in the retirement systems modernization project of
the Office of Personnel Management.

SEC. 108. EXECUTIVE COMPENSATION.

(a) Limitations on Compensation.—Section 1003
of title 39, United States Code, is amended—

(1) in subsection (a), by striking the last sen-
tence; and

(2) by adding at the end the following:

“(e) Limitations on Compensation.—

“(1) Rates of basic pay.—

“(A) In general.—Subject to subpara-
graph (B), an officer or employee of the Postal
Service may not be paid at a rate of basic pay
that exceeds the rate of basic pay for level II
of the Executive Schedule under section 5313
of title 5.

“(B) Very senior executives.—Not
more than 6 officers or employees of the Postal
Service that are in very senior executive posi-
tions, as determined by the Board of Governors,
may be paid at a rate of basic pay that does not
exceed the rate of basic pay for level I of the
Executive Schedule under section 5312 of title
5.
“(2) BENEFITS.—For any fiscal year, an officer or employee of the Postal Service who is in a critical senior executive or equivalent position, as designated under section 3686(c), may not receive fringe benefits (within the meaning given that term under section 1005(f)) that are greater than the fringe benefits received by supervisory and other managerial personnel who are not subject to collective-bargaining agreements under chapter 12.”.

(b) LIMITATION ON BONUS AUTHORITY.—Section 3686 of title 39, United States Code, is amended—

(1) in subsection (a), by striking “The Postal Service” and inserting “Subject to subsection (f), the Postal Service”; and

(2) by adding at the end the following:

“(f) LIMITATION ON BONUS AUTHORITY.—

“(1) DEFINITION.—In this subsection, the term ‘covered year’ means the fiscal year following a fiscal year relating to which the Office of Management and Budget determines the Postal Service has not implemented the measures needed to achieve long-term solvency, as defined in section 208(e) of the 21st Century Postal Service Act of 2012.

“(2) LIMITATION.—The Postal Service may not provide a bonus or other reward under this section
to an officer or employee of the Postal service in a
critical senior executive or equivalent position, as
designated under subsection (c), during a covered
year.”.

(c) EFFECTIVE DATE; APPLICABILITY.—The amend-
ments made by subsections (a) and (b) shall—
(1) take effect on the date of enactment of this
Act; and
(2) apply to any contract entered or modified
by the Postal Service on or after the date of enact-
ment of this Act.

(d) SUNSET.—Effective 2 years after the date of en-
actment of this Act—
(1) section 1003 of title 39, United States
Code, is amended—
(A) in subsection (a), by adding at the end
the following: “No officer or employee shall be
paid compensation at a rate in excess of the
rate for level I of the Executive Schedule under
section 5312 of title 5.”; and
(B) by striking subsection (e); and
(2) section 3686 of title 39, United States
Code, is amended—
(A) in subsection (a), by striking “Subject to subsection (f), the Postal Service” and inserting “The Postal Service”; and

(B) by striking subsection (f).

TITLE II—POSTAL SERVICES AND OPERATIONS

SEC. 201. MAINTENANCE OF DELIVERY SERVICE STANDARDS.

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

(1) the term “plant service area” means the geographic area served by a single sectional center facility, or a corresponding successor facility, as designated by the Postal Service; and

(2) the term “continental United States” means the 48 contiguous States and the District of Columbia.

(b) INTERIM MAINTENANCE OF STANDARDS.—During the 3-year period beginning on the date of enactment of this Act, the Postal Service—

(1) shall maintain the service standards described in subsection (c); and

(2) may not establish a new or revised service standard for market-dominant products under section 3691 of title 39, United States Code, that is in-
consistent with the requirements under subsection (c); and

(3) shall include in any new or revised overnight service standard established for market-dominant products under section 3691 of title 39, United States Code, a policy on changes to critical entry times at post offices and business mail entry units that ensures that any such changes maintain meaningful access to the services provided under the service standard required to be maintained under subsection (c).

(c) Service Standards.—

(1) Overnight Standard for First-Class Mail and Periodicals.—

(A) In general.—Except as provided in subparagraph (B), the Postal Service shall maintain an overnight service standard that provides overnight service for first-class mail and periodicals that—

(i) originate and destinate in the same plant service area; and

(ii) enter the mails before the critical entry time established and published by the Postal Service.
(B) AREAS OUTSIDE THE CONTINENTAL UNITED STATES.—The requirements of subparagraph (A) shall not apply to areas outside the continental United States—

(i) in the case of mail that originates or destines in a territory or possession of the United States that is part of a plant service area having a sectional center facility that—

(I) is not located in the territory or possession; and

(II) was not located in the territory or possession on January 1, 2012; and

(ii) in the case of mail not described in clause (i), except to the extent that the requirements are consistent with the service standards under part 121 of title 39, Code of Federal Regulations, as in effect on January 1, 2012.

(2) TWO-DAY DELIVERY FOR FIRST-CLASS MAIL.—The Postal Service shall maintain a service standard that provides that first-class mail not delivered overnight will be delivered within 2 delivery days, to the maximum extent feasible using the net-
work of postal facilities maintained to meet the re-
quirements under paragraph (1).

(3) **Maximum delivery time for first-class mail.**—

(A) **In general.**—The Postal Service shall maintain a service standard that provides that first-class mail will be delivered—

(i) within a maximum of 3 delivery days, for mail that originates and desti-

nates within the continental United States; and

(ii) within a maximum period of time consistent with service standards under part 121 of title 39, Code of Federal Regu-
lations, as in effect on January 1, 2012, for mail originating or destinating outside the continental United States.

(B) **Revisions.**—Notwithstanding sub-
paragraph (A)(ii), the Postal Service may revise the service standards under part 121 of title 39, Code of Federal Regulations for mail de-
scribed in subparagraph (A)(ii) to take into ac-
count transportation conditions (including the availability of transportation) or other cir-
cumstances outside the control of the Postal Service.

SEC. 202. PRESERVING MAIL PROCESSING CAPACITY.

(a) CLOSING OR CONSOLIDATING CERTAIN POSTAL FACILITIES.—Section 404 of title 39, United States Code, is amended by adding after subsection (e) the following:

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

“(1) POSTAL FACILITY.—In this subsection, the term ‘postal facility’—

“(A) means any Postal Service facility that is primarily involved in the preparation, dispatch, or other physical processing of mail; and

“(B) does not include—

“(i) any post office, station, or branch; or

“(ii) any facility used only for administrative functions.

“(2) AREA MAIL PROCESSING STUDY.—

“(A) NEW AREA MAIL PROCESSING STUDIES.—After the date of enactment of this subsection, before making a determination under subsection (a)(3) as to the necessity for the closing or consolidation of any postal facility, the Postal Service shall—
“(i) conduct an area mail processing study relating to that postal facility that includes—

“(I) a plan to reduce the capacity of the postal facility, but not close the postal facility; and

“(II) consideration of the effect of the closure or consolidation of the postal facility on the ability of individuals served by the postal facility to vote by mail and the ability of the Postal Service to timely deliver ballots by mail in accordance with the deadline to return ballots established under applicable State law;

“(ii) publish the study on the Postal Service website; and

“(iii) publish a notice that the study is complete and available to the public, including on the Postal Service website.

“(B) COMPLETED OR ONGOING AREA MAIL PROCESSING STUDIES.—

“(i) IN GENERAL.—In the case of a postal facility described in clause (ii), the Postal Service shall—
“(I) consider a plan to reduce the capacity of the postal facility without closing the postal facility;

“(II) consider the effect of the closure or consolidation of the postal facility on the ability of individuals served by the postal facility to vote by mail and the ability of the Postal Service to timely deliver ballots by mail in accordance with the deadline to return ballots established under applicable State law; and

“(III) publish the results of the consideration under subclause (I) with or as an amendment to the area mail processing study relating to the postal facility.

“(ii) Postal Facilities.—A postal facility described in this clause is a postal facility for which, on or before the date of enactment of this subsection—

“(I) an area mail processing study that does not include a plan to reduce the capacity of the postal facility without closing the postal facility
or consideration of the effect of the closure or consolidation of the postal facility on the ability of individuals served by the postal facility to vote by mail and the ability of the Postal Service to timely deliver ballots by mail in accordance with the deadline to return ballots established under applicable State law has been completed;

“(II) an area mail processing study is in progress; or

“(III) a determination as to the necessity for the closing or consolidation of the postal facility has not been made.

“(3) NOTICE, PUBLIC COMMENT, AND PUBLIC HEARING.—If the Postal Service makes a determination under subsection (a)(3) to close or consolidate a postal facility, the Postal Service shall—

“(A) provide notice of the determination to—

“(i) Congress;

“(ii) the Postal Regulatory Commission; and
“(iii) the chief executive of each State whose residents are served by the postal facility, to allow the chief executive to appoint a citizen’s service protection advocate under section 417;

“(B) provide adequate public notice of the intention of the Postal Service to close or consolidate the postal facility;

“(C) ensure that interested persons have an opportunity to submit public comments during a 45-day period after the notice of intention is provided under subparagraph (B);

“(D) before the 45-day period described in subparagraph (C), provide for public notice of that opportunity by—

“(i) publication on the Postal Service website;

“(ii) posting at the affected postal facility; and

“(iii) advertising the date and location of the public community meeting under subparagraph (E); and

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

“(4) FURTHER CONSIDERATIONS.—Not earlier than 30 days after the end of the 45-day period for public comment under paragraph (3), the Postal Service, in making a determination to close or consolidate a postal facility, shall consider—

“(A) the views presented by interested persons under paragraph (3);

“(B) the effect of the closing or consolidation on the affected community, including any disproportionate impact the closing or consolidation may have on a State, region, or locality;

“(C) the effect of the closing or consolidation on the travel times and distances for affected customers to access services under the proposed closing or consolidation;

“(D) the effect of the closing or consolidation on delivery times for all classes of mail;

“(E) any characteristics of certain geographical areas, such as remoteness, broadband internet availability, and weather-related obstacles to using alternative facilities, that may result in the closing or consolidation having a unique effect;
“(F) the effect of the closing or consolidation on small businesses in the area, including shipping and communications with customers and suppliers and the corresponding impact on revenues, operations, and growth; and

“(G) any other factor the Postal Service determines is necessary.

“(5) JUSTIFICATION STATEMENT.—Before the date on which the Postal Service closes or consolidates a postal facility, the Postal Service shall post on the Postal Service website a closing or consolidation justification statement that includes—

“(A) a response to all public comments received with respect to the considerations described under paragraph (4);

“(B) a description of the considerations made by the Postal Service under paragraph (4); and

“(C) the actions that will be taken by the Postal Service to mitigate any negative effects identified under paragraph (4).

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

“(A) IN GENERAL.—Not earlier than the 15 days after posting the final determination
and the justification statement under paragraph (5) with respect to a postal facility, the Postal Service may close or consolidate the postal facility.

“(B) ALTERNATIVE INTAKE OF MAIL.—If the Postal Service closes or consolidates a postal facility under subparagraph (A), the Postal Service shall make reasonable efforts to ensure continued mail receipt from customers of the closed or consolidated postal facility at the same location or at another appropriate location in close geographic proximity to the closed or consolidated postal facility.

“(C) LIMITATIONS.—

“(i) IN GENERAL.—Except as provided in clause (ii), during the 3-year period beginning on the date of enactment of the 21st Century Postal Service Act of 2012, the Postal Service may not close or consolidate a postal facility if—

“(I) the closing or consolidation prevents the Postal Service from maintaining service standards as required under section 201 of the 21st
Century Postal Service Act of 2012;

or

“(II) the Postal Service—

“(aa) did not close or consol- 
solidate the postal facility before 
May 15, 2012; and

“(bb) conducted an area mail processing study with re- 
spect to the postal facility after 
January 1, 2006 that—

“(AA) was terminated;

or

“(BB) concluded that no significant cost savings or efficiencies would result from closing or consolidating the postal facility.

“(ii) EXCEPTION.—Clause (i) shall not apply with respect to a postal facility described in clause (i)(II) for which—

“(I) an audit under clause (iii) concludes that the mail volume and operations of the facility have changed since the date of termination or com- pletion of an area mail processing
study described in clause (i)(II)(bb) to such an extent that the study is no longer valid; and

“(II) an area mail processing study completed under this subsection concludes that the closing or consolidation or the postal facility is justified, taking into consideration the savings to the Postal Service and the impact of the closing or consolidation on postal customers.

“(iii) Audit by Inspector General.—

“(I) In general.—Upon the written request of the Postmaster General, the Inspector General shall conduct an audit of the mail volume and operations of a postal facility.

“(II) Completion.—Not later than 90 days after the date on which the Inspector General receives a request under subclause (I), the Inspector General shall submit to the Postmaster General and the Postal Regulatory Commission a report containing
the conclusions of the audit under subclause (I).

“(7) REVIEW BY POSTAL REGULATORY COMMISSION.—In accordance with section 3662—

“(A) an interested person may lodge a complaint with the Postal Regulatory Commission if the person believes that the closure or consolidation of a postal facility is not in conformance with applicable service standards, including the service standards established under section 201 of the 21st Century Postal Service Act of 2012, or with the requirements of section 417 of this title;

“(B) if a complaint described in subparagraph (A) is lodged relating to the closure or consolidation of a postal facility, upon request by the person lodging the complaint, the Postal Regulatory Commission shall determine whether—

“(i) the area mail processing study relating to the postal facility used an appropriate methodology; and

“(ii) the cost savings identified in the area mail processing study relating to the postal facility are accurate;
“(C) the Postal Regulatory Commission may direct the Postal Service to conduct another area mail processing study or direct the Postal Service to take action as described under subparagraph (D) if the Postal Regulatory Commission determines that—

“(i) the area mail processing study relating to the postal facility used an inappropriate methodology; or

“(ii) the cost savings identified in the area mail processing study relating to the postal facility are inaccurate; and

“(D) if the Postal Regulatory Commission finds a complaint lodged by an interested person to be justified, the Commission shall order the Postal Service to take appropriate action to achieve compliance with applicable service standards, including the service standards established under section 201 of the 21st Century Postal Service Act of 2012, or with the requirements of section 417 of this title, or to remedy the effects of any noncompliance.

“(8) POSTAL SERVICE WEBSITE.—For purposes of any notice required to be published on the Postal Service website under this subsection, the Postal
Service shall ensure that the Postal Service website—

“(A) is updated routinely; and

“(B) provides any person, at the option of the person, the opportunity to receive relevant updates by electronic mail.

“(9) PROTECTION OF CERTAIN INFORMATION.—Nothing in this subsection may be construed to require the Postal Service to disclose—

“(A) any proprietary data, including any reference or citation to proprietary data; or

“(B) any information relating to the security of a postal facility.”.

(b) COMPLAINTS RELATING TO CLOSING OR CONSOLIDATION OF POSTAL FACILITIES.—Section 3662 of title 39, United States Code, is amended—

(1) in subsection (b), by adding at the end the following:

“(3) SUSPENSION OF EFFECTIVENESS OF DETERMINATION TO CLOSE OR CONSOLIDATE POSTAL FACILITIES.—The Postal Regulatory Commission shall suspend the effectiveness of a determination by the Postal Service to close or consolidate a postal facility until the disposition of any complaint chal-
lenging the closing or consolidation on the basis that
the closing or consolidation is—

“(A) not in conformance with service
standards issued under section 3691, including
the service standards required to be maintained
under section 201 of the 21st Century Postal
Service Act of 2012; or

“(B) unsupported by evidence on the
record that substantial economic savings are
likely to be achieved as a result of the closing
or consolidation.”; and

(2) in subsection (c), by inserting “ordering the
Postal Service to keep a postal facility open,” after
“loss-making products,”.

SEC. 203. ESTABLISHMENT OF RETAIL SERVICE STAND-
ARDS.

(a) DEFINITION.—In this section, the term “retail
postal service” means service that allows a postal cus-
tomer to—

(1) purchase postage;

(2) enter packages into the mail; and

(3) procure other services offered by the Postal
Service.

(b) ESTABLISHMENT OF RETAIL SERVICE STAND-
ARDS.—Not later than 6 months after the date of enact-
ment of this Act, the Postal Service shall exercise its au-

thority under section 3691 of title 39, United States Code,
to establish service standards for market-dominant prod-
ucts in order to guarantee customers of the Postal Service
regular and effective access to retail postal services nation-
wide (including in territories and possessions of the United
States) on a reasonable basis.

(c) CONTENTS.—The service standards established
under subsection (b) shall—

(1) be consistent with—

(A) the obligations of the Postal Service
under section 101(b) of title 39, United States
Code; and

(B) the contents of the plan developed
under section 302 of the Postal Accountability
note), and any updated or revised plan devel-
oped under section 204 of this Act; and

(2) take into account factors including—

(A) geography, including the establishment
of standards for the proximity of retail postal
services to postal customers, including a consid-
eration of the reasonable maximum time a post-
al customer should expect to travel to access a
postal retail location;
(B) the importance of facilitating communications for communities with limited or no access to Internet, broadband, or cellular telephone services;

(C) population, including population density, demographic factors such as the age, disability status, and degree of poverty of individuals in the area to be served by a location providing postal retail services, and other factors that may impact the ability of postal customers, including businesses, to travel to a postal retail location;

(D) the feasibility of offering retail access to postal services in addition to post offices, as described in section 302(d) of the Postal Accountability and Enhancement Act of 2006 (39 U.S.C. 3691 note);

(E) the requirement that the Postal Service serve remote areas and communities with transportation challenges, including communities in which the effects of inclement weather or other natural conditions might obstruct or otherwise impede access to retail postal services; and
(F) the ability of postal customers to access retail postal services in areas that were served by a post office that was closed or consolidated during the 1 year period ending on the date of enactment of this Act.

SEC. 204. EXPANDED RETAIL ACCESS.

(a) Updated Plan.—Not later than 1 year after the date of enactment of this Act, the Postal Service shall, in consultation with the Commission, develop and submit to Congress a revised and updated version of the plan to expand and market retail access to postal services required under section 302(d) of the Postal Accountability and Enhancement Act of 2006 (39 U.S.C. 3691 note).

(b) Contents.—The plan required under subsection (a) shall—

(1) include a consideration of methods to expand and market retail access to postal services described in paragraphs (1) through (8) of section 302(d) of the Postal Accountability and Enhancement Act of 2006 (39 U.S.C. 3691 note);

(2) where possible, provide for an improvement in customer access to postal services;

(3) consider the impact of any decisions by the Postal Service relating to the implementation of the
plan on rural areas, communities, and small towns;

and

(4) ensure that—

(A) rural areas, communities, and small
towns continue to receive regular and effective
access to retail postal services after implemen-
tation of the plan; and

(B) the Postal Service solicits community
input in accordance with applicable provisions
of Federal law.

(c) FURTHER UPDATES.—The Postal Service, in con-
sultation with the Commission, shall—

(1) update the plan required under subsection
(a) as the Postal Service determines is appropriate;
and

(2) submit each update under paragraph (1) to
Congress.

SEC. 205. PRESERVING COMMUNITY POST OFFICES.

(a) CLOSING POST OFFICES.—Section 404(d) of title
39, United States Code, is amended to read as follows:

“(d)(1) The Postal Service, prior to making a deter-
mination under subsection (a)(3) of this section as to the
necessity for the closing or consolidation of any post office
and, with respect to a determination to close a post office
in a rural area, as defined by the Census Bureau, prior
to making the determinations required by paragraph (4), shall—

“(A) consider whether—

“(i) to close the post office or consolidate the post office and another post office located within a reasonable distance;

“(ii) instead of closing or consolidating the post office—

“(I) to reduce the number of hours a day that the post office operates; or

“(II) to continue operating the post office for the same number of hours a day;

“(iii) to procure a contract providing full, or less than full, retail services in the community served by the post office; or

“(iv) to provide postal services to the community served by the post office—

“(I) through a rural carrier; or

“(II) by co-locating an employee of the Postal Service at a commercial or government entity;

“(B) provide postal customers served by the post office an opportunity to participate in a non-binding survey conducted by mail on a preference for an option described in subparagraph (A); and
“(C) if the Postal Service determines to close or consolidate the post office, provide adequate notice of its intention to close or consolidate such post office at least 60 days prior to the proposed date of such closing or consolidation to—

“(i) persons served by such post office to ensure that such persons will have an opportunity to present their views; and

“(ii) the chief executive of each State whose residents are served by such post office to allow the chief executive to appoint a citizen’s service protection advocate under section 417.

“(2) The Postal Service, in making a determination whether or not to close or consolidate a post office—

“(A) shall consider—

“(i) the effect of such closing or consolidation on the community served by such post office;

“(ii) the effect of the closing or consolidation on small businesses in the area, including shipping and communications with customers and suppliers and the corresponding impact on revenues, operations, and growth; and
“(iii) the effect of such closing or consolidation on employees of the Postal Service employed at such office;

“(iv) whether such closing or consolidation is consistent with—

“(I) the policy of the Government, as stated in section 101(b) of this title, that the Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining; and

“(II) the retail service standards established under section 203 of the 21st Century Postal Service Act of 2012;

“(v) the extent to which the community served by the post office lacks access to Internet, broadband and cellular phone service;

“(vi) whether substantial economic savings to the Postal Service would result from such closing or consolidation; and

“(vii) such other factors as the Postal Service determines are necessary; and
“(B) may not consider compliance with any provision of the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.).

“(3) Any determination of the Postal Service to close or consolidate a post office shall be in writing and shall include the findings of the Postal Service with respect to the considerations required to be made under paragraph (2) of this subsection and, with respect to a determination to close a post office located in a rural area, as defined by the Census Bureau, a summary of the determinations required under paragraph (4). Such determination and findings shall be made available to persons served by such post office.

“(4) The Postal Service may not make a determination under subsection (a)(3) to close a post office located in a rural area, as defined by the Census Bureau, unless the Postal Service—

“(A)(i) determines that postal customers served by the post office would continue after the closing to receive substantially similar access to essential items, such as prescription medications and time-sensitive communications, that are sent through the mail; or
“(ii) takes action to substantially ameliorate any projected reduction in access to essential items described in clause (i); and

“(B) determines that—

“(i) businesses located in the community served by the post office would not suffer substantial financial loss as a result of the closing;

“(ii) any economic loss to the community served by the post office as a result of the closing does not exceed the cost to the Postal Service of not closing the post office;

“(iii) the area served by the post office has adequate access to wired broadband Internet service, as identified on the National Broadband Map of the National Telecommunications and Information Administration; and

“(iv) there is a road connecting the community to another post office that is not more than 10 miles from the post office proposed to be closed (as measured on roads with year-round access).

“(5)(A) The Postal Service shall take no action to close or consolidate a post office until 60 days after its written determination is made available to persons served by such post office.
“(B) The Postal Service shall take no action to close or consolidate a post office until 60 days after the Postal Service provides written notice of the determination under paragraph (3) to—

“(i) the State board of elections for the State in which the post office is located; and

“(ii) each local board of elections (or equivalent local entity) having jurisdiction of an area served by the post office.

“(6) A determination of the Postal Service to close or consolidate any post office, station, or branch may be appealed by any person served by such office, station, or branch to the Postal Regulatory Commission within 30 days after such determination is made available to such person. The Commission shall review such determination on the basis of the record before the Postal Service in the making of such determination. The Commission shall make a determination based upon such review no later than 120 days after receiving any appeal under this paragraph. The Commission shall set aside any determination, findings, and conclusions found to be—

“(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law;

“(B) without observance of procedure required by law;
“(C) inconsistent with the delivery service standards required to be maintained under section 201 of the 21st Century Postal Service Act of 2012 or not in conformance with the retail service standards established under section 203 of the 21st Century Postal Service Act of 2012; or

“(D) unsupported by substantial evidence on the record, including that substantial economic savings are likely to be achieved as a result of the closing or consolidation.

The Commission may affirm or reverse the determination of the Postal Service or order that the entire matter be returned for further consideration, but the Commission may not modify the determination of the Postal Service.

The determination of the Postal Service shall be suspended until the final disposition of the appeal. The provisions of section 556, section 557, and chapter 7 of title 5 shall not apply to any review carried out by the Commission under this paragraph.

“(7) For purposes of paragraph (6), any appeal received by the Commission shall—

“(A) if sent to the Commission through the mails, be considered to have been received on the date of the Postal Service postmark on the envelope or other cover in which such appeal is mailed; or
“(B) if otherwise lawfully delivered to the Commission, be considered to have been received on the date determined based on any appropriate documentation or other indicia (as determined under regulations of the Commission).

“(8) Nothing in this subsection shall be construed to limit the right under section 3662—

“(A) of an interested person to lodge a complaint with the Postal Regulatory Commission under section 3662 concerning nonconformance with service standards, including the retail service standards established under section 203 of the 21st Century Postal Service Act of 2012; or

“(B) of the Postal Regulatory Commission, if the Commission finds a complaint lodged by an interested person to be justified, to order the Postal Service to take appropriate action to achieve compliance with applicable requirements, including the retail service standards established under section 203 of the 21st Century Postal Service Act of 2012, or to remedy the effects of any nonecompliance.”.

(b) PROHIBITION ON CLOSING POST OFFICES.—

(1) Moratorium pending establishment of service standards.—Notwithstanding section 404(d) of title 39, United States Code, as amended
by this section, during the period beginning on the
date of enactment of this Act and ending on the
date on which the Postal Service establishes the
service standards under section 203 of this Act, the
Postal Service may not close a post office, except as
required for the immediate protection of health and
safety.

(2) Moratorium on closing rural post offices.—

(A) In general.—Notwithstanding para-
graph (1) of this subsection or section 404(d)
of title 39, United States Code, during the 12-
month period beginning on the date of enact-
ment of this Act, the Postal Service may not
close a post office located in a rural area, as de-
defined by the Census Bureau, except as required
for the immediate protection of health and safe-
ty, or unless there is no significant community
opposition to such closure.

(B) Rule of construction.—Nothing in
this paragraph shall be construed to limit the
authority of the Postal Service to implement,
consistent with the procedures under section
404(d)(1)(B) of title 39, United States Code, as
amended by this Act, cost-saving measures with
respect to the post offices described in subparagraph (A), including, as appropriate, the measures required to be considered under clauses (ii), (iii), and (iv) of section 404(d)(1)(A) of title 39, United States Code, as amended by this Act.

(c) Moratorium To Protect the Ability of Voters To Vote Absentee or by Mail.—Notwithstanding subsection (b) of this subsection or subsection (d) or (f) of section 404 of title 39, United States Code, as amended by this Act, during the period beginning on the date of enactment of this Act and ending on November 13, 2012, the Postal Service may not close or consolidate a post office or postal facility located in a State that conducts all elections by mail or permits no-excuse absentee voting, except as required for the immediate protection of health and safety.

(d) Historic Post Offices.—Section 404(d) of title 39, United States Code, as amended by this section, is amended by adding at the end the following:

“(9)(A) In this paragraph, the term ‘historic post office building’ means a post office building that is a certified historic structure, as that term is defined in section 47(c)(3) of the Internal Revenue Code of 1986.
“(B) In the case of a post office that has been closed and that is located within a historic post office building, the Postal Service shall provide Federal agencies and State and local government entities the opportunity to lease the historic post office building, if—

“(i) the Postal Service is unable to sell the building at an acceptable price within a reasonable period of time after the post office has been closed; and

“(ii) the Federal agency or State or local government entity that leases the building agrees to—

“(I) restore the historic post office building at no cost to the Postal Service;

“(II) assume responsibility for the maintenance of the historic post office building; and

“(III) make the historic post office building available for public use.”.

SEC. 206. AREA AND DISTRICT OFFICE STRUCTURE.

(a) Plan Required.—Not later than 1 year after the date of enactment of this Act, the Postal Service shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Governmental Reform of the House of Representatives—
(1) a comprehensive strategic plan to govern decisions relating to area and district office structure that considers efficiency, costs, redundancies, mail volume, technological advancements, operational considerations, and other issues that may be relevant to establishing an effective area and district office structure; and

(2) a 10-year plan, including a timetable, that provides for consolidation of area and district offices within the continental United States (as defined in section 201(a)) wherever the Postal Service determines a consolidation would—

(A) be cost effective; and

(B) not substantially and adversely affect the operations of the Postal Service.

(b) CONSOLIDATION.—Beginning not later than 1 year after the date of enactment of this Act, the Postal Service shall, consistent with the plans required under and the criteria described in subsection (a)—

(1) consolidate district offices that are located within 50 miles of each other;

(2) consolidate area and district offices that have less than the mean mail volume and number of work hours for all area and district offices; and

(3) relocate area offices to headquarters.
(c) **Updates.**—The Postal Service shall update the plans required under subsection (a) not less frequently than once every 5 years.

(d) **State Liaison.**—If the Postal Service does not maintain a district office in a State, the Postal Service shall designate at least 1 employee of the district office responsible for Postal Service operations in the State to represent the needs of Postal Service customers in the State. An employee designated under this subsection to represent the needs of Postal Service customers in a State shall be located in that State.

**SEC. 207. LIMITATIONS ON CHANGES TO MAIL DELIVERY SCHEDULE.**

(a) **Limitation on Change in Schedule.**—Notwithstanding any other provision of law—

(1) the Postal Service may not establish a general, nationwide delivery schedule of 5 or fewer days per week to street addresses under the authority of the Postal Service under title 39, United States Code, earlier than the date that is 24 months after the date of enactment of this Act; and

(2) on or after the date that is 24 months after the date of enactment of this Act, the Postal Service may establish a general, nationwide 5-day-per-week delivery schedule to street addresses under the au-
authority of the Postal Service under section 3691 of title 39, United States Code, only in accordance with the requirements and limitations under this section.

(b) PRECONDITIONS.—If the Postal Service intends to establish a change in delivery schedule under subsection (a)(2), the Postal Service shall—

(1) identify customers, communities, and small businesses for whom the change may have a disproportionate, negative impact, including the customers identified as "particularly affected" in the Advisory Opinion on Elimination of Saturday Delivery issued by the Commission on March 24, 2011;

(2) develop, to the maximum extent possible, measures to ameliorate any disproportionate, negative impact the change would have on customers and communities identified under paragraph (1), including, where appropriate, providing or expanding access to mailboxes for periodical mailers on days on which the Postal Service does not provide delivery;

(3) implement measures to increase revenue and reduce costs, including the measures authorized under the amendments made by sections 101, 102, 103, 207, and 211 of this Act;

(4) evaluate whether any increase in revenue or reduction in costs resulting from the measures im-
plemented under paragraph (3) are sufficient to allow the Postal Service, without implementing a change in delivery schedule under subsection (a), to achieve long-term solvency; and

(5) not earlier than 15 months after the date of enactment of this Act and not later than 9 months before the effective date proposed by the Postal Service for the change, submit a report on the steps the Postal Service has taken to carry out this subsection to—

(A) the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives;

(B) the Comptroller General of the United States; and

(C) the Commission.

(c) REVIEW.—

(1) GOVERNMENT ACCOUNTABILITY OFFICE.—
Not later than 3 months after the date on which the Postal Service submits a report under subsection (b)(5), the Comptroller General shall submit to the Commission and to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Re-
form of the House of Representatives a report that
contains findings relating to each of the following:

   (A) Whether the Postal Service has ade-
   quately complied with subsection (b)(3), taking
   into consideration the statutory authority of
   and limitations on the Postal Service.

   (B) The accuracy of any statement by the
   Postal Service that the measures implemented
   under subsection (b)(3) have increased revenues
   or reduced costs, and the accuracy of any pro-
   jection by the Postal Service relating to in-
   creased revenue or reduced costs resulting from
   the measures implemented under subsection
   (b)(3).

   (C) The adequacy and methodological
   soundness of any evaluation conducted by the
   Postal Service under subsection (b)(4) that led
   the Postal Service to assert the necessity of a
   change in delivery schedule under subsection
   (a)(2).

   (D) Whether, based on an analysis of the
   measures implemented by the Postal Service to
   increase revenues and reduce costs, projections
   of increased revenue and cost savings, and the
details of the profitability plan required under
section 401, a change in delivery schedule is necessary to allow the Postal Service to achieve long-term solvency.

(2) Postal Regulatory Commission.—

(A) Request.—Not later than 6 months before the proposed effective date of a change in delivery schedule under subsection (a), the Postal Service shall submit to the Commission a request for an advisory opinion relating to the change.

(B) Advisory Opinion.—

(i) In General.—The Commission shall—

(I) issue an advisory opinion with respect to a request under subparagraph (A), in accordance with the time limits for the issuance of advisory opinions under section 3661(b)(2) of title 39, United States Code, as amended by this Act; and

(II) submit the advisory opinion to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Over-
sight and Government Reform of the
House of Representatives.

(ii) REQUIRED DETERMINATIONS.—

An advisory opinion under clause (i) shall
determine—

(I) whether the measures devel-
oped under subsection (b)(2) amelio-
rate any disproportionate, negative
impact that a change in schedule may
have on customers, communities, and
small businesses identified under sub-
section (b)(1); and

(II) based on the report sub-
mitted by the Comptroller General
under paragraph (1)—

(aa) whether the Postal
Service has implemented meas-
ures to increase revenue and re-
duce costs as required under sub-
section (b)(3);

(bb) whether the implemen-
tation of the measures described
in item (aa) has increased reve-
ues or reduced costs, or is pro-
jected to further increase reve-
nues or reduce costs in the fu-

ture; and

(ce) whether a change in
schedule under subsection (a)(2)
is necessary to allow the Postal
Service to achieve long-term sol-
veney.

(3) Prohibition on implementation of
change in schedule.—The Postal Service may
not implement a change in delivery schedule under
subsection (a)(2)—

(A) before the date on which the Com-
troller General submits the report required
under paragraph (1); and

(B) unless the Commission determines
under paragraph (2)(B)(ii)(II)(ce) that the
Comptroller General has concluded that the
change is necessary to allow the Postal Service
to become profitable by fiscal year 2015 and to
achieve long-term solvency, without regard to
whether the Commission determines that the
change is advisable.

(d) Additional limitations.—

(1) Rules of construction.—Nothing in
this subsection shall be construed to—
(A) authorize the reduction, or require an increase, in delivery frequency for any route for which the Postal Service provided delivery on fewer than 6 days per week on the date of enactment of this Act;

(B) authorize any change in—

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

(ii) the locations at which postal retail service or mail acceptance occurs at postal retail facilities or processing facilities;

(C) authorize any change in the frequency of delivery to a post office box;

(D) prohibit the collection or delivery of a competitive mail product on a weekend, a recognized Federal holiday, or any other specific day of the week; or

(E) prohibit the Postal Service from exercising its authority to make changes to processing or retail networks.

(2) Prohibition on consecutive days without mail delivery.—The Postal Service shall ensure that, under any change in schedule under sub-
section (a)(2), at no time shall there be more than 2 consecutive days without mail delivery to street addresses, including recognized Federal holidays.

(e) DEFINITION.—In this section, the term “long-term solvency” means the ability of the Postal Service to pay debts and meet expenses, including the ability to perform maintenance and repairs, make investments, and maintain financial reserves, as necessary to fulfill the requirements and comply with the policies of title 39, United States Code, and other obligations of the Postal Service over the long term.

SEC. 208. TIME LIMITS FOR CONSIDERATION OF SERVICE CHANGES.

Section 3661 of title 39, United States Code, is amended by striking subsections (b) and (c) and inserting the following:

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

“(1) SUBMISSION OF PROPOSAL.—If the Postal Service determines that there should be a change in the nature of postal services relating to market-dominant products that will generally affect service on a nationwide or substantially nationwide basis, the Postal Service shall submit a proposal to the Postal
Regulatory Commission requesting an advisory opinion on the change.

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

“(A) provide an opportunity for public comment on the proposal; and

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

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

“(ii) a date that the Postal Regulatory Commission and the Postal Service may, not later than 1 week after the date on which the Postal Regulatory Commission receives the proposal, determine jointly.

“(3) RESPONSE TO OPINION.—The Postal Service shall submit to the President and to Congress a response to an advisory opinion issued under paragraph (2) that includes—

“(A) a statement of whether the Postal Service plans to modify the proposal to address
any concerns or implement any recommendations made by the Commission; and

“(B) for any concern that the Postal Service determines not to address and any recommendation that the Postal Service determines not to implement, the reasons for the determination.

“(4) ACTION ON PROPOSAL.—The Postal Service may take action regarding a proposal submitted under paragraph (1)—

“(A) on or after the date that is 30 days after the date on which the Postal Service submits the response required under paragraph (3);

“(B) on or after a date that the Postal Regulatory Commission and the Postal Service may, not later than 1 week after the date on which the Postal Regulatory Commission receives a proposal under paragraph (2), determine jointly; or

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

“(i) the Postal Regulatory Commission fails to issue an advisory opinion on
or before the date described in paragraph (2)(B); and

“(ii) the action is not otherwise prohibited under Federal law.

“(5) MODIFICATION OF TIMELINE.—At any time, the Postal Service and the Postal Regulatory Commission may jointly redetermine a date determined under paragraph (2)(B)(ii) or (4)(B).”.

SEC. 209. PUBLIC PROCEDURES FOR SIGNIFICANT CHANGES TO MAILING SPECIFICATIONS.

(a) NOTICE AND OPPORTUNITY FOR COMMENT REQUIRED.—Effective on the date on which the Postal Service issues a final rule under subsection (c), before making a change to mailing specifications that could pose a significant burden to the customers of the Postal Service and that is not reviewed by the Commission, the Postal Service shall—

(1) publish a notice of the proposed change to the specification in the Federal Register;

(2) provide an opportunity for the submission of written comments concerning the proposed change for a period of not less than 30 days;

(3) after considering any comments submitted under paragraph (2) and making any modifications
to the proposed change that the Postal Service determines are necessary, publish—

(A) the final change to the specification in the Federal Register;

(B) responses to any comments submitted under paragraph (2); and

(C) an analysis of the financial impact that the proposed change would have on—

(i) the Postal Service; and

(ii) the customers of the Postal Service that would be affected by the proposed change; and

(4) establish an effective date for the change to mailing specifications that is not earlier than 30 days after the date on which the Postal Service publishes the final change under paragraph (3).

(b) EXCEPTION FOR GOOD CAUSE.—If the Postal Service determines that there is an urgent and compelling need for a change to a mailing specification described in subsection (a) in order to avoid demonstrable harm to the operations of the Postal Service or to the public interest, the Postal Service may—

(1) change the mailing specifications by—

(A) issuing an interim final rule that—
(i) includes a finding by the Postal Service that there is good cause for the interim final rule;

(ii) provides an opportunity for the submission of written comments on the interim final rule for a period of not less than 30 days; and

(iii) establishes an effective date for the interim final rule that is not earlier than 30 days after the date on which the interim final rule is issued; and

(B) publishing in the Federal Register a response to any comments submitted under subparagraph (A)(ii); and

(2) waive the requirement under paragraph (1)(A)(iii) or subsection (a)(4).

(c) RULES RELATING TO NOTICE AND COMMENT.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Postal Service shall issue rules governing the provision of notice and opportunity for comment for changes in mailing specifications under subsection (a).

(2) RULES.—In issuing the rules required under paragraph (1), the Postal Service shall—
(A) publish a notice of proposed rule-making in the Federal Register that includes proposed definitions of the terms “mailing specifications” and “significant burden”; 

(B) provide an opportunity for the submission of written comments concerning the proposed change for a period of not less than 30 days; and 

(C) publish—

(i) the rule in final form in the Federal Register; and 

(ii) responses to the comments submitted under subparagraph (B). 

SEC. 210. NONPOSTAL PRODUCTS AND SERVICES.

(a) IN GENERAL.—Section 404 of title 39, United States Code, is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (6) through (8) as paragraphs (7) through (9), respectively; and 

(B) by inserting after paragraph (5) the following:

“(6) after the date of enactment of the 21st Century Postal Service Act of 2012, and except as provided in subsection (e), to provide other services
that are not postal services, after the Postal Regulatory Commission—

“(A) makes a determination that the provision of such services—

“(i) uses the processing, transportation, delivery, retail network, or technology of the Postal Service;

“(ii) is consistent with the public interest and a demonstrated or potential public demand for—

“(I) the Postal Service to provide the services instead of another entity providing the services; or

“(II) the Postal Service to provide the services in addition to another entity providing the services;

“(iii) would not create unfair competition with the private sector, taking into consideration the extent to which the Postal Service will not, either by legal obligation or voluntarily, comply with any State or local requirements that are generally applicable to persons that provide the services;
“(iv) will be undertaken in accordance with all Federal laws generally applicable to the provision of such services; and

“(v) has the potential to improve the net financial position of the Postal Service, based on a market analysis provided to the Postal Regulatory Commission by the Postal Service; and

“(B) for services that the Postal Regulatory Commission determines meet the criteria under subparagraph (A), classifies each such service as a market-dominant product, competitive product, or experimental product, as required under chapter 36 of title 39, United States Code;”; and

(2) in subsection (e)(2), by striking “Nothing” and all that follows through “except that the” and inserting “The”.

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

(c) MARKET ANALYSIS.—During the 5-year period beginning on the date of enactment of this Act, the Postal Service shall submit a copy of any market analysis provided to the Commission under section 404(a)(6)(A)(v) of
title 39, United States Code, as amended by this section, to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives.

SEC. 211. CHIEF INNOVATION OFFICER; INNOVATION STRATEGY.

(a) Chief Innovation Officer.—

(1) In general.—Chapter 2 of title 39, United States Code, is amended by adding at the end the following:

"§ 209. Chief innovation officer

"(a) Establishment.—There shall be in the Postal Service a Chief Innovation Officer appointed by the Postmaster General.

"(b) Qualifications.—The Chief Innovation Officer shall have proven expertise and a record of accomplishment in areas such as—

"(1) the postal and shipping industry;

"(2) innovative product research and development;

"(3) brand marketing strategy;

"(4) new and emerging technology, including communications technology; or

"(5) business process management."
“(c) DUTIES.—The Chief Innovation Officer shall lead the development and implementation of—

“(1) innovative postal products and services, particularly products and services that use new and emerging technology, including communications technology, to improve the net financial position of the Postal Service; and

“(2) nonpostal products and services authorized under section 404(a)(6) that have the potential to improve the net financial position of the Postal Service.

“(d) DEADLINE.—The Postmaster General shall appoint a Chief Innovation Officer not later than 90 days after the date of enactment of the 21st Century Postal Service Act of 2012.

“(e) CONDITION.—

“(1) IN GENERAL.—The Chief Innovation Officer may not hold any other office or position in the Postal Service while serving as Chief Innovation Officer.

“(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit an individual who holds another office or position in the Postal Service at the time the individual is appointed
Chief Innovation Officer from serving as the Chief Innovation Officer under this section.”.

(2) Technical and Conforming Amendment.—The table of sections for chapter 2 of title 39, United States Code, is amended by adding at the end the following:

“209. Chief innovation officer.”.

(b) Innovation Strategy.—

(1) Initial Report on Innovation Strategy.—

(A) In General.—Not later than 1 year after the date of enactment of this Act, the Postmaster General, acting through the Chief Innovation Officer, shall submit a report that contains a comprehensive strategy (referred to in this subsection as the “innovation strategy”) for improving the net financial position of the Postal Service through innovation, including the offering of new postal and nonpostal products and services, to—

(i) the Committee on Homeland Security and Governmental Affairs of the Senate; and

(ii) the Committee on Oversight and Government Reform of the House of Representa-
tives.
(B) **Matters to be addressed.**—At a minimum, the report on innovation strategy required under subparagraph (A) shall describe—

(i) the specific innovative postal and nonpostal products and services to be developed and offered by the Postal Service, including—

(I) the nature of the market demand to be satisfied by each product or service; and

(II) the estimated date by which each product or service will be introduced;

(ii) the cost of developing and offering each product or service;

(iii) the anticipated sales volume for each product or service;

(iv) the anticipated revenues and profits to be generated by each product or service;

(v) the likelihood of success of each product or service and the risks associated with the development and sale of each product or service;
(vi) the trends anticipated in market conditions that may affect the success of each product or service during the 5-year period beginning on the date of the submission of the report under subparagraph (A);

(vii) any innovations designed to improve the net financial position of the Postal Service, other than the offering of new products and services; and

(viii) the metrics that will be used to assess the effectiveness of the innovation strategy.

(2) ANNUAL REPORT.—

(A) IN GENERAL.—Not later than 1 year after the date of the submission of the initial report containing the innovation strategy under paragraph (1), and annually thereafter for 10 years, the Postmaster General, acting through the Chief Innovation Officer, shall submit a report on the implementation of the innovation strategy to—

(i) the Committee on Homeland Security and Governmental Affairs of the Senate; and
(ii) the Committee on Oversight and Government Reform of the House of Representatives.

(B) MATTERS TO BE ADDRESSED.—At a minimum, an annual report submitted under subparagraph (A) shall include—

(i) an update of the initial report on innovation strategy submitted under paragraph (1);

(ii) a description of the progress made by the Postal Service in implementing the products, services, and other innovations described in the initial report on innovation strategy;

(iii) an analysis of the performance of each product, service, or other innovation described in the initial report on innovation strategy, including—

(I) the revenue generated by each product or service developed in accordance with the innovation strategy under this section and the cost of developing and offering each product or service for the preceding year;
(II) trends in each market in which a product or service is intended to satisfy a demand;

(III) each product or service identified in the innovation strategy that is to be discontinued, the date on which each discontinuance will occur, and the reasons for each discontinuance;

(IV) each alteration that the Postal Service plans to make to a product or service identified in the innovation strategy to address changing market conditions and an explanation of how each alteration will ensure the success of the product or service;

(V) the performance of innovations other than new products and services that are designed to improve the net financial position of the Postal Service; and

(VI) the performance of the innovation strategy according to the metrics described in paragraph (1)(B)(viii).
SEC. 212. STRATEGIC ADVISORY COMMISSION ON POSTAL SERVICE SOLVENCY AND INNOVATION.

(a) Establishment.—

(1) In general.—There is established in the Postal Service a Strategic Advisory Commission on Postal Service Solvency and Innovation (in this section referred to as the “Advisory Commission”).

(2) Independence.—The Advisory Commission shall not be subject to the supervision of the Board of Governors of the Postal Service (in this section referred to as the “Board of Governors”), the Postmaster General, or any other officer or employee of the Postal Service.

(b) Purpose.—The purpose of the Advisory Commission is—

(1) to provide strategic guidance to the President, Congress, the Board of Governors, and the Postmaster General on enhancing the long-term solvency of the Postal Service; and

(2) to foster innovative thinking to address the challenges facing the Postal Service.

(c) Membership.—

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

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

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

(i) the majority leader of the Senate;
(ii) the minority leader of the Senate;
(iii) the Speaker of the House of Representatives; and
(iv) the minority leader of the House of Representatives.

(2) QUALIFICATIONS.—Members of the Advisory Commission shall be prominent citizens having—

(A) significant depth of experience in such fields as business and public administration;
(B) a reputation for innovative thinking;
(C) familiarity with new and emerging technologies; and
(D) experience with revitalizing organizations that experienced significant financial challenges or other challenges.

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

(4) **Deadline for Appointment.**—Each
member of the Advisory Commission shall be ap-
pointed not later than 45 days after the date of en-
actment of this Act.

(5) **Meetings; Quorum; Vacancies.**—

(A) **Meetings.**—The Advisory Commiss-
ion shall meet at the call of the Chairperson or
a majority of the members of the Advisory
Commission.

(B) **Quorum.**—4 members of the Advisory
Commission shall constitute a quorum.

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

(d) **Duties and Powers.**—

(1) **Duties.**—The Advisory Commission
shall—

(A) study matters that the Advisory Com-
misson determines are necessary and appro-
priate to develop a strategic blueprint for the
long-term solvency of the Postal Service, including—

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

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

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

(iv) innovative services that postal services in foreign countries have offered, including services that respond to the increasing use of electronic means of communication; and

(v) the governance structure, management structure, and management of the Postal Service, including—

(I) the appropriate method of appointment, qualifications, duties, and compensation for senior officials of the Postal Service, including the Postmaster General; and

(II) the number and functions of senior officials of the Postal Service
and the number of levels of management of the Postal Service; and

(B) submit the report required under subsection (f).

(2) HEARINGS.—The Advisory Commission may hold such hearings, take such testimony, and receive such evidence as is necessary to carry out this section.

(3) ACCESS TO INFORMATION.—The Advisory Commission may secure directly from the Postal Service, the Board of Governors, the Postal Regulatory Commission, and any other Federal department or agency such information as the Advisory Commission considers necessary to carry out this section. Upon request of the Chairperson of the Advisory Commission, the head of the department or agency shall furnish the information described in the preceding sentence to the Advisory Commission.

(e) PERSONNEL MATTERS.—

(1) ADVISORY COMMISSION MEMBERS.—

(A) COMPENSATION OF MEMBERS.—Each member of the Advisory Commission shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under
section 5315 of title 5, United States Code, for each day during which the member is engaged in the actual performance of the duties of the Advisory Commission.

(B) Travel Expenses.—Members of the Advisory Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees serving intermittently in the Government service under section 5703 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Advisory Commission.

(2) Staff.—

(A) Appointment and Compensation.—The Chairperson, in accordance with rules agreed upon by the Advisory Commission, shall appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the Advisory Commission to carry out the functions of the Advisory Commission, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter
III of chapter 53 of such title relating to classification of positions and General Schedule pay rates, except that a rate of pay fixed under this subsection may not exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

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

(C) CONSULTANT SERVICES.—The Advisory Commission may procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of such title.

(f) STRATEGIC BLUEPRINT FOR LONG-TERM SOLVENCY.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Advisory
Commission shall submit a report that contains a strategic blueprint to—

(A) the President;

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

(C) the Committee on Oversight and Government Reform of the House of Representatives;

(D) the Board of Governors; and

(E) the Postmaster General.

(2) CONTENTS.—The report submitted under paragraph (1) shall contain a strategic blueprint for the long-term solvency of the Postal Service that includes—

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

(B) an assessment of potential future business models for the Postal Service, including an evaluation of the appropriate balance between—

(i) necessary reductions in costs and services; and

(ii) additional opportunities for growth and revenue;
(C) a strategy for addressing significant current and future liabilities;

(D) identification of opportunities for further reductions in costs;

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

(F) a strategy for future growth;

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

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

(g) STUDY AND STRATEGIC PLAN ON INTER-AGENCY AGREEMENTS FOR POST OFFICES.—

(1) DUTIES OF ADVISORY COMMISSION.—

(A) STUDY.—

(i) IN GENERAL.—The Advisory Commission shall conduct a study concerning the advisability of the Postal Service entering into inter-agency agreements with Federal, State, and local agencies, with respect to post offices, that—
(I) streamline and consolidate services provided by Federal, State, and local agencies;

(II) decrease the costs incurred by Federal agencies in providing services to the general public; and

(III) improve the efficiency and maintain the customer service standards of the Federal, State, and local agencies.

(ii) CLARIFICATION OF INTER-AGENCY AGREEMENTS.—The study under clause (i) shall include consideration of the advisability of the Postal Service entering into an inter-agency agreement with—

(I) the Bureau of the Census for the provision of personnel and resources for the 2020 decennial census;

(II) the department of motor vehicles, or an equivalent agency, of each State for the provision of driver licenses, vehicle registration, and voter registration;

(III) the division of wildlife, the department of natural resources, or
an equivalent agency, of each State
for the provision of hunting and fish-
ing licenses; and

(IV) other Federal agencies re-
sponsible for providing services to the
general public.

(B) FINDINGS.—The Advisory Commission
shall—

(i) not later than 1 year after the date
of enactment of this Act, submit to the
Postal Service the findings of the study
consducted under subparagraph (A); and

(ii) incorporate the findings described
in clause (i) into the strategic blueprint re-
quired under subsection (f).

(2) POSTAL SERVICE STRATEGIC PLAN.—

(A) IN GENERAL.—Not later than 6
months after the date on which the Advisory
Commission submits to the Postal Service the
findings under paragraph (1)(B), the Postal
Service shall submit a strategic plan for enter-
ing into inter-agency agreements concerning
post offices to—
(i) the Committee on Homeland Security and Governmental Affairs of the Senate; and

(ii) the Committee on Oversight and Government Reform of the House of Representatives.

(B) LIMITATIONS.—The strategic plan submitted under subparagraph (A)—

(i) shall be consistent with—

(I) the retail service standards established under section 203 of this Act;

(II) section 411 of title 39, United States Code, as amended by this Act; and

(III) public interest and demand;

and

(ii) may not prevent the implementation of Postal Service initiatives with respect to retail access to postal services under sections 203 and 204 of this Act.

(C) COST SAVINGS PROJECTIONS.—The strategic plan submitted under subparagraph (A) shall include, for each proposed inter-agency agreement, a projection of cost savings to be
realized by the Postal Service and by any other Federal agency that is a party to the agreement.

(h) **TERMINATION OF THE COMMISSION.**—The Advisory Commission shall terminate 90 days after the later of—

(1) the date on which the Advisory Commission submits the report on the strategic blueprint for long-term solvency under subsection (f); and

(2) the date on which the Advisory Commission submits the findings on inter-agency agreements for post offices under subsection (g).

(i) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated for fiscal years 2013 and 2014 such sums as may be necessary to carry out this section.

**SEC. 213. CITIZEN’S SERVICE PROTECTION ADVOCATES.**

(a) **IN GENERAL.**—Chapter 4 of title 39, United States Code, is amended by adding at the end the following:

“§ 417. Citizen’s service protection advocates

“(a) **DEFINITIONS.**—In this section—

“(1) the term ‘citizen’s service protection advocate’ means an individual appointed or designated under applicable State law, in the manner described
in subsection (b), by the chief executive of a State affected by the closing or consolidation of a post office or postal facility to represent the interests of postal customers affected by the closing or consolidation; and

“(2) the term ‘postal facility’ has the meaning given the term in section 404(f).

“(b) APPOINTMENT OF ADVOCATE.—

“(1) IN GENERAL.—The chief executive of a State affected by the proposed closing or consolidation of a post office or postal facility may appoint or designate a citizen’s service protection advocate to represent the interests of postal customers affected by the proposed closing or consolidation.

“(2) CONSULTATION.—To be considered a citizen’s service protection advocate for purposes of this section, an individual must have been appointed or designated by the chief executive of a State in consultation with—

“(A) the mayor (or equivalent official) of any city affected by the closing or consolidation; and

“(B) the commissioner (or equivalent official) of any county or parish affected by the closing or consolidation.
"(c) **Access to Information and Assistance.**—

"(1) **In General.**—Subject to paragraph (2), upon the request of any citizen’s service protection advocate appointed under this section, the Postal Service shall provide to the citizen’s service protection advocate—

"(A) not later than 15 days after the request, access to any records, reports, audits, reviews, documents, papers, recommendations, or other materials of the Postal Service relating to the closing or consolidation of the relevant post office or postal facility; and

"(B) technical assistance in carrying out the duties of the citizen’s service protection advocate.

"(2) **Limitations.**—Nothing in this section may be construed to require the Postal Service to provide to a citizen’s service protection advocate any information that is exempt from disclosure under section 552(b) of title 5.

"(d) **Communication and Consultation.**—The Postal Service shall—

"(1) provide for regular and efficient communication between a citizen’s service protection advocate and the officer or employee of the Postal Serv-
ice responsible for the closing or consolidation of the
relevant post office or postal facility; and

“(2) consult with the citizen’s service protection
advocate in developing and implementing service
changes that affect postal customers affected by the
closing or consolidation of the relevant post office or
postal facility.

“(e) TERMINATION OF SERVICE.—An individual may
not serve as a citizen’s service protection advocate with
respect to the closing or consolidation of a post office or
postal facility after the later of—

“(1) the date on which the Postal Service deter-
dines not to close or consolidate the post office or
postal facility; and

“(2) the date on which the Postal Service deter-
dines to close or consolidate the post office or postal
facility.”.

(b) TABLE OF SECTIONS.—The table of sections for
chapter 4 of title 39, United States Code, is amended by
adding at the end the following:

“417. Citizen’s service protection advocates.”.

(c) EFFECTIVE DATE.—The amendments made by
this section shall take effect on the date on which the
Postal Service establishes retail service standards under
section 203.
SEC. 214. CAPITOL COMPLEX POST OFFICES.

(a) House of Representatives.—

(1) In general.—The Postal Service shall not maintain or operate more than 1 post office in the United States Capitol Complex, as defined in section 310(a)(3)(B) of the Legislative Branch Appropriations Act, 1990 (2 U.S.C. 130e(a)(3)(B)), which shall be located in a House Office Building.

(2) Closing of Capitol post offices.—The Postal Service shall close any post office in the United States Capitol Complex, as defined in section 310(a)(3)(B) of the Legislative Branch Appropriations Act, 1990 (2 U.S.C. 130e(a)(3)(B)), not permitted under this subsection, without regard to the requirements under section 404(d) of title 39, United States Code.

(b) Senate.—

(1) In general.—The Sergeant at Arms and Doorkeeper of the Senate may not enter into, modify, or renew a contract with the Postal Service to maintain or operate more than 1 post office in a Senate Office Building.

(2) Existing contracts.—Nothing in paragraph (1) may be construed to affect a contract entered into by the Sergeant at Arms and Doorkeeper...
of the Senate and the Postal Service before the date
of enactment of this Act.

TITLE III—FEDERAL EMPLOYEES’ COMPENSATION ACT

SEC. 301. SHORT TITLE; REFERENCES.
(a) Short Title.—This title may be cited as the “Workers’ Compensation Reform Act of 2012”.
(b) References.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 5, United States Code.

SEC. 302. FEDERAL WORKERS COMPENSATION REFORMS FOR RETIREMENT-AGE EMPLOYEES.
(a) Conversion of Entitlement at Retirement Age.—
(1) Definitions.—Section 8101 is amended—
   (A) in paragraph (18), by striking “and” at the end;
   (B) in paragraph (19), by striking “and” at the end;
   (C) in paragraph (20), by striking the period at the end and inserting a semicolon; and
   (D) by adding at the end the following:
“(21) ‘retirement age’ has the meaning given that term under section 216(l)(1) of the Social Security Act (42 U.S.C. 416(l)(1));

“(22) ‘covered claim for total disability’ means a claim for a period of total disability that commenced before the date of enactment of the Workers’ Compensation Reform Act of 2012;

“(23) ‘covered claim for partial disability’ means a claim for a period of partial disability that commenced before the date of enactment of the Workers’ Compensation Reform Act of 2012; and

“(24) ‘individual who has an exempt disability condition’ means an individual—

“(A) who—

“(i) is eligible to receive continuous periodic compensation for total disability under section 8105 on the date of enactment of the Workers’ Compensation Reform Act of 2012; and

“(ii) meets the criteria under section 8105(c);

“(B) who, on the date of enactment of the Workers’ Compensation Reform Act of 2012—
“(i) is eligible to receive continuous periodic compensation for total disability under section 8105; and

“(ii) has sustained a currently irreversible severe mental or physical disability for which the Secretary of Labor has authorized, for at least the 1-year period ending on the date of enactment of the Workers’ Compensation Reform Act of 2012, constant in-home care or custodial care, such as placement in a nursing home; or

“(C) who is eligible to receive continuous periodic compensation for total disability under section 8105—

“(i) for not less than the 3-year period ending on the date of enactment of the Workers’ Compensation Reform Act of 2012; or

“(ii) if the individual became eligible to receive continuous periodic compensation for total disability under section 8105 during the period beginning on the date that is 3 years before the date of enactment of the Workers’ Compensation Reform Act of 2012 and ending on such date
of enactment, for not less than the 3-year period beginning on the date on which the individual became eligible.”.

(2) **TOTAL DISABILITY.**—Section 8105 is amended—

(A) in subsection (a), by striking “If” and inserting “IN GENERAL.—Subject to subsection (b), if”;

(B) by redesignating subsection (b) as subsection (c); and

(C) by inserting after subsection (a) the following:

“(b) **CONVERSION OF ENTITLEMENT AT RETIREMENT AGE.**—

“(1) **IN GENERAL.**—Except as provided in paragraph (2), the basic compensation for total disability for an employee who has attained retirement age shall be 50 percent of the monthly pay of the employee.

“(2) **EXCEPTIONS.**—

“(A) **COVERED RECIPIENTS WHO ARE RETIREMENT AGE, HAVE AN EXEMPT DISABILITY CONDITION, OR FACE FINANCIAL HARDSHIP.**— Paragraph (1) shall not apply to a covered
claim for total disability by an employee if the employee—

“(i) on the date of enactment of the Workers’ Compensation Reform Act of 2012, has attained retirement age;

“(ii) is an individual who has an exempt disability condition; or

“(iii) is a member of a household that would meet the income and assets requirements for eligibility for the supplemental nutrition assistance program as described in section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) (not including any provisions permitting eligibility due to benefits received under any other law) if the basic compensation for total disability of the employee were provided in accordance with paragraph (1).

“(B) TRANSITION PERIOD FOR CERTAIN EMPLOYEES.—For a covered claim for total disability by an employee who is not an employee described in subparagraph (A), the employee shall receive the basic compensation for total disability provided under subsection (a) until the later of—

†S 1789 ES
“(i) the date on which the employee attains retirement age; and

“(ii) the date that is 3 years after the date of enactment of the Workers’ Compensation Reform Act of 2012.”.

(3) **PARTIAL DISABILITY.**—Section 8106 is amended—

(A) in subsection (a), by striking “If” and inserting “IN GENERAL.—Subject to subsection (b), if”;

(B) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(C) by inserting after subsection (a) the following:

“(b) **CONVERSION OF ENTITLEMENT AT RETIREMENT AGE.**—

“(1) IN GENERAL.—Except as provided in paragraph (2), the basic compensation for partial disability for an employee who has attained retirement age shall be 50 percent of the difference between the monthly pay of the employee and the monthly wage-earning capacity of the employee after the beginning of the partial disability.

“(2) **EXCEPTIONS.**—
“(A) Covered recipients who are retirement age or face financial hardship.—Paragraph (1) shall not apply to a covered claim for partial disability by an employee if the employee—

“(i) on the date of enactment of the Workers’ Compensation Reform Act of 2012, has attained retirement age; or

“(ii) is a member of a household that would meet the income and assets requirements for eligibility for the supplemental nutrition assistance program as described in section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) (not including any provisions permitting eligibility due to benefits received under any other law) if the basic compensation for total disability of the employee were provided in accordance with paragraph (1).

“(B) Transition period for certain employees.—For a covered claim for partial disability by an employee who is not an employee described in subparagraph (A), the employee shall receive basic compensation for par-
tial disability in accordance with subsection (a) until the later of—

“(i) the date on which the employee attains retirement age; and

“(ii) the date that is 3 years after the date of enactment of the Workers’ Compensation Reform Act of 2012.”.

SEC. 303. AUGMENTED COMPENSATION FOR DEPENDENTS.

(a) IN GENERAL.—Section 8110 is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following:

“(b) TERMINATION OF AUGMENTED COMPENSATION.—

“(1) IN GENERAL.—Subject to paragraph (2), augmented compensation for dependants under subsection (c) shall not be provided.

“(2) EXCEPTIONS.—

“(A) TOTAL DISABILITY.—For a covered claim for total disability by an employee—

“(i) the employee shall receive augmented compensation under subsection (c) if the employee is an individual who has an exempt disability condition; and
“(ii) the employee shall receive augmented compensation under subsection (c) until the date that is 3 years after the date of enactment of the Workers’ Compensation Reform Act of 2012 if the employee is not an employee described in clause (i).

“(B) PARTIAL DISABILITY.—For a covered claim for partial disability by an employee, the employee shall receive augmented compensation under subsection (c) until the date that is 3 years after the date of enactment of the Workers’ Compensation Reform Act of 2012.

“(C) PERMANENT DISABILITY COMPENSATED BY A SCHEDULE.—For a claim for a permanent disability described in section 8107(a) by an employee that commenced before the date of enactment of the Workers’ Compensation Reform Act of 2012, the employee shall receive augmented compensation under subsection (c).”.

(b) MAXIMUM AND MINIMUM MONTHLY PAYMENTS.—Section 8112 is amended—

(1) in subsection (a)—

(A) by inserting “subsections (b) and (c) and” before “section 8138”;
(B) by striking “including augmented com-
pensation under section 8110 of this title but’’;
and
(C) by striking “75 percent” each place it
appears and inserting “66 2⁄3 percent’’;
(2) by redesignating subsection (b) as sub-
section (c);
(3) by inserting after subsection (a) the fol-
lowing:
“(b) EXCEPTIONS.—
“(1) COVERED DISABILITY CONDITION.—For a
covered claim for total disability by an employee, if
the employee is an individual who has an exempt
disability condition—
“(A) the monthly rate of compensation for
disability that is subject to the maximum and
minimum monthly amounts under subsection
(a) shall include any augmented compensation
under section 8110; and
“(B) subsection (a) shall be applied by
substituting ‘75 percent’ for ‘66 2⁄3 percent’
each place it appears.
“(2) PARTIAL DISABILITY.—For a covered
claim for partial disability by an employee, until the
date that is 3 years after the date of enactment of
the Workers’ Compensation Reform Act of 2012—

“(A) the monthly rate of compensation for
disability that is subject to the maximum and
minimum monthly amounts under subsection
(a) shall include any augmented compensation
under section 8110; and

“(B) subsection (a) shall be applied by
substituting ‘75 percent’ for ‘66 2⁄3 percent’
each place it appears.”; and

(4) in subsection (c), as redesignated by para-
graph (2), by striking “subsection (a)” and inserting
“subsections (a) and (b)”.

(c) DEATH BENEFITS GENERALLY.—Section 8133 is
amended—

(1) in subsections (a) and (e), by striking “75
percent” each place it appears and inserting “66 2⁄3
percent (except as provided in subsection (g))”; and

(2) by adding at the end the following:

“(g) If the death occurred before the date of enact-
ment of the Workers’ Compensation Reform Act of 2012,
subsections (a) and (e) shall be applied by substituting
‘75 percent’ for ‘66 2⁄3 percent’ each place it appears.”.

(d) DEATH BENEFITS FOR CIVIL AIR PATROL VOL-
UNTEERS.—Section 8141 is amended—
(1) in subsection (b)(2)(B) by striking “75 percent” and inserting “66\(\frac{2}{3}\) percent (except as provided in subsection (c))”;

(2) by redesignating subsection (c) as subsection (d); and

(3) by inserting after subsection (b) the following:

“(c) If the death occurred before the date of enactment of the Workers’ Compensation Reform Act of 2012, subsection (b)(2)(B) shall be applied by substituting ‘75 percent’ for ‘66\(\frac{2}{3}\) percent’.”.

SEC. 304. SCHEDULE COMPENSATION PAYMENTS.

Section 8107 is amended—

(1) in subsection (a), by striking “at the rate of 66\(\frac{2}{3}\) percent of his monthly pay” and inserting “at the rate specified under subsection (d)”;

(2) by adding at the end the following:

“(d) RATE FOR COMPENSATION.—

“(1) ANNUAL SALARY.—

“(A) IN GENERAL.—Except as provided in paragraph (2), the rate under subsection (a) shall be the rate of 66\(\frac{2}{3}\) percent of the annual salary level established under subparagraph (B), in a lump sum equal to the present value (as calculated under subparagraph (C)) of the
amount of compensation payable under the schedule.

“(B) Establishment.—

“(i) In general.—The Secretary of Labor shall establish an annual salary for purposes of subparagraph (A) in the amount the Secretary determines will result in the aggregate cost of payments made under this section being equal to what would have been the aggregate cost of payments under this section if the amendments made by section 304(a) of the Workers’ Compensation Reform Act of 2012 had not been enacted.

“(ii) Cost of living adjustment.—The annual salary established under clause (i) shall be increased on March 1 of each year by the amount determined by the Secretary of Labor to represent the percent change in the price index published for December of the preceding year over the price index published for the December of the year prior to the preceding year, adjusted to the nearest one-tenth of 1 percent.
“(C) Present value.—The Secretary of Labor shall calculate the present value for purposes of subparagraph (A) using a rate of interest equal to the average market yield for outstanding marketable obligations of the United States with a maturity of 2 years on the first business day of the month in which the compensation is paid or, in the event that such marketable obligations are not being issued on such date, at an equivalent rate selected by the Secretary of Labor, true discount compounded annually.

“(2) Certain Injuries.—For an injury that occurred before the date of enactment of the Workers’ Compensation Reform Act of 2012, the rate under subsection (a) shall be 66 2⁄3 percent of the employee’s monthly pay.

“(e) Simultaneous Receipt.—

“(1) Total Disability.—An employee who receives compensation for total disability under section 8105 may only receive the lump sum of schedule compensation under this section in addition to and simultaneously with the benefits for total disability after the earlier of—
“(A) the date on which the basic compensation for total disability of the employee becomes 50 percent of the monthly pay of the employee under section 8105(b); or

“(B) the date on which augmented compensation of the employee terminates under section 8110(b)(2)(A)(ii), if the employee receives such compensation.

“(2) PARTIAL DISABILITY.—An employee who receives benefits for partial disability under section 8106 may only receive the lump sum of schedule compensation under this section in addition to and simultaneously with the benefits for partial disability after the earlier of—

“(A) the date on which the basic compensation for partial disability of the employee becomes 50 percent of the difference between the monthly pay of the employee and the monthly wage-earning capacity of the employee after the beginning of the partial disability under section 8106(b); or

“(B) the date on which augmented compensation of the employee terminates under section 8110(b)(2)(B), if the employee receives such compensation.”.
SEC. 305. VOCATIONAL REHABILITATION.

(a) IN GENERAL.—Section 8104 is amended—

(1) in subsection (a)—

(A) by striking “(a) The Secretary of
Labor may” and all that follows through “un-
dergo vocational rehabilitation.” and inserting
the following:

“(a) IN GENERAL.—

“(1) DIRECTION.—Except as provided in para-
graph (2), not earlier than the date that is 6 months
after the date on which an individual eligible for
wage-loss compensation under section 8105 or 8106
is injured, or by such other date as the Secretary of
Labor determines it would be reasonable under the
circumstances for the individual to begin vocational
rehabilitation, and if vocational rehabilitation may
enable the individual to become capable of more
gainful employment, the Secretary of Labor shall di-
rect the individual to participate in developing a
comprehensive return to work plan and to undergo
vocational rehabilitation at a location a reasonable
distance from the residence of the individual.”;

(B) by striking “the Secretary of Health,
Education, and Welfare in carrying out the pur-
poses of chapter 4 of title 29” and inserting
“the Secretary of Education in carrying out the
purposes of the Rehabilitation Act of 1973 (29
U.S.C. 701 et seq.)";

(C) by striking “under section 32(b)(1) of
title 29” and inserting “under section 5 of the
and

(D) by adding at the end the following:

“(2) EXCEPTION.—The Secretary of Labor may
not direct an individual who has attained retirement
age to participate in developing a comprehensive re-
turn to work plan or to undergo vocational rehabili-
tation.”;

(2) by redesignating subsection (b) as sub-
section (c);

(3) by inserting after subsection (a) the fol-
lowing:

“(b) CONTENTS OF RETURN TO WORK PLAN.—A re-
turn to work plan developed under subsection (a)—

“(1) shall—

“(A) set forth specific measures designed
to increase the wage-earning capacity of an in-
dividual;

“(B) take into account the prior training
and education of the individual and the train-
ing, educational, and employment opportunities reasonably available to the individual; and

“(C) provide that any employment undertaken by the individual under the return to work plan be at a location a reasonable distance from the residence of the individual;

“(2) may provide that the Secretary will pay out of amounts in the Employees’ Compensation Fund reasonable expenses of vocational rehabilitation (which may include tuition, books, training fees, supplies, equipment, and child or dependent care) during the course of the plan; and

“(3) may not be for a period of more than 2 years, unless the Secretary finds good cause to grant an extension, which may be for not more than 2 years.”;

(4) in subsection (c), as so redesignated—

(A) by inserting “COMPENSATION.—” before “Notwithstanding”; and

(B) by striking “, other than employment undertaken pursuant to such rehabilitation”; and

(5) by adding at the end the following:

“(d) ASSISTED REEMPLOYMENT AGREEMENTS.—
“(1) IN GENERAL.—The Secretary may enter into an assisted reemployment agreement with an agency or instrumentality of any branch of the Federal Government or a State or local government or a private employer that employs an individual eligible for wage-loss compensation under section 8105 or 8106 to enable the individual to return to productive employment.

“(2) CONTENTS.—An assisted reemployment agreement under paragraph (1)—

“A(A) may provide that the Secretary will use amounts in the Employees' Compensation Fund to reimburse an employer in an amount equal to not more than 100 percent of the compensation the individual would otherwise receive under section 8105 or 8106; and

“A(B) may not be for a period of more than 3 years.

“(e) LIST.—To facilitate the hiring of individuals eligible for wage-loss compensation under section 8105 or 8106, the Secretary shall provide a list of such individuals to the Office of Personnel Management, which the Office of Personnel Management shall provide to all agencies and instrumentalities of the Federal Government.”.
(b) Employees' Compensation Fund.—Section 8147 is amended by adding at the end:

“(d) Notwithstanding subsection (b), any benefits or other payments paid to or on behalf of an employee under this subchapter or any extension or application thereof for a recurrence of injury, consequential injury, aggravation of injury, or increase in percentage of impairment to a member for which compensation is provided under the schedule under section 8107 suffered in a permanent position with an agency or instrumentality of the United States while the employment with the agency or instrumentality is covered under an assisted reemployment agreement entered into under section 8104(d) shall not be included in total cost of benefits and other payments in the statement provided to the agency or instrumentality under subsection (b) if the injury was originally incurred in a position not covered by an assisted reemployment agreement.”.

(c) Termination of Vocational Rehabilitation Requirement After Retirement Age.—Section 8113(b) is amended by adding at the end the following:

“An individual who has attained retirement age may not be required to undergo vocational rehabilitation.”.
(d) Mandatory Benefit Reduction for Non-Compliance.—Section 8113(b) is amended by striking “may reduce” and inserting “shall reduce”.

(e) Technical and Conforming Amendments.—

(1) In general.—Subchapter III of chapter 15 of title 31, United States Code, is amended by adding at the end the following:

“§ 1538. Authorization for assisted reemployment

“Funds may be transferred from the Employees’ Compensation Fund established under section 8147 of title 5 to the applicable appropriations account for an agency or instrumentality of any branch of the Federal Government for the purposes of reimbursing the agency or instrumentality in accordance with an assisted reemployment agreement entered into under section 8104 of title 5.”.

(2) Table of sections.—The table of sections for chapter 15 of title 31, United States Code, is amended by inserting after the item relating to section 1537 the following:

“1538. Authorization for assisted reemployment.”.

SEC. 306. REPORTING REQUIREMENTS.

(a) In general.—Chapter 81 is amended by inserting after section 8106 the following:
§8106a. Reporting requirements

(a) Definition.—In this section, the term ‘employee receiving compensation’ means an employee who—

(1) is paid compensation under section 8105 or 8106; and

(2) has not attained retirement age.

(b) Authority.—The Secretary of Labor shall require an employee receiving compensation to report the earnings of the employee receiving compensation from employment or self-employment, by affidavit or otherwise, in the manner and at the times the Secretary specifies.

(c) Contents.—An employee receiving compensation shall include in a report required under subsection (a) the value of housing, board, lodging, and other advantages which are part of the earnings of the employee receiving compensation in employment or self-employment and the value of which can be estimated.

(d) Failure to Report and False Reports.—

(1) In General.—An employee receiving compensation who fails to make an affidavit or other report required under subsection (b) or who knowingly omits or understates any part of the earnings of the employee in such an affidavit or other report shall forfeit the right to compensation with respect to any period for which the report was required.
“(2) Forfeited Compensation.—Compensation forfeited under this subsection, if already paid to the employee receiving compensation, shall be recovered by a deduction from the compensation payable to the employee or otherwise recovered under section 8129, unless recovery is waived under that section.”.

(b) Technical and Conforming Amendments.—The table of sections for chapter 81 is amended by inserting after the item relating to section 8106 the following:

“8106a. Reporting requirements.”.

SEC. 307. DISABILITY MANAGEMENT REVIEW; INDEPENDENT MEDICAL EXAMINATIONS.

Section 8123 is amended by adding at the end the following:

“(e) Disability Management Review.—

“(1) Definitions.—In this subsection—

“(A) the term ‘covered employee’ means an employee who is in continuous receipt of compensation for total disability under section 8105 for a period of not less than 6 months; and

“(B) the term ‘disability management review process’ means the disability management review process established under paragraph (2)(A).
“(2) Establishment.—The Secretary of Labor shall—

“(A) establish a disability management review process for the purpose of certifying and monitoring the disability status and extent of injury of each covered employee; and

“(B) promulgate regulations for the administration of the disability management review process.

“(3) Physical examinations required.—Under the disability management review process, the Secretary of Labor shall periodically require covered employees to submit to physical examinations under subsection (a) by physicians selected by the Secretary. A physician conducting a physical examination of a covered employee shall submit to the Secretary a report regarding the nature and extent of the injury to and disability of the covered employee.

“(4) Frequency.—

“(A) In general.—The regulations promulgated under paragraph (2)(B) shall specify the process and criteria for determining when and how frequently a physical examination should be conducted for a covered employee.

“(B) Minimum frequency.—
“(i) INITIAL.—An initial physical examination shall be conducted not more than a brief period after the date on which a covered employee has been in continuous receipt of compensation for total disability under section 8015 for 6 months.

“(ii) SUBSEQUENT EXAMINATIONS.—After the initial physical examination, physical examinations of a covered employee shall be conducted not less than once every 3 years.

“(5) EMPLOYING AGENCY OR INSTRUMENTALITY REQUESTS.—

“(A) IN GENERAL.—The agency or instrumentality employing an employee who has made a claim for compensation for total disability under section 8105 may at any time submit a request for the Secretary of Labor to promptly require the employee to submit to a physical examination under this subsection.

“(B) REQUESTING OFFICER.—A request under subparagraph (A) shall be made on behalf of an agency or instrumentality by—

“(i) the head of the agency or instrumentality;
“(ii) the Chief Human Capital Officer
of the agency or instrumentality; or

“(iii) if the agency or instrumentality
does not have a Chief Human Capital Offi-
cer, an officer with responsibilities similar
to those of a Chief Human Capital Officer
designated by the head of the agency or in-
strumentality to make requests under this
paragraph.

“(C) INFORMATION.—A request under sub-
paragraph (A) shall be in writing and accom-
panied by—

“(i) a certification by the officer mak-
ing the request that the officer has re-
viewed the relevant material in the employ-
ee’s file;

“(ii) an explanation of why the officer
has determined, based on the materials in
the file and other information known to
the officer, that requiring a physical exam-
ination of the employee under this sub-
section is necessary; and

“(iii) copies of the materials relating
to the employee that are relevant to the offi-
cer’s determination and request, unless
the agency or instrumentality has a reasonable basis for not providing the materials.

“(D) EXAMINATION.—If the Secretary of Labor receives a request under this paragraph before an employee has undergone an initial physical examination under paragraph (4)(B)(i), the Secretary shall promptly require the physical examination of the employee. A physical examination under this subparagraph shall satisfy the requirement under paragraph (4)(B)(i) that an initial physical examination be conducted.

“(E) AFTER INITIAL EXAMINATION.—

“(i) IN GENERAL.—If the Secretary of Labor receives a request under this paragraph after an employee has undergone an initial physical examination under paragraph (4)(B)(i), the Secretary shall—

“(I) review the request and the information, explanation, and other materials submitted with the request; and

“(II) determine whether to require the physical examination of the
employee who is the subject of the request.

“(ii) NOT GRANTED.—If the Secretary determines not to grant a request described in clause (i), the Secretary shall promptly notify the officer who made the request and provide an explanation of the reasons why the request was denied.”.

SEC. 308. WAITING PERIOD.

(a) In General.—Section 8117 is amended—

(1) in the section heading, by striking “Time of accrual of right” and inserting “Waiting period”;

(2) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking “An employee” and all that follows through “is not entitled” and inserting “In General.—An employee is not entitled to continuation of pay within the meaning of section 8118 for the first 3 days of temporary disability or, if section 8118 does not apply, is not entitled”;

(B) in paragraph (1), by adding “or” at the end;

(C) by striking paragraph (2); and
(D) by redesignating paragraph (3) as paragraph (2); and
(3) in subsection (b)—
(A) by striking “A Postal Service” the first place it appears and all that follows through “A Postal Service” the second place it appears and inserting “Use of Leave.—An”;
(B) by striking “that 3-day period” and inserting “the first 3 days of temporary disability”; and
(C) by striking “or is followed by permanent disability”.

(b) Continuation of pay.—Section 8118 is amended—
(1) in the section heading, by striking “; election to use annual or sick leave”;  
(2) in subsection (b)(1), by striking “section 8117(b)” and inserting “section 8117”;  
(3) by striking subsection (e); and
(4) by redesignating subsections (d) as subsection (c).

c) Technical and Conforming Amendments.—
The table of sections for chapter 81 is amended by striking the items relating to sections 8117 and 8118 and inserting the following:
SEC. 309. ELECTION OF BENEFITS.

(a) In General.—Section 8116 is amended by adding at the end the following:

“(e) Retirement Benefits.—

“(1) In General.—An individual entitled to compensation benefits payable under this subchapter and under chapter 83 or 84 or any other retirement system for employees of the Government, for the same period, shall elect which benefits the individual will receive.

“(2) Election.—

“(A) Deadline.—An individual shall make an election under paragraph (1) in accordance with such deadlines as the Secretary of Labor shall establish, which shall be a reasonable period after the individual has received notice of a final determination that the individual is entitled to compensation benefits payable under this subchapter.

“(B) Revocability.—An election under paragraph (1) shall be revocable, notwithstanding any other provision of law, except for any period during which an individual—
“(i) was qualified for benefits payable under both this subchapter and under a retirement system described in paragraph (1); and

“(ii) was paid benefits under the retirement system after having been notified of eligibility for benefits under this subchapter.

“(3) INFORMED CHOICE.—The Secretary of Labor shall provide information, and shall ensure that information is provided, to an individual described in paragraph (1) about the benefits available to the individual under this subchapter or under chapter 83 or 84 or any other retirement system referred to in paragraph (1) the individual may elect to receive.”.

(b) TECHNICAL AND CONFORMING AMENDMENTS.— Sections 8337(f)(3) and 8464a(a)(3) are each amended by striking “Paragraphs” and inserting “Except as provided under chapter 81, paragraphs”.

SEC. 310. SANCTION FOR NONCOOPERATION WITH FIELD NURSES.

Section 8123, as amended by section 307, is amended by adding at the end the following:

“(f) FIELD NURSES.—
“(1) DEFINITION.—In this subsection, the term ‘field nurse’ means a registered nurse that assists the Secretary in the medical management of disability claims under this subchapter and provides claimants with assistance in coordinating medical care.

“(2) AUTHORIZATION.—The Secretary may use field nurses to coordinate medical services and vocational rehabilitation programs for injured employees under this subchapter. If an employee refuses to cooperate with a field nurse or obstructs a field nurse in the performance of duties under this subchapter, the right to compensation under this subchapter shall be suspended until the refusal or obstruction stops.”.

SEC. 311. SUBROGATION OF CONTINUATION OF PAY.

(a) IN GENERAL.—Section 8131 is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by inserting “continuation of pay or” before “compensation”;

(2) in subsection (b), by inserting “continuation of pay or” before “compensation”; and

(3) in subsection (c)—

(A) by inserting “continuation of pay or” before “compensation already paid”; and
(B) by inserting “continuation of pay or” before “compensation payable”.

(b) ADJUSTMENT AFTER RECOVERY FROM A THIRD PERSON.—Section 8132 is amended—

(1) in the first sentence—

(A) by inserting “continuation of pay or” before “compensation is payable”; 

(B) by inserting “continuation of pay or” before “compensation from the United States”; 

(C) by striking “by him or in his behalf” and inserting “by the beneficiary or on behalf of the beneficiary”; 

(D) by inserting “continuation of pay and” before “compensation paid by the United States”; and

(E) by striking “compensation payable to him” and inserting “continuation of pay or compensation payable to the beneficiary”; 

(2) in the second sentence, by striking “his designee” and inserting “the designee of the beneficiary”; and

(3) in the fourth sentence, by striking “If compensation” and all that follows through “payable to him by the United States” and inserting “If continuation of pay or compensation has not been paid
to the beneficiary, the money or property shall be credited against continuation of pay or compensation payable to the beneficiary by the United States”.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 312. INTEGRITY AND COMPLIANCE.

(a) IN GENERAL.—Subchapter I of chapter 81 is amended by adding at the end the following:

“§ 8153. Integrity and Compliance Program

“(a) DEFINITIONS.—In this section—

“(1) the term ‘FECA program’ means the Federal Employees Compensation Program administered under this subchapter;

“(2) the term ‘improper payment’ has the meaning given that term in section 2(f) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note);

“(3) the term ‘Inspector General’—

“(A) means an Inspector General described in subparagraph (A), (B), or (I) of section 11(b)(1) of the Inspector General Act of 1978 (5 U.S.C. App.); and
“(B) does not include the Inspector General of an entity having no employees covered under the FECA program.

“(4) the term ‘Integrity and Compliance Program’ means the Integrity and Compliance Program established under subsection (b);

“(5) the term ‘provider’ means a provider of medical or other services under the FECA program;

“(6) the term ‘Secretary’ means the Secretary of Labor; and

“(7) the term ‘Task Force’ means the FECA Integrity and Compliance Task Force established under subsection (c)(2)(A).

“(b) INTEGRITY AND COMPLIANCE PROGRAM.—Not later than 270 days after the date of enactment of this section, the Secretary shall establish an Integrity and Compliance Program for the purpose of preventing, identifying, and recovering fraudulent and other improper payments for the FECA program, which shall include—

“(1) procedures for identifying potentially improper payments before payment is made to claimants and providers, including, where appropriate, predictive analytics;
“(2) reviews after payment is made to identify potentially improper payments to claimants and providers;

“(3) on-going screening and verification procedures to ensure the continued eligibility of medical providers to provide services under the FECA program, including licensure, Federal disbarment, and the existence of relevant criminal convictions;

“(4) provision of appropriate information, education, and training to claimants and providers on requirements to ensure the integrity of the FECA program, including payments under the FECA program;

“(5) appropriate controls and audits to ensure that providers adopt internal controls and procedures for compliance with requirements under the FECA program;

“(6) procedures to ensure—

“(A) initial and continuing eligibility of claimants for compensation, benefits, or services under the FECA program; and

“(B) ongoing verification of information in databases relating to claimants to ensure accuracy and completeness; and
“(7) sharing and accessing data and information with other agencies and instrumentalities of the United States, including the United States Postal Service.

“(c) Interagency Cooperation on Anti-fraud Efforts.—

“(1) In General.—In administering the FECA program, including the Integrity and Compliance Program, the Secretary shall cooperate with other agencies and instrumentalities of the United States (including the United States Postal Service) and the Inspectors General of such agencies and instrumentalities to prevent, identify, and recover fraudulent and other improper payments under the FECA program.

“(2) Task Force.—

“(A) In General.—There is established a task force, which shall be known as the FECA Integrity and Compliance Task Force.

“(B) Membership.—The members of the Task Force shall be—

“(i) the Secretary, who shall serve as the Chairperson of the Task Force;
“(ii) the Postmaster General, who shall serve as the Vice Chairperson of the Task Force;

“(iii) the Attorney General;

“(iv) the Director of the Office of Management and Budget; and

“(v) other appropriate Federal officials, as determined by the Chairperson and Vice Chairperson of the Task Force.

“(C) ADVISORY MEMBERS.—The following officials shall attend meetings of the Task Force and participate as ad hoc, advisory members, to provide technical assistance and guidance to the Task Force with respect to the duties of the Task Force:

“(i) The Inspector General of the Department of Labor.


“(iii) The Inspectors General of other appropriate agencies and instrumentalities of the United States that employ a significant number of individuals receiving compensation, benefits, or services under the
FECA program, as determined by the Chairperson of the Task Force.

“(D) DUTIES.—The Task Force shall—

“(i) set forth, in writing, a description of the respective roles and responsibilities in preventing, identifying, recovering, and prosecuting fraud under, and otherwise ensuring integrity and compliance of, the FECA program of—

“(I) the Secretary (including subordinate officials such as the Director of the Office of Workers’ Compensation Programs);

“(II) the Inspector General of the Department of Labor;

“(III) the Inspectors General of agencies and instrumentalities of the United States that employ claimants under the FECA program;

“(IV) the Attorney General; and

“(V) any other relevant officials;

“(ii) develop procedures for sharing information of possible fraud under the FECA program or other intentional misstatements by claimants or providers
under the FECA program, including procedures addressing—

“(I) notification of appropriate officials of the Department of Labor of potential fraud or other intentional misstatements, including provision of supporting information;

“(II) timely and appropriate response by officials of the Department of Labor to notifications described in subclause (I);

“(III) the inclusion of information and evidence relating to fraud and other intentional misstatements in criminal, civil, and administrative proceedings relating to the provision of compensation, benefits, or medical services (including payments to providers) under the FECA program;

“(IV) the coordination of criminal investigations with the administration of the FECA program; and

“(V) the protection of information relating to an investigation of possible fraud under the FECA pro-
gram from potential disclosure, including requirements that enable investigative files to be appropriately separated from case management files;

“(iii) not later than 1 year after the date of enactment of this section, submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform and the Committee on Education and the Workforce of the House of Representatives a report that includes the description and procedures required under clauses (i) and (ii).

“(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to limit or restrict any authority of an Inspector General.

“(d) IMPROVEMENTS TO ACCESS OF FEDERAL DATABASES.—

“(1) IN GENERAL.—In order to improve compliance with the requirements under and the integrity of the FECA program, or as required to otherwise detect and prevent improper payments under the FECA program (including for purposes of computer
matching under subsection (e)(1)(D)), upon written request—

“(A) the Commissioner of Social Security shall make available to the Secretary, the Postmaster General, and each Inspector General the Social Security earnings information of a living or deceased employee;

“(B) the Director of the Office of Personnel Management shall make available to the Secretary, the Postmaster General, and each Inspector General the information in the databases of Federal employees and retirees maintained by the Director; and

“(C) the Secretary of Veterans Affairs shall make available to the Secretary, the Postmaster General, and each Inspector General the information in the database of disabled individuals maintained by the Secretary of Veterans Affairs.

“(2) NATIONAL DIRECTORY OF NEW HIRES.— Upon written request, the Secretary of Health and Human Services shall make available to the Secretary, the Postmaster General, each Inspector General, and the Comptroller General of the United States the information in the National Directory of
New Hires for purposes of carrying out this sub-
chapter, in order to improve compliance with the re-
quirements under and the integrity of the FECA
program, or as required to otherwise detect and pre-
vent improper payments under the FECA program
(including for purposes of computer matching under
subsection (e)(1)(D)). The Comptroller General may
obtain information from the National Directory of
New Hires for purposes of any audit, evaluation, or
investigation, including any audit, evaluation, or in-
vestigation relating to program integrity.

“(3) PROCEDURES.—The Secretary shall estab-
lish procedures for correlating the identity and sta-
tus of recipients of compensation, benefits, or serv-
ices under this subchapter with Social Security earn-
ings information described in paragraph (1)(A).

“(4) PROVISION.—Information requested under
this subsection shall be provided—

“(A) in a timely manner;

“(B) at a reasonable cost to the Secretary,
the Postmaster General, or an Inspector Gen-
eral;

“(C) without cost to the Comptroller Gen-
eral of the United States; and
“(D) in the manner, frequency, and form reasonably specified by the officer making the request, which, upon request, shall include electronic form.

“(5) Assessment of data cost-effectiveness.—

“(A) In general.—The Secretary shall consider and assess procedures for correlating the identity and status of recipients of compensation, benefits, or services under this subchapter with information relating to employees, retirees, and individuals described in subparagraphs (B) and (C) of paragraph (1) and paragraph (2).

“(B) Report.—Not later than 1 year after the date of enactment of this section, the Secretary shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform and the Committee on Education and the Workforce of the House of Representatives a report on the cost-effectiveness of the use of the databases described in subparagraphs (B) and (C) of paragraph (1) and paragraph (2) for program compliance and
integrity. The report required under this sub-
paragraph may be included as part of the re-
port required under subsection (f).

“(6) UNITED STATES POSTAL SERVICE FECA
ENROLLEE DATABASE.—Not later than 180 days
after the date of enactment of this section, in order
to track, verify, and communicate with the Secretary
and other relevant entities, the Postmaster General
shall establish an electronic database of information
relating to employees of the United States Postal
Service who have applied for or are receiving com-
ensation, benefits, or services under this sub-
chapter.

“(7) RULE OF CONSTRUCTION.—Nothing in
this subsection shall be construed to limit the au-
thority of the Comptroller General of the United
States under section 716 of title 31.

“(e) GENERAL PROTOCOLS AND SECURITY.—

“(1) ESTABLISHMENT.—

“(A) IN GENERAL.—In order to ensure
strong information security and privacy stand-
ards, the Task Force shall establish protocols
for the secure transfer and storage of any infor-
mation provided to an individual or entity
under this section.
“(B) CONSIDERATIONS.—In establishing protocols under subparagraph (A), the Task Force shall consider any recommendations submitted to the Secretary by the Inspector General of the Department of Health and Human Services with respect to the secure transfer and storage of information, and to comply with privacy laws and best practices.

“(C) FRAUD CASE PROTECTION.—The Task Force shall establish protocols and procedures to enable information and materials relating to an active investigation of possible fraud relating to the FECA program to be appropriately kept separate from the files for employees relating to the provision of compensation, benefits, or services under the FECA program.

“(D) COMPUTER MATCHING BY FEDERAL AGENCIES FOR PURPOSES OF INVESTIGATION AND PREVENTION OF IMPROPER PAYMENTS AND FRAUD.—

“(i) IN GENERAL.—Except as provided in this subparagraph, in accordance with section 552a (commonly known as the Privacy Act of 1974), the Secretary, the Postmaster General, each Inspector Gen-
eral, and the head of each agency may enter into computer matching agreements that allow ongoing data matching (which shall include automated data matching) in order to assist in the detection and prevention of improper payments under the FECA program.

“(ii) REVIEW.—Not later than 60 days after a proposal for an agreement under clause (i) has been presented to a Data Integrity Board established under section 552a(u) for consideration, the Data Integrity Board shall approve or deny the agreement.

“(iii) TERMINATION DATE.—An agreement under clause (i)—

“(I) shall have a termination date of less than 3 years; and

“(II) during the 3-month period ending on the date on which the agreement is scheduled to terminate, may be renewed by the agencies entering the agreement for not more than 3 years.
“(iv) MULTIPLE AGENCIES.—For purposes of this subparagraph, section 552a(o)(1) shall be applied by substituting ‘between the source agency and the recipient agency or non-Federal agency or an agreement governing multiple agencies’ for ‘between the source agency and the recipient agency or non-Federal agency’ in the matter preceding subparagraph (A).

“(v) COST-BENEFIT ANALYSIS.—An agreement under clause (i) may be entered without regard to section 552a(o)(1)(B), relating to a cost-benefit analysis of the proposed matching program.

“(vi) GUIDANCE BY THE OFFICE OF MANAGEMENT AND BUDGET.—Not later than 6 months after the date of enactment of the Workers’ Compensation Reform Act of 2012, and in consultation with the Council of Inspectors General on Integrity and Efficiency, the Secretary of Health and Human Services, the Commissioner of Social Security, and the head of any other relevant agency, the Director of the Office of Management and Budget shall—
“(I) issue guidance for agencies regarding implementing this subparagraph, which shall include standards for reimbursement costs, when necessary, between agencies; and

“(II) establish standards and develop standard matching agreements for the purpose of improving the process for establishing data use or computer matching agreements.

“(2) COMPLIANCE.—The Secretary, the Postmaster General, and each Inspector General shall ensure that any information provided to an individual or entity under this section is provided in accordance with protocols established under paragraph (1).

“(3) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to affect the rights of an individual under section 552a(p).

“(f) REPORT.—Not later than 1 year after the date of enactment of this section, and annually thereafter for 5 years, the Secretary shall submit a report on the activities of the Secretary under this section, including implementation of the Integrity and Compliance Program, to—
“(1) the Committee on Homeland Security and Governmental Affairs of the Senate; and
“(2) the Committee on Oversight and Government Reform and the Committee on Education and the Workforce of the House of Representatives.
“(g) GAO REVIEW.—The Comptroller General of the United States shall—
“(1) conduct periodic reviews of the Integrity and Compliance Program; and
“(2) submit reports on the results of the reviews under paragraph (1) to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform and the Committee on Education and the Workforce of the House of Representatives not later than—
“(A) 2 years after the date of enactment of this section; and
“(B) 3 years after submission of the report under subparagraph (A).”.
(b) TECHNICAL AND CONFORMING AMENDMENT.—
The table of sections for chapter 81 is amended by inserting after the item relating to section 8152 the following:
“§153. Integrity and Compliance Program.”.
(c) Effective Date.—This section and the amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 313. AMOUNT OF COMPENSATION.

(a) Injuries to Face, Head, and Neck.—Section 8107(c)(21) is amended—

(1) by striking “not to exceed $3,500” and inserting “in proportion to the severity of the disfigurement, not to exceed $50,000,”; and

(2) by adding at the end the following: “The maximum amount of compensation under this paragraph shall be increased on March 1 of each year by the amount determined by the Secretary of Labor to represent the percent change in the price index published for December of the preceding year over the price index published for the December of the year prior to the preceding year, adjusted to the nearest one-tenth of 1 percent.”.

(b) Funeral Expenses.—Section 8134(a) is amended—

(1) by striking “$800” and inserting “$6,000”; and

(2) by adding at the end the following: “The maximum amount of compensation under this subsection shall be increased on March 1 of each year
by the amount determined by the Secretary of Labor
to represent the percent change in the price index
published for December of the preceding year over
the price index published for the December of the
year prior to the preceding year, adjusted to the
nearest one-tenth of 1 percent.”.

(c) Application.—The amendments made by this
section shall apply to injuries or deaths, respectively, oc-
curring on or after the date of enactment of this Act.

SEC. 314. TERRORISM INJURIES; ZONES OF ARMED CON-
FLICT.

(a) Covering Terrorism Injuries.—Section
8102(b) of title 5, United States Code, is amended in the
matter preceding paragraph (1)—

(1) by inserting “or from an attack by a ter-
rorist or terrorist organization, either known or un-
known,” after “force or individual,”; and

(2) by striking “outside” and all that follows
through “1979)” and inserting “outside of the
United States”.

(b) Continuation of Pay in a Zone of Armed
Conflict.—Section 8118 of title 5, United States Code,
as amended by section 308(b) of this Act, is amended—
(1) in subsection (b), by striking “Continuation” and inserting “Except as provided under subsection (d)(2), continuation”;

(2) in subsection (c), as redesignated by section 308(b)(4) of this Act, by striking “subsection (a)” and inserting “subsection (a) or (d)”;

(3) by redesignating subsection (d), as redesignated by section 308(b)(4) of this Act, as subsection (e); and

(4) inserting after subsection (c) the following:

“(d) CONTINUATION OF PAY IN A ZONE OF ARMED CONFLICT.—

“(1) IN GENERAL.—Notwithstanding subsection (a), the United States shall authorize the continuation of pay of an employee described in subparagraph (A), (C), (D), or (F) of section 8101(1), who—

“(A) files a claim for a period of wage loss due to an injury in performance of duty in a zone of armed conflict (as determined by the Secretary of Labor under paragraph (3)); and

“(B) files the claim for such wage loss benefit with the immediate superior of the employee not later than 45 days after the later of—
“(i) the termination of the assignment of the employee to the zone of armed conflict; or

“(ii) the return of the employee to the United States.

“(2) CONTINUATION OF PAY.—Notwithstanding subsection (b), continuation of pay under this subsection shall be furnished for a period not to exceed 135 days without any break in time or waiting period, unless controverted under regulations prescribed by the Secretary of Labor.

“(3) DETERMINATION OF ZONES OF ARMED CONFLICT.—For purposes of this subsection, the Secretary of Labor, in consultation with the Secretary of State and the Secretary of Defense, shall determine whether a foreign country or other foreign geographic area outside of the United States (as defined in section 202(a)(7) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4302(a)(7)) is a zone of armed conflict based on whether—

“(A) the Armed Forces of the United States are involved in hostilities in the country or area;
“(B) the incidence of civil insurrection, civil war, terrorism, or wartime conditions threatens physical harm or imminent danger to the health or well-being of United States civilian employees in the country or area;

“(C) the country or area has been designated a combat zone by the President under section 112(c) of the Internal Revenue Code of 1986;

“(D) a contingency operation involving combat operations directly affects civilian employees in the country or area; or

“(E) there exist other relevant conditions and factors.”.

SEC. 315. TECHNICAL AND CONFORMING AMENDMENTS.

Chapter 81 is amended—

(1) in section 8101(1)(D), by inserting “for an injury that occurred before the effective date of section 204(e) of the District of Columbia Self-Government and Governmental Reorganization Act (Public Law 93–198; 87 Stat. 783; 5 U.S.C. 8101 note)” before the semicolon;

(2) in section 8139, by inserting “under this subchapter” after “Compensation awarded”; and
(3) in section 8148(a), by striking “section 8106” and inserting “section 8106a”.

SEC. 316. REGULATIONS.

(a) IN GENERAL.—As soon as possible after the date of enactment of this Act, the Secretary of Labor shall promulgate regulations (which may include interim final regulations) to carry out this title.

(b) CONTENTS.—The regulations promulgated under subsection (a) shall include, for purposes of the amendments made by sections 302 and 303, clarification of—

(1) what is a claim; and

(2) what is the date on which a period of disability, for which a claim is made, commences.

SEC. 317. EFFECTIVE DATE.

Except as otherwise provided in this title, this title and the amendments made by this title shall take effect 60 days after the date of enactment of this Act.

TITLE IV—OTHER MATTERS

SEC. 401. SOLVENCY PLAN.

(a) PLAN REQUIRED.—Not later than 90 days after the date of enactment of this Act, the Postal Service shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate, the Committee on Oversight and Government Reform of the House of Represent-
the Commission a plan describing, in detail, the actions
the Postal Service will take to achieve long-term solvency
(as defined in section 208(e) of this Act).

(b) CONSIDERATIONS.—The plan required under sub-
section (a) shall take into consideration—

(1) the legal authority of the Postal Service;

(2) the changes in the legal authority and re-
sponsibilities of the Postal Service under this Act;

(3) any cost savings that the Postal Service an-
ticipates will be achieved through negotiations with
employees of the Postal Service;

(4) projected changes in mail volume;

(5) the impact of—

(A) regulations the Postmaster General
was required by Congress to promulgate; and

(B) congressional action required to facili-
tate the profitability of the Postal Service;

(6) projected changes in the number of employ-
ees needed to carry out the responsibilities of the
Postal Service; and

(7) the long-term capital needs of the Postal
Service, including the need to maintain, repair, and
replace facilities and equipment.
(c) UPDATES.—The Postal Service shall update the plan required under subsection (a) not less frequently than quarterly, until the last quarter of fiscal year 2015.

SEC. 402. POSTAL RATES.

(a) COMMISSION STUDY.—

(1) IN GENERAL.—Not earlier than 3 years after the date of enactment of this Act, the Commission shall commence a study to determine—

(A) whether and to what extent any market-dominant classes, products, or types of mail services do not bear the direct and indirect costs attributable to those classes, products, or types of mail services; and

(B) the impact of any excess mail processing, transportation, or delivery capacity of the Postal Service on the direct and indirect costs attributable to any class, product, or type of mail service that bears less than 100 percent of the costs attributable to the class, product, or type of mail service, as determined under subparagraph (A).

(2) REQUIREMENTS.—The Commission shall conduct the study under paragraph (1) in a manner that protects confidential and proprietary business information.
(3) **Hearing.**—Before completing the study under paragraph (1), the Commission shall hold a public hearing, on the record, in order to better inform the conclusions of the study. The Postal Service, postal customers, and other interested persons may participate in the hearing under this paragraph.

(4) **Completion.**—Not later than 6 months after the date on which the Commission commences the study under subsection (a), the Commission shall complete the study.

(b) **Annual Updates Required.**—Not later than 1 year after the date of completion of the study under subsection (a), and annually thereafter, the Commission shall—

(1) determine whether any class of mail bears less than 100 percent of the direct and indirect costs attributable to the class, product, or type of mail service, in the same manner as under subsection (a)(1)(A);

(2) for any class of mail for which the Commission makes a determination under paragraph (1), update the study under subsection (a); and

(3) include the study updated under paragraph (2) in the annual written determination of the Com-
mission under section 3653 of title 39, United States Code.

(c) POSTAL RATES.—

(1) DEFINITION.—In this subsection, the term “loss-making”, as used with respect to a class of mail, means a class of mail that bears less than 100 percent of the costs attributable to the class of mail, according to the most recent annual determination of the Commission under subsection (a)(1) or (b)(1), adjusted to account for the quantitative effect of excess mail processing, transportation, or delivery capacity of the Postal Service on the costs attributable to the class of mail.

(2) IN GENERAL.—Not later than 1 year after the date on which the study under subsection (a) is completed, and annually thereafter, the Postal Service shall establish postal rates for each loss-making class of mail.

(3) CONSIDERATIONS.—The Postal Service may establish postal rates under paragraph (2) in a manner that ensures, to the extent practicable, that a class of mail described in paragraph (2) is not loss-making by—
(A) using the authority to increase rates under section 3622(d)(1)(A) of title 39, United States Code;

(B) exhausting any unused rate adjustment authority, as defined in section 3622(d)(2)(C) of title 39, United States Code, subject to paragraph (4); and

(C) maximizing incentives to reduce costs and increase efficiency with regard to the processing, transportation, and delivery of such mail by the Postal Service.

(4) UNUSED RATE ADJUSTMENT AUTHORITY.—Section 3622(d)(2)(C) of title 39, United States Code, shall be applied by annually increasing by 2 percentage points any unused rate adjustment authority for a class of mail that bears less than 90 percent of the costs attributable to the class of mail, according to the most recent annual determination of the Commission under subsection (a)(1) or (b)(1), adjusted to account for the quantitative effect of excess mail processing, transportation, or delivery capacity of the Postal Service on the costs attributable to the class of mail.
SEC. 403. CO-LOCATION WITH FEDERAL AGENCIES.

Chapter 5 of subtitle I of title 40, United States Code, is amended by adding at the end the following:

“SUBCHAPTER VII—FEDERAL REAL PROPERTY ASSET MANAGEMENT

§ 701. Definitions

“In this subchapter:

“(1) AGENCY FIELD OFFICE.—The term ‘agency field office’ means the field office of a landholding agency.

“(2) COUNCIL.—The term ‘Council’ means the Federal Real Property Council established under section 702.

“(3) LANDHOLDING AGENCY.—The term ‘landholding agency’ has the same meaning as in section 501(i) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11411(i)).

“(4) POSTAL PROPERTY.—The term ‘Postal property’ means real property owned by the United States Postal Service.

§ 702. Establishment of a Federal Real Property Council

“(a) ESTABLISHMENT.—There is within the Office of Management and Budget a council to be known as the ‘Federal Real Property Council’.
“(b) PURPOSE.—The purpose of the Council shall be to develop guidance for the asset management program of each executive agency.

“(c) COMPOSITION.—

“(1) IN GENERAL.—The Council shall be composed of—

“(A) the senior real property officers of each executive agency;

“(B) the Deputy Director for Management of the Office of Management and Budget;

“(C) the Controller of the Office of Management and Budget;

“(D) the Administrator of General Services; and

“(E) any other full-time or permanent part-time Federal officials or employees, as the Chairperson determines to be necessary.

“(2) CHAIRPERSON.—The Deputy Director for Management of the Office of Management and Budget shall serve as Chairperson of the Council.

“(3) ADMINISTRATIVE SUPPORT.—The Office of Management and Budget shall provide funding and administrative support for the Council, as appropriate.
“§ 703. Co-location among Postal Service properties

“(a) Co-location Among Postal Service Properties.—

“(1) Identification of real property assets.—Each year, the Council shall—

“(A) identify and compile a list of agency field offices that are suitable for co-location with another Federal civilian real property asset; and

“(B) submit the list to the Director of the Office of Management and Budget and the Postmaster General of the United States.

“(2) Postal property.—

“(A) In general.—Not later than 30 days after the completion of a list under paragraph (1), the Director of the Office of Management and Budget, in collaboration with the Postmaster General, shall identify agency field offices on the list that are within reasonable distance of a Postal property.

“(B) Reasonable distance.—For purposes of this paragraph, an agency field office shall be considered to be within reasonable distance of a Postal property if the office would be able to fulfill the mission of the office if the office is located at the Postal property.
“(C) Review by Postal Service.—Not later than 90 days after the receipt of the list submitted under subparagraph (B), the Postmaster General shall—

“(i) review the list; and

“(ii) submit to the Director of the Office of Management and Budget a report containing the conclusions of the review.

“(3) Terms of Co-location.—On approval of the recommendations under paragraph (2) by the Postmaster General and the applicable agency head, the co-location of a Postal property and an agency field office shall consist of the Executive agency that owns or leases the agency field office entering into a lease for space within the Postal property with United States Postal Service that has—

“(A) an initial lease term of not less than 5 years; and

“(B) a cost that is within 5 percent of the prevailing market lease rate for a similarly situated space.”.

SEC. 404. COOPERATION WITH STATE AND LOCAL GOVERNMENTS; INTRA-SERVICE AGREEMENTS.

(a) Cooperation With State and Local Governments.—Section 411 of title 39, United States Code,
is amended, in the first sentence, by striking “and the Government Printing Office” and inserting “, the Government Printing Office, and agencies and other units of State and local governments”.

(b) INTRA-SERVICE AGREEMENTS.—Section 411 of title 39, United States Code, as amended by subsection (a), is amended—

(1) in the section heading, by adding at the end the following: “and within the Postal Service”;

(2) in the second sentence, by striking “section” and inserting “subsection”;

(3) by striking “Executive agencies” and inserting the following:

“(a) COOPERATION WITH STATE AND LOCAL GOVERNMENTS.—Executive agencies”; and

(4) by adding at the end the following:

“(b) COOPERATION WITHIN THE POSTAL SERVICE.—The Office of the Inspector General and other components of the Postal Service may enter into agreements to furnish to each other property, both real and personal, and personal and nonpersonal services. The furnishing of property and services under this subsection shall be under such terms and conditions, including reimbursability, as
the Inspector General and the head of the component concerned shall deem appropriate.”.

(c) TECHNICAL AND CONFORMING AMENDMENT.—
The table of sections for chapter 4 of title 39, United States Code, is amended by striking the item relating to section 411 and inserting the following:

“411. Cooperation with other Government agencies and within the Postal Service.”.

SEC. 405. SHIPPING OF WINE, BEER, AND DISTILLED SPIRITS.

(a) MAILABILITY.—

(1) NONMAILABLE ARTICLES.—Section 1716(f) of title 18, United States Code, is amended by striking “mails” and inserting “mails, except to the extent that the mailing is allowable under section 3001(p) of title 39”.

(2) APPLICATION OF LAWS.—Section 1161 of title 18, United States Code, is amended, by inserting “, and, with respect to the mailing of distilled spirits, wine, or malt beverages (as those terms are defined in section 117 of the Federal Alcohol Admin- istration Act (27 U.S.C. 211)), is in conformity with section 3001(p) of title 39” after “Register”.

(b) REGULATIONS.—Section 3001 of title 39, United States Code, is amended by adding at the end the following:
“(p)(1) In this subsection, the terms ‘distilled spirits’, ‘wine’, and ‘malt beverage’ have the same meanings as in section 117 of the Federal Alcohol Administration Act (27 U.S.C. 211).

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

“(A) in accordance with the laws and regulations of—

“(i) the State, territory, or district of the United States where the sender or duly authorized agent initiates the mailing; and

“(ii) the State, territory, or district of the United States where the addressee or duly authorized agent takes delivery; and

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

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

“(ii) the duly authorized agent of whom—

“(I) is at least 21 years of age; and

“(II) provides a signature and presents a valid, government-issued photo identification upon delivery.
“(3) The Postal Service shall prescribe such regulations as may be necessary to carry out this subsection.”.

(c) Effective Date.—The amendments made by this section shall take effect on the earlier of—

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

(2) 120 days after the date of enactment of this Act.

SEC. 406. ANNUAL REPORT ON UNITED STATES MAILING INDUSTRY.

(a) In General.—Chapter 24 of title 39, United States Code, is amended by adding at the end the following:

“§ 2403. Annual report on the fiscal stability of the United States mailing industry

“(a) In General.—Not later than 1 year after the date of enactment of this section, and annually thereafter, the Postal Regulatory Commission shall submit a report on the fiscal stability of the United States mailing industry with respect to the preceding fiscal year to—

“(1) the Committee on Homeland Security and Governmental Affairs of the Senate; and

“(2) the Committee on Oversight and Government Reform of the House of Representatives.
“(b) ASSISTANCE.—The United States Postal Service and any Federal agency involved in oversight or data collection regarding industry sectors relevant to the report under subsection (a) shall provide any assistance to the Postal Regulatory Commission that the Postal Regulatory Commission determines is necessary in the preparation of a report under subsection (a).”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 24 of title 39, United States Code, is amended by adding at the end the following:

“2403. Annual report on the fiscal stability of the United States mailing industry.”.

SEC. 407. USE OF NEGOTIATED SERVICE AGREEMENTS.

Section 3622 of title 39, United States Code, is amended—

(1) in subsection (c)(10)(A)—

(A) in the matter preceding clause (i), by striking “either” and inserting “will”; (B) in clause (i), by striking “or” at the end; (C) in clause (ii), by striking “and” at the end and inserting “or”; and (D) by adding at the end the following:

“(iii) preserve mail volume and revenue; and”; and
(2) by adding at the end the following:

“(g) COORDINATION.—The Postal Service and the Postal Regulatory Commission shall coordinate actions to identify methods to increase the use of negotiated service agreements for market-dominant products by the Postal Service consistent with subsection (c)(10).”.

SEC. 408. CONTRACT DISPUTES.

Section 7101(8) of title 41, United States Code, is amended—

(1) in subparagraph (C), by striking “and” at the end;

(2) in subparagraph (D), by striking the period at the end and inserting “; and”;

(3) by adding at the end the following:

“(E) the United States Postal Service and the Postal Regulatory Commission.”.

SEC. 409. CONTRACTING PROVISIONS.

(a) In General.—Part I of title 39, United States Code, is amended by adding at the end the following:

“CHAPTER 7—CONTRACTING PROVISIONS

**Sec. 701. Definitions.**
**Sec. 702. Advocate for competition.**
**Sec. 703. Delegation of contracting authority.**
**Sec. 704. Posting of nonecompetitive purchase requests for nonecompetitive contracts.**
**Sec. 705. Review of ethical issues.**
**Sec. 706. Ethical restrictions on participation in certain contracting activity.**
**Sec. 707. Congressional oversight authority.**

†S 1789 ES
“§ 701. Definitions

“In this chapter—

“(1) the term ‘contracting officer’ means an employee of a covered postal entity who has authority to enter into a postal contract;

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

“(A) the Postal Service; or

“(B) the Postal Regulatory Commission;

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

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

“(B) in the case of the Postal Regulatory Commission, the Chairman of the Postal Regulatory Commission;

“(4) the term ‘postal contract’ means any contract (including any agreement or memorandum of understanding) entered into by a covered postal entity for the procurement of goods or services; and

“(5) the term ‘senior procurement executive’ means the senior procurement executive of a covered postal entity.

“§ 702. Advocate for competition

“(a) Establishment and Designation.—
“(1) Establishment.—There is established in each covered postal entity an advocate for competition.

“(2) Designation.—The head of each covered postal entity shall designate for the covered postal entity 1 or more officers or employees (other than the senior procurement executive) to serve as the advocate for competition.

“(b) Responsibilities.—The advocate for competition of each covered postal entity shall—

“(1) be responsible for promoting competition to the maximum extent practicable consistent with obtaining best value by promoting the acquisition of commercial items and challenging barriers to competition;

“(2) review the procurement activities of the covered postal entity; and

“(3) prepare and transmit to the head of each covered postal entity, the senior procurement executive of each covered postal entity, the Board of Governors, and Congress, an annual report describing—

“(A) the activities of the advocate under this section;

“(B) initiatives required to promote competition;
“(C) barriers to competition that remain; and

“(D) the number of waivers made by each covered postal entity under section 704(e).

§ 703. Delegation of contracting authority

“(a) IN GENERAL.—

“(1) POLICY.—Not later than 60 days after the date of enactment of the 21st Century Postal Service Act of 2012, the head of each covered postal entity shall issue a policy on contracting officer delegations of authority for the covered postal entity.

“(2) CONTENTS.—The policy issued under paragraph (1) shall require that—

“(A) notwithstanding any delegation of authority with respect to postal contracts, the ultimate responsibility and accountability for the award and administration of postal contracts resides with the senior procurement executive; and

“(B) a contracting officer shall maintain an awareness of and engagement in the activities being performed on postal contracts of which that officer has cognizance, notwithstanding any delegation of authority that may have been executed.
“(b) Posting of Delegations.—

“(1) In general.—The head of each covered postal entity shall make any delegation of authority for postal contracts outside the functional contracting unit readily available and accessible on the website of the covered postal entity.

“(2) Effective date.—This paragraph shall apply to any delegation of authority made on or after 30 days after the date of enactment of the 21st Century Postal Service Act of 2012.

§ 704. Posting of noncompetitive purchase requests for noncompetitive contracts

“(a) Posting Required.—

“(1) Postal Regulatory Commission.—The Postal Regulatory Commission shall make the non-competitive purchase request for any noncompetitive award, including the rationale supporting the non-competitive award, publicly available on the website of the Postal Regulatory Commission—

“(A) not later than 14 days after the date of the award of the noncompetitive contract; or

“(B) not later than 30 days after the date of the award of the noncompetitive contract, if the basis for the award was a compelling business interest.
“(2) POSTAL SERVICE.—The Postal Service shall make the noncompetitive purchase request for any noncompetitive award of a postal contract valued at $250,000 or more, including the rationale supporting the noncompetitive award, publicly available on the website of the Postal Service—

“(A) not later than 14 days after the date of the award; or

“(B) not later than 30 days after the date of the award, if the basis for the award was a compelling business interest.

“(3) ADJUSTMENTS TO THE POSTING THRESHOLD FOR THE POSTAL SERVICE.—

“(A) REVIEW AND DETERMINATION.—Not later than January 31 of each year, the Postal Service shall—

“(i) review the $250,000 threshold established under paragraph (2); and

“(ii) based on any change in the Consumer Price Index for all-urban consumers of the Department of Labor, determine whether an adjustment to the threshold shall be made.

“(B) AMOUNT OF ADJUSTMENTS.—An adjustment under subparagraph (A) shall be made
in increments of $5,000. If the Postal Service determines that a change in the Consumer Price Index for a year would require an adjustment in an amount that is less than $5,000, the Postal Service may not make an adjustment to the threshold for the year.

“(4) EFFECTIVE DATE.—This subsection shall apply to any noncompetitive contract awarded on or after the date that is 90 days after the date of enactment of the 21st Century Postal Service Act of 2012.

“(b) PUBLIC AVAILABILITY.—

“(1) IN GENERAL.—Subject to paragraph (2), the information required to be made publicly available by a covered postal entity under subsection (a) shall be readily accessible on the website of the covered postal entity.

“(2) PROTECTION OF PROPRIETARY INFORMATION.—A covered postal entity shall—

“(A) carefully screen any description of the rationale supporting a noncompetitive award required to be made publicly available under subsection (a) to determine whether the description includes proprietary data (including any ref-
ence or citation to the proprietary data) or se-
curity-related information; and

“(B) remove any proprietary data or secu-

rity-related information before making publicly
available a description of the rational sup-
porting a noncompetitive award.

“(c) WAIVERS.—

“(1) WAIVER PERMITTED.—If a covered postal
entity determines that making a noncompetitive pur-
chase request publicly available would risk placing
the Postal Service at a competitive disadvantage rel-
ative to a private sector competitor, the senior pro-
curement executive, in consultation with the advo-
cate for competition of the covered postal entity,
may waive the requirements under subsection (a).

“(2) FORM AND CONTENT OF WAIVER.—

“(A) FORM.—A waiver under paragraph
(1) shall be in the form of a written determina-
tion placed in the file of the contract to which
the noncompetitive purchase agreement relates.

“(B) CONTENT.—A waiver under para-
graph (1) shall include—

“(i) a description of the risk associ-
ated with making the noncompetitive pur-
chase request publicly available; and
“(ii) a statement that redaction of sensitive information in the noncompetitive purchase request would not be sufficient to protect the Postal Service from being placed at a competitive disadvantage relative to a private sector competitor.

“(3) Delegation of waiver authority.—A covered postal entity may not delegate the authority to approve a waiver under paragraph (1) to any employee having less authority than the senior procurement executive.

§ 705. Review of ethical issues

“If a contracting officer identifies any ethical issues relating to a proposed contract and submits those issues and that proposed contract to the designated ethics official for the covered postal entity before the awarding of that contract, that ethics official shall—

“(1) review the proposed contract; and

“(2) advise the contracting officer on the appropriate resolution of ethical issues.

§ 706. Ethical restrictions on participation in certain contracting activity

“(a) Definitions.—In this section—

“(1) the term ‘covered employee’ means—

“(A) a contracting officer; or
“(B) any employee of a covered postal entity whose decisionmaking affects a postal contract as determined by regulations prescribed by the head of a covered postal entity;

“(2) the term ‘covered relationship’ means a covered relationship described in section 2635.502(b)(1) of title 5, Code of Federal Regulations, or any successor thereto; and

“(3) the term ‘final conviction’ means a conviction, whether entered on a verdict or plea, including a plea of nolo contendere, for which a sentence has been imposed.

“(b) IN GENERAL.—

“(1) REGULATIONS.—The head of each covered postal entity shall prescribe regulations that—

“(A) require a covered employee to include in the file of any noncompetitive purchase request for a noncompetitive postal contract a written certification that—

“(i) discloses any covered relationship of the covered employee; and

“(ii) the covered employee will not take any action with respect to the noncompetitive purchase request that affects the financial interests of a friend, relative,
or person with whom the covered employee is affiliated in a nongovernmental capacity, or otherwise gives rise to an appearance of the use of public office for private gain, as described in section 2635.702 of title 5, Code of Federal Regulations, or any successor thereto;

“(B) require a contracting officer to consult with the ethics counsel for the covered postal entity regarding any disclosure made by a covered employee under subparagraph (A)(i), to determine whether participation by the covered employee in the noncompetitive purchase request would give rise to a violation of part 2635 of title 5, Code of Federal Regulations (commonly referred to as the ‘Standards of Ethical Conduct for Employees of the Executive Branch’);

“(C) require the ethics counsel for a covered postal entity to review any disclosure made by a contracting officer under subparagraph (A)(i) to determine whether participation by the contracting officer in the noncompetitive purchase request would give rise to a violation of part 2635 of title 5, Code of Federal Regula-
tions (commonly referred to as the ‘Standards of Ethical Conduct for Employees of the Executive Branch’), or any successor thereto;

“(D) under subsections (d) and (e) of section 2635.50 of title 5, Code of Federal Regulations, or any successor thereto, require the ethics counsel for a covered postal entity to—

“(i) authorize a covered employee that makes a disclosure under subparagraph (A)(i) to participate in the noncompetitive postal contract; or

“(ii) disqualify a covered employee that makes a disclosure under subparagraph (A)(i) from participating in the non-competitive postal contract;

“(E) require a contractor to timely disclose to the contracting officer in a bid, solicitation, award, or performance of a postal contract any conflict of interest with a covered employee; and

“(F) include authority for the head of the covered postal entity to a grant a waiver or otherwise mitigate any organizational or personal conflict of interest, if the head of the covered postal entity determines that the waiver or miti-
gation is in the best interests of the Postal Service.

“(2) Posting of waivers.—Not later than 30 days after the head of a covered postal entity grants a waiver described in paragraph (1)(F), the head of the covered postal entity shall make the waiver publicly available on the website of the covered postal entity.

“(c) Contract voidance and recovery.—

“(1) Unlawful conduct.—In any case in which there is a final conviction for a violation of any provision of chapter 11 of title 18 relating to a postal contract, the head of a covered postal entity may—

“(A) void that contract; and

“(B) recover the amounts expended and property transferred by the covered postal entity under that contract.

“(2) Obtaining or disclosing procurement information.—

“(A) In general.—In any case where a contractor under a postal contract fails to timely disclose a conflict of interest to the appropriate contracting officer as required under the regulations promulgated under subsection
(b)(1)(D), the head of a covered postal entity may—

“(i) void that contract; and

“(ii) recover the amounts expended and property transferred by the covered postal entity under that contract.

“(B) CONVICTION OR ADMINISTRATIVE DETERMINATION.—A case described under subparagraph (A) is any case in which—

“(i) there is a final conviction for an offense punishable under section 27(e) of the Office of Federal Procurement Policy Act (41 U.S.C. 423(e)); or

“(ii) the head of a covered postal entity determines, based upon a preponderance of the evidence, that the contractor or someone acting for the contractor has engaged in conduct constituting an offense punishable under section 27(e) of that Act.

§ 707. Congressional oversight authority

“The Postal Service may not enter into any contract that restricts the ability of Congress to exercise oversight authority.”.
(b) TECHNICAL AND CONFORMING AMENDMENT.—

The table of chapters for part I of title 39, United States Code, is amended by adding at the end the following:

"7. Contracting Provisions ......................................................... 701".

SEC. 410. EXECUTIVE COMPENSATION.

(a) LIMIT ON MAXIMUM COMPENSATION.—

(1) NUMBER OF EXECUTIVES.—Section 3686(c) of title 39, United States Code, is amended in the first sentence by striking "12 officers" and inserting "6 officers".

(2) INTERIM LIMITATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), and notwithstanding section 3686(c) of title 39, United States Code, as amended by this Act, for 2012, 2013, 2014, and 2015, the total compensation of an officer or employee of the Postal Service may not exceed the annual amount of basic pay payable for level I of the Executive Schedule under section 5312 of title 5.

(B) PERFORMANCE BASED COMPENSATION RELATING TO SOLVENCY PLAN.—

(i) IN GENERAL.—Any compensation relating to achieving the goals established under the plan under section 401 shall not
apply toward the limit on compensation under subparagraph (A).

(ii) **OTHER LIMITATIONS APPLY.**—

Nothing in this subparagraph shall be construed to modify the limitation on compensation under subsections (b) and (c) of section 3686 of title 39, United States Code, as amended by this Act.

(b) **CARRY OVER COMPENSATION.**—The Postal Service may not pay compensation for service performed during a year (in this subsection referred to as the “base year”) in any subsequent year if the total amount of compensation provided relating to service during the base year would exceed the amount specified under section 3686(c) of title 39, United States Code, as amended by this Act, or subsection (a)(2), as applicable.

(c) **BENEFITS.**—Section 1003 of title 39, United States Code, is amended by adding at the end the following:

“(e) **LIMITATIONS ON BENEFITS.**—For any fiscal year, an officer or employee of the Postal Service who is in a critical senior executive or equivalent position, as designated under section 3686(c), may not receive fringe benefits (within the meaning given that term under section 1005(f)) that are greater than the fringe benefits received
by supervisory and other managerial personnel who are not subject to collective-bargaining agreements under chapter 12.”.

(d) Effective Date; Applicability.—This section and the amendments made by this section shall—

(1) take effect on the date of enactment of this Act; and

(2) apply to any contract entered or modified by the Postal Service on or after the date of enactment of this Act.

SEC. 411. SENSE OF THE SENATE.

It is the sense of the Senate that the Postal Service should not close or consolidate any postal facility (as defined in section 404(f) of title 39, United States Code, as added by this Act) or post office before the date of enactment of this Act.

TITLE V—MISCELLANEOUS

SEC. 501. GOVERNMENT SPONSORED CONFERENCES.

(a) Travel Expenses of Federal Agencies Relating to Conferences.—

(1) Limitations and reports on travel expenses to conferences.—Chapter 57 of title 5, United States Code, is amended by inserting after section 5711 the following:
§ 5712. Limitations and reports on travel expenses to conferences

(a) In this section, the term—

(1) ‘conference’ means a meeting that—

(A) is held for consultation, education, or discussion;

(B) is not held entirely at an agency facility;

(C) involves costs associated with travel and lodging for some participants; and

(D) is sponsored by 1 or more agencies, 1 or more organizations that are not agencies, or a combination of such agencies or organizations; and

(2) ‘international conference’ means a conference attended by representatives of —

(A) the United States Government; and

(B) any foreign government, international organization, or foreign nongovernmental organization.

(b) No agency may pay the travel expenses for more than 50 employees of that agency who are stationed in the United States, for any international conference occurring outside the United States, unless the Secretary of State determines that attendance for such employees is in the national interest.
“(c) At the beginning of each quarter of each fiscal year, each agency shall post on the public Internet website of that agency a report on each conference for which the agency paid travel expenses during the preceding 3 months that includes—

“(1) the itemized expenses paid by the agency, including travel expenses, the cost of scouting for and selecting the location of the conference, and any agency expenditures to otherwise support the conference;

“(2) the primary sponsor of the conference;

“(3) the location of the conference;

“(4) in the case of a conference for which that agency was the primary sponsor, a statement that—

“(A) justifies the location selected;

“(B) demonstrates the cost efficiency of the location; and

“(C) provides a cost benefit analysis of holding a conference rather than conducting a teleconference;

“(5) the date of the conference;

“(6) a brief explanation how the conference advanced the mission of the agency;

“(7) the title of any Federal employee or any individual who is not a Federal employee whose trav-
el expenses or other conference expenses were paid
by the agency; and

“(8) the total number of individuals whose trav-
el expenses or other conference expenses were paid
by the agency.

“(d) Each report posted on the public Internet
website under subsection (c) shall—

“(1) be in a searchable electronic format; and
“(2) remain on that website for at least 5 years
after the date of posting.”.

(2) TECHNICAL AND CONFORMING AMEND-
MENT.—The table of sections for chapter 57 of title
5, United States Code, is amended by inserting after
the item relating to section 5711 the following:

“5712. Limitations and reports on travel expenses to conferences.”.

(b) LIMITATIONS ON ANNUAL TRAVEL EXPENSES.—

(1) IN GENERAL.—In the case of each of fiscal
years 2012 through 2016, an agency (as defined
under section 5701(1) of title 5, United States
Code) may not make, or obligate to make, expendi-
tures for travel expenses, in an aggregate amount
greater than 80 percent of the aggregate amount of
such expenses for fiscal year 2010.

(2) IDENTIFICATION OF TRAVEL EXPENSES.—
Not later than September 1, 2012 and after con-
sultation with the Administrator of General Services
and the Director of the Administrative Office of the United States Courts, the Director of the Office of Management and Budget shall establish guidelines for the determination of what expenses constitute travel expenses for purposes of this subsection. The guidelines shall identify specific expenses, and classes of expenses, that are to be treated as travel expenses.

(c) Conference Transparency and Limitations.—

(1) Definitions.—In this subsection—

(A) the term “agency” has the meaning given under section 5701(1) of title 5, United States Code; and

(B) the term “conference” has the meaning given under section 5712(a)(1) of that title (as added by subsection (a)).

(2) Public availability of conference materials.—Each agency shall post on the public Internet website of that agency a detailed information on any presentation made by any employee of that agency at a conference, including—

(A) any minutes relating to the presentation;

(B) any speech delivered;
(C) any visual exhibit, including photographs or slides;

(D) any video, digital, or audio recordings of the conference; and

(E) information regarding any financial support or other assistance from a foundation or other non-Federal source used to pay or defray the costs of the conference, which shall include a certification by the head of the agency that there is no conflict of interest resulting from the support received from each such source.

(3) LIMITATION ON AMOUNT EXPENDED ON A CONFERENCE.—

(A) IN GENERAL.—No agency may expend more than $500,000 to support a single conference.

(B) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to preclude an agency from receiving financial support or other assistance from a foundation or other non-Federal source to pay or defray the costs of a conference the total cost of which exceeds $500,000.
(4) Limitation on the annual number of conferences an agency may support.—No agency may expend funds on more than a single conference sponsored or organized by an organization during any fiscal year, unless the agency is the primary sponsor and organizer of the conference.

Passed the Senate April 25, 2012.

Attest:

Secretary.
AN ACT

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

S. 1789

112th Congress 2d Session