H. R. 6076

To restore the financial solvency and improve the governance of the United States Postal Service in order to ensure the efficient and affordable nationwide delivery of mail, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2018

Mr. MEADOWS (for himself, Mr. RUSSELL, Mr. ROSS, Mr. CONNOLLY, Mr. CUMMINGS, and Mr. LYNCH) introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committees on Energy and Commerce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To restore the financial solvency and improve the governance of the United States Postal Service in order to ensure the efficient and affordable nationwide delivery of mail, and for other purposes.

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

3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

4 (a) Short Title.—This Act may be cited as the

5 “Postal Reform Act of 2018”.
(b) Table of Contents.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—POSTAL SERVICE BENEFITS REFORM

Sec. 101. Postal Service Health Benefits Program.
Sec. 102. Postal Service retiree health care benefit funding reform.
Sec. 103. Postal Service pension funding reform.
Sec. 104. Medicare part B premium transition for newly enrolling Postal Service annuitants and family members.

TITLE II—POSTAL SERVICE OPERATIONS REFORM

Sec. 201. Governance reform.
Sec. 202. Transition to more efficient and secure mail delivery.
Sec. 203. Modernizing postal rates.
Sec. 204. Nonpostal services.
Sec. 205. Efficient and flexible universal postal service.
Sec. 206. Fair stamp-evidencing competition.
Sec. 207. Market-dominant rates.
Sec. 208. Completion of initial rate regulation review.
Sec. 209. Review of Postal Service cost attribution guidelines.
Sec. 211. ZIP Codes.

TITLE III—POSTAL SERVICE PERSONNEL

Sec. 301. Postal Service Chief Innovation Officer.
Sec. 302. Inspector General of the Postal Community.
Sec. 303. Right of appeal to Merit Systems Protection Board.

TITLE IV—POSTAL CONTRACTING REFORM

Sec. 401. Contracting provisions.
Sec. 402. Technical amendment to definition.

SEC. 2. DEFINITIONS.

In this Act—

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

(2) the term “postal retail facility” means a post office, post office branch, post office classified station, or other facility which is operated by the Postal Service, and the primary function of which is
to provide retail postal services, but does not include a contractor-operated facility offering postal services.

**TITLE I—POSTAL SERVICE BENEFITS REFORM**

**SEC. 101. POSTAL SERVICE HEALTH BENEFITS PROGRAM.**

(a) Establishment.—

(1) In general.—Chapter 89 of title 5, United States Code, is amended by inserting after section 8903b the following:

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§ 8903c. Postal Service Health Benefits Program

(a) Definitions.—In this section—

(1) the term 'covered Medicare individual' means an individual who is entitled to benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.), but excluding an individual who is eligible to enroll under such part under section 1818 or 1818A of the Social Security Act (42 U.S.C. 1395i–2, 1395i–2a);

(2) the term 'initial contract year' means the contract year beginning in January of 2019;

(3) the term 'initial participating carrier' means a carrier that enters into a contract with the Office to participate in the Postal Service Health Benefits Program during the initial contract year;
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“(4) the term ‘Office’ means the Office of Personnel Management;

“(5) the term ‘Postal Service’ means the United States Postal Service;

“(6) the term ‘Postal Service annuitant’ means an annuitant enrolled in a health benefits plan under this chapter whose Government contribution is paid pursuant to the requirements of section 8906(g)(2);

“(7) the term ‘Postal Service employee’ means an employee of the Postal Service enrolled in a health benefits plan under this chapter whose Government contribution is paid by the Postal Service;

“(8) the term ‘Postal Service Medicare covered annuitant’ means an individual who—

“(A) is a Postal Service annuitant; and

“(B) is a covered Medicare individual;

“(9) the term ‘Program’ means the Postal Service Health Benefits Program established under subsection (c) within the Federal Employees Health Benefit Program; and

“(10) the term ‘Program plan’ means a health benefits plan offered under the Program.

“(b) APPLICATION.—The requirements under this section shall—
“(1) apply to the initial contract year and each contract year thereafter; and

“(2) supersede any other provision of this chapter inconsistent with such requirements, as determined by the Office.

“(c) Establishment of the Postal Service Health Benefits Program.—

“(1) In general.—The Office shall establish the Postal Service Health Benefits Program under which the Office contracts with carriers to offer health benefits plans as described under this section. Except as otherwise provided under this section, any such contract shall be consistent with the requirements of this chapter for contracts under section 8902 with carriers to offer health benefits plans other than under this section. The Program shall—

“(A) to the greatest extent practicable, include plans offered by—

“(i) each carrier for which the total enrollment in the plans provided under this chapter includes, in the contract year beginning in January 2019, 1,500 or more enrollees who are Postal Service employees or Postal Service annuitants; and
“(ii) any other carrier determined appropriate by the Office;

“(B) be available for participation by all Postal Service employees and Postal Service annuitants, in accordance with subsection (d);

“(C) provide for enrollment in a plan as an individual, for self plus one, or for self and family; and

“(D) not be available for participation by an individual who is not a Postal Service employee or Postal Service annuitant (except as a family member of such an employee or annuitant or as provided under paragraph (5)).

“(2) Separate postal service risk pool.—The Office shall ensure that each Program plan includes rates that reasonably and equitably reflect the cost of benefits provided to a risk pool consisting solely of Postal Service employees and Postal Service annuitants (and covered family members of such employees and annuitants), taking into specific account the reduction in benefits cost for the Program plan due to the Medicare enrollment requirements under subsection (e) and any savings or subsidies resulting from subsection (f)(1).
“(3) Actuarially equivalent coverage.—The Office shall ensure that each carrier participating in the Postal Service Health Benefits Program provides coverage under the Program plans offered by the carrier that is actuarially equivalent, as determined by the Office, to the coverage that the carrier provides under the health benefits plans offered by the carrier under this chapter that are not Program plans.

“(4) Applicability of Federal employees health benefits program requirements.—Except as otherwise set forth in this section, all provisions of this chapter applicable to health benefits plans offered by the carrier under section 8903 or 8903a shall also apply to plans offered under the Program.

“(5) Application of continuation coverage.—In accordance with rules established by the Office, section 8905a shall apply to health benefits plans offered under this section in the same manner as such section applies to other health benefits plans offered under this chapter.

“(d) Election of coverage.—

“(1) In general.—Except as provided in paragraphs (2) and (3), each Postal Service employee
and Postal Service annuitant who elects to receive health benefits coverage under this chapter—

“(A) shall be subject to the requirements of this section; and

“(B) may not enroll in any other health benefits plan offered under any other section of this chapter.

“(2) ANNUITANTS.—

“(A) APPLICATION.—A Postal Service annuitant shall not be subject to the requirements of this section if the Postal Service annuitant—

“(i) is enrolled in a health benefits plan under this chapter for the contract year immediately preceding the initial contract year that is not a health benefits plan offered by an initial participating carrier, unless—

“(I) the Postal Service annuitant voluntarily enrolls in a Program plan;

“(II) the health benefits plan in which such annuitant is enrolled for such contract year ceases to be available; or

“(III) the health benefits plan in which such annuitant is enrolled for
such contract year becomes available
as a Program plan; or

“(ii) resides in a geographic area for
which there is not a Program plan in
which the Postal Service annuitant may
enroll.

“(B) CHANGED ENROLLMENT.—If a Post-
al Service annuitant changes enrollment to a
health benefits plan under this chapter provided
by a different carrier than the health benefits
plan in which such annuitant is enrolled during
the previous contract year, the Postal Service
annuitant may only enroll in a Program plan.

“(3) EMPLOYEES.—A Postal Service employee
who is enrolled in a health benefits plan under this
chapter for the contract year immediately preceding
the initial contract year that is not a health benefits
plan offered by an initial participating carrier shall
not be subject to the requirements of this section,
except that—

“(A) if the Postal Service employee
changes enrollment to a different health bene-
fits plan under this chapter during the open
season for the initial contract year, or after the
start of the initial contract year, the Postal
Service employee may only enroll in a Program plan;

“(B) if the health benefits plan in which such employee is enrolled for such contract year becomes available as a Program plan, the Postal Service employee may only enroll in a Program plan;

“(C) upon becoming a Postal Service annuitant, if the Postal Service employee elects to continue coverage under this chapter, the Postal Service employee shall enroll in a Program plan during the open season that is—

“(i) being held when the Postal Service employee becomes a Postal Service annuitant; or

“(ii) if the date on which the Postal Service employee becomes a Postal Service annuitant falls outside of an open season, the first open season following that date; and

“(D) subparagraphs (A), (B), and (C) shall not apply to an employee who resides in a geographic area for which there is not a Program plan in which the employee may enroll.
“(e) Requirement of Medicare Enrollment for Annuitants and Their Family Members.—

“(1) Postal service medicare covered annuitants.—A Postal Service Medicare covered annuitant subject to the requirements of this section may not obtain coverage under this chapter unless the annuitant is enrolled in part B of title XVIII of the Social Security Act (42 U.S.C. 1395j et seq.).

“(2) Medicare covered family members.—If a family member of a Postal Service annuitant who is subject to the requirements of this section is a covered Medicare individual, the family member may not be covered under the Program as a family member of the Postal Service annuitant unless the family member is enrolled in part B of title XVIII of the Social Security Act (42 U.S.C. 1395j et seq.).

“(3) Process for coordinated election of enrollment under Medicare part B.—The Office shall establish a process under which—

“(A) Postal Service annuitants and family members who are subject to the requirements of paragraph (1) or (2)—

“(i) are informed, at the time of enrollment under this chapter, of such requirement;
“(ii) receive requests for any additional information necessary for enrollment in writing; and

“(iii) as a consequence of such enrollment are deemed, for such continuous period as such annuitant or family member involved otherwise maintains eligibility for enrollment under Medicare part B, to have elected to be enrolled under Medicare part B (under section 1837(m)(1) of the Social Security Act) in connection with the enrollment in a Program plan under this chapter; and

“(B) the Office provides the Secretary of Health and Human Services and the Commissioner of Social Security in a timely manner with such information respecting such annuitants and family members and such election as may be required to effect their enrollment and coverage under Medicare part B and this section in a timely manner.

“(f) MEDICARE COORDINATION.—

“(1) IN GENERAL.—The Office shall require each Program plan to provide benefits for covered Medicare individuals pursuant to the standard co-
ordination of benefits method used under this chapter, rather than the exclusion method or the carve-out method.

“(2) Medicare Part D Prescription Drug Benefits.—The Office shall require each Program plan to provide prescription drug benefits for Postal Service annuitants and family members who are eligible individuals (as defined in section 1860D–1(a)(3)(A) of the Social Security Act) through an employer group waiver plan offered under subsection (b) of section 1860D–22 of the Social Security Act.

“(g) Postal Service Contribution.—

“(1) In General.—Subject to subsection (i), for purposes of applying section 8906(b) to the Postal Service, the weighted average shall be calculated in accordance with paragraphs (2) and (3).

“(2) Weighted Average Calculation.—Not later than October 1 of each year (beginning with 2019), the Office shall determine the weighted average of the rates established pursuant to subsection (c)(2) for Program plans that will be in effect during the following contract year with respect to—

“(A) enrollments for self only;

“(B) enrollments for self plus one; and

“(C) enrollments for self and family.
“(3) **Weighting in computing rates for initial contract year.**—In determining such weighted average of the rates for the initial contract year, the Office shall take into account (for purposes of section 8906(a)(2)) the enrollment of Postal Service employees and annuitants in the health benefits plans offered by the initial participating carriers as of March 31, 2019.

“(h) **Reserves.**—

“(1) **Separate reserves.**—

“(A) **In general.**—The Office shall ensure that each Program plan maintains separate reserves (including a separate contingency reserve) with respect to the enrollees in the Program plan in accordance with section 8909.

“(B) **References.**—For purposes of the Program, each reference to ‘the Government’ in section 8909 shall be deemed to be a reference to the Postal Service.

“(C) **Amounts to be credited.**—The reserves (including the separate contingency reserve) maintained by each Program plan shall be credited with a proportionate amount of the funds in the reserves for health benefits plans offered by the carrier.
“(2) DISCONTINUATION OF PROGRAM PLAN.—
In applying section 8909(e) relating to a Program plan that is discontinued, the Office shall credit the separate Postal Service contingency reserve maintained under paragraph (1) for that plan only to the separate Postal Service contingency reserves of the Program plans continuing under this chapter.

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

“(j) MEDICARE EDUCATION PROGRAM.—Not later than 180 days after the date of enactment of this section, the Postal Service shall establish a Medicare Education Program. Under the Program, the Postal Service shall—

“(1) notify annuitants and employees of the Postal Service about the Postal Service Health Benefits Program established under subsection (c)(1);

“(2) provide information regarding the Postal Service Health Benefits Program to such annuitants and employees, including a description of the health care options available under such Program, the requirement that retirees be enrolled in Medicare under subsection (c)(1), and the operation of the
premium transition fund to be created under section 104 of the Postal Service Reform Act of 2018; and

“(3) respond and provide answers to any inquiry from such employees and annuitants about the Postal Service Health Benefits Program or Medicare enrollment.”.

(2) **TECHNICAL AND CONFORMING AMENDMENTS.**—

(A) Section 8903(1) of title 5, United States Code, is amended by striking “two levels of benefits” and inserting “2 levels of benefits for enrollees under this chapter generally and 2 levels of benefits for enrollees under the Postal Service Health Benefits Program established under section 8903c”.

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

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

(b) **COORDINATION WITH MEDICARE.**—

(1) **MEDICARE ENROLLMENT AND COVERAGE.**—

Section 1837 of the Social Security Act (42 U.S.C. 1395p) is amended by adding at the end the following new subsection:

“(m)(1) In the case of an individual who—
“(A) is—

“(i) a Postal Service Medicare covered annuitant; or

“(ii) an individual who is a family member of such an annuitant and is a covered Medicare individual;

“(B) enrolls in a Program plan under section 8903c of title 5, United States Code; and

“(C) is not enrolled under this part,

the individual is deemed, in accordance with section 8903c(e)(3) of such title, to have elected to be enrolled under this part.

“(2) In the case of an individual who is deemed to be enrolled under paragraph (1), the coverage period under this part shall begin on the date that the individual first has coverage under the Program plan pursuant to the enrollment described in paragraph (1)(B).

“(3) The definitions in section 8903c(a) of title 5, United States Code, shall apply for purposes of this subsection.”.

(2) WAIVER OF INCREASE OF PREMIUM.—Section 1839(b) of the Social Security Act (42 U.S.C. 1395r(b)) is amended by inserting after “subsection (i)(4) or (l) of section 1837” the following: “or pursuant to subsection (m) of such section”.
(3) Conforming coordination of benefit rules.—Section 1862(b) of the Social Security Act (42 U.S.C. 1395y(b)) is amended by adding at the end the following:

“(10) Coordination of benefits with postal service health benefits plans.—The previous provisions of this subsection are superseded to the extent the Secretary determines, in consultation with the Office of Personnel Management, them to be inconsistent with section 8903c(f) of title 5, United States Code.”.

SEC. 102. POSTAL SERVICE RETIREE HEALTH CARE BENEFIT FUNDING REFORM.

(a) Contributions.—Section 8906(g) of title 5, United States Code, is amended—

(1) by striking “(2)(A) The Government” and inserting “(2)(A)(i) The Government”; and

(2) in paragraph (2)—

(A) in subparagraph (A)—

(i) in clause (i), as added by paragraph (1), by striking “shall through September 30, 2016, be paid” and all that follows and inserting the following: “shall be paid as provided in clause (ii).”; and
(ii) by adding at the end the following:

“(ii) With respect to the Government contributions required to be paid under clause (i)—

“(I) the portion of the contributions that is equal to the amount of the net claims costs under the enrollment of the individuals described in clause (i) shall be paid from the Postal Service Retiree Health Benefits Fund up to the amount contained in the Fund; and

“(II) any remaining amount shall be paid by the United States Postal Service.”; and

(B) by adding at the end the following:

“(C) For purposes of this paragraph, the amount of the net claims costs under the enrollment of an individual described in subparagraph (A)(i) shall be the amount, as determined by the Office over any particular period of time, equal to the difference between—

“(i) the sum of—

“(I) the costs incurred by a carrier in providing health services to, paying for health services provided to, or reimbursing expenses for health services provided to, the individual and any other person covered under the enrollment of the individual; and
“(II) an amount of indirect expenses reasonably allocable to the provision, payment, or reimbursement described in subclause (I), as determined by the Office; and

“(ii) the amount withheld from the annuity of the individual or otherwise paid by the individual under this section.”.

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

(1) in subsection (d)—

(A) in paragraph (1), by striking “required under section 8906(g)(2)(A)” and inserting the following: “required to be paid from the Postal Service Retiree Health Benefits Fund under section 8906(g)(2)(A)(ii)(I)”;

(B) by striking paragraph (2) and inserting the following:

“(2)(A) Not later than June 30, 2019, 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, 2055, 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) 100 percent of the Postal Service actuarial liability as of September 30 of the preceding fiscal year; and

“(ii) the value of the assets of the Postal Service Retiree Health Benefits Fund as of September 30 of the preceding fiscal year.”;

(C) 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)—

(I) in clause (i), by striking “paragraph (1)” and inserting “paragraph (1), except to the extent the
payment would cause the value of the
assets in the Fund to exceed the Postal
Service actuarial liability”; and

(II) in clause (ii), by striking
“paragraph (2)(B).” and inserting
“paragraph (2).”;

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

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

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

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

(E) by adding at the end the following:

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

“(A) the net present value of future payments
required to be paid from the Postal Service Retiree
Health Benefits Fund under section 8906(g)(2)(A)(ii)(I) for current and future United
States Postal Service annuitants; and
“(B) the net present value as computed under paragraph (1) attributable to the future service of United States Postal Service employees.

“(8) For purposes of computing an amount under paragraph (1) or (7)(A), subclause (I) of section 8906(g)(2)(A)(ii) shall be applied without regard to the limit in such subclause with respect to the amount contained in the Fund.”; and

(2) by adding at the end the following:

“(e) Subsections (a) through (d) of this section shall be subject to the requirements of section 8903c.”.

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

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

SEC. 103. POSTAL SERVICE PENSION FUNDING REFORM.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8348(h) of title 5, United States Code, is amended—
(1) in paragraph (2), by striking subparagraphs (B) and (C) and inserting the following:

“(B) The Office shall redetermine the postal surplus or supplemental liability as of the close of the fiscal year, for each fiscal year beginning after September 30, 2016. Subject to subparagraph (C), beginning June 15, 2019, if the result is a surplus or a supplemental liability the Office shall establish an amortization schedule, including a series of annual installments commencing on September 30 of the subsequent fiscal year, which provides for the liquidation of such surplus or liability to the Postal Service or the Fund (as the case may be) by September 30, 2043.

“(C) No later than June 30, 2033, the Office shall determine, and thereafter redetermine as necessary, but not more frequently than once per year, the appropriate date to complete the liquidation of any remaining surplus or liability determined under this paragraph. The determination under this subparagraph shall be set in accordance with generally accepted actuarial practices and principles and shall not be longer than a period of 15 years from the date on which the determination is made.”; and

(2) by adding at the end the following:

“(4) For the purpose of carrying out paragraph (1), for fiscal year 2017 and each fiscal year thereafter, the Office shall use—
“(A) demographic factors specific to current and former employees of the United States Postal Service, unless such data cannot be generated; and

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

(b) Federal Employees Retirement System Liability Assumption Reform.—Section 8423 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) in clause (i), by striking “subparagraph (B)),” and inserting “subparagraph (B) or (C)),”; and

(II) in clause (ii), by striking “and” at the end;

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

(iii) by adding at the end the following:

“(C) the product of—
“(i) the normal-cost percentage, as determined for employees (other than employees covered by subparagraph (B)) of the United States Postal Service under paragraph (5), multiplied by

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

(B) by adding at the end the following:

“(5)(A) In determining the normal-cost percentage for employees of the United States Postal Service for purposes of paragraph (1)(C), the Office shall use—

“(i) demographic factors specific to such employees, unless such data cannot be generated; and

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

“(B) The United States Postal Service shall provide any data or projections the Office requires in order to determine the normal-cost percentage for employees of the United States Postal Service, consistent with subparagraph (A).

“(C) The Office shall review the determination of the normal-cost percentage for employees of the United States Postal Service under paragraph (5), multiplied by

“(ii) the aggregate amount of basic pay payable by the United States Postal Service, for the period involved, to employees of the United States Postal Service.”; and
Postal Service and make such adjustments as the Office considers necessary—

“(i) upon request of the United States Postal Service, but not more frequently than once each fiscal year; and

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

“(6) For the purpose of carrying out subsection (b)(1)(B), and consistent with paragraph (5), for fiscal year 2017, and each fiscal year thereafter, the Office shall use—

“(A) demographic factors specific to current and former employees of the United States Postal Service, unless such data cannot be generated; and

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

(2) in subsection (b)—

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

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

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

“(B) If the amount of supplemental liability com-
puted under paragraph (1)(B) as of the close of any fiscal
year after the date of enactment of the Postal Service Re-
form Act of 2018 is less than zero, the Office shall estab-
lish an amortization schedule, including a series of equal
annual installments that—

“(i) provide for the liquidation of the postal
funding surplus in 30 years, commencing on Sep-
tember 30 of the subsequent fiscal year; and

“(ii) shall be transferred to the Postal Service
Fund.”.

SEC. 104. MEDICARE PART B PREMIUM TRANSITION FOR
NEWLY ENROLLING POSTAL SERVICE ANNU-
ITANTS AND FAMILY MEMBERS.

(a) IN GENERAL.—Section 1839 of the Social Secu-

ritry Act (42 U.S.C. 1395r) is amended by adding at the
end the following new subsection:

“(j) TRANSITION FOR NEWLY ENROLLING POSTAL
SERVICE ANNUITANTS AND FAMILY MEMBERS.—With re-
spect to each individual who is enrolled under this part
pursuant to and during the open enrollment period estab-
lished under section 1837(m) and who is not eligible for
Medicare cost-sharing described in section
1905(p)(3)(A)(ii) under a State plan under title XIX, the premium otherwise established under this part (taking into account any adjustments, including those under subsections (b) and (i)) for a month—

“(1) in the initial contract year (as defined in section 8903c(a) of title 5, United States Code), shall be reduced by 75 percent;

“(2) in the succeeding year, shall be reduced by 50 percent; and

“(3) in the second succeeding year, shall be reduced by 25 percent.”.

(b) FUNDING THROUGH POSTAL SERVICE FUND.—

Section 1844 of the Social Security Act (42 U.S.C. 1395w) is amended—

(1) in the last sentence of subsection (a), by striking “under subsection (d)(1) with respect to enrollees described in subparagraphs (A) and (B) of such subsection” and inserting “under subsections (d)(1) and (d)(4) with respect to enrollees described in subparagraphs (A) and (B) of such respective subsection”; and

(2) in subsection (d), by adding at the end the following new paragraph:

“(4) For each year, there shall be transferred from the Postal Service Fund to the Trust Fund an amount,
as estimated by the Chief Actuary of the Centers for Medicare & Medicaid Services, equal to the reduction in aggregate premiums payable under this part for a month in such year that is attributable to the application of section 1839(j) with respect to—

“(A) enrollees age 65 and over; and

“(B) enrollees under age 65.

Such amounts shall be transferred from time to time as appropriate but, to the extent practicable, on an annual basis and in a manner that places the Trust Fund in the same actuarial status as if this paragraph and section 1839(j) did not apply.”.

**TITLE II—POSTAL SERVICE OPERATIONS REFORM**

**SEC. 201. GOVERNANCE REFORM.**

(a) **Board of Governors.**—

(1) **In general.**—Section 202 of title 39, United States Code, is amended to read as follows:

“§ 202. Board of Governors

“(a) **In general.**—There is established in the Postal Service a Board of Governors composed of 5 Governors, a Postmaster General, and a Deputy Postmaster General, all of whom shall be appointed in accordance with this section. The Governors shall have the power to—

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“(1) exercise the powers of the Postal Service, consistent with section 203(e);
“(2) appoint, fix the term of service of, and remove the Postmaster General;
“(3) in consultation with the Postmaster General, appoint, fix the term of service of, and remove the Deputy Postmaster General;
“(4) set the strategic direction of postal operations and approve the pricing and product strategy for the Postal Service;
“(5) set the compensation of the Postmaster General and the Deputy Postmaster General in accordance with private sector best practices, as determined by the Governors pursuant to section 3686; and
“(6) carry out any other duties specifically provided for in this title.
“(b) Appointment; Pay.—
“(1) In general.—The Governors shall be appointed by the President, by and with the advice and consent of the Senate, not more than 3 of whom may be adherents of the same political party. The Governors shall elect a Chair from among their members. The Governors shall represent the public interest generally, and shall be chosen solely on the
basis of their experience in the field of public admin-
istration, law, or accounting, or on their dem-
onstrated ability in managing organizations or cor-
porations (in either the public or private sector) of
substantial size, except that at least 3 of the Gov-
ernors shall be chosen solely on the basis of their
demonstrated ability in managing organizations or
corporations (in either the public or private sector)
that employ at least 10,000 employees. The Gov-
ernors shall not be representatives of specific inter-
ests using the Postal Service, and may be removed
only for cause.

“(2) COMPENSATION.—Each Governor shall re-
ceive a salary of $30,000 a year plus $300 a day for
not more than 42 days of meetings each year and
shall be reimbursed for travel and reasonable ex-
penses incurred in attending meetings of the Board.
Nothing in the preceding sentence shall be construed
to limit the number of days of meetings each year
to 42 days.

“(3) CONSULTATION.—In selecting the individ-
uals described in paragraph (1) for nomination for
appointment to the position of Governor, the Presi-
dent should consult with the Speaker of the House
of Representatives, the minority leader of the House
of Representatives, the majority leader of the Senate, and the minority leader of the Senate.

“(c) TERMS OF GOVERNORS.—

“(1) IN GENERAL.—The terms of the 5 Governors shall be 7 years, except that the terms of the 5 Governors first taking office shall expire as designated by the President at the time of appointment, 1 at the end of 1 year, 1 at the end of 2 years, 1 at the end of 3 years, 1 at the end of 4 years, and 1 at the end of 5 years, following the appointment of the first of them. Any Governor appointed to fill a vacancy before the expiration of the term for which the Governor’s predecessor was appointed shall serve for the remainder of such term. A Governor may continue to serve after the expiration of the Governor’s term until such Governor’s successor has qualified, but not to exceed one year.

“(2) LIMITATION.—No individual may serve more than 2 terms as a Governor.

“(d) STAFF.—The Chair of the Board of Governors shall ensure that the Board has appropriate independent staff to carry out the roles and responsibilities of the Board and the Governors.”.

(2) APPLICATION.—Any individual serving as a Governor on the Board of Governors of the Postal
Service on the date of enactment of this Act shall continue to serve as a Governor until the term applicable to such individual expires (as determined under section 202(b) of title 39, United States Code, as in effect before the amendments made by this section take effect pursuant to subsection (g)).

(b) Postmaster General.—

(1) In general.—Section 203 of title 39, United States Code, is amended to read as follows:

“§ 203. Postmaster General

“(a) In general.—The chief executive officer of the Postal Service is the Postmaster General, appointed pursuant to section 202(a)(2). The alternate chief executive officer of the Postal Service is the Deputy Postmaster General, appointed pursuant to section 202(a)(3) of this title.

“(b) Powers.—Consistent with the requirements of this title, the exercise of the power of the Postal Service shall be vested in the Governors and carried out by the Postmaster General in a manner consistent with the strategic direction and pricing and product strategy approved by the Governors. The Postmaster General shall, in accordance with by-laws determined appropriate by the Board, consult with the Governors and the Deputy Postmaster General in carrying out such power.”.
(2) CONFORMING AMENDMENT.—The item relating to section 203 in the table of sections for chapter 2 of title 39, United States Code, is amended to read as follows:

"203. Postmaster General.").

(c) PROCEDURES OF THE BOARD.—Section 205 of title 39, United States Code, is amended to read as follows:

"§ 205. Procedures of the Board of Governors and the Governors

“(a) VACANCIES.—Vacancies in the Board shall not impair the powers of the Board or the Governors under this title.

“(b) VOTE.—The Board and the Governors shall act upon majority vote of those members who are present, subject to such quorum requirements as the Board and the Governors may respectively establish.

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

(d) DELEGATION OF AUTHORITY.—Section 402 of title 39, United States Code, is amended to read as follows:
“§ 402. Delegation of authority

“(a) Postmaster General.—The Postmaster General may delegate his or her authority under such terms, conditions, and limitations, including the power of redelegation, as he or she determines desirable. The Postmaster General may establish such committees of officers and employees of the Postal Service, and delegate such powers to any committee, as the Postmaster General determines appropriate to carry out his or her functions and duties. Delegations under this section shall be consistent with other provisions of this title, shall not relieve the Postmaster General of full responsibility for the carrying out of the Postmaster General’s duties and functions, and shall be revocable by the Postmaster General.

“(b) Board of Governors.—The Board may establish such committees of the Board, and delegate such powers to any committee, as the Board determines appropriate to carry out its functions and duties. Delegations to committees shall be consistent with other provisions of this title, shall not relieve the Board of full responsibility for the carrying out of its duties and functions, and shall be revocable by the Board in its exclusive judgment.”.

(e) International Postal Arrangements.—

(1) In general.—Section 407 of title 39, United States Code, is amended by adding at the end the following:
“(f) After submission to the Postal Regulatory Commission by the Department of State of the budget detailing the estimated costs of carrying out the activities under this section, and the Commission’s review and approval of such submission, the Postal Service shall transfer to the Department of State, from any funds available to the Postal Service, such sums as may be reasonable, documented, and auditable for the Department of State to carry out such activities.”.

(2) APPLICATION.—The amendment made by paragraph (1) shall take effect on October 1 of the first fiscal year beginning after the date of enactment of this Act.


(f) TECHNICAL AND CONFORMING AMENDMENTS.—Title 39, United States Code, is amended as follows:

(1) In section 102(3)—

(A) by striking “9 members” and inserting “5 members”; and

(B) by striking “section 202(a)” and inserting “section 202(b)(1)”.

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(2) In section 204—
(A) by striking “the Board” and inserting “the Postmaster General”; and
(B) by striking “the Governors and”.
(3) In section 207, by striking “the Board” and inserting “the Postal Service”.
(4) In section 414(b)(2), by striking “the Governors” in each instance it appears and inserting “the Postal Service”.
(5) In section 416(c)—
(A) by striking “the Governors” and inserting “the Postal Service”; and
(B) by striking “they” the first time the term appears and inserting “the Postal Service”.
(6) In section 1011, by striking “the Board” and inserting “the Postal Service”.
(7) By striking section 2402 and inserting the following:

§ 2402. Annual report
“The Postmaster General shall render an annual report concerning the operations of the Postal Service under this title to the President and Congress.”.
(8) In section 3632—
(A) by striking the section heading, and inserting “Establishment of rates and classes of competitive products”;

(B) by striking subsection (a) and redesignating subsections (b) and (c) as (a) and (b), respectively;

(C) in paragraph (a)(2) (as redesignated by subparagraph (B)), by striking “and the record of the Governors’ proceedings in connection with such decision”;

(D) in paragraph (a)(3) (as redesignated by subparagraph (B))—

(i) by striking “and the record of the proceedings in connection with such decision”; and

(ii) by striking “the Governors consider” and inserting “the Postal Service considers”; and

(E) by striking “the Governors” in each instance it appears and inserting “the Postal Service”.

(9) The table of sections for chapter 36 is amended by striking the item relating to section 3632 and inserting the following:

“3632. Establishment of rates and classes of competitive products.”.
(g) Delayed Effective Date.—The amendments made by this section shall take effect upon the date that is 30 days after the date of enactment of this Act.

SEC. 202. TRANSITION TO MORE EFFICIENT AND SECURE MAIL DELIVERY.

(a) In General.—Subchapter VII of chapter 36 of title 39, United States Code, is amended by adding at the end the following:

"§ 3692. Delivery-point modernization

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

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

(2) the term ‘primary mode of mail delivery’ means the typical method by which the Postal Service delivers letter mail to the delivery point of a postal patron;

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

(4) the term ‘centralized delivery’ means a primary mode of mail delivery whereby mail receptacles
of a number of delivery points are grouped or clustered at a single location;

“(5) the term ‘curbside delivery’ means a primary mode of mail delivery whereby a mail receptacle is situated at the edge of a sidewalk abutting a road or curb, at a road, or at a curb, and can be served by a letter carrier from a motorized vehicle; and

“(6) the term ‘sidewalk delivery’ means a primary mode of mail delivery whereby a mail receptacle is situated at the edge of a sidewalk and can be served by a letter carrier from the sidewalk.

“(b) POLICY.—It shall be the policy of the Postal Service—

“(1) to provide access to secure, convenient mail and package delivery receptacles to the greatest number of postal patrons feasible; and

“(2) to use the most cost-effective primary mode of mail delivery feasible for postal patrons.

“(c) PHASEOUT OF DOOR DELIVERY FOR NEW ADDRESSES.—

“(1) IN GENERAL.—For any new delivery point established after the date of enactment of the Postal Service Reform Act of 2018, the Postal Service shall provide a primary mode of mail delivery other than
door delivery, with a preference for secure, centralized delivery.

“(2) EXCEPTION.—Paragraph (1) shall not apply in circumstances in which the new delivery point is built or established within a block of existing delivery points whose primary mode of mail delivery is door delivery.

“(d) BUSINESS ADDRESS CONVERSION.—

“(1) IDENTIFICATION.—Not later than 1 year after the date of the Postal Service Reform Act of 2018, each Postal Service district office shall identify the business delivery points within its service area that are appropriate candidates for conversion from door delivery to centralized delivery, curbside delivery, or sidewalk delivery.

“(2) CONVERSION REQUIREMENT.—Beginning not later than October 1, 2019, the Postal Service shall implement a program to convert delivery points identified under paragraph (1) to centralized delivery, curbside delivery, or sidewalk delivery at a rate sufficient to ensure that—

“(A) not less than 20 percent of such delivery points are converted by September 30, 2019;
“(B) not less than 40 percent of such delivery points are converted by September 30, 2020;

“(C) not less than 60 percent of such delivery points are converted by September 30, 2021;

“(D) not less than 80 percent of such delivery points are converted by September 30, 2022; and

“(E) all such delivery points are converted by September 30, 2023.

“(3) NOTIFICATION.—In carrying out conversions under paragraph (2), the Postal Service shall provide written notice at least 60 days in advance of the implementation date of a change in primary mode of mail delivery to postal customers served by an applicable delivery point.

“(e) RESIDENTIAL ADDRESS CONVERSION.—

“(1) IDENTIFICATION.—Not later than 1 year after the date of the enactment of the Postal Service Reform Act of 2018, each Postal Service district office shall identify the residential delivery points within its service area that are appropriate candidates for conversion from door delivery to centralized delivery, curbside delivery, or sidewalk delivery.
“(2) VOLUNTARY CONVERSION.—Not later than
October 1, 2019, the Postal Service shall commence
a program to convert delivery points identified under
paragraph (1) to centralized delivery, curbside deliv-
ery, or sidewalk delivery. Such program shall operate
as follows:

“(A) Not later than 3 months after the
identification of the delivery points under para-
graph (1), the Postal Service shall divide such
delivery points into geographically based ad-
dress units (such as street blocks or other simi-
lar reasonably segregable units) not to exceed
50 delivery points per unit.

“(B) Not later than 6 months after such
identification, the Postal Service shall provide
written notification to postal patrons served by
each identified delivery point containing the fol-
lowing:

“(i) Notice that the delivery point has
been proposed for conversion to a more ef-
icient primary mode of mail delivery to
more economically provide universal postal
service and improve service.
“(ii) A description of the new primary mode of delivery proposed by the Postal Service and a visual example of such mode.

“(iii) A conversion consent form and notice that conversion for residential addresses is on a voluntary basis.

“(iv) A description of benefits of conversion to the postal patron, including access to secure mail and package delivery, and benefits of conversion to the Postal Service, including a smaller environmental impact for delivery.

“(v) A description of how the conversion process would work, and the monetary costs (if any) to the postal patron.

“(vi) Any other information the Postal Service considers necessary.

“(C) No delivery point may be converted under this subsection unless prior written consent is provided to the Postal Service by a postal patron served by such delivery point who is at least 18 years old, except as provided for in subparagraph (E). Prior to the conversion of a delivery point under this section, any written consent so provided may be withdrawn by such
patron or by any other postal patron served by such delivery point who is at least 18 years old upon written notification to the Postal Service. The Postal Service shall place on the Postal Service’s public website an option to request that a consent form or consent-withdrawal form be delivered to any delivery point identified for conversion under this subsection.

“(D) Upon the receipt of written consent applicable to at least 40 percent of the delivery points within an address unit described under subparagraph (A), the Postal Service shall—

“(i) not later than 30 days after the date that the requisite percentage is reached, provide written notice to each delivery point within such unit stating that the conversion threshold has been reached and that—

“(I) with respect to any delivery point for which a consent for conversion was received, the primary mode of mail delivery for such address will be converted; and
“(II) with respect to any delivery point for which a consent for conversion was not received—

“(aa) a postal patron served by such delivery point may elect, by written consent, at any time to convert the primary mode of mail delivery to the same form of delivery as the converted delivery points in such unit; and

“(bb) if such a patron provides such consent, the primary mode of mail delivery shall be converted not later than 30 days after the date of such consent or, in any case where the conversion of delivery points has not yet occurred, upon implementation of that conversion;

“(ii) not later than 90 days after the date that the requisite percentage is reached, but not less than 30 days following the written notice under clause (i), convert the delivery points for which con-
sent was received to the applicable new primary mode of mail delivery; and

“(iii) following the conversion of an address unit, ensure that the primary mode of mail delivery for any new residents to the address unit is the converted primary mode of mail, regardless of the primary mode of mail delivery for the previous occupant.

“(E) Any delivery point created pursuant to subsection (c)(2) shall be automatically and irrevocably deemed to consent to delivery conversion if the delivery point is established within, or later becomes a part of, an address unit that is proposed for conversion to a different primary mode of mail delivery.

“(f) CONSIDERATIONS.—In making a determination to convert the primary mode of mail delivery under this section, the Postal Service shall consider—

“(1) the impact of weather conditions, physical barriers, or any other factor that may impact the feasibility of providing a primary mode of mail delivery other than door delivery (such as a factor that may significantly reduce the potential cost savings
associated with providing centralized delivery or curbside delivery);

“(2) whether the address is in a registered historic district (as that term is defined in section 47(c)(3)(B) of the Internal Revenue Code of 1986), is listed on the National Register of Historic Places, is designated as a National Historic Landmark, or is of historic value; and

“(3) population density and the concentration of poverty.

“(g) WAIVER FOR PHYSICAL HARDSHIP.—

“(1) IN GENERAL.—The Postal Service shall establish and maintain a waiver program under which, upon application, door delivery may be continued, or provided, for a delivery point identified under subsection (d)(1) or (e)(1) at no cost to the applicant in any case in which—

“(A) centralized delivery, curbside delivery, or sidewalk delivery would, but for this paragraph, otherwise be the primary mode of mail delivery; and

“(B) door delivery is necessary in order to avoid causing significant physical hardship or physical safety risks to a postal patron.
“(2) **TREATMENT OF WAIVER.**—An address receiving door delivery pursuant to a waiver under this subsection—

“(A) shall be counted, for purposes of the reporting requirement under subsection (j), as an address that receives the primary mode of mail delivery which the address would be subject to if not for the waiver; and

“(B) shall, not later than 60 days after ceasing to meet the requirements of paragraph (1), be converted to the primary mode of mail delivery which is otherwise applicable.

“(h) **PROCEDURES.**—In carrying out conversions under this section, the Postal Service shall establish procedures to—

“(1) solicit, consider, and respond to input from the general public, postal patrons, State and local governments, local associations, and property owners;

“(2) calculate and make publicly accessible the cost or savings of the conversion to the Postal Service as well as the average conversion cost or savings to each postal patron and any cost or savings to the State and local government; and
“(3) place centralized delivery points in locations that maximize delivery efficiency, ease of use for postal patrons, and respect for private property rights.

“(i) VOUCHER PROGRAM.—The Postal Service shall provide for a voucher program under which, upon application, the Postal Service may defray all or any portion of the costs of new mail receptacles associated with conversion from door delivery under this section which would otherwise be borne by postal patrons.

“(j) ANNUAL REPORT.—Not later than 60 days after the end of each of fiscal years 2019 through 2023, the Postal Service shall submit to Congress and the Inspector General a report on the implementation of this section during the most recently completed fiscal year. Each such report shall include—

“(1) the number of residential and business addresses that—

“(A) receive door delivery as of the end of the fiscal year preceding the most recently completed fiscal year;

“(B) receive door delivery as of the end of the most recently completed fiscal year; and
“(C) during the most recently completed fiscal year, were converted from door delivery to—

“(i) centralized delivery;
“(ii) curbside delivery; and
“(iii) any other primary mode of mail delivery;

“(2) the estimated cost savings from the conversions described in paragraph (1)(C);

“(3) a description of the progress made by the Postal Service toward meeting the requirements of the phaseout under subsection (c); and

“(4) any other information which the Postal Service considers appropriate.

“(k) INSPECTOR GENERAL AUDIT.—The Inspector General shall issue an annual audit report on the implementation of this section not later than 90 days after the date on which the Postal Service releases its annual report under subsection (j). Such report shall include—

“(1) an audit of the data contained in the Postal Service’s report under subsection (j); and

“(2) an evaluation of the Postal Service’s implementation of the voucher program under subsection (i).
“(l) Review.—Subchapters IV and V shall not apply with respect to any action taken by the Postal Service under this section.”.

(b) Clerical Amendment.—The table of sections for chapter 36 of title 39, United States Code, is amended by adding after the item relating to section 3691 the following:

“3692. Delivery-point modernization.”.

(c) Updated Delivery Cost Data.—

(1) Study.—Not later than 180 days after the date of the enactment of this Act, the Postal Service shall begin to collect data on delivery mode costs and the potential savings of converting to more cost-efficient primary modes of mail delivery.

(2) Report.—Not later than 2 years after the date of enactment of this Act, the Postal Service shall submit to the Committee on Oversight and Government Reform of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate a report describing the findings of the study conducted under paragraph (1).

(d) Inspector General Review of Costs and Benefits of Delivery Point Conversions.—

(1) Study.—Not later than 2 years after the date on which the Postal Service commences delivery
point conversions pursuant to subsections (d)(2) and (e)(2) of section 3692 of title 39, United States Code (as added by subsection (a)), and not later than 3 years thereafter, the Inspector General of the Postal Community shall conduct a study of the costs and benefits of such conversions.

(2) REPORT.—Not later than 1 year after the date on which the Inspector General conducts each study required under paragraph (1), the Inspector General shall submit 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 a report on the results of each study.

(3) CONTENT.—The studies required under paragraph (1) shall assess the following:

(A) The cost savings realized by the Postal Service from the conversions under subsections (d)(2) and (e)(2) of section 3692 of title 39, United States Code (as added by subsection (a)), and the projected cost savings the Postal Service is likely to realize from full implementation of such conversions.

(B) The expenses incurred by the Postal Service to achieve such conversions and the pro-
jected expenses the Postal Service is likely to incur from full implementation of such conversions.

(C) The impact of the conversions on—

(i) read and response rates to mailed advertising;

(ii) advertising mail revenue earned by the Postal Service;

(iii) small businesses, including small home-based businesses; and

(iv) mail volumes shipped through the Postal Service.

(D) Any other factors the Inspector General considers relevant to provide a complete analysis of the costs and benefits associated with the conversions described under such subsections.

(4) NET COST BENEFIT ANALYSIS.—The Inspector General shall conduct a cost benefit analysis to determine the net cost or benefit to the Postal Service of the conversions conducted under such subsections and include the analysis in each report submitted under paragraph (2).
SEC. 203. MODERNIZING POSTAL RATES.

(a) ADEQUACY, EFFICIENCY, AND FAIRNESS OF POSTAL RATES.—

(1) OBJECTIVES.—Section 3622(b) of title 39, United States Code, is amended—

(A) in paragraph (2), by inserting “and ensure” after “create”;

(B) in paragraph (3)—

(i) by inserting “and meet” after “maintain”; and

(ii) by inserting “, with a focus on achieving predictable and consistent delivery” before the period at the end;

(C) in paragraph (5), by inserting “establish and” before “maintain”;;

(D) in paragraph (6), by striking “process” and inserting “and cost attribution processes”; and

(E) in paragraph (9), by inserting “(and to ensure appropriate levels of transparency)” before the period at the end.

(2) FACTORS.—Section 3622(c) of title 39, United States Code, is amended to read as follows:

“(c) FACTORS.—In establishing or revising such system, the Postal Regulatory Commission shall take into ac-
“(1) The effect of rate increases upon the general public and business mail users.

“(2) The available alternative means of sending and receiving written communications, information, and letters and other mail matter at reasonable costs.

“(3) The reliability of delivery timelines and the extent to which the Postal Service is meeting its service standard obligations.

“(4) The need to ensure that the Postal Service has adequate revenues and has taken appropriate cost-cutting measures to maintain financial stability and meet all legal obligations.

“(5) The extent to which the Postal Service has taken actions to increase its efficiency and reduce its costs.

“(6) The value of the mail service actually provided by each class or type of mail service to both the sender and the recipient, including the collection, mode of transportation, and priority of delivery.

“(7) The requirement that each class of mail or type of mail service bear the direct and indirect postal costs attributable to each class or type of mail service through reliably identified causal relationships plus that portion of all other costs of the Post-
al Service reasonably assignable to such class or type.

“(8) The degree of preparation of mail for delivery into the postal system performed by the mailer and its effect upon improving efficiency and reducing costs to the Postal Service.

“(9) Simplicity of structure for the entire schedule and simple, identifiable relationships between the rates or fees charged the various classes of mail for postal services.

“(10) The importance of pricing flexibility to encourage increased mail volume and operational efficiency.

“(11) The relative value to postal users of the kinds of mail matter entered into the postal system and the desirability and justification for special classifications and services of mail.

“(12) The importance of providing classifications with extremely high degrees of reliability and speed of delivery and of providing those that do not require high degrees of reliability and speed of delivery.

“(13) The desirability of special classifications for both postal users and the Postal Service in accordance with the policies of this title, including
agreements between the Postal Service and postal users, when available on public and reasonable terms to similarly situated mailers, that—

“(A) improve the net financial position of the Postal Service by reducing Postal Service costs or increasing the overall contribution to the institutional costs of the Postal Service; and

“(B) do not cause—

“(i) unfair competitive advantage for the Postal Service or postal users eligible for the agreements; or

“(ii) unreasonable disruption to the volume or revenues of other postal users.

“(14) The educational, cultural, scientific, and informational value to the recipient of mail matter.

“(15) The need for the Postal Service to increase its efficiency and reduce its costs, including infrastructure costs, to help maintain high quality, affordable postal services.

“(16) The value to the Postal Service and postal users of promoting intelligent mail and of secure, sender-identified mail.

“(17) The importance of stability and predictability of rates to ratepayers.
“(18) The policies of this title as well as such other factors as the Commission determines appropriate.”.

(3) Requirements.—Section 3622(d)(1) of title 39, United States Code, is amended—

(A) by redesignating subparagraphs (B) through (E) as subparagraphs (C) through (F), respectively;

(B) in subparagraph (F) (as redesignated by clause (i)) by striking “subparagraphs (A) and (C)” and inserting “subparagraphs (A) and (D)”;

and

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

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

“(i) cover attributable cost;

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

“(iii) do not cause unreasonable disruption in the marketplace, consistent with subsection (c)(13)(B);

for purposes of this subparagraph, a group of functionally equivalent agreements shall consist
of all service agreements that are functionally

equivalent to each other within the same mar-
ket-dominant product, but shall not include
agreements within an experimental product;”.

(4) TECHNICAL AND CONFORMING AMEND-
MENTS.—Section 3622 of title 39, United States
Code, is amended—

(A) in subsection (a) by striking “, within
18 months after the date of enactment of this
section,”; and

(B) in subsection (d)(1)(D) (as redesig-
nated by paragraph (3)(A)) by striking
“(c)(10)” and inserting “(c)(13)”.

(b) REPEAL OF RATE PREFERENCES FOR QUALI-
FIED POLITICAL COMMITTEES.—Subsection (e) of section
3626 of title 39, United States Code, is repealed.

(c) USE OF NEGOTIATED SERVICE AGREEMENTS.—

(1) STREAMLINED REVIEW OF QUALIFYING
SERVICE AGREEMENTS FOR COMPETITIVE PROD-
UCTS.—Section 3633 of title 39, United States
Code, is amended by adding at the end the fol-
lowing:

“(c) STREAMLINED REVIEW.—Not later than 90
days after the date of enactment of this subsection, after
notice and opportunity for comment, the Postal Regu-
latory Commission shall promulgate (and may from time to time thereafter revise) regulations for streamlined after-the-fact review of newly proposed agreements between the Postal Service and users of the mail that provide rates not of general applicability for competitive products. Streamlined review shall apply only if agreements are functionally equivalent to existing agreements that have collectively covered attributable costs and collectively improved the net financial position of the Postal Service. The regulations issued under this subsection shall provide that streamlined review shall be concluded not later than 5 business days after the date on which the agreement is filed with the Commission and shall be limited to approval or disapproval of the agreement as a whole based on the Commission’s determination of its functional equivalence. Agreements not approved may be resubmitted without prejudice under section 3632.”.

(2) Submission of service agreements for streamlined review.—Section 3632(b) of title 39, United States Code, is amended—

(A) by redesignating paragraph (4) as paragraph (5); and

(B) by inserting after paragraph (3) the following:
“(4) Rates for streamlined review.—In the case of rates not of general applicability for competitive products that the Postmaster General considers eligible for streamlined review under section 3633(c), the Postmaster General shall cause the agreement to be filed with the Postal Regulatory Commission by a date that is on or before the effective date of any new rate established under the agreement, as the Postmaster General considers appropriate.”.

(3) Transparency and accountability for service agreements.—

(A) Certain information required to be included in determinations of compliance.—Section 3653 of title 39, United States Code, is amended—

(i) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively; and

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

“(c) Written determination.—Each annual written determination of the Commission under this section shall include the following:
“(1) REQUIREMENTS.—For each group of functionally equivalent agreements between the Postal Service and users of the mail, whether such group fulfilled requirements to—

“(A) cover costs attributable; and

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

“(2) NONCOMPLIANCE.—Any group of functionally equivalent agreements not meeting subparagraphs (A) and (B) of paragraph (1) shall be determined to be in noncompliance under this subsection.

“(3) DEFINITION.—For purposes of this subsection, a group of functionally equivalent agreements shall consist of 1 or more service agreements that are functionally equivalent to each other within the same market-dominant or competitive product, but shall not include agreements within an experimental product.”.

(B) TECHNICAL AMENDMENT.—Section 3653(d) of title 39, United States Code (as redesignated by subparagraph (A)), is amended by striking “subsections (c) and (e)” and inserting “subsections (c) and (d)”.

SEC. 204. NONPOSTAL SERVICES.

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

“CHAPTER 37—NONPOSTAL SERVICES

Sec. 3701. Purpose.

Sec. 3702. Definitions.

Sec. 3703. Postal Service program for State governments.

Sec. 3704. Postal Service program for other Government agencies.

Sec. 3705. Transparency and accountability for nonpostal services.

§ 3701. Purpose

The purpose of this chapter is to enable the Postal Service to increase its net revenues through specific non-postal products and services that are expressly authorized by this chapter. Postal Service revenues and expenses under this chapter shall be funded through the Postal Service Fund.

§ 3702. Definitions

In this chapter—

(1) the term ‘nonpostal services’ is limited to services offered by the Postal Service that are expressly authorized by this chapter and are not postal products or services;

(2) the term ‘attributable costs’ has the meaning given such term in section 3631; and

(3) the term ‘year’ means a fiscal year.
§ 3703. Postal Service program for State governments

(a) IN GENERAL.—Notwithstanding any other provision of this title, the Postal Service may establish a program to enter into agreements with an agency of any State government, local government, or tribal government to provide property and services on behalf of such agencies for non-commercial products and services, but only if such property and services—

“(1) provide enhanced value to the public, such as by lowering the cost or raising the quality of such services or by making such services more accessible;

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

“(A) the cost and efficiency of postal services; and

“(B) unreasonably restricting access to postal retail service, such as customer waiting time and access to parking; and

“(3) provide a reasonable contribution to the institutional costs of the Postal Service, defined as reimbursement that covers at least 100 percent of attributable costs of all property and services provided under each relevant agreement in each year.
“(b) Public Notice.—At least 90 days before offering a service under the program, the Postal Service shall make available to the public on its website—

“(1) the agreement with the agency regarding such service; and

“(2) a business plan that describes the specific service to be provided, the enhanced value to the public, terms of reimbursement, the estimated annual reimbursement to the Postal Service, and the estimated percentage of attributable Postal Service costs that will be covered by reimbursement (with documentation to support the estimates).

“(c) Public Comment.—Before offering a service under the program, the Postal Service shall provide for a public comment period of at least 30 days that allows the public to post comments relating to the provision of such services on the Postal Service website. The Postal Service shall make reasonable efforts to provide written responses to the comments on such website at least 30 days before offering such services.

“(d) Approval Required.—The Postal Service may not establish the program under subsection (a) unless the Governors of the Postal Service approve such program by a recorded vote that is publicly disclosed on the Postal
Service website with a majority of the total Governors voting for approval.

“(e) APPLICATION OF REPORTING REQUIREMENTS.—For purposes of the reporting requirements under section 3705, the Postal Service shall submit a separate report for each agreement with an agency entered into under subsection (a) analyzing the costs, revenues, rates, and quality of service for the provision of all services under such agreement, including information demonstrating that the agreement satisfies the requirements of paragraphs (1) through (3) of subsection (a).

“(f) REGULATIONS REQUIRED.—The Postal Regulatory Commission shall issue such regulations as are necessary to carry out this section.

“(g) DEFINITIONS.—For the purpose of this section—

“(1) the term ‘local government’ means a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments, or regional or interstate government entity;

“(2) the term ‘State government’ includes the government of the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Common-
wealth of the Northern Mariana Islands, and any
other territory or possession of the United States;

“(3) the term ‘tribal government’ means the
government of an Indian tribe, as that term is de-
defined in section 4(e) of the Indian Self-Determi-
nation Act (25 U.S.C. 450b(e)); and

“(4) the term ‘United States’, when used in a
geographical sense, means the States, the District of
Columbia, the Commonwealth of Puerto Rico, the
United States Virgin Islands, Guam, American
Samoa, the Commonwealth of the Northern Mariana
Islands, and any other territory or possession of the
United States.

“(h) CONFIDENTIAL INFORMATION.—Subsection (b)
or (c) shall not be construed as requiring the Postal Serv-
ice to disclose to the public any information—

“(1) described in section 410(c); or

“(2) exempt from public disclosure under sec-
tion 552(b) of title 5.

§ 3704. Postal Service program for other Govern-
ment agencies

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

“(b) Application of Reporting Requirements.—For purposes of the reporting requirements under section 3705, the Postal Service shall submit a separate report for each agreement with an agency entered into under subsection (a) analyzing the costs, revenues, rates, and quality of service for the provision of all services under such agreement, including information demonstrating that the agreement satisfies the requirements of subsection (a).

“§3705. Transparency and accountability for non-postal services

“(a) Annual Report to the Commission.—

“(1) In general.—Not later than 90 days after the last day of each year, the Postal Service shall submit to the Postal Regulatory Commission a report that analyzes costs, revenues, rates, and quality of service for each agreement for the provision of property and services under this chapter, using such methodologies as the Commission may prescribe, and in sufficient detail to demonstrate compliance with the requirements of this chapter.
“(2) Supporting matter.—A report submitted under paragraph (1) shall include any non-public annex, the working papers, and any other supporting matter of the Postal Service and the Inspector General related to the information submitted in such report.

“(b) Content and Form of Report.—

“(1) In general.—The Postal Regulatory Commission shall, by regulation, prescribe the content and form of the report required under subsection (a). In prescribing such regulations, the Commission shall give due consideration to—

“(A) providing the public with timely, adequate information to assess compliance;

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

“(C) protecting the confidentiality of information that is commercially sensitive or is exempt from public disclosure under section 552(b) of title 5.

“(2) Revised requirements.—The Commission may, on its own motion or on request of any interested party, initiate proceedings to improve the
quality, accuracy, or completeness of Postal Service data required by the Commission if—

“(A) the attribution of costs or revenues to property or services under this chapter has become significantly inaccurate or can be significantly improved;

“(B) the quality of service data provided to the Commission for a report under this chapter has become significantly inaccurate or can be significantly improved; or

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

“(c) Audits.—The Inspector General shall regularly audit the data collection systems and procedures used in collecting information and preparing the report required under subsection (a). The results of any such audit shall be submitted to the Postal Service and the Postal Regulatory Commission.

“(d) Confidential Information.—

“(1) In general.—If the Postal Service determines that any document or portion of a document, or other matter, which it provides to the Postal Regulatory Commission in a nonpublic annex under this section contains information described in section

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410(c), or exempt from public disclosure under section 552(b) of title 5, the Postal Service shall, at the time of providing such matter to the Commission, notify the Commission of its determination, in writing, and describe with particularity the documents (or portions of documents) or other matter for which confidentiality is sought and the reasons therefor.

“(2) TREATMENT.—Any information or other matter described in paragraph (1) to which the Commission gains access under this section shall be subject to paragraphs (2) and (3) of section 504(g) in the same way as if the Commission had received notification with respect to such matter under section 504(g)(1).

“(e) ANNUAL COMPLIANCE DETERMINATION.—

“(1) OPPORTUNITY FOR PUBLIC COMMENT.— Upon receiving a report required under subsection (a), the Postal Regulatory Commission shall promptly—

“(A) provide an opportunity for comment on such report by any interested party; and

“(B) appoint an officer of the Commission to represent the interests of the general public.

“(2) DETERMINATION OF COMPLIANCE OR NON-COMPLIANCE.—Not later than 90 days after receiv-
ing a report required under subsection (a), the Postal Regulatory Commission shall make a written determination as to whether the nonpostal activities carried out during the applicable year were or were not in compliance with the provisions of this chapter. For purposes of this paragraph, any case in which the requirements for coverage of attributable costs have not been met shall be considered to be a case of noncompliance. If, with respect to a year, no instance of noncompliance is found to have occurred, the determination shall be to that effect. Such determination of noncompliance shall be included with the annual compliance determination required under section 3653.

“(3) NONCOMPLIANCE.—If a timely written determination of noncompliance is made under paragraph (2), the Postal Regulatory Commission shall take appropriate action. If the requirements for coverage of attributable costs specified by this chapter are not met, the Commission shall, within 60 days after the determination, prescribe remedial action to restore compliance as soon as practicable, including the full restoration of revenue shortfalls during the following year. The Commission may order the Postal Service to discontinue a nonpostal service under
section 3703 that persistently fails to meet cost coverage requirements.

“(4) DELIBERATE NONCOMPLIANCE.—In the case of deliberate noncompliance by the Postal Service with the requirements of this chapter, the Postal Regulatory Commission may order, based on the nature, circumstances, extent, and seriousness of the noncompliance, a fine (in the amount specified by the Commission in its order) for each incidence of such noncompliance. All receipts from fines imposed under this subsection shall be deposited in the general fund of the Treasury.

“(f) REGULATIONS REQUIRED.—The Postal Regulatory Commission shall issue such regulations as are necessary to carry out this section.”.

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

“37. Nonpostal services ................................................................. 3701”.

(b) CONFORMING AMENDMENTS.—

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

(A) in paragraph (2), by inserting after “subsection” the following: “, or any nonpostal
products or services authorized by chapter 37’’;
and

(B) by adding at the end the following:

“(6) Licensing which, before the date of enactment of this paragraph, has been authorized by the Postal Regulatory Commission for continuation as a nonpostal service may not be used for any purpose other than—

“(A) to continue to provide licensed mailing, shipping, or stationery supplies offered as of June 23, 2011; or

“(B) to license other goods, products, or services, the primary purpose of which is to promote and enhance the image or brand of the Postal Service.

“(7) Nothing in this section shall be construed to prevent the Postal Service from establishing nonpostal products and services that are expressly authorized by chapter 37.”.

(2) SECTION 411.—The last sentence of section 411 of title 39, United States Code, is amended by striking “including reimbursability” and inserting “including reimbursability within the limitations of chapter 37”.

(3) TREATMENT OF EXISTING NONPOSTAL SERVICES.—All individual nonpostal services, provided directly or through licensing, that are contin-
ued pursuant to section 404(e) of title 39, United States Code, shall be considered to be expressly au-

thorized by chapter 37 of such title (as added by subsection (a)(1)) and shall be subject to the re-

quirements of such chapter.

SEC. 205. EFFICIENT AND FLEXIBLE UNIVERSAL POSTAL SERVICE.

(a) Conditions Regarding Determinations for Post Office Closures.—Clause (i) of section 404(d)(2)(A) of title 39, United States Code, is amended to read as follows:

“(i) the effect of such closing or consolidation on the community served by such post office, including through an analysis of—

“(I) the distance (as measured by public roads) to the closest postal retail facility not proposed for closure or consolidation under such plan;

“(II) the characteristics of such location, including weather and terrain;

“(III) whether commercial mobile service (as defined in section 332 of the Communications Act of 1934) and commercial mobile data service (as defined in section 6001 of the Middle Class Tax Re-
lief and Job Creation Act of 2012) are available in at least 80 percent of the total geographic area of the ZIP codes served by the postal retail facility proposed for closure or consolidation; and

“(IV) whether fixed broadband Internet access service is available to households in at least 80 percent of such geographic area at speeds not less than those sufficient for service to be considered broadband for purposes of the most recent report of the Federal Communications Commission under section 706 of the Telecommunications Act of 1996;”.

(b) PRC Review of Determinations To Close or Consolidate a Post Office.—

(1) Deadline for review.—Section 404(d)(5) title 39, United States Code, is amended by striking “120 days” and inserting “60 days, or a longer period for good cause shown but in no event longer than 120 days,”.

(2) Applicability.—The amendment made by paragraph (1) shall not apply with respect to an appeal received by the Postal Regulatory Commission before the date of enactment of this Act (as deter-
mined applying the rules set forth in section 404(d)(6) of such title).

(c) **EXPEDITED PROCEDURES.**—

(1) **IN GENERAL.**—Section 3661 of title 39, United States Code, is amended by adding at the end the following:

“(d)(1) The Commission shall issue its opinion within 90 days, or a longer period for good cause shown but in no event longer than 120 days, after the receipt of any proposal (as referred to in subsection (b)) concerning an identical or substantially identical proposal on which the Commission has issued an opinion within the preceding 5 years.

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

(2) **REGULATIONS.**—The Postal Regulatory Commission shall prescribe any regulations necessary to carry out the amendment made by paragraph (1) within 90 days after the date of enactment of this Act.

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

(A) the 90th day after the date of enactment of this Act; or

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

(d) **Alternate Postal Access Choice.**—Section
404(d) of title 39, United States Code, is amended by
striking paragraph (1) and inserting the following:

“(1) The Postal Service, prior to making a de-
termination under subsection (a)(3) as to the neces-
sity for the closing or consolidation of any post of-
office, shall—

“(A) provide adequate notice of its inten-
tion to close or consolidate such post office at
least 60 days prior to the proposed date of such
closing or consolidation to postal patrons served
by such post office;

“(B) conduct a nonbinding survey on the
proposed closing or consolidation to allow postal
patrons served by such post office an oppor-
tunity to indicate their preference between or
among—

“(i) the closing or consolidation; and
“(ii) 1 or more alternative options; and
“(C) ensure that—
“(i) should the closure or consolidation of a postal retail facility be deemed necessary, it shall be the policy of the Postal Service to provide alternative access to postal services to those served by the postal retail facility by the option chosen by the highest number of survey respondents under subparagraph (B)(ii); and
“(ii) if the Postal Service is unable to provide alternative access through the option identified in clause (i), or if that option is cost prohibitive, the Postal Service may provide alternative access through a different means. Upon selection of an alternative access method other than the one identified by clause (i), the Postal Service must provide written notice to those patrons served by the postal retail facility identifying and explaining why the option identified by clause (i) was not possible or cost prohibitive.”.
(e) APPLICABILITY OF PROCEDURES RELATING TO 
CLOSURES AND CONSOLIDATIONS.—

(1) IN GENERAL.—Section 404(d) of title 39, 
United States Code, is further amended by adding 
at the end the following:

“(7) For purposes of this subsection, the term ‘post 
office’ means a post office and any other facility described 
in section 2(2) of the Postal Service Reform Act of 
2018.”.

(2) EFFECTIVE DATE.—In the case of any post 
office (within the meaning of the amendment made 
by paragraph (1)) which, but for such amendment, 
would not otherwise be subject to section 404(d) of 
title 39, United States Code, the amendments made 
by subsections (a) and (d) shall be effective with re-
spect to any closure or consolidation, the proposed 
effective date of which occurs on or after the 60th 
day following the date of enactment of this Act.

(f) ENHANCED REPORTING ON POSTAL SERVICE EF-
FICIENCY.—Section 3652(a) of title 39, United States 
Code, is amended—

(1) in paragraph (1), by striking “and” at the 
end;

(2) in paragraph (2)(B)(ii), by striking the pe-
riod at the end and inserting “; and”; and
(3) by adding after paragraph (2) the following:

“(3) which shall provide the overall change in Postal Service productivity and the resulting effect of such change on overall Postal Service costs during such year, using such methodologies as the Commission shall by regulation prescribe, if necessary.”.

(g) POSTPLAN STUDY.—

(1) IN GENERAL.—Beginning not later than 30 days after the date of enactment of this Act, the Inspector General of the Postal Community shall conduct a 1-year review to study of the impacts of the POSTPlan post office restructuring plan on Postal Service expenses, revenue, and retail service provision.

(2) CONTENT.—In conducting the review under paragraph (1), the Inspector General shall examine—

(A) changes in the costs for the provision of Postal Service operated retail service, both nationwide and in the aggregate for each of the Level 2, Level 4, Level 6, and Level 18 post offices for which the hours, functions, or responsibilities changed as a result of the POSTPlan initiative before and after the implementation of the POSTPlan initiative;
(B) changes in revenue received by Postal Service operated retail service, both nationwide and in the aggregate for each of the Level 2, Level 4, Level 6, and Level 18 post offices for which the hours, functions, or responsibilities changed as a result of the POSTPlan initiative before and after the implementation of the POSTPlan initiative;

(C) a determination of the relative cost savings, taking into account any changes in revenue earned, realized on an annual basis for Level 2, Level 4, Level 6, and Level 18 offices each in the aggregate and any trends in such cost savings;

(D) the relative impact on retail access to postal services for individuals served by Level 2, Level 4, Level 6, and Level 18 offices each in the aggregate; and

(E) any other factors the Inspector General determines appropriate.

(3) REPORT AND RECOMMENDATIONS.—Upon completion of the review required under paragraph (1), the Inspector General shall submit to the Postal Service, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Com-
mittee on Oversight and Government Reform of the
House of Representatives a report containing—
(A) the results of the review; and
(B) any recommendations resulting from
such review.

(4) POSTAL SERVICE REVIEW.—Prior to any
hour changes or consolidation decisions related to
POSTPlan initiative impacted post offices, the Postal
Service shall—
(A) review the report and any rec-
ommendations submitted pursuant to para-
graph (3); and
(B) revise any planned efforts regarding
the POSTPlan initiative, as appropriate.

(h) NOTIFICATION FOR CLOSURE, CONSOLIDATION,
OR SERVICE REDUCTION.—
(1) IN GENERAL.—Section 404 of title 39,
United States Code, is amended by adding at the
end the following:
“(f)(1) Not later than 10 days before any public no-
tice is provided under subsection (d) or any other provision
of law with respect to a closure or consolidation of a postal
facility or any reduction in services provided at a postal
facility, the Postal Service shall notify (in writing) any
Member of Congress representing the State, congressional
district, or territory (as the case may be) in which the
postal facility is located.

“(2) In this subsection—

“(A) the term ‘Member of Congress’ means a
Senator or a Representative in, or Delegate or Resi-
dent Commissioner to, the Congress; and

“(B) the term ‘postal facility’ means a postal
retail facility or a postal service mail processing fa-
cility.”.

(2) APPLICATION.—The amendment made by
paragraph (1) shall apply to any closure or consoli-
dation of, or service reduction at, a postal retail fa-
cility or postal service mail processing facility that
occurs after the date of enactment of this Act.

SEC. 206. FAIR STAMP-EVIDENCING COMPETITION.

Section 404a(a) of title 39, United States Code, is
further amended—

(1) in paragraph (2), by striking “or” at the
end;

(2) in paragraph (3) by striking the period and
inserting “; or”; and

(3) by adding at the end the following:

“(4) offer to the public any postage-evidencing
product or service that does not comply with any
rule or regulation that would be applicable to such
product or service if the product or service were offered by a private company.”.

SEC. 207. MARKET-DOMINANT RATES.

(a) Establishment of Rate Baseline.—Notwithstanding any order of the Postal Regulatory Commission to the contrary—

(1) no earlier than the first Sunday after the date of enactment of this Act, on a date selected by the Postmaster General in the exercise of the Postmaster General’s unreviewable discretion, the Postal Service shall reinstate, as nearly as is practicable and equal for each product, category, and rate cell, 50 percent of the rate surcharge implemented under section 3622(d)(1)(F) (as redesignated by this Act) that was in effect on April 9, 2016; and

(2) the partially reinstated surcharge reinstated pursuant to paragraph (1) shall be considered a part of the rate base for purposes of determining the percentage changes in rates when the Postal Service files a notice of rate adjustment.

(b) Subsequent Rate Increases.—The reinstatement described under subsection (a)(1) may not affect the calculation of the Postal Service’s maximum rate adjustment authority under subpart C of part 3010 of title 39,
Code of Federal Regulations, for purposes of any rate increase that occurs following such reinstatement.

(c) Postal Regulatory Commission Authority Not Affected.—Nothing in this section shall be construed as affecting the authority of the Postal Regulatory Commission to, by regulation, make such modification or adopt such alternative system for regulating rates and classes for market-dominant products as provided under section 3622 of title 39, United States Code.

SEC. 208. COMPLETION OF INITIAL RATE REGULATION REVIEW.

The Postal Regulatory Commission shall complete the initial review of the system for regulating rates and classes for market-dominant products established under section 3622 of title 39, United States Code, such that any final rule making a modification or adopting an alternative system for regulating rates and classes for market-dominant products as necessary to achieve the objectives in subsection (b) of such section is issued not later than January 1, 2019.

SEC. 209. REVIEW OF POSTAL SERVICE COST ATTRIBUTION GUIDELINES.

Not later than April 1, 2019, the Postal Regulatory Commission shall initiate a review of the regulations issued pursuant to sections 3633(a) and 3652(a)(1) of
title 39, United States Code, to determine whether revisions are appropriate to ensure that all direct and indirect costs attributable to competitive and market-dominant products are properly attributed to those products, including by considering the underlying methodologies in determining cost attribution and considering options to revise such methodologies. If the Commission determines, after notice and opportunity for public comment, that revisions are appropriate, the Commission shall make modifications or adopt alternative methodologies as necessary.

SEC. 210. AVIATION SECURITY FOR PARCELS.

Not later than 18 months after the date of enactment of this Act, the Inspector General of the Postal Community shall transmit to the Committee on Oversight and Government Reform of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate the results of a review of the security measures in place for parcels carried on air carriers to domestic and international destinations for which audit trails are generated. The review required under this subsection shall assess, at a minimum—

(1) the effectiveness of the audit trail created by postage evidencing systems that have been validated under the Federal Information Processing
Standards in accurately and consistently identifying the senders of parcels carried on air carriers;

(2) the effectiveness of the Postal Service’s in-person identity verification procedures in accurately and consistently identifying the senders of parcels carried on air carriers;

(3) the effectiveness of the Postal Service in accurately and consistently identifying the senders of parcels carried on air carriers where the postage—

(A) has not been generated by a postage evidencing system that has been validated under the Federal Information Processing Standards; and

(B) has not been entered with in-person identity verification; and

(4) the effectiveness of the audit trail generated by customs declarations in accurately and consistently identifying the senders of parcels carried on air carriers to international destinations.

SEC. 211. ZIP CODES.

Not later than 270 days after the date of enactment of this Act, the Postal Service shall designate a single, unique ZIP code for, as nearly as practicable, each of the following communities:

(1) Miami Lakes, Florida.
(2) Storey County, Nevada.
(3) Flanders, Northampton, and Riverside in the Town of Southampton, New York.
(4) Ocoee, Florida.
(5) Glendale, New York.

**TITLE III—POSTAL SERVICE PERSONNEL**

**SEC. 301. POSTAL SERVICE CHIEF INNOVATION OFFICER.**

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

“§ 209. Chief Innovation Officer

“(a) In General.—There is established within the Postal Service the position of Chief Innovation Officer, appointed by the Postmaster General, who shall manage the Postal Service’s development and implementation of innovative postal and nonpostal (as expressly authorized by chapter 37) products and services.

“(b) Duties.—The primary duties of the Chief Innovation Officer are as follows:

“(1) Leading the development of innovative nonpostal products and services that will maximize revenue to the Postal Service.

“(2) Developing innovative postal products and services, specifically those that utilize emerging in-
formation technologies, to maximize revenue to the Postal Service.

“(3) Implementing the innovation strategy described under subsection (d).

“(4) Monitoring the performance of innovative products and services and revising them as needed to meet changing market trends.

“(5) Taking into consideration comments, if applicable, issued by the Postal Regulatory Commission prior to the initial sale of innovative postal or nonpostal products and services.

“(c) Appointment.—

“(1) Deadline.—As soon as practicable after the date of enactment of the Postal Service Reform Act of 2018, but no later than 6 months after such date, the Postmaster General shall appoint a Chief Innovation Officer.

“(2) Requirements.—Any individual appointed to serve as the Chief Innovation Officer shall have proven expertise and a record of success in at least 1 of the following:

“(A) Postal and shipping industry.

“(B) Innovation product research and development.

“(C) Marketing brand strategy.
“(D) Emerging communications technology.

“(E) Business process management.

“(3) Current officer or employee eligible.—An officer or employee of the Postal Service may be appointed to the position of Chief Innovation Officer under this chapter. Upon appointment to such position, such officer or employee may not concurrently hold any other position in the Postal Service.

“(d) Innovation strategy.—

“(1) In general.—Not later than 12 months after the date on which the Chief Innovation Officer is appointed under subsection (c)(1), the Postmaster General shall submit to the Committee on Oversight and Government Reform of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Postal Regulatory Commission a comprehensive strategy for maximizing revenues through innovative postal and nonpostal products and services.

“(2) Matters to be addressed.—The strategy submitted under paragraph (1) shall address—

“(A) the specific innovative postal and nonpostal products and services to be developed
and offered by the Postal Service, including the nature of the market to be filled by each product and service and the likely date by which each product and service will be introduced;

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

“(C) the anticipated sales volume of each product and service;

“(D) the anticipated revenues and profits expected to be generated by each product and service;

“(E) the likelihood of success of each product and service as well as the risks associated with the development and sale of each product and service;

“(F) the trends anticipated in market conditions that may affect the success of each product and service over the 5-year period beginning on the date such strategy or update is submitted;

“(G) the metrics that will be utilized to assess the effectiveness of the innovation strategy; and

“(H) the specific methods by which mailpiece design analysis may be improved to
speed the approval process and promote the increased use of innovative mailpiece design.

“(3) STRATEGY UPDATES.—For each of the 4 years following the submission of the innovation strategy under paragraph (1), the Postal Service shall submit an annual update to the innovation strategy to the Committee on Oversight and Government Reform of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Postal Regulatory Commission.

“(e) REPORT.—

“(1) IN GENERAL.—On the date of submission of the President’s annual budget under section 1105(a) of title 31, the Postmaster General shall submit to the Committee on Oversight and Government Reform of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Postal Regulatory Commission a report that details the Postal Service’s progress in implementing the innovation strategy described under subsection (d).

“(2) MATTERS TO BE ADDRESSED.—The report required under paragraph (1) shall address—
“(A) the revenue generated by each product and service developed through the innovation strategy and the costs of developing and offering each such product and service for the most recent fiscal year; “(B) the total sales volume and revenue generated by each product and service on a monthly basis for the preceding year; “(C) trends in the markets filled by each product and service; “(D) products and services identified in the innovation strategy that are to be discontinued, the date on which the discontinuance will occur, and the reasons for the discontinuance; “(E) alterations in products and services identified in the innovation strategy that will be made to meet changing market conditions, and an explanation of how these alterations will ensure the success of the products and services; and “(F) the performance of the innovation strategy according to the metrics identified in subsection (d)(2)(G). “(f) COMPTROLLER GENERAL STUDY.—
“(1) IN GENERAL.—The Comptroller General shall conduct a study on the implementation of the innovation strategy described under subsection (d) not later than 4 years after the date of enactment of the Postal Service Reform Act of 2018.

“(2) CONTENTS.—The study required under paragraph (1) shall assess the effectiveness of the Postal Service in identifying, developing, and selling innovative postal and nonpostal products and services. The study shall also include—

“(A) an audit of the costs of developing each innovative postal and nonpostal product and service developed or offered by the Postal Service during the period beginning on the date of enactment of the Postal Service Reform Act of 2018 and ending 4 years after such date;

“(B) the sales volume of each such product and service;

“(C) the revenues and profits generated by each such product and service; and

“(D) the likelihood of continued success of each such product and service.

“(3) SUBMISSION.—The results of the study required under this subsection shall be submitted to the Committee on Oversight and Government Re—
form of the House of Representatives, the Com-
mittee on Homeland Security and Governmental Af-
fairs of the Senate, and the Postal Regulatory Com-
mission.”.

(b) CLERICAL AMENDMENT.—The table of sections
at the beginning of chapter 2 of title 39, United States
Code, is amended by adding at the end the following:

“209. Chief Innovation Officer.”.

SEC. 302. INSPECTOR GENERAL OF THE POSTAL COMMU-
NITY.

(a) PRESIDENTIALLY APPOINTED, SENATE-CONFIRMED INSPECTOR GENERAL.—The Inspector General
Act of 1978 (5 U.S.C. App.) is amended—

(1) in section 8G—

(A) in subsection (a)—

(i) in paragraph (2), by striking “the
United States International Trade Com-
mission, the Postal Regulatory Commis-
sion, and the United States Postal Serv-
ice” and inserting “and the United States
International Trade Commission”; 

(ii) in paragraph (3), by striking
“subsection (h)(1)” and inserting “sub-
section (g)(1)”; and 

(iii) in paragraph (4)—

(I) by striking subparagraph (B);
(II) by striking “subsection (h)(1)” and inserting “subsection (g)(1)”;
and

(III) by redesignating subparagraphs (C), (D), (E), (F), (G), (H),
and (I) as (B), (C), (D), (E), (F),
(G), and (H), respectively;

(B) in subsection (c), by striking “Except as provided under subsection (f) of this section, the” and inserting “The”;

(C) by striking subsection (f); and

(D) by redesignating subsections (g) and (h) as (f) and (g), respectively; and

(2) in section 12—

(A) in paragraph (1), by inserting “the Postmaster General of the United States; the Chairman of the Postal Regulatory Commission;” after “the President of the Export-Import Bank;”; and

(B) in paragraph (2), by inserting “the United States Postal Service, the Postal Regulatory Commission,” after “the Export-Import Bank,”.

(b) INSPECTOR GENERAL OF THE POSTAL COMMU-
(1) **ESTABLISHMENT.**—The Inspector General Act of 1978 (5 U.S.C. App.), as amended by subsection (a), is further amended by inserting after section 8N the following new section:

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“SEC. 8O. SPECIAL PROVISIONS CONCERNING THE UNITED STATES POSTAL SERVICE AND POSTAL REGULATORY COMMISSION.

“(a) **OFFICE OF INSPECTOR GENERAL OF THE POSTAL COMMUNITY.**—The Inspector General for the United States Postal Service and the Postal Regulatory Commission shall be referred to as the ‘Inspector General of the Postal Community’.

“(b) **RESPONSIBILITIES.**—In carrying out the duties and responsibilities specified in this Act, the Inspector General of the Postal Community shall have equal responsibility over the United States Postal Service and the Postal Regulatory Commission.

“(c) **APPLICABLE HEAD OF THE ESTABLISHMENT.**—For purposes of the applicability of this Act to the Inspector General of the Postal Community—

“(1) the ‘head of the establishment’ shall mean the Board of Governors of the United States for activities by the Office related to the United States Postal Service; and
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“(2) the ‘head of the establishment’ shall mean the Chairman of the Postal Regulatory Commission for activities by the Office related to the Postal Regulatory Commission.

“(d) Applicability of Establishment for Reports.—In carrying out the duties and responsibilities under section 5—

“(1) the term ‘establishment’ shall include as separate establishments—

“(A) the United States Postal Service; and

“(B) the Postal Regulatory Commission;

and

“(2) the Inspector General of the Postal Community shall prepare separate semiannual reports for the United States Postal Service and the Postal Regulatory Commission.

“(e) Office Space.—In carrying out the duties and responsibilities under section 6(d), the heads of the establishments for the United States Postal Service and the Postal Regulatory Commission shall work jointly with one another and in consultation with the Inspector General of the Postal Community to ensure adequate and appropriate provision to the Office of the Inspector General of the Postal Community under section 6(d).
“(f) BUDGET.—In carrying out the duties and responsibilities under section 6(g)—

“(1) the ‘head of the establishment’ shall mean the Postmaster General of the United States; and

“(2) designation of the Postmaster General of the United States as ‘head of the establishment’ under this subsection shall not be construed as granting any authorities to the Postmaster General of the United States with regard to the Postal Regulatory Commission.

“(g) GENERAL DUTIES AND RESPONSIBILITIES.—In carrying out the duties and responsibilities specified in this Act—

“(1) the Inspector General of the Postal Community shall have oversight responsibility for all activities of the Postal Inspection Service, including any internal investigation performed by the Postal Inspection Service;

“(2) the Inspector General of the Postal Community shall give particular regard to the activities of the Postal Inspection Service with a view toward avoiding duplication and insuring effective coordination and cooperation; and

“(3) the Chief Postal Inspector shall promptly report the significant activities being carried out by
the Postal Inspection Service to the Inspector General of the Postal Community.

“(h) EMPLOYING AUTHORITIES.—

“(1) IN GENERAL.—The Inspector General of the Postal Community is authorized to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office of Inspector General of the Postal Community and to obtain the temporary or intermittent services of experts or consultants or an organization thereof, subject to the applicable laws and regulations that govern such selections, appointments, and employment, and the obtaining of such services, within the United States Postal Service.

“(2) AUTHORITY NOT APPLICABLE.—Paragraphs (7) and (8) of section 6(a) do not apply to the Inspector General of the Postal Service Community.

“(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated, out of the Postal Service Fund, such sums as may be necessary for the Office of the Inspector General of the Postal Community.”.

(2) CONFORMING AMENDMENTS.—Section 8J of the Inspector General Act of 1978 is amended by
striking “The special provisions under section” through “of this Act” and inserting “The special provisions under section 8, 8A, 8B, 8C, 8D, 8E, 8F, 8H, 8I, 8N, or 8O of this Act”.

(3) APPOINTMENT.—Not later than 180 days after the date of enactment of this Act, the President shall appoint, by and with the advice and consent of the Senate, an Inspector General of the Postal Community. Any individual appointed under the previous sentence shall be deemed to be appointed under section 8O of the Inspector General Act of 1978, as added by paragraph (1).

(c) TRANSFER OF THE OFFICE OF THE INSPECTOR GENERAL OF THE POSTAL REGULATORY COMMISSION.—

(1) IN GENERAL.—On the date that is the effective date of this section, the duties, responsibilities, functions, personnel, assets, unexpended balances of appropriations, and obligations held by the Inspector General of the Postal Regulatory Commission shall be transferred to the Office of the Inspector General of the Postal Community.

(2) EXISTING INSPECTOR GENERAL.—The Inspector General of the Postal Regulatory Commission transferred pursuant to paragraph (1) shall
serve under the Inspector General of the Postal Community.

(d) Transfer of the Office of the Inspector General of United States Postal Service.—

(1) In General.—On the date that is the effective date of this section, the duties, responsibilities, functions, personnel, assets, unexpended balances of appropriations, and obligations held by the Inspector General of the United States Postal Service shall be transferred to the Office of the Inspector General of the Postal Community.

(2) Existing Inspector General.—The Inspector General of the United States Postal Service transferred pursuant to paragraph (1) shall serve under the Inspector General of the Postal Community.

(e) Delegation and Assignment.—Except as otherwise expressly prohibited by law or otherwise provided in this Act, the Inspector General of the Postal Community may delegate any of the functions transferred pursuant to this section to such officers and employees of the Office of the Inspector General of the Postal Community as the Inspector General may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions under
this subsection or under any other provision of this Act shall relieve the Inspector General of the Postal Community of responsibility for the administration of the function.

(f) **Savings Provisions.**—

(1) **Legal Documents.**—Any order, determination, rule, regulation, permit, grant, loan, contract, agreement, certificate, license, or privilege that has been issued, made, granted, or allowed to become effective that is in effect on the effective date of this section shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law.

(2) **Proceedings.**—This section shall not affect any proceeding pending on the effective date of this section before an office transferred by either such subsection, but such proceeding shall be continued. Nothing in this paragraph shall be considered to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(3) **Suits.**—This section shall not affect any suit commenced before the effective date of this sec-
tion, and in any such suit, proceeding shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section had not been enacted.

(4) REFERENCES.—Any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document relating to the Inspector General of the Postal Regulatory Commission, the Inspector General of the United States Postal Service, or the office of either such inspector general shall be deemed to refer to the Inspector General of the Postal Community or the Office of the Inspector General of the Postal Community, as applicable.

(g) AVAILABILITY OF EXISTING FUNDS.—Existing appropriations and funds available for the performance of functions, programs, and activities transferred pursuant to this section shall remain available, for the duration of their period of availability, for necessary expenses in connection with the Office of the Inspector General of the Postal Community and the transfer of such functions, programs, and activities.

(h) TITLE 39 AMENDMENTS.—Title 39, United States Code, is amended as follows:
(1) In section 102(4), by striking “the Inspector General appointed under section 202(e) of this title” and inserting “the Inspector General of the Postal Community as described in section 8O of the Inspector General Act of 1978 (5 U.S.C. App.)”.

(2) In section 504, by striking subsection (h).

(3) In section 1003(b), by striking “the Office of Inspector General of the United States Postal Service” and inserting “the Office of Inspector General of the Postal Community”.

(4) In section 2003(e)(1), by striking “the Office of Inspector General, subject to the availability of amounts appropriated under section 8G(f) of the Inspector General Act of 1978.” and inserting “the Office of Inspector General of the Postal Community”.

(5) In section 2009, by striking “the Office of Inspector General of the United States Postal Service requests to be appropriated, out of the Postal Service Fund, under section 8G(f) of the Inspector General Act of 1978, and” and inserting “the Office of Inspector General of the Postal Community requests to be appropriated out of the Postal Service Fund”.
(6) In section 2011(h)(2)(D), by striking “the Inspector General of the United States Postal Service” and inserting “the Inspector General of the Postal Community”.

(i) Delayed Effective Date.—This section, and the amendments made by this section, shall take effect upon the date that is 30 days after the date on which an individual is confirmed by the Senate as the Inspector General of the Postal Community under subsection (b)(3).

SEC. 303. RIGHT OF APPEAL TO MERIT SYSTEMS PROTECTION BOARD.

Section 1005(a)(4)(A)(ii)(I) of title 39, United States Code, is amended to read as follows:

“(I) is an employee of the Postal Service or the Office of the Inspector General of the Postal Community who is not represented by a bargaining representative recognized under section 1203.”.

TITLE IV—POSTAL CONTRACTING REFORM

SEC. 401. 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

†See.
†701. Definitions.
†702. Delegation of contracting authority.
§ 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—

“(A) in the case of the Postal Service, any contract (including any agreement or memorandum of understanding) entered into by the Postal Service for the procurement of goods or services; or

“(B) in the case of the Postal Regulatory Commission, any contract (including any agreement or memorandum of understanding) in an
amount exceeding the simplified acquisition
threshold (as defined in section 134 of title 41)
entered into by the Postal Regulatory Commis-
sion 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. Delegation of contracting authority

“(a) In General.—

“(1) Policy.—Not later than 60 days after the
date of enactment of this chapter, the head of each
covered postal entity shall issue a policy on con-
tracting officer delegations of authority for postal
contracts for the covered postal entity.

“(2) Contents.—The policy issued under
paragraph (1) shall require that—

“(A) notwithstanding any delegation of au-
thority with respect to postal contracts, the ulti-
mate 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 activi-
ties being performed on postal contracts of
which that officer has cognizance, notwith-
standing 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 con-
tracting 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 the date that is 30 days after the date of en-
actment of this chapter.

“§ 703. 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 for any contract (including any agreement or
memorandum of understanding) entered into by the
Postal Regulatory Commission for the procurement
of goods and services in an amount of $20,000 or
more, 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 busi-
ness interest.

“(2) POSTAL SERVICE.—The Postal Service
shall make the noncompetitive purchase request for
any noncompetitive award of a postal contract in an
amount of $250,000 or more, including the rationale
supporting the noncompetitive award, publicly avail-
able 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 THRESH-
OLD.—

“(A) REVIEW AND DETERMINATION.—Not
later than January 31 of each year, the Postal
Service and the Postal Regulatory Commission
shall—
“(i) review the applicable threshold established under paragraph (1) or (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 covered postal entity 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 covered postal entity 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 this chapter.

“(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 reference or citation to the proprietary data) or security-related information; and

“(B) remove any proprietary data or security-related information before making publicly available a description of the rationale supporting a noncompetitive award.

“(c) Waivers.—

“(1) Waiver permitted.—If the Postal Service determines that making a noncompetitive purchase request for a postal contract of the Postal Service under subsection (a)(2) publicly available would risk placing the Postal Service at a competitive disadvantage relative to a private sector competitor, the senior procurement executive, in consultation with the advocate for competition of the Postal Service, 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 determination placed in the file of the contract to which the noncompetitive purchase request relates.

“(B) CONTENT.—A waiver under paragraph (1) shall include—

“(i) a description of the risk associated with making the noncompetitive purchase 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.—

The Postal Service may not delegate the authority to approve a waiver under paragraph (1) to any employee having less authority than the senior procurement executive.

“§ 704. 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.

“§ 705. 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 'final conviction' means a conviction entered by a court, regardless of whether such conviction was entered on a verdict or pursuant to a plea (including a plea of nolo contendere), and with regard to which no further appeal may be taken or is pending; and

“(3) 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.

“(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) states that the covered employee will not take any action with respect to the noncompetitive purchase request that affects the financial interests of any person with which the covered employee has a covered relationship, 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), or any successor thereto;

“(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 Regulations (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 2635.502 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 subpara-
graph (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 grant a waiver or other-
wise 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 covered
postal entity.

“(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 pub-
licly 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 in which 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)(E), 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 2105 of title 41; 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 2105 of such title.”.

(b) **Clerical Amendment.**—The table of chapters at the beginning of part I is amended by adding at the end the following:

> “7. **Contracting Provisions** ............................................................ 701”.

**SEC. 402. TECHNICAL AMENDMENT TO DEFINITION.**

Section 7101(8) of title 41, United States Code, is amended—

(1) by striking “and” at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting “; and”;

(3) by adding at the end the following:

> “(E) the United States Postal Service and the Postal Regulatory Commission.”.

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