

July 6, 2004

**PARALLEL REPRINT OF HOUSE AND SENATE POSTAL REFORM BILLS
AS APPROVED BY CONGRESSIONAL COMMITTEES**

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Page numbers in the H.R. 43141 column refer to the version of the bill introduced in the House and approved without amendment by the Committee on Government Reform on May 12, 2004, technically denominated H.R. 4341(IH). Page numbers in the S. 2468 column refer to the substitute amendment which was proposed by Senators Collins and Carper and approved by the Senate Committee on Government Affairs on June 2, 2004. This "managers' amendment," *Manager's AMDT to S. 2468COE04584_LC.pdf*; differed significantly from S. 2468(IS), the version of the bill introduced in the Senate on May 12, 2004. Amendments to S. 2468 proposed by Senators Lieberman, Durbin, and Sununu and approved by the Senate committee have been incorporated into this text. Line breaks in the bills are retained in this reprint.

H.R. 4143 (approved by H.R. Comm. May 12, 2004)	S. 2468 (approved by S. Comm. June 2, 2004)
SECTION 1. SHORT TITLE; TABLE OF CONTENTS.	SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
<p>(a) SHORT TITLE.—This Act may be cited as the “Postal Accountability and Enhancement Act”.</p> <p>(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:</p> <p>Sec. 1. Short title; table of contents.</p> <p>[/2]</p> <p>TITLE I—DEFINITIONS; POSTAL SERVICES</p> <p>Sec. 101. Definitions.</p> <p>Sec. 102. Postal services.</p> <p>Sec. 103. Financial transparency.</p> <p>TITLE II—MODERN RATE REGULATION</p> <p>Sec. 201. Provisions relating to market-dominant products.</p> <p>Sec. 202. Provisions relating to competitive products.</p> <p>Sec. 203. Provisions relating to experimental and new products.</p> <p>Sec. 204. Reporting requirements and related provisions.</p> <p>Sec. 205. Complaints; appellate review and enforcement.</p> <p>Sec. 206. Workshare discounts.</p> <p>Sec. 207. Clerical amendment.</p> <p>TITLE III—PROVISIONS RELATING TO FAIR COMPETITION</p> <p>Sec. 301. Postal Service Competitive Products Fund.</p> <p>Sec. 302. Assumed Federal income tax on competitive products income.</p> <p>Sec. 303. Unfair competition prohibited.</p> <p>Sec. 304. Suits by and against the Postal Service.</p> <p>Sec. 305. International postal arrangements.</p> <p>Sec. 306. Redesignation.</p> <p>Sec. 307. Clarification.</p> <p>TITLE IV—GENERAL PROVISIONS</p> <p>Sec. 401. Qualification requirements for Governors.</p> <p>Sec. 402. Obligations.</p> <p>Sec. 403. Private carriage of letters.</p> <p>Sec. 404. Rulemaking authority.</p> <p>Sec. 405. Noninterference with collective bargaining agreements, etc.</p> <p>Sec. 406. Bonus authority.</p> <p>Sec. 407. Mediation in collective-bargaining disputes.</p>	<p>(a) SHORT TITLE.—This Act may be cited as the “Postal Accountability and Enhancement Act”.</p> <p>(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:</p> <p>Sec. 1. Short title; table of contents.</p> <p>TITLE I—DEFINITIONS; POSTAL SERVICES</p> <p>Sec. 101. Definitions.</p> <p>Sec. 102. Postal services.</p> <p>[/2]</p> <p>TITLE II—MODERN RATE REGULATION</p> <p>Sec. 201. Provisions relating to market-dominant products.</p> <p>Sec. 202. Provisions relating to competitive products.</p> <p>Sec. 203. Provisions relating to experimental and new products.</p> <p>Sec. 204. Reporting requirements and related provisions.</p> <p>Sec. 205. Complaints; appellate review and enforcement.</p> <p>Sec. 206. Clerical amendment.</p> <p>TITLE III—MODERN SERVICE STANDARDS</p> <p>Sec. 301. Establishment of modern service standards.</p> <p>Sec. 302. Postal service plan.</p> <p>TITLE IV—PROVISIONS RELATING TO FAIR COMPETITION</p> <p>Sec. 401. Postal Service Competitive Products Fund.</p> <p>Sec. 402. Assumed Federal income tax on competitive products income.</p> <p>Sec. 403. Unfair competition prohibited.</p> <p>Sec. 404. Suits by and against the Postal Service.</p> <p>Sec. 405. International postal arrangements.</p> <p>TITLE V—GENERAL PROVISIONS</p> <p>Sec. 501. Qualification and term requirements for Governors.</p> <p>Sec. 502. Obligations.</p> <p>Sec. 503. Private carriage of letters.</p> <p>Sec. 504. Rulemaking authority.</p> <p>Sec. 505. Noninterference with collective bargaining agreements.</p>

<p>TITLE IX—POSTAL PENSION FUNDING REFORM AMENDMENTS</p> <p>Sec. 901. Civil Service Retirement System.</p> <p>Sec. 902. Health insurance.</p> <p>Sec. 903. Repealer.</p> <p>Sec. 904. Ensuring appropriate use of escrow and military savings.</p> <p>Sec. 905. Effective dates.</p>	<p>TITLE VIII—POSTAL SERVICE RETIREMENT AND HEALTH BENEFITS FUNDING</p> <p>Sec. 801. Short title.</p> <p>Sec. 802. Civil Service Retirement System.</p> <p>Sec. 803. Health insurance.</p> <p>Sec. 804. Repeal of disposition of savings provision.</p> <p>Sec. 805. Effective dates.</p> <p>TITLE IX—COMPENSATION FOR WORK INJURIES</p> <p>Sec. 901. Temporary disability; continuation of pay.</p> <p>Sec. 902. Disability retirement for postal employees.</p> <p>[3]</p> <p>TITLE X—MISCELLANEOUS</p> <p>Sec. 1001. Employment of postal police officers.</p> <p>Sec. 1002. Expanded contracting authority.</p>
<p>TITLE I—DEFINITIONS; POSTAL SERVICES</p>	<p>TITLE I—DEFINITIONS; POSTAL SERVICES</p>
<p>SEC. 101. DEFINITIONS.</p>	<p>SEC. 101. DEFINITIONS.</p>
<p>Section 102 of title 39, United States Code, is amended by striking “and” at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting a semicolon, and by adding at the end the following:</p> <p>“(5) ‘postal service’ means the carriage of letters, printed matter, or mailable packages, including [4] acceptance, collection, processing, delivery, or other services supportive or ancillary thereto;</p> <p>“(6) ‘product’ means a postal service with a distinct cost or market characteristic for which a rate or rates are, or may reasonably be, applied;</p> <p>“(7) ‘rates’, as used with respect to products, includes fees for postal services;</p> <p>“(8) ‘market-dominant product’ or ‘product in the market-dominant category of mail’ means a product subject to subchapter I of chapter 36;</p> <p>“(9) ‘competitive product’ or ‘product in the competitive category of mail’ means a product subject to subchapter II of chapter 36;</p> <p>“(10) ‘Consumer Price Index’ means the Consumer Price Index for All Urban Consumers published monthly by the Bureau of Labor Statistics of the Department of Labor; and</p> <p>“(11) ‘year’, as used in chapter 36 (other than subchapters I and VI thereof), means a fiscal year.”.</p>	<p>Section 102 of title 39, United States Code, is amended by striking “and” at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting a semicolon, and by adding at the end the following:</p> <p>“(5) ‘postal service’ refers to the physical delivery of letters, printed matter, or packages weighing up to 70 pounds, including physical acceptance, collection, sorting, transportation, or other services ancillary thereto;</p> <p>“(6) ‘product’ means a postal service with a distinct cost or market characteristic for which a rate or rates are applied;</p> <p>“(7) ‘rates’, as used with respect to products, includes fees for postal services;</p> <p>“(8) ‘market-dominant product’ or ‘product in the market-dominant category of mail’ means a product subject to subchapter I of chapter 36; and [4]</p> <p>“(9) ‘competitive product’ or ‘product in the competitive category of mail’ means a product subject to subchapter II of chapter 36; and</p> <p>“(10) ‘year’, as used in chapter 36 (other than subchapters I and VI thereof), means a fiscal year.”.</p>
<p>SEC. 102. POSTAL SERVICES.</p>	<p>SEC. 102. POSTAL SERVICES.</p>
<p>(a) IN GENERAL.—Section 404 of title 39, United States Code, is amended--</p> <p>(1) in subsection (a), by striking paragraph (6)</p>	<p>(a) IN GENERAL.—Section 404 of title 39, United States Code, is amended--</p> <p>(1) in subsection (a), by striking paragraph (6)</p>

<p>“(B) single piece first-class cards (both domestic and international); and “(C) special services; “(2) all first-class mail not included under paragraph (1); “(3) periodicals; “(4) standard mail; “(5) media mail; “(6) library mail; and “(7) bound printed matter, [7] subject to any changes the Postal Regulatory Commission may make under section 3642. “(b) RULE OF CONSTRUCTION.—Mail matter referred to in subsection (a) shall, for purposes of this subchapter, be considered to have the meaning given to such mail matter under the mail classification schedule.</p> <p>“§ 3622. Modern rate regulation “(a) AUTHORITY GENERALLY.—The Postal Regulatory Commission shall, within 24 months after the date of the enactment of this section, by regulation establish (and may from time to time thereafter by regulation revise) a modern system for regulating rates and classes for market-dominant products. “(b) OBJECTIVES.—Such system shall be designed to achieve the following objectives: “(1) To maximize incentives to reduce costs and increase efficiency. “(2) To create predictability and stability in rates. “(3) To maintain high quality service standards. “(4) To allow the Postal Service pricing flexibility. “(5) To assure adequate revenues, including retained earnings, to maintain financial stability. [8] “(6) To reduce the administrative burden of the ratemaking process.</p> <p>“(c) FACTORS.—In establishing or revising such sys-</p>	<p>“(3) periodicals; “(4) standard mail; “(5) single-piece parcel post; “(6) media mail; “(7) bound printed matter; “(8) library mail; “(9) special services; and “(10) single-piece international mail, subject to any changes the Postal Regulatory Commission may make under section 3642.</p> <p>“(b) RULE OF CONSTRUCTION.—Mail matter referred to in subsection (a) shall, for purposes of this subchapter, be considered to have the meaning given to such mail matter under the mail classification schedule.</p> <p>“§ 3622. Modern rate regulation “(a) AUTHORITY GENERALLY.—The Postal Regulatory Commission shall, within 12 months after the date of the enactment of this section, by regulation establish (and may from time to time thereafter by regulation revise) a modern system for regulating rates and classes for market-dominant products. “(b) OBJECTIVES.—Such system shall be designed to achieve the following objectives: “(1) To reduce the administrative burden and increase the transparency of the ratemaking process while affording reasonable opportunities for interested parties to participate in that process. “(2) To create predictability and stability in rates. “(3) To maximize incentives to reduce costs and increase efficiency. “(4) To enhance mail security and deter terrorism by promoting secure, sender-identified mail. “(5) To allow the Postal Service pricing flexibility, including the ability to use pricing to promote intelligent mail and encourage increased mail volume during nonpeak periods. [7] “(6) To assure adequate revenues, including retained earnings, to maintain financial stability and meet the service standards established under section 3691. “(7) To allocate the total institutional costs of the Postal Service equitably between market-dominant and competitive products.</p> <p>“(c) FACTORS.—In establishing or revising such sys-</p>
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	<p>“(B) A description of the functions the customer is to perform under the agreement.</p> <p>“(C) A description of the functions the Postal Service is to perform under the agreement.</p> <p>“(D) The rates and fees payable by the customer during the term of the agreement.</p> <p>“(E) With respect to each condition under subsection (b), information sufficient to demonstrate the bases for the view of the Postal Service that such condition would be met.</p> <p>“(2) AGREEMENTS LESS THAN NATIONAL IN SCOPE.— In the case of a service agreement under this section that is less than national in scope, the information described under paragraph (1) shall also be published by the Postal Service in a manner de- [16]</p> <p>signed to afford reasonable notice to persons within any geographic area to which such agreement (or any amendment to that agreement) pertains.</p> <p>“(c) EQUAL TREATMENT REQUIRED.— If the Postal Service enters into a service agreement with a mailer under this section, the Postal Service shall make such agreement available to similarly situated mailers on functionally equivalent terms and conditions consistent with the regulatory system established under section 3622 without unreasonable distinctions based on mailer profiles, provided that such distinctions, if ignored, would not render any subsequent agreement uneconomic or impractical.</p> <p>“(f) COMPLAINTS.— Any person who believes that a service agreement under this section is not in conformance with the requirements of this section, or who is aggrieved by a decision of the Postal Service not to enter into an agreement under this section, may file a complaint with the Postal Regulatory Commission in accordance with section 3662.</p> <p>“(g) POSTAL REGULATORY COMMISSION ROLE.—</p> <p>“(1) REGULATIONS.— The Postal Regulatory Commission may promulgate such regulations regarding service agreements as the Commission de- [17]</p> <p>termines necessary to implement the requirements of this section.</p> <p>“(2) REVIEW.— The Postal Regulatory Commission may review any agreement or proposed agreement under this section and may suspend, cancel, or prevent such agreement if the Commission finds that the agreement does not meet the requirements of this section.</p> <p>“(h) INTERPRETATION.— The determination of whether the revenue generated under the agreement meets</p>
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<p>“§ 3632. Action of the Governors</p> <p>“(a) AUTHORITY TO ESTABLISH RATES AND CLASSES. The Governors shall establish rates and classes for products in the competitive category of mail in accordance with the requirements of this subchapter and regulations promulgated under section 3633.</p> <p>“(b) PROCEDURES.—</p> <p>“(1) IN GENERAL.—Rates and classes shall be established in writing, complete with a statement of explanation and justification, and the date as of which each such rate or class takes effect.</p> <p>“(2) RATES OR CLASSES OF GENERAL APPLICABILITY.— In the case of rates or classes of general applicability in the Nation as a whole or in any substantial region of the Nation, the Governors shall cause each rate and class decision under this section and the record of the Governors’ proceedings in connection with such decision to be published in the Federal Register at least 30 days before the effective date of any new rates or classes.</p> <p>“(3) RATES OR CLASSES NOT OF GENERAL APPLICABILITY.—In the case of rates or classes not of general applicability in the Nation as a whole or in any substantial region of the Nation, the Governors shall cause each rate and class decision under this section and the record of the proceedings in connection with such decision to be filed with the Postal Regulatory Commission by such date before the effective date of any new rates or classes as the Governors consider appropriate, but in no case less than 15 days.</p> <p>“(4) CRITERIA.— As part of the regulations required under section 3633, the Postal Regulatory Commission shall establish criteria for determining when a rate or class established under this subchapter is or is not of general applicability in the Nation as a whole or in any substantial region of the Nation.</p> <p>[/14]</p> <p>“(c) TRANSITION RULE.—Until regulations under section 3633 first take effect, rates and classes for competitive products shall remain subject to modification in accordance with the provisions of this chapter and section 407, as such provisions were as last in effect before the date of the enactment of this section.</p>	<p>sion of this section, nothing in this subchapter shall be considered to apply with respect to any product then currently in the market-dominant category of mail.</p> <p>“§ 3632. Action of the Governors</p> <p>“(a) AUTHORITY TO ESTABLISH RATES AND CLASSES.—The Governors, with the written concurrence of a majority of all of the Governors then holding office, shall establish rates and classes for products in the competitive category of mail in accordance with the requirements of this subchapter and regulations promulgated under section 3633.</p> <p>“(b) PROCEDURES.—</p> <p>“(1) IN GENERAL.— Rates and classes shall be established in writing, complete with a statement of explanation and justification, and the date as of which each such rate or class takes effect.</p> <p>“(2) PUBLIC NOTICE; REVIEW; AND COMPLIANCE.—Not later than 30 days before the date of implementation of any adjustment in rates under this section—</p> <p>[/20]</p> <p>“(A) the Governors shall provide public notice of the adjustment and an opportunity for review by the Postal Regulatory Commission;</p> <p>“(B) the Postal Regulatory Commission shall notify the Governors of any noncompliance of the adjustment with section 3633; and</p> <p>“(C) the Governors shall respond to the notice provided under subparagraph (B) and describe the actions to be taken to comply with section 3633.</p> <p>“(c) TRANSITION RULE.—Until regulations under section 3633 first take effect, rates and classes for competitive products shall remain subject to modification in accordance with the provisions of this chapter and section 407, as such provisions were as last in effect before the date of the enactment of this section.</p>
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<p>tion 3642(b)(1). Costs and revenues attributable to a product identified as competitive shall be included in any determination under section 3633(3) (relating to provisions applicable to competitive products collectively).</p> <p>“(c) NOTICE.—</p> <p>“(1) IN GENERAL.—At least 30 days before initiating a market test under this section, the Postal Service shall file with the Postal Regulatory Commission and publish in the Federal Register a notice—</p> <p>“(A) setting out the basis for the Postal Service’s determination that the market test is covered by this section; and</p> <p>“(B) describing the nature and scope of the market test.</p> <p>“(2) SAFEGUARDS.— For a competitive experimental product, the provisions of section 504(g) shall be available with respect to any information required to be filed under paragraph (1) to the same extent and in the same manner as in the case of any [17] matter described in section 504(g)(1). Nothing in paragraph (1) shall be considered to permit or require the publication of any information as to which confidential treatment is accorded under the preceding sentence (subject to the same exception as set forth in section 504(g)(3)).</p> <p>“(d) DURATION.—</p> <p>“(1) IN GENERAL.—A market test of a product under this section may be conducted over a period of not to exceed 24 months.</p> <p>“(2) EXTENSION AUTHORITY.— If necessary in order to determine the feasibility or desirability of a product being tested under this section, the Postal Regulatory Commission may, upon written application of the Postal Service (filed not later than 60 days before the date as of which the testing of such product would otherwise be scheduled to terminate under paragraph (1)), extend the testing of such product for not to exceed an additional 12 months.</p> <p>“(e) DOLLAR-AMOUNT LIMITATION.—</p> <p>“(1) IN GENERAL.—A product may be tested under this section only if the total revenues that are anticipated, or in fact received, by the Postal Service</p>	<p>tion 3642(b)(1). Costs and revenues attributable to a product identified as competitive shall be included in any determination under section 3633(3)(relating to provisions applicable to competitive products collectively). Any test that solely affects products currently classified as competitive, or which provides services ancillary to only competitive products, shall be presumed to be in the competitive product category without regard to whether a similar ancillary product exists for market-dominant products.</p> <p>“(c) NOTICE.—</p> <p>[23]</p> <p>“(1) IN GENERAL.— At least 30 days before initiating a market test under this section, the Postal Service shall file with the Postal Regulatory Commission and publish in the Federal Register a notice—</p> <p>“(A) setting out the basis for the Postal Service’s determination that the market test is covered by this section; and</p> <p>“(B) describing the nature and scope of the market test.</p> <p>“(2) SAFEGUARDS.— For a competitive experimental product, the provisions of section 504(g) shall be available with respect to any information required to be filed under paragraph (1) to the same extent and in the same manner as in the case of any matter described in section 504(g)(1). Nothing in paragraph (1) shall be considered to permit or require the publication of any information as to which confidential treatment is accorded under the preceding sentence (subject to the same exception as set forth in section 504(g)(3)).</p> <p>“(d) DURATION.—</p> <p>“(1) IN GENERAL.—A market test of a product under this section may be conducted over a period of not to exceed 24 months.</p> <p>[24]</p> <p>“(2) EXTENSION AUTHORITY.— If necessary in order to determine the feasibility or desirability of a product being tested under this section, the Postal Regulatory Commission may, upon written application of the Postal Service (filed not later than 60 days before the date as of which the testing of such product would otherwise be scheduled to terminate under paragraph (1)), extend the testing of such product for not to exceed an additional 12 months.</p> <p>“(e) DOLLAR-AMOUNT LIMITATION.—</p> <p>“(1) IN GENERAL.— A product may only be tested under this section if the total revenues that are anticipated, or in fact received, by the Postal</p>
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<p>“(i) EFFECTIVE DATE.—Market tests under this subchapter may be conducted in any year beginning with the first year in which occurs the deadline for the Postal Service’s first report to the Postal Regulatory Commission under section 3652(a). [/20]</p> <p>“§ 3642. New products and transfers of products between the market-dominant and competitive categories of mail</p> <p>“(a) IN GENERAL.—Upon request of the Postal Service or users of the mails, or upon its own initiative, the Postal Regulatory Commission may change the list of market-dominant products under section 3621 and the list of competitive products under section 3631 by adding new products to the lists, removing products from the lists, or transferring products between the lists.</p> <p>“(b) CRITERIA.—All determinations by the Postal Regulatory Commission under subsection (a) shall be made in accordance with the following criteria: “(1) The market-dominant category of products shall consist of each product in the sale of which the Postal Service exercises sufficient market power that it can effectively set the price of such product substantially above costs, raise prices significantly, decrease quality, or decrease output, without risk of losing business to other firms offering similar products. The competitive category of products shall consist of all other products. “(2) EXCLUSION OF PRODUCTS COVERED BY POSTAL MONOPOLY.—A product covered by the postal monopoly shall not be subject to transfer under this section from the market-dominant category of [/21] mail. For purposes of the preceding sentence, the term ‘product covered by the postal monopoly’ means any product the conveyance or transmission of which is reserved to the United States under section 1696 of title 18, subject to the same exception as set forth in the last sentence of section 409(e)(1). “(3) ADDITIONAL CONSIDERATIONS.—In making any decision under this section, due regard shall be given to— “(A) the availability and nature of enterprises in the private sector engaged in the delivery of the product involved; “(B) the views of those who use the product involved on the appropriateness of the proposed action; and “(C) the likely impact of the proposed ac-</p>	<p>“(j) EFFECTIVE DATE.—Market tests under this subchapter may be conducted in any year beginning with the first year in which occurs the deadline for the Postal Service’s first report to the Postal Regulatory Commission under section 3652(a).</p> <p>“§ 3642. New products and transfers of products between the market-dominant and competitive categories of mail</p> <p>“(a) IN GENERAL.—Upon request of the Postal Service or users of the mails, or upon its own initiative, the Postal Regulatory Commission may change the list of market-dominant products under section 3621 and the list of competitive products under section 3631 by adding new products to the lists, removing products from the lists, or transferring products between the lists.</p> <p>“(b) CRITERIA.—All determinations by the Postal Regulatory Commission under subsection (a) shall be made in accordance with the following criteria: “(1) The market-dominant category of products shall consist of each product in the sale of which the [/27] Postal Service exercises sufficient market power that it can effectively set the price of such product substantially above costs, raise prices significantly, decrease quality, or decrease output, without risk of losing substantial business to other firms offering similar products. The competitive category of products shall consist of all other products. “(2) EXCLUSION OF PRODUCTS COVERED BY POSTAL MONOPOLY.—A product covered by the postal monopoly shall not be subject to transfer under this section from the market-dominant category of mail. For purposes of the preceding sentence, the term ‘product covered by the postal monopoly’ means any product the conveyance or transmission of which is reserved to the United States under section 1696 of title 18, subject to the same exception as set forth in the last sentence of section 409(e)(1). “(3) ADDITIONAL CONSIDERATIONS.—In making any decision under this section, due regard shall be given to— “(A) the availability and nature of enterprises in the private sector engaged in the delivery of the product involved; [/28] “(B) the views of those who use the product involved on the appropriateness of the proposed action; and “(C) the likely impact of the proposed ac-</p>
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<p>“(2) by or under any other provision of law.”.</p>	<p>“(2) by or under any other provision of law.”.</p>
<p>SEC. 204. REPORTING REQUIREMENTS AND RELATED PROVISIONS.</p>	<p>SEC. 204. REPORTING REQUIREMENTS AND RELATED PROVISIONS.</p>
<p>(a) REDESIGNATION.— Chapter 36 of title 39, United States Code (as in effect before the amendment made by subsection (b)) is amended by striking the heading for subchapter IV and inserting the following: [24] “SUBCHAPTER V POSTAL SERVICES, COMPLAINTS, AND JUDICIAL REVIEW”.</p> <p>(b) REPORTS AND COMPLIANCE.— Chapter 36 of title 39, United States Code, is amended by inserting after subchapter III the following: “SUBCHAPTER IV— REPORTING REQUIREMENTS AND RELATED PROVISIONS “§ 3651. Annual reports by the Commission “(a) IN GENERAL.—The Postal Regulatory Commission shall submit an annual report to the President and the Congress concerning the operations of the Commission under this title, including the extent to which regulations are achieving the objectives under sections 3622 and 3633, respectively. “(b) ADDITIONAL INFORMATION.—In addition to the information required under subsection (a), each report under this section shall also include, with respect to the period covered by such report, an estimate of the costs incurred by the Postal Service in providing— “(1) postal services to areas of the Nation where, in the judgment of the Postal Regulatory Commission, the Postal Service either would not provide services at all or would not provide such services in accordance with the requirements of this title if the Postal Service were not required to provide prompt, reliable, and efficient services to patrons in all areas and all communities, including as required under the first sentence of section 101(b); “(2) free or reduced rates for postal services as required by this title; and “(3) other public services or activities which, in the judgment of the Postal Regulatory Commission, would not otherwise have been provided by the Postal Service but for the requirements of law. The Commission shall detail the bases for its estimates and the statutory requirements giving rise to the costs</p>	<p>(a) REDESIGNATION.— Chapter 36 of title 39, United States Code (as in effect before the amendment made by subsection (b)) is amended .. [30] (1) by striking the heading for subchapter IV and inserting the following: “SUBCHAPTER V—POSTAL SERVICES, COMPLAINTS, AND JUDICIAL REVIEW”; and (2) by striking the heading for subchapter V and inserting the following: “SUBCHAPTER VI—GENERAL”.</p> <p>(b) REPORTS AND COMPLIANCE.— Chapter 36 of title 39, United States Code, is amended by inserting after subchapter III the following: “SUBCHAPTER IV— REPORTING REQUIREMENTS AND RELATED PROVISIONS “§ 3651. Annual reports by the Commission “(a) IN GENERAL.—The Postal Regulatory Commission shall submit an annual report to the President and the Congress concerning the operations of the Commission under this title, including the extent to which regulations are achieving the objectives under sections 3622, 3633, and 3691.</p>

<p>“(A) The per-item cost avoided by the Postal Service by virtue of such discount.</p> <p>“(B) The percentage of such per-item cost avoided that the per-item workshare discount represents.</p> <p>“(C) The per-item contribution made to institutional costs.</p> <p>“(2) WORKSHARE DISCOUNT DEFINED.—For purposes of this subsection, the term ‘workshare discount’ refers to presorting, barcoding, dropshipping, and other similar discounts, as further defined under regulations which the Postal Regulatory Commission shall prescribe.</p> <p>“(c) MARKET TESTS.— In carrying out subsections (a) and (b) with respect to experimental products offered [28] through market tests under section 3641 in a year, the Postal Service</p> <p>“(1) may report summary data on the costs, revenues, and quality of service by market test; and</p> <p>“(2) shall report such data as the Postal Regulatory Commission requires.</p> <p>“(d) SUPPORTING MATTER.—The Postal Regulatory Commission shall have access, in accordance with such regulations as the Commission shall prescribe, to the working papers and any other supporting matter of the Postal Service and the Inspector General in connection with any information submitted under this section.</p> <p>“(e) CONTENT AND FORM OF REPORTS.—</p> <p>“(1) IN GENERAL.— The Postal Regulatory Commission shall, by regulation, prescribe the content and form of the public reports (and any non-public annex and supporting matter relating thereto) to be provided by the Postal Service under this section. In carrying out this subsection, the Commission shall give due consideration to—</p> <p>“(A) providing the public with adequate information to assess the lawfulness of rates charged; [29]</p> <p>“(B) avoiding unnecessary or unwarranted administrative effort and expense on the part of the Postal Service; and</p> <p>“(C) protecting the confidentiality of commercially sensitive information.</p> <p>“(2) REVISED REQUIREMENTS.— The Commis-</p>	<p>“(1) The per-item cost avoided by the Postal Service by virtue of such discount.</p> <p>“(2) The percentage of such per-item cost avoided that the per-item workshare discount represents.</p> <p>“(3) The per-item contribution made to institutional costs.</p> <p>“(c) SERVICE AGREEMENTS AND MARKET TESTS.— In carrying out subsections (a) and (b) with respect to service agreements (including service agreements entered into under section 3623) and experimental products offered through market tests under section 3641 in a year, the Postal Service -- [33]</p> <p>“(1) may report summary data on the costs, revenues, and quality of service by service agreement and market test; and</p> <p>“(2) shall report such data as the Postal Regulatory Commission requires.</p> <p>“(d) SUPPORTING MATTER.—The Postal Regulatory Commission shall have access, in accordance with such regulations as the Commission shall prescribe, to the working papers and any other supporting matter of the Postal Service and the Inspector General in connection with any information submitted under this section.</p> <p>“(e) CONTENT AND FORM OF REPORTS.—</p> <p>“(1) IN GENERAL.— The Postal Regulatory Commission shall, by regulation, prescribe the content and form of the public reports (and any non-public annex and supporting matter relating to the report) to be provided by the Postal Service under this section. In carrying out this subsection, the Commission shall give due consideration to—</p> <p>“(A) providing the public with timely, adequate information to assess the lawfulness of rates charged;</p> <p>“(B) avoiding unnecessary or unwarranted administrative effort and expense on the part of the Postal Service; and [34]</p> <p>“(C) protecting the confidentiality of commercially sensitive information.</p> <p>“(2) REVISED REQUIREMENTS.—The Commis-</p>
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<p>tion 2804.</p> <p>“§ 3653. Annual determination of compliance</p> <p>“(a) OPPORTUNITY FOR PUBLIC COMMENT.—After receiving the reports required under section 3652 for any year, the Postal Regulatory Commission shall promptly provide an opportunity for comment on such reports by users of the mails, affected parties, and an officer of the Commission who shall be required to represent the interests of the general public.</p> <p>“(b) DETERMINATION OF COMPLIANCE OR NON-COMPLIANCE.—Not later than 90 days after receiving the submissions required under section 3652 with respect to a year, the Postal Regulatory Commission shall make a written determination as to—</p> <p>“(1) whether any rates or fees in effect during such year (for products individually or collectively) were not in compliance with applicable provisions of this chapter (or regulations promulgated thereunder);</p> <p>“(2) whether any performance goals established under section 2803 or 2804 for such year were not met; and</p> <p>[/32]</p> <p>“(3) whether any market-dominant product failed to meet any service standard during such year.</p> <p>If, with respect to a year, no instance of noncompliance is found under this subsection to have occurred in such year, the written determination shall be to that effect.</p> <p>“(c) IF ANY NONCOMPLIANCE IS FOUND.— If, for a year, a timely written determination of noncompliance is made under subsection (b), the Postal Regulatory Commission shall take appropriate action in accordance with subsections (c)–(e) of section 3662 (as if a complaint averring such noncompliance had been duly filed and found under such section to be justified).</p> <p>“(d) REBUTTABLE PRESUMPTION.—A timely written determination described in the last sentence of subsection (b) shall, for purposes of any proceeding under section 3662, create a rebuttable presumption of compliance by the Postal Service (with regard to the matters described in paragraphs (1) through (3) of subsection (b)) during the year to which such determination relates.”.</p>	<p>tion 2804.</p> <p>“§ 3653. Annual determination of compliance</p> <p>“(a) OPPORTUNITY FOR PUBLIC COMMENT.—After receiving the reports required under section 3652 for any year, the Postal Regulatory Commission shall promptly provide an opportunity for comment on such reports by users of the mails, affected parties, and an officer of the Commission who shall be required to represent the interests of the general public.</p> <p>“(b) DETERMINATION OF COMPLIANCE OR NON-COMPLIANCE.—Not later than 90 days after receiving the submissions required under section 3652 with respect to a year, the Postal Regulatory Commission shall make a written determination as to—</p> <p>“(1) whether any rates or fees in effect during such year (for products individually or collectively) were not in compliance with applicable provisions of this chapter (or regulations promulgated thereunder); or</p> <p>“(2) whether any service standards in effect during such year were not met.</p> <p>If, with respect to a year, no instance of noncompliance is found under this subsection to have occurred in such year, the written determination shall be to that effect.</p> <p>[/37]</p> <p>“(c) IF ANY NONCOMPLIANCE IS FOUND.—If, for a year, a timely written determination of noncompliance is made under subsection (b), the Postal Regulatory Commission shall take any appropriate remedial action authorized by section 3662(c).</p> <p>“(d) REBUTTABLE PRESUMPTION.—A timely written determination described in the last sentence of subsection (b) shall, for purposes of any proceeding under section 3662, create a rebuttable presumption of compliance by the Postal Service (with regard to the matters described in paragraphs (1) through (3) of subsection (b)) during the year to which such determination relates.”.</p>
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<p>period of time pending expedited proceedings under this section. In evaluating whether circumstances warrant suspension, the Commission shall consider factors such as (1) whether there is a substantial likelihood that such rate or classification will violate the requirements of chapter 1, 4, or 6, or this chapter (or regulations promulgated under any of those chapters), (2) whether any persons would suffer substantial injury, loss, or damage absent a suspension, (3) whether the Postal Service or any other persons would suffer substantial injury, loss, or damage under a suspension, and (4) the public interest.</p> <p>[/35]</p> <p>“(e) AUTHORITY TO ORDER FINES IN CASES OF DELIBERATE NONCOMPLIANCE.— In addition, in cases of deliberate noncompliance by the Postal Service with the requirements of this title, 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 noncompliance. Fines resulting from the provision of competitive products shall be paid out of the Competitive Products Fund established in section 2011. All receipts from fines imposed under this subsection shall be deposited in the general fund of the Treasury of the United States.</p> <p>“§ 3663. Appellate review</p> <p>“A person adversely affected or aggrieved by a final order or decision of the Postal Regulatory Commission may, within 30 days after such order or decision becomes final, institute proceedings for review thereof by filing a petition in the United States Court of Appeals for the District of Columbia. The court shall review the order or decision in accordance with section 706 of title 5, and chapter 158 and section 2112 of title 28, on the basis of the record before the Commission. For purposes of this section, the term ‘person’ includes the Postal Service.</p> <p>[/36]</p> <p>“§ 3664. Enforcement of orders</p> <p>“The several district courts have jurisdiction specifically to enforce, and to enjoin and restrain the Postal Service from violating, any order issued by the Postal Regulatory Commission.”.</p>	<p>“(d) AUTHORITY TO ORDER FINES IN CASES OF DELIBERATE NONCOMPLIANCE.— In addition, in cases of deliberate noncompliance by the Postal Service with the requirements of this title, 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 noncompliance. Fines resulting from the provision of competitive products shall be paid out of the Competitive Products Fund established in section 2011. All receipts from fines imposed under this subsection shall be deposited in the general fund of the Treasury of the United States.</p> <p>“§ 3663. Appellate review</p> <p>“A person, including the Postal Service, adversely affected or aggrieved by a final order or decision of the Postal Regulatory Commission may, within 30 days after such order or decision becomes final, institute proceedings for review thereof by filing a petition in the United States Court of Appeals for the District of Columbia. The court [40]</p> <p>shall review the order or decision in accordance with section 706 of title 5, and chapter 158 and section 2112 of title 28, on the basis of the record before the Commission.</p> <p>“§ 3664. Enforcement of orders</p> <p>“The several district courts have jurisdiction specifically to enforce, and to enjoin and restrain the Postal Service from violating, any order issued by the Postal Regulatory Commission.”.</p>
<p>SEC. 206. WORKSHARE DISCOUNTS.</p>	<p>[Excerpt from S. 2468 sec. 201]</p>
<p>(a) IN GENERAL.— Title 39, United States Code, is amended by adding after section 3686 (as added by section 406) the following:</p> <p>“§ 3687. Workshare discounts</p> <p>“(a) IN GENERAL.— As part of the regulations estab-</p>	<p>[Begin Lieberman Amendment]</p> <p>“(e) WORKSHARE DISCOUNTS.—</p> <p>“(1) DEFINITION.— In this subsection, the term</p>

<p>“(c) DEFINITION.— For purposes of this section, the term ‘workshare discount’ refers to rate discounts provided to mailers for presorting, prebarcoding, handling, or [38] transportation, as further defined by the Postal Regulatory Commission as part of regulations established under section 3622(a).”</p> <p>(b) CLERICAL AMENDMENT.— The analysis for chapter 36 of title 39, United States Code (as amended by section 207) is amended by adding after the item relating to section 3686 the following: “3687. Workshare discounts.”</p>	
<p>SEC. 207. CLERICAL AMENDMENT.</p>	<p>SEC. 206. CLERICAL AMENDMENT.</p>
<p>Chapter 36 of title 39, United States Code, is amended by striking the heading and analysis for such chapter and inserting the following: “CHAPTER 36— POSTAL RATES, CLASSES AND SERVICES “SUBCHAPTER I— PROVISIONS RELATING TO MARKET-DOMINANT PRODUCTS “Sec. “3621. Applicability; definitions. “3622. Modern rate regulation. “[3623. Repealed]. “[3624. Repealed]. “[3625. Repealed]. “3626. Reduced Rates. “3627. Adjusting free rates. “[3628. Repealed]. “3629. Reduced rates for voter registration purposes.</p> <p>“SUBCHAPTER II—PROVISIONS RELATING TO COMPETITIVE PRODUCTS “3631. Applicability; definitions and updates. “3632. Action of the Governors. “3633. Provisions applicable to rates for competitive products. “3634. Assumed Federal income tax on competitive products.</p> <p>“SUBCHAPTER III—PROVISIONS RELATING TO EXPERIMENTAL AND NEW PRODUCTS “3641. Market tests of experimental products. “3642. New products and transfers of products between the market-dominant and competitive categories of mail. [39] “SUBCHAPTER IV— REPORTING REQUIREMENTS AND RELATED PROVISIONS “3651. Annual reports by the Commission. “3652. Annual reports to the Commission.</p>	<p>Chapter 36 of title 39, United States Code, is amended by striking the heading and analysis for such chapter and inserting the following: “CHAPTER 36—POSTAL RATES, CLASSES, AND SERVICES “SUBCHAPTER I—PROVISIONS RELATING TO MARKET-DOMINANT PRODUCTS “Sec. “3621. Applicability; definitions. “3622. Modern rate regulation. “3623. Service agreements for market-dominant products. “[3624. Repealed.] “[3625. Repealed.] “3626. Reduced Rates. “3627. Adjusting free rates. “[3628. Repealed.] “3629. Reduced rates for voter registration purposes.</p> <p>“SUBCHAPTER II—PROVISIONS RELATING TO COMPETITIVE PRODUCTS “3631. Applicability; definitions and updates. “3632. Action of the Governors. “3633. Provisions applicable to rates for competitive products. “3634. Assumed Federal income tax on competitive products.</p> <p>“SUBCHAPTER III—PROVISIONS RELATING TO EXPERIMENTAL AND NEW PRODUCTS “3641. Market tests of experimental products. “3642. New products and transfers of products between the market-dominant and competitive categories of mail. [41] “SUBCHAPTER IV— REPORTING REQUIREMENTS AND RELATED PROVISIONS “3651. Annual reports by the Commission.</p>

	<p>standards, the Postal Regulatory Commission shall take into account—</p> <p>“(1) the actual level of service that Postal Service customers receive under any service guidelines previously established by the Postal Service or service standards established under this section;</p> <p>“(2) the degree of customer satisfaction with Postal Service performance in the acceptance, processing and delivery of mail;</p> <p>[/43]</p> <p>“(3) mail volume and revenues projected for future years;</p> <p>“(4) the projected growth in the number of addresses the Postal Service will be required to serve in future years;</p> <p>“(5) the current and projected future cost of serving Postal Service customers;</p> <p>“(6) the effect of changes in technology, demographics and population distribution on the efficient and reliable operation of the postal delivery system; and</p> <p>“(7) the policies of this title as well as such other factors as the Commission determines appropriate.”.</p>
[Sen. SEC. 302. POSTAL SERVICE PLAN]	SEC. 302. POSTAL SERVICE PLAN.
	<p>(a) IN GENERAL.— Within 6 months after the establishment of the service standards under section 3691 of title 39, United States Code, as added by this Act, the Postal Service shall, in consultation with the Postal Regulatory Commission, develop and submit to Congress a plan for meeting those standards.</p> <p>(b) CONTENT.— The plan under this section shall—</p> <p>(1) establish performance goals;</p> <p>(2) describe any changes to the Postal Service’s processing, transportation, delivery, and retail network [44] works necessary to allow the Postal Service to meet the performance goals; and</p> <p>(3) describe any changes to planning and performance management documents previously submitted to Congress to reflect new performance goals.</p> <p>(c) POSTAL FACILITIES.— The Postal Service plan shall include a description of its long-term vision for rationalizing its infrastructure and workforce and how it intends to implement that vision, including—</p> <p>(1) a strategy for how it intends to rationalize the postal facilities network and remove excess processing capacity and space from the network, including estimated timeframes, criteria and processes to</p>

	<p>(A) is consistent with the continuing obligations of the Postal Service under title 39, United States Code; and</p> <p>(B) provides for the Postal Service to meet the service standards established under section 3691.</p> <p>(3) SUBMISSION OF REPORT.—The Postal Service shall submit the report of the Inspector General under this subsection with the plan submitted to Congress under subsection (a).</p> <p>[/47]</p>
<p>TITLE III—PROVISIONS RELATING TO FAIR COMPETITION</p>	<p>TITLE IV—PROVISIONS RELATING TO FAIR COMPETITION</p>
<p>SEC. 301. POSTAL SERVICE COMPETITIVE PRODUCTS FUND.</p>	<p>SEC. 401. POSTAL SERVICE COMPETITIVE PRODUCTS FUND.</p>
<p>(a) PROVISIONS RELATING TO POSTAL SERVICE COMPETITIVE PRODUCTS FUND AND RELATED MATTERS.</p> <p>(1) IN GENERAL.—Chapter 20 of title 39, United States Code, is amended by adding at the end the following:</p> <p>“§ 2011. Provisions relating to competitive products</p> <p>“(a) There is established in the Treasury of the United States a revolving fund, to be called the Postal Service Competitive Products Fund, which shall be available to the Postal Service without fiscal year limitation for the payment of—</p> <p>[/40]</p> <p>“(1) costs attributable to competitive products; and</p> <p>“(2) all other costs incurred by the Postal Service, to the extent allocable to competitive products. For purposes of this subsection, the term ‘costs attributable’ has the meaning given such term by section 3631.</p> <p>“(b) There shall be deposited in the Competitive Products Fund, subject to withdrawal by the Postal Service—</p> <p>“(1) revenues from competitive products;</p> <p>“(2) amounts received from obligations issued by the Postal Service under subsection (e);</p> <p>“(3) interest and dividends earned on investments of the Competitive Products Fund; and</p> <p>“(4) any other receipts of the Postal Service (including from the sale of assets), to the extent allocable to competitive products.</p> <p>“(c) If the Postal Service determines that the moneys</p>	<p>(a) PROVISIONS RELATING TO POSTAL SERVICE COMPETITIVE PRODUCTS FUND AND RELATED MATTERS.—</p> <p>(1) IN GENERAL.—Chapter 20 of title 39, United States Code, is amended by adding at the end the following:</p> <p>“§ 2011. Provisions relating to competitive products</p> <p>“(a) There is established in the Treasury of the United States a revolving fund, to be called the Postal Service Competitive Products Fund, which shall be available to the Postal Service without fiscal year limitation for the payment of—</p> <p>“(1) costs attributable to competitive products; and</p> <p>“(2) all other costs incurred by the Postal Service, to the extent allocable to competitive products. For purposes of this subsection, the term ‘costs attributable’ has the meaning given such term by section 3631.</p> <p>“(b) There shall be deposited in the Competitive Products Fund, subject to withdrawal by the Postal Service—</p> <p>[/48]</p> <p>“(1) revenues from competitive products;</p> <p>“(2) amounts received from obligations issued by the Postal Service under subsection (e);</p> <p>“(3) interest and dividends earned on investments of the Competitive Products Fund; and</p> <p>“(4) any other receipts of the Postal Service (including from the sale of assets), to the extent allocable to competitive products.</p> <p>“(c) If the Postal Service determines that the moneys</p>

<p>“(D) such other matters as the Postal Service considers necessary or desirable to enhance the marketability of such obligations.</p> <p>“(3) Obligations issued by the Postal Service under this subsection—</p> <p>“(A) may not be purchased by the Secretary of the Treasury;</p> <p>“(B) shall not be exempt either as to principal or interest from any taxation now or hereafter imposed by any State or local taxing authority;</p> <p>[/43]</p> <p>“(C) shall not be obligations of, nor shall payment of the principal thereof or interest thereon be guaranteed by, the Government of the United States, and the obligations shall so plainly state; and</p> <p>“(D) notwithstanding the provisions of the Federal Financing Bank Act of 1973 or any other provision of law (except as specifically provided by reference to this subparagraph in a law enacted after this subparagraph takes effect), shall not be eligible for purchase by, commitment to purchase by, or sale or issuance to, the Federal Financing Bank.</p> <p>“(4)(A) This paragraph applies with respect to the period beginning on the date of the enactment of this paragraph and ending at the close of the 5-year period</p> <p>which begins on the date on which the Postal Service makes its submission under subsection (h)(1).</p> <p>“(B) During the period described in subparagraph (A), nothing in subparagraph (A) or (D) of paragraph (3) or the last sentence of section 2006(b) shall, with respect to any obligations sought to be issued by the Postal Service under this subsection, be considered to affect such obligations’ eligibility for purchase by, commitment to purchase by, or sale or issuance to, the Federal Financing Bank.</p> <p>[/44]</p> <p>“(C) The Federal Financing Bank may elect to purchase such obligations under such terms, including rates of interest, as the Bank and the Postal Service may agree, but at a rate of yield no less than the prevailing yield on outstanding marketable securities of comparable maturity issued by entities with the same credit rating as the rating then most recently obtained by the Postal Service under subparagraph (D), as determined by the Bank.</p> <p>“(D) In order to be eligible to borrow under this paragraph, the Postal Service shall first obtain a credit rating from a nationally recognized credit rating organization. Such rating—</p> <p>“(i) shall be determined taking into account only those assets and activities of the Postal Service which are described in section 3634(a)(2) (relating</p>	<p>“(D) such other matters as the Postal Service considers necessary or desirable to enhance the marketability of such obligations.</p> <p>“(3) Obligations issued by the Postal Service under this subsection—</p> <p>“(A) may not be purchased by the Secretary of the Treasury;</p> <p>“(B) shall not be exempt either as to principal or interest from any taxation now or hereafter imposed by any State or local taxing authority;</p> <p>“(C) shall not be obligations of, nor shall payment of the principal thereof or interest thereon be guaranteed by, the Government of the United States, and the obligations shall so plainly state; and</p> <p>“(D) notwithstanding the provisions of the Federal Financing Bank Act of 1973 or any other provision of law (except as specifically provided by reference to this subparagraph in a law enacted after this subparagraph takes effect), shall not be eligible for purchase by, commitment to purchase by, or sale or issuance to, the Federal Financing Bank.</p> <p>“(4)(A) This paragraph applies with respect to the period beginning on the date of the enactment of this paragraph and ending at the close of the 5-year period</p> <p>[/51]</p> <p>which begins on the date on which the Postal Service makes its submission under subsection (h)(1).</p> <p>“(B) During the period described in subparagraph (A), nothing in subparagraph (A) or (D) of paragraph (3) or the last sentence of section 2006(b) shall, with respect to any obligations sought to be issued by the Postal Service under this subsection, be considered to affect such obligations’ eligibility for purchase by, commitment to purchase by, or sale or issuance to, the Federal Financing Bank.</p> <p>“(C) The Federal Financing Bank may elect to purchase such obligations under such terms, including rates of interest, as the Bank and the Postal Service may agree, but at a rate of yield no less than the prevailing yield on outstanding marketable securities of comparable maturity issued by entities with the same credit rating as the rating then most recently obtained by the Postal Service under subparagraph (D), as determined by the Bank.</p> <p>“(D) In order to be eligible to borrow under this paragraph, the Postal Service shall first obtain a credit rating from a nationally recognized credit rating organization. Such rating—</p> <p>“(i) shall be determined taking into account only those assets and activities of the Postal Service which are described in section 3634(a)(2) (relating</p>
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<p>sion who shall be required to represent the interests of the general public, an opportunity to present their views on those recommendations through submission of written data, views, or arguments with or without opportunity for oral presentation, or in such other manner as the Commission considers appropriate.</p> <p>“(B) After due consideration of the views and other information received under subparagraph (A), the Commission shall by rule—</p> <p>“(i) provide for the establishment and application of the accounting practices and principles which shall be followed by the Postal Service;</p> <p>“(ii) provide for the establishment and application of the substantive and procedural rules described in paragraph (1)(B); and</p> <p>“(iii) provide for the submission by the Postal Service to the Postal Regulatory Commission of an- [47]</p> <p>nual and other periodic reports setting forth such information as the Commission may require.</p> <p>Final rules under this subparagraph shall be issued not later than 12 months after the date on which the Secretary of the Treasury makes his submission to the Commission under paragraph (1) (or by such later date as the Commission and the Postal Service may agree to). The Commission is authorized to promulgate regulations revising such rules.</p> <p>“(C) Reports described in subparagraph (B)(iii) shall be submitted at such time and in such form, and shall include such information, as the Commission by rule requires. The Commission may, on its own motion or on request of an interested party, initiate proceedings (to be conducted in accordance with such rules as the Commission shall prescribe) to improve the quality, accuracy, or completeness of Postal Service data under such subparagraph whenever it shall appear that—</p> <p>“(i) the quality of the information furnished in those reports has become significantly inaccurate or can be significantly improved; or</p> <p>“(ii) such revisions are, in the judgment of the Commission, otherwise necessitated by the public interest.</p> <p>[48]</p> <p>“(D) A copy of each report described in subparagraph (B)(iii) shall also be transmitted by the Postal Service to the Secretary of the Treasury and the Inspector General of the United States Postal Service.</p> <p>“(i) The Postal Service shall render an annual report to the Secretary of the Treasury concerning the operation of the Competitive Products Fund, in which it shall ad-</p>	<p>sion who shall be required to represent the interests of the general public, an opportunity to present their views on those recommendations through submission of written data, views, or arguments with or without opportunity for oral presentation, or in such other manner as the Commission considers appropriate.</p> <p>“(B) After due consideration of the views and other information received under subparagraph (A), the Commission shall by rule—</p> <p>“(i) provide for the establishment and application of the accounting practices and principles which shall be followed by the Postal Service;</p> <p>“(ii) provide for the establishment and application of the substantive and procedural rules described in paragraph (1)(B); and</p> <p>“(iii) provide for the submission by the Postal Service to the Postal Regulatory Commission of an- [47]</p> <p>nual and other periodic reports setting forth such information as the Commission may require.</p> <p>Final rules under this subparagraph shall be issued not later than 12 months after the date on which the Secretary of the Treasury makes his submission to the Commission under paragraph (1) (or by such later date as agreed to by the Commission and the Postal Service). The Commission is authorized to promulgate regulations revising such rules.</p> <p>“(C) Reports described in subparagraph (B)(iii) shall be submitted at such time, in such form, and shall include such information, as the Commission by rule requires. The Commission may, on its own motion or on request of an interested party, initiate proceedings (to be conducted in accordance with such rules as the Commission shall prescribe) to improve the quality, accuracy, or completeness of Postal Service data under such subparagraph whenever it shall appear that—</p> <p>“(i) the quality of the information furnished in those reports has become significantly inaccurate or can be significantly improved; or</p> <p>“(ii) such revisions are, in the judgment of the Commission, otherwise necessitated by the public interest.</p> <p>“(D) A copy of each report described in subparagraph (B)(iii) shall also be transmitted by the Postal Service to the Secretary of the Treasury and the Inspector General of the United States Postal Service.</p> <p><i>[End Sununu amendment]</i></p> <p>“(i) The Postal Service shall render an annual report to the Secretary of the Treasury concerning the operation of the Competitive Products Fund, in which it shall ad-</p>
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<p>SEC. 302. ASSUMED FEDERAL INCOME TAX ON COMPETITIVE PRODUCTS INCOME.</p>	<p>SEC. 402. ASSUMED FEDERAL INCOME TAX ON COMPETITIVE PRODUCTS INCOME.</p>
<p>Subchapter II of chapter 36 of title 39, United States Code, as amended by section 202, is amended by adding at the end the following:</p> <p>“§ 3634. Assumed Federal income tax on competitive products income</p> <p>“(a) DEFINITIONS. For purposes of this section—</p> <p>“(1) the term ‘assumed Federal income tax on competitive products income’ means the net income tax that would be imposed by chapter 1 of the Internal Revenue Code of 1986 on the Postal Service’s assumed taxable income from competitive products for the year; and</p> <p>“(2) the term ‘assumed taxable income from competitive products’, with respect to a year, refers to the amount representing what would be the taxable income of a corporation under the Internal Revenue Code of 1986 for the year, if—</p> <p>[/51]</p> <p>“(A) the only activities of such corporation were the activities of the Postal Service allocable under section 2011(h) to competitive products; and</p> <p>“(B) the only assets held by such corporation were the assets of the Postal Service allocable under section 2011(h) to such activities.</p> <p>“(b) COMPUTATION AND TRANSFER REQUIREMENTS.—The Postal Service shall, for each year beginning with the year in which occurs the deadline for the Postal Service’s first report to the Postal Regulatory Commission under section 3652(a)—</p> <p>“(1) compute its assumed Federal income tax on competitive products income for such year; and</p> <p>“(2) transfer from the Competitive Products Fund to the Postal Service Fund the amount of that assumed tax.</p> <p>“(c) DEADLINE FOR TRANSFERS. Any transfer required to be made under this section for a year shall be due on or before the January 15th next occurring after the close of such year.”.</p>	<p>Subchapter II of chapter 36 of title 39, United States Code, as amended by section 202, is amended by adding at the end the following:</p> <p>“§ 3634. Assumed Federal income tax on competitive products income</p> <p>“(a) DEFINITIONS.— For purposes of this section—</p> <p>[/58]</p> <p>“(1) the term ‘assumed Federal income tax on competitive products income’ means the net income tax that would be imposed by chapter 1 of the Internal Revenue Code of 1986 on the Postal Service’s assumed taxable income from competitive products for the year; and</p> <p>“(2) the term ‘assumed taxable income from competitive products’, with respect to a year, refers to the amount representing what would be the taxable income of a corporation under the Internal Revenue Code of 1986 for the year, if—</p> <p>“(A) the only activities of such corporation were the activities of the Postal Service allocable under section 2011(h) to competitive products; and</p> <p>“(B) the only assets held by such corporation were the assets of the Postal Service allocable under section 2011(h) to such activities.</p> <p>“(b) COMPUTATION AND TRANSFER REQUIREMENTS.—The Postal Service shall, for each year beginning with the year in which occurs the deadline for the Postal Service’s first report to the Postal Regulatory Commission under section 3652(a)—</p> <p>“(1) compute its assumed Federal income tax on competitive products income for such year; and</p> <p>[/59]</p> <p>“(2) transfer from the Competitive Products Fund to the Postal Service Fund the amount of that assumed tax.</p> <p>“(c) DEADLINE FOR TRANSFERS.—Any transfer required to be made under this section for a year shall be due on or before the January 15th next occurring after the close of such year.”.</p>
<p>SEC. 303. UNFAIR COMPETITION PROHIBITED.</p>	<p>SEC. 403. UNFAIR COMPETITION PROHIBITED.</p>
<p>(a) SPECIFIC LIMITATIONS.— Chapter 4 of title 39, United States Code, is amended by adding after section 404 the following:</p>	<p>(a) SPECIFIC LIMITATIONS.— Chapter 4 of title 39, United States Code, is amended by adding after section 404 the following:</p>

<p>“(d)(1) For purposes of the provisions of law cited in paragraphs (2)(A) and (2)(B), respectively, the Postal Service—</p> <p>“(A) shall be considered to be a ‘person’, as used in the provisions of law involved; and</p> <p>“(B) shall not be immune under any other doctrine of sovereign immunity from suit in Federal [54]</p> <p>court by any person for any violation of any of those provisions of law by any officer or employee of the Postal Service.</p> <p>“(2) This subsection applies with respect to—</p> <p>“(A) the Act of July 5, 1946 (commonly referred to as the ‘Trademark Act of 1946’ (15 U.S.C. 1051 and following)); and</p> <p>“(B) the provisions of section 5 of the Federal Trade Commission Act to the extent that such section 5 applies to unfair or deceptive acts or practices.</p> <p>“(c)(1) To the extent that the Postal Service, or other Federal agency acting on behalf of or in concert with the Postal Service, engages in conduct with respect to any competitive product, the Postal Service or other Federal agency (as the case may be) —</p> <p>“(A) shall not be immune under any doctrine of sovereign immunity from suit in Federal court by any person for any violation of Federal law by such agency or any officer or employee thereof; and</p> <p>“(B) shall be considered to be a person (as defined in subsection (a) of the first section of the Clayton Act) for purposes of—</p> <p>“(i) the antitrust laws (as defined in such subsection); and</p> <p>[55]</p> <p>“(ii) section 5 of the Federal Trade Commission Act to the extent that such section 5 applies to unfair methods of competition.</p> <p>“(2) No damages, interest on damages, costs or attorney’s fees may be recovered, and no criminal liability may be imposed, under the antitrust laws (as so defined)</p> <p>from any officer or employee of the Postal Service, or other Federal agency acting on behalf of or in concert with the Postal Service, acting in an official capacity.</p> <p>“(3) This subsection shall not apply with respect to conduct occurring before the date of the enactment of this</p>	<p>“(d)(1) For purposes of the provisions of law cited in paragraphs (2)(A) and (2)(B), respectively, the Postal Service—</p> <p>“(A) shall be considered to be a ‘person’, as used in the provisions of law involved; and</p> <p>“(B) shall not be immune under any other doctrine of sovereign immunity from suit in Federal</p> <p>court by any person for any violation of any of those provisions of law by any officer or employee of the Postal Service.</p> <p>“(2) This subsection applies with respect to—</p> <p>“(A) the Act of July 5, 1946 (commonly referred to as the ‘Trademark Act of 1946’ (15 U.S.C. 1051 and following)); and</p> <p>“(B) the provisions of section 5 of the Federal Trade Commission Act to the extent that such section 5 applies to unfair or deceptive acts or practices.</p> <p>[62]</p> <p>“(c)(1) To the extent that the Postal Service, or other Federal agency acting on behalf of or in concert with the Postal Service, engages in conduct with respect to any product which is not reserved to the United States under section 1696 of title 18, the Postal Service or other Federal agency (as the case may be)—</p> <p>“(A) shall not be immune under any doctrine of sovereign immunity from suit in Federal court by any person for any violation of Federal law by such agency or any officer or employee thereof; and</p> <p>“(B) shall be considered to be a person (as defined in subsection (a) of the first section of the Clayton Act) for purposes of—</p> <p>“(i) the antitrust laws (as defined in such subsection); and</p> <p>“(ii) section 5 of the Federal Trade Commission Act to the extent that such section 5 applies to unfair methods of competition.</p> <p>For purposes of the preceding sentence, any private carriage of mail allowable by virtue of section 601 shall not be considered a service reserved to the United States under section 1696 of title 18.</p> <p>“(2) No damages, interest on damages, costs or attorney’s fees may be recovered, and no criminal liability may be imposed, under the antitrust laws (as so defined)</p> <p>[63]</p> <p>from any officer or employee of the Postal Service, or other Federal agency acting on behalf of or in concert with the Postal Service, acting in an official capacity.</p> <p>“(3) This subsection shall not apply with respect to conduct occurring before the date of the enactment of this</p>
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<p>plans, carrying out on-site inspections, issuing building permits, and making recommendations).</p> <p>“(4) Appropriate officials of a State or a political subdivision of a State may make recommendations to the Postal Service concerning measures necessary to meet the requirements of paragraphs (1) and (2). Such officials may also make recommendations to the Postal Service concerning measures which should be taken in the construction or alteration of the building to take into account local conditions. The Postal Service shall give due consideration to any such recommendations.</p> <p>“(5) In addition to consulting with local and State officials under paragraph (3), the Postal Service shall establish procedures for soliciting, assessing, and incorporating local community input on real property and land use decisions.</p> <p>[/58]</p> <p>“(6) For purposes of this subsection, the term ‘State’ includes the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States.</p> <p>“(h)(1) Notwithstanding any other provision of law, legal representation may not be furnished by the Department of Justice to the Postal Service in any action, suit, or proceeding arising, in whole or in part, under any of the following:</p> <p>“(A) Subsection (d) or (e) of this section.</p> <p>“(B) Subsection (f) or (g) of section 504 (relating to administrative subpoenas by the Postal Regulatory Commission).</p> <p>“(C) Section 3663 (relating to appellate review).</p> <p>The Postal Service may, by contract or otherwise, employ attorneys to obtain any legal representation that it is precluded from obtaining from the Department of Justice under this paragraph.</p> <p>“(2) In any circumstance not covered by paragraph (1), the Department of Justice shall, under section 411, furnish the Postal Service such legal representation as it may require, except that, with the prior consent of the Attorney General, the Postal Service may, in any such circumstance, employ attorneys by contract or otherwise to</p> <p>[/59]</p> <p>conduct litigation brought by or against the Postal Service or its officers or employees in matters affecting the Postal Service.</p> <p>“(3)(A) In any action, suit, or proceeding in a court of the United States arising in whole or in part under any of the provisions of law referred to in subparagraph (B) or (C) of paragraph (1), and to which the Commission</p>	<p>plans, carrying out on-site inspections, issuing building permits, and making recommendations).</p> <p>“(4) Appropriate officials of a State or a political subdivision of a State may make recommendations to the Postal Service concerning measures necessary to meet the requirements of paragraphs (1) and (2). Such officials may also make recommendations to the Postal Service concerning measures which should be taken in the construction or alteration of the building to take into account local conditions. The Postal Service shall give due consideration to any such recommendations.</p> <p>“(5) In addition to consulting with local and State officials under paragraph (3), the Postal Service shall establish procedures for soliciting, assessing, and incorporating local community input on real property and land use decisions.</p> <p>“(6) For purposes of this subsection, the term ‘State’ includes the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States.</p> <p>“(h)(1) Notwithstanding any other provision of law, legal representation may not be furnished by the Department of Justice to the Postal Service in any action, suit, or proceeding arising, in whole or in part, under any of the following:</p> <p>“(A) Subsection (d) or (e) of this section.</p> <p>“(B) Subsection (f) or (g) of section 504 (relating to administrative subpoenas by the Postal Regulatory Commission).</p> <p>“(C) Section 3663 (relating to appellate review).</p> <p>The Postal Service may, by contract or otherwise, employ attorneys to obtain any legal representation that it is precluded from obtaining from the Department of Justice under this paragraph.</p> <p>“(2) In any circumstance not covered by paragraph (1), the Department of Justice shall, under section 411, furnish the Postal Service such legal representation as it may require, except that, with the prior consent of the Attorney General, the Postal Service may, in any such circumstance, employ attorneys by contract or otherwise to</p> <p>conduct litigation brought by or against the Postal Service or its officers or employees in matters affecting the Postal Service.</p> <p>“(3)(A) In any action, suit, or proceeding in a court of the United States arising in whole or in part under any of the provisions of law referred to in subparagraph (B) or (C) of paragraph (1), and to which the Commission</p>
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<p>objectives.</p> <p>“(b)(1) The Secretary of State shall be responsible for formulation, coordination, and oversight of foreign policy related to international postal services and other international delivery services, and shall have the power to conclude treaties, conventions and amendments related to international postal services and other international delivery services, except that the Secretary may not conclude any treaty, convention, or other international agreement (including those regulating international postal services) if such treaty, convention, or agreement would, with respect to any competitive product, grant an undue or unreasonable preference to the Postal Service, a private provider of international postal or delivery services, or any other person.</p> <p>“(2) In carrying out the responsibilities specified in paragraph (1), the Secretary of State shall exercise primary authority for the conduct of foreign policy with respect to international postal services and international delivery services, including the determination of United States positions and the conduct of United States participation in negotiations with foreign governments and international bodies. In exercising this authority, the Secretary</p> <p>“(A) shall coordinate with other agencies as appropriate, and in particular, shall give full consideration to the authority vested by law or Executive order in the Postal Regulatory Commission, the Department of Commerce, the Department of Transportation, and the Office of the United States Trade Representative in this area;</p> <p>“(B) shall maintain continuing liaison with other executive branch agencies concerned with postal and delivery services;</p> <p>“(C) shall maintain continuing liaison with the Committee on Government Reform of the House of Representatives and the Committee on Governmental Affairs of the Senate;</p> <p>“(D) shall maintain appropriate liaison with both representatives of the Postal Service and representatives of users and private providers of international postal services and other international delivery services to keep informed of their interests and problems, and to provide such assistance as may be needed to ensure that matters of concern are promptly considered by the Department of State or [63]</p> <p>(if applicable, and to the extent practicable) other executive branch agencies; and</p> <p>“(E) shall assist in arranging meetings of such</p>	<p>objectives.</p> <p>“(b)(1) The Secretary of State shall be responsible for formulation, coordination, and oversight of foreign policy related to international postal services and shall have the power to conclude postal treaties and conventions, except that the Secretary may not conclude any postal treaty or convention if such treaty or convention would, with respect to any competitive product, grant an undue or un- [69]</p> <p>reasonable preference to the Postal Service, a private provider of international postal services, or any other person.</p> <p>“(2) In carrying out the responsibilities specified in paragraph (1), the Secretary of State shall exercise primary authority for the conduct of foreign policy with respect to international postal services, including the determination of United States positions and the conduct of United States participation in negotiations with foreign governments and international bodies. In exercising this authority, the Secretary—</p> <p>“(A) shall coordinate with other agencies as appropriate, and in particular, should consider the authority vested by law or Executive order in the Postal Regulatory Commission, the Department of Commerce, the Department of Transportation, and the Office of the United States Trade Representative in this area;</p> <p>“(B) shall maintain continuing liaison with other executive branch agencies concerned with postal and delivery services;</p> <p>“(C) shall maintain continuing liaison with the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives;</p> <p>[70]</p> <p>“(D) shall maintain appropriate liaison with both representatives of the Postal Service and representatives of users and private providers of international postal services and other international delivery services to keep informed of their interests and problems, and to provide such assistance as may be needed to ensure that matters of concern are promptly considered by the Department of State or</p> <p>(if applicable, and to the extent practicable) other executive branch agencies; and</p> <p>“(E) shall assist in arranging meetings of such</p>
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<p>ner to both shipments by the Postal Service and similar shipments by private companies.</p> <p>“(2) For purposes of this subsection, the term ‘private company’ means a private company substantially owned or controlled by persons who are citizens of the United States.</p> <p>“(3) In exercising the authority pursuant to subsection (b) to conclude new treaties, conventions and amendments related to international postal services and to renegotiate such treaties, conventions and amendments, the Secretary of State shall, to the maximum extent practicable, take such measures as are within the Secretary’s control to encourage the governments of other countries to make available to the Postal Service and private companies a range of nondiscriminatory customs procedures that will fully meet the needs of all types of American shippers. The Secretary of State shall consult with the United States Trade Representative and the Commissioner of Customs, Department of Homeland Security in carrying out this paragraph.</p> <p>“(4) The provisions of this subsection shall take effect 6 months after the date of the enactment of this subsection or such earlier date as the Bureau of Customs and Border Protection of the Department of Homeland Security may determine in writing.”.</p> <p>[/66]</p> <p>(b) EFFECTIVE DATE.—Notwithstanding any provision of the amendment made by subsection (a), the authority of the United States Postal Service to establish the rates of postage or other charges on mail matter conveyed between the United States and other countries shall remain available to the Postal Service until—</p> <p>(1) with respect to market-dominant products, the date as of which the regulations promulgated under section 3622 of title 39, United States Code (as amended by section 201(a)) take effect; and</p> <p>(2) with respect to competitive products, the date as of which the regulations promulgated under section 3633 of title 39, United States Code (as amended by section 202) take effect.</p>	<p>private companies.</p> <p>“(2) In exercising the authority pursuant to subsection (b) to conclude new postal treaties and conventions related to international postal services and to renegotiate such treaties and conventions, the Secretary of State shall, to the maximum extent practicable, take such measures as are within the Secretary’s control to encourage the governments of other countries to make available to the Postal Service and private companies a range of nondiscriminatory customs procedures that will fully meet the needs of all types of American shippers. The Secretary of State shall consult with the United States Trade Representative and the Commissioner of Customs in carrying out this paragraph.</p> <p>“(3) The provisions of this subsection shall take effect 6 months after the date of the enactment of this subsection or such earlier date as the Customs Service may determine in writing.”.</p> <p>(b) EFFECTIVE DATE.—Notwithstanding any provision of the amendment made by subsection (a), the authority of the United States Postal Service to establish the rates of postage or other charges on mail matter conveyed between the United States and other countries shall remain available to the Postal Service until—</p> <p>[/73]</p> <p>(1) with respect to market-dominant products, the date as of which the regulations promulgated under section 3622 of title 39, United States Code (as amended by section 201(a)) take effect; and</p> <p>(2) with respect to competitive products, the date as of which the regulations promulgated under section 3633 of title 39, United States Code (as amended by section 202) take effect.</p>
<p>SEC. 306. REDESIGNATION.</p>	
<p>Chapter 36 of title 39, United States Code (as in effect before the amendment made by section 204(a)) is amended by striking the heading for subchapter V and inserting the following:</p> <p>“SUBCHAPTER VI—GENERAL”.</p>	

<p>the Senate, and the minority leader of the Senate.”.</p> <p>(c) RESTRICTION. Section 202(b) of title 39, United States Code, is amended by striking “(b)” and inserting “(b)(1)”, and by adding at the end the following:</p> <p>“(2)(A) Notwithstanding any other provision of this section, in the case of the office of the Governor the term of which is the first one scheduled to expire at least 4 months after the date of the enactment of this paragraph</p> <p>“(i) such office may not, in the case of any person commencing service after that expiration date, be filled by any person other than an individual chosen from among persons nominated for such office with the unanimous concurrence of all labor organizations described in section 206(a)(1); and</p> <p>“(ii) instead of the term that would otherwise apply under the first sentence of paragraph (1), the term of any person so appointed to such office shall be 3 years.</p> <p>“(B) Except as provided in subparagraph (A), an appointment under this paragraph shall be made in conform- [/69]</p> <p>ance with all provisions of this section that would otherwise apply.”.</p> <p>(d) APPLICABILITY.—The amendment made by subsection (a) shall not affect the appointment or tenure of any person serving as a Governor of the Board of Governors of the United States Postal Service pursuant to an appointment made before the date of the enactment of this Act, or, except as provided in the amendment made by subsection (c), any nomination made before that date; however, when any such office becomes vacant, the appointment of any person to fill that office shall be made in accordance with such amendment. The requirement set forth in the fourth sentence of section 202(a)(1) of title 39, United States Code (as amended by subsection (a)) shall be met beginning not later than 9 years after the date of the enactment of this Act.</p>	<p>(c) 5-YEAR TERMS.—</p> <p>(1) IN GENERAL.— Section 202(b) of title 39, United States code, is amended in the first sentence by striking “9 years” and inserting “5 years”.</p> <p>(2) APPLICABILITY.—</p> <p>[/75]</p> <p>(A) CONTINUATION BY INCUMBENTS.— The amendment made by paragraph (1) shall not affect the tenure of any person serving as a Governor of the United States Postal Service on the date of enactment of this Act and such person may continue to serve the remainder of the applicable term.</p> <p>(B) VACANCY BY INCUMBENT BEFORE 5 YEARS OF SERVICE.— If a person who is serving as a Governor of the United States Postal Service on the date of enactment of this Act resigns, is removed, or dies before the expiration of the 9-year term of that Governor, and that Governor has served less than 5 years of that term, the resulting vacancy in office shall be treated as a vacancy in a 5-year term.</p> <p>(C) VACANCY BY INCUMBENT AFTER 5 YEARS OF SERVICE.— If a person who is serving as a Governor of the United States Postal Service on the date of enactment of this Act resigns, is removed, or dies before the expiration of the 9-year term of that Governor, and that Governor has served 5 years or more of that term, that term shall be deemed to have been a 5-year term beginning on its commencement date for [/76]</p> <p>purposes of determining vacancies in office. Any appointment to the vacant office shall be for a 5-year term beginning at the end of the original 9-year term determined without regard to the deeming under the preceding sentence. Nothing in this subparagraph shall be construed to affect any action or authority of any Governor or the Board of Governors during any portion of a 9-year term deemed to be 5-year term under this subparagraph.</p> <p>(d) TERM LIMITATION.—</p> <p>(1) IN GENERAL.— Section 202(b) of title 39, United States Code, is amended—</p> <p>(A) by inserting “(1)” after “(b)”;</p> <p>(B) by adding at the end the following:</p> <p>“(2) No person may serve more than 3 terms as a Governor.”.</p> <p>(2) APPLICABILITY.— The amendments made</p>
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<p>(1) OBLIGATIONS TO WHICH PROVISIONS APPLY.—The first sentence of section 2005(b) of title 39, United States Code, is amended by striking “such obligations,” and inserting “obligations issued by the Postal Service under this section.”.</p> <p>(2) ASSETS, REVENUES, AND RECEIPTS TO WHICH PROVISIONS APPLY.—Subsection (b) of section 2005 of title 39, United States Code, is amended by striking “(b)” and inserting “(b)(1)”, and by adding at the end the following:</p> <p>“(2) Notwithstanding any other provision of this section—</p> <p>“(A) the authority to pledge assets of the Postal Service under this subsection shall be available</p> <p>only to the extent that such assets are not related to the provision of competitive products (as determined under section 2011(h) or, for purposes of any period before accounting practices and principles under section 2011(h) have been established and applied, the best information available from the Postal [72]</p> <p>Service, including the audited statements required by section 2008(e)); and</p> <p>“(B) any authority under this subsection relating to the pledging or other use of revenues or receipts of the Postal Service shall be available only to the extent that they are not revenues or receipts of the Competitive Products Fund.”.</p>	<p>(1) OBLIGATIONS TO WHICH PROVISIONS APPLY.—The first sentence of section 2005(b) of title 39, United States Code, is amended by striking “such obligations,” and inserting “obligations issued by the Postal Service under this section.”.</p> <p>(2) ASSETS, REVENUES, AND RECEIPTS TO WHICH PROVISIONS APPLY.—Subsection (b) of section 2005 of title 39, United States Code, is amended by striking “(b)” and inserting “(b)(1)”, and by adding at the end the following:</p> <p>“(2) Notwithstanding any other provision of this section—</p> <p>“(A) the authority to pledge assets of the Postal Service under this subsection shall be available [78]</p> <p>only to the extent that such assets are not related to the provision of competitive products (as determined under section 2011(h) or, for purposes of any period before accounting practices and principles under section 2011(h) have been established and applied, the best information available from the Postal</p> <p>Service, including the audited statements required by section 2008(e)); and</p> <p>“(B) any authority under this subsection relating to the pledging or other use of revenues or receipts of the Postal Service shall be available only to the extent that they are not revenues or receipts of the Competitive Products Fund.”.</p>
<p>SEC. 403. PRIVATE CARRIAGE OF LETTERS.</p>	<p>SEC. 503. PRIVATE CARRIAGE OF LETTERS.</p>
<p>(a) IN GENERAL.—Section 601 of title 39, United States Code, is amended by striking subsection (b) and inserting the following:</p> <p>“(b) A letter may also be carried out of the mails when—</p> <p>“(1) the amount paid for the private carriage of the letter is at least the amount equal to 6 times the rate then currently charged for the 1st ounce of a single-piece first class letter;</p> <p>“(2) the letter weighs at least 12 1/2 ounces; or</p> <p>“(3) such carriage is within the scope of services described by regulations of the Postal Service (including, in particular, sections 310.1 and 320.2–320.8 of title 39 of the Code of Federal Regulations, as in effect on July 1, 2003) that purport to permit private carriage by suspension of the operation of this section (as then in effect).</p> <p>[73]</p> <p>“(c) Any regulations necessary to carry out this section shall be promulgated by the Postal Regulatory Com-</p>	<p>(a) IN GENERAL.—Section 601 of title 39, United States Code, is amended by striking subsection (b) and inserting the following:</p> <p>“(b) A letter may also be carried out of the mails when—</p> <p>“(1) the amount paid for the private carriage of the letter is at least the amount equal to 6 times the rate then currently charged for the 1st ounce of a single-piece first class letter;</p> <p>“(2) the letter weighs at least 12 1/2 ounces; or [79]</p> <p>“(3) such carriage is within the scope of services described by regulations of the United States Postal Service (as in effect on July 1, 2001) that permit private carriage by suspension of the operation of this section (as then in effect).</p> <p>“(c) Any regulations necessary to carry out this section shall be promulgated by the Postal Regulatory Com-</p>

<p>the Postal Service may award a bonus or other reward in excess of the limitation set forth in the last sentence of section 1003(a), if such program has been approved under paragraph (2).</p> <p>[/75]</p> <p>“(2) APPROVAL PROCESS.—If the Postal Service wishes to have the authority, under any program described in subsection (a), to award bonuses or other rewards in excess of the limitation referred to in paragraph (1) —</p> <p>“(A) the Postal Service shall make an appropriate request to the Postal Regulatory Commission, in such form and manner as the Commission requires; and</p> <p>“(B) the Postal Regulatory Commission shall approve any such request if it finds that the program is likely to achieve the objectives of this chapter.</p> <p>“(3) REVOCATION AUTHORITY.— If the Postal Regulatory Commission finds that a program previously approved under paragraph (2) is not achieving the objectives of this chapter, the Commission may revoke or suspend the authority of the Postal Service to continue such program until such time as appropriate corrective measures have, in the judgment of the Commission, been taken.</p> <p>“(c) REPORTING REQUIREMENT RELATING TO BONUSES OR OTHER REWARDS.— Included in its comprehensive statement under section 2401(e) for any period shall be —</p> <p>[/76]</p> <p>“(1) the name of each person receiving a bonus or other reward during such period which would not have been allowable but for the provisions of subsection (b);</p> <p>“(2) the amount of the bonus or other reward; and</p> <p>“(3) the amount by which the limitation referred to in subsection (b)(1) was exceeded as a result of such bonus or other reward.”.</p>	
<p>SEC. 407. MEDIATION IN COLLECTIVE-BARGAINING DISPUTES.</p>	<p>[Subsection (a) of SEC. 505. NONINTERFERENCE WITH COLLECTIVE BARGAINING AGREEMENTS]</p>
	<p>(a) LABOR DISPUTES.— Section 1207 of title 39, United States Code, is amended to read as follows:</p> <p>[/80]</p> <p>“§ 1207. Labor disputes</p> <p>“(a) If there is a collective-bargaining agreement in effect, no party to such agreement shall terminate or modify such agreement unless the party desiring such termination or modification serves written notice upon the other party to the agreement of the proposed termination or</p>

	<p>“(d) In the case of a bargaining unit whose recognized collective-bargaining representative does not have an agreement with the Postal Service, if the parties fail to reach the agreement within 90 days of the commencement of collective bargaining, a mediator shall be appointed in accordance with the terms in subsection (b) of this section, unless the parties have previously agreed to another procedure for a binding resolution of their differences. If the parties fail to reach agreement within 180 days of the commencement of collective bargaining, and if they have not agreed to another procedure for binding resolution, an arbitration board shall be established to provide conclusive and binding arbitration in accordance with the terms of subsection (c) of this section.”.</p>
<p>TITLE V ENHANCED REGULATORY COMMISSION</p>	<p>TITLE VI—ENHANCED REGULATORY COMMISSION</p>
<p>SEC. 501. REORGANIZATION AND MODIFICATION OF CERTAIN PROVISIONS RELATING TO THE POSTAL REGULATORY COMMISSION.</p>	<p>SEC. 601. REORGANIZATION AND MODIFICATION OF CERTAIN PROVISIONS RELATING TO THE POSTAL REGULATORY COMMISSION.</p>
<p>(a) TRANSFER AND REDESIGNATION.—Title 39, United States Code, is amended— [78] (1) by inserting after chapter 4 the following:</p> <p>“CHAPTER 5— POSTAL REGULATORY COMMISSION “Sec. “501. Establishment. “502. Commissioners. “503. Rules; regulations; procedures. “504. Administration.</p> <p>“§ 501. Establishment “The Postal Regulatory Commission is an independent establishment of the executive branch of the Government of the United States.</p> <p>“§ 502. Commissioners “(a) The Postal Regulatory Commission is composed of 5 Commissioners, appointed by the President, by and with the advice and consent of the Senate. The Commissioners shall be chosen solely on the basis of their technical qualifications, professional standing, and demonstrated expertise in economics, accounting, law, or public administration, and may be removed by the President only for cause. Each individual appointed to the Commission shall have the qualifications and expertise necessary to carry out the responsibilities accorded Commissioners under the</p>	<p>(a) TRANSFER AND REDESIGNATION.—Title 39, United States Code, is amended— (1) by inserting after chapter 4 the following:</p> <p>“CHAPTER 5— POSTAL REGULATORY COMMISSION “Sec. “501. Establishment. “502. Commissioners. “503. Rules; regulations; procedures. “504. Administration. “505. Officer of the Postal Regulatory Commission representing the general public. [84] “§ 501. Establishment “The Postal Regulatory Commission is an independent establishment of the executive branch of the Government of the United States.</p> <p>“§ 502. Commissioners “(a) The Postal Regulatory Commission is composed of 5 Commissioners, appointed by the President, by and with the advice and consent of the Senate. The Commissioners shall be chosen solely on the basis of their technical qualifications, professional standing, and demonstrated expertise in economics, accounting, law, or public administration, and may be removed by the President only for cause. Each individual appointed to the Commission shall have the qualifications and expertise necessary to carry out the enhanced responsibilities accorded Commissioners</p>

<p>the appointment of any person to fill that office shall be made in accordance with such amendment.</p> <p>(d) CLERICAL AMENDMENT.—The analysis for part 1 of title 39, United States Code, is amended by inserting after the item relating to chapter 4 the following: “5. Postal Regulatory Commission 501”.</p>	<p>pointment of any person to fill that office shall be made in accordance with such amendment.</p> <p>(c) CLERICAL AMENDMENT.—The analysis for part 1 of title 39, United States Code, is amended by inserting after the item relating to chapter 4 the following: “5. Postal Regulatory Commission 501”</p>
<p>SEC. 502. AUTHORITY FOR POSTAL REGULATORY COMMISSION TO ISSUE SUBPOENAS.</p>	<p>SEC. 602. AUTHORITY FOR POSTAL REGULATORY COMMISSION TO ISSUE SUBPOENAS.</p>
<p>Section 504 of title 39, United States Code (as so redesignated by section 501) is amended by adding at the end the following:</p> <p>“(f)(1) Any Commissioner of the Postal Regulatory Commission, any administrative law judge appointed by the Commission under section 3105 of title 5, and any employee of the Commission designated by the Commis- [81] sion may administer oaths, examine witnesses, take depositions, and receive evidence. “(2) The Chairman of the Commission, any Commissioner designated by the Chairman, and any administrative law judge appointed by the Commission under section 3105 of title 5 may, with respect to any proceeding conducted by the Commission under this title—</p> <p>“(A) issue subpoenas requiring the attendance and presentation of testimony by, or the production of documentary or other evidence in the possession of, any covered person; and “(B) order the taking of depositions and responses to written interrogatories by a covered person. The written concurrence of a majority of the Commissioners then holding office shall, with respect to each subpoena under subparagraph (A), be required in advance of its issuance. “(3) In the case of contumacy or failure to obey a subpoena issued under this subsection, upon application by the Commission, the district court of the United States for the district in which the person to whom the subpoena is addressed resides or is served may issue an order requiring such person to appear at any designated place to testify or produce documentary or other evidence. Any failure [82] to obey the order of the court may be punished by the court as a contempt thereof. “(4) For purposes of this subsection, the term ‘covered person’ means an officer, employee, agent, or con-</p>	<p>Section 504 of title 39, United States Code (as so redesignated by section 601) is amended by adding at the end the following:</p> <p>“(f)(1) Any Commissioner of the Postal Regulatory Commission, any administrative law judge appointed by the Commission under section 3105 of title 5, and any employee of the Commission designated by the Commis- [87] sion may administer oaths, examine witnesses, take depositions, and receive evidence. “(2) The Chairman of the Commission, any Commissioner designated by the Chairman, and any administrative law judge appointed by the Commission under section 3105 of title 5 may, with respect to any proceeding conducted by the Commission under this title or to obtain information to be used to prepare a report under this title—</p> <p>“(A) issue subpoenas requiring the attendance and presentation of testimony by, or the production of documentary or other evidence in the possession of, any covered person; and “(B) order the taking of depositions and responses to written interrogatories by a covered person. The written concurrence of a majority of the Commissioners then holding office shall, with respect to each subpoena under subparagraph (A), be required in advance of its issuance. “(3) In the case of contumacy or failure to obey a subpoena issued under this subsection, upon application by the Commission, the district court of the United States for the district in which the person to whom the subpoena is addressed resides or is served may issue an order requiring such person to appear at any designated place to testify or produce documentary or other evidence. Any failure [88] to obey the order of the court may be punished by the court as a contempt thereof. “(4) For purposes of this subsection, the term ‘covered person’ means an officer, employee, agent, or con-</p>

SEC. 503. APPROPRIATIONS FOR THE POSTAL REGULATORY COMMISSION.	SEC. 603. APPROPRIATIONS FOR THE POSTAL REGULATORY COMMISSION.
<p>(a) AUTHORIZATION OF APPROPRIATIONS.—Subsection (d) of section 504 of title 39, United States Code</p> <p>(as so redesignated by section 501) is amended to read as follows:</p> <p>“(d) There are authorized to be appropriated, out of the Postal Service Fund, such sums as may be necessary for the Postal Regulatory Commission. In requesting an appropriation under this subsection for a fiscal year, the Commission shall prepare and submit to the Congress under section 2009 a budget of the Commission’s expenses, including expenses for facilities, supplies, compensation, and employee benefits.”.</p> <p>(b) BUDGET PROGRAM.—</p> <p>(1) IN GENERAL.—The next to last sentence of section 2009 of title 39, United States Code, is [84]</p> <p>amended to read as follows: “The budget program shall also include separate statements of the amounts which (1) the Postal Service requests to be appropriated under subsections (b) and (c) of section 2401, (2) the Office of Inspector General of the United States Postal Service requests to be appropriated, out of the Postal Service Fund, under section 8J(e) of the Inspector General Act of 1978, and (3) the Postal Regulatory Commission requests to be appropriated, out of the Postal Service Fund, under section 504(d) of this title.”.</p> <p>(2) CONFORMING AMENDMENT.—Section 2003(e)(1) of title 39, United States Code, is amended by striking the first sentence and inserting the following: “The Fund shall be available for the payment of (A) all expenses incurred by the Postal Service in carrying out its functions as provided by law, subject to the same limitation as set forth in the parenthetical matter under subsection (a); (B) all expenses of the Postal Regulatory Commission, subject to the availability of amounts appropriated pursuant to section 504(d); and (C) all expenses of the Office of Inspector General, subject to the availability of amounts appropriated pursuant to section 8J(e) of the Inspector General Act of 1978.”.</p> <p>[85]</p> <p>(c) EFFECTIVE DATE.—</p> <p>(1) IN GENERAL.—The amendments made by this section shall apply with respect to fiscal years beginning on or after October 1, 2004.</p>	<p>(a) AUTHORIZATION OF APPROPRIATIONS.— Subsection (d) of section 504 of title 39, United States Code [90]</p> <p>(as so redesignated by section 601) is amended to read as follows:</p> <p>“(d) There are authorized to be appropriated, out of the Postal Service Fund, such sums as may be necessary for the Postal Regulatory Commission. In requesting an appropriation under this subsection for a fiscal year, the Commission shall prepare and submit to the Congress under section 2009 a budget of the Commission’s expenses, including expenses for facilities, supplies, compensation, and employee benefits.”.</p> <p>(b) BUDGET PROGRAM.—</p> <p>(1) IN GENERAL.—The next to last sentence of section 2009 of title 39, United States Code, is</p> <p>amended to read as follows: “The budget program shall also include separate statements of the amounts which (1) the Postal Service requests to be appropriated under subsections (b) and (c) of section 2401, (2) 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 (3) the Postal Regulatory Commission requests to be appropriated, out of the Postal Service Fund, under section 504(d) of this title.”.</p> <p>[91]</p> <p>(2) CONFORMING AMENDMENT.—Section 2003(e)(1) of title 39, United States Code, is amended by striking the first sentence and inserting the following: “The Fund shall be available for the payment of (A) all expenses incurred by the Postal Service in carrying out its functions as provided by law, subject to the same limitation as set forth in the parenthetical matter under subsection (a); (B) all expenses of the Postal Regulatory Commission, subject to the availability of amounts appropriated under section 504(d); and (C) all expenses of the Office of Inspector General, subject to the availability of amounts appropriated under section 8G(f) of the Inspector General Act of 1978.”.</p> <p>(c) EFFECTIVE DATE.—</p> <p>(1) IN GENERAL.—The amendments made by this section shall apply with respect to fiscal years beginning on or after October 1, 2002.</p>

<p>SEC. 505. OFFICER OF THE POSTAL REGULATORY COMMISSION REPRESENTING THE GENERAL PUBLIC.</p>	<p>[SEC. 605. FINANCIAL TRANSPARENCY moved to opposite H.R. 4341 SEC. 103.]</p>
<p>(a) IN GENERAL.— Chapter 5 of title 39, United States Code (as added by this Act) is amended by adding after section 504 the following:</p> <p>“§ 505. Officer of the Postal Regulatory Commission representing the general public “The Postal Regulatory Commission shall designate an officer of the Postal Regulatory Commission in all public proceedings (such as developing rules, regulations, and procedures) who shall represent the interests of the general public.”.</p> <p>(b) CLERICAL AMENDMENT.—The analysis for chapter 5 of title 39, United States Code (as amended by section 501(a)(1)) is amended by adding after the item relating to section 504 the following: “505. Officer of the Postal Regulatory Commission representing the general public.”</p>	<p>[S. 2468 § 601(a)(4) inserted below.] (4) by adding after such section 504 the following:</p> <p>“§ 505. Officer of the Postal Regulatory Commission representing the general public “The Postal Regulatory Commission shall designate an officer of the Postal Regulatory Commission in all public proceedings who shall represent the interests of the general public.”.</p>
<p>TITLE VI— INSPECTORS GENERAL</p>	
<p>SEC. 601. INSPECTOR GENERAL OF THE POSTAL REGULATORY COMMISSION.</p>	
<p>(a) IN GENERAL.— Paragraph (2) of section 8G(a) of the Inspector General Act of 1978 is amended by inserting “the Postal Regulatory Commission,” after “the United States International Trade Commission,”. [/88]</p> <p>(b) ADMINISTRATION.— Section 504 of title 39, United States Code (as so redesignated by section 501) is amended by adding after subsection (g) (as added by section 502) the following: “(h)(1) Notwithstanding any other provision of this title or of the Inspector General Act of 1978, the authority to select, appoint, and employ officers and employees of the Office of Inspector General of the Postal Regulatory Commission, and to obtain any temporary or intermittent services of experts or consultants (or an organization of experts or consultants) for such Office, shall reside with the Inspector General of the Postal Regulatory Commission. “(2) Except as provided in paragraph (1), any exercise of authority under this subsection shall, to the extent practicable, be in conformance with the applicable laws and regulations that govern selections, appointments and employment, and the obtaining of any such temporary or intermittent services, within the Postal Regulatory Com-</p>	

entities or individuals doing business with the Postal Service.

“(b) In the case of any report that the Governors of the United States Postal Service (within the meaning of section 102(3) of title 39, United States Code) are required to transmit under the second sentence of section 5(d), such sentence shall be applied by deeming the term [91]

‘appropriate committees of Congress’ to mean the Committee on Government Reform of the House of Representatives, the Committee on Governmental Affairs of the Senate, and such other committees or subcommittees of Congress as may be appropriate.

“(c) Notwithstanding any provision of paragraph (7) or (8) of section 6(a), the Inspector General of the United States Postal Service may 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 and to obtain the temporary or intermittent services of experts or consultants or an organization of experts or consultants, 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.

“(d) Nothing in this Act shall restrict, eliminate, or otherwise adversely affect any of the rights, privileges, or benefits of employees of the United States Postal Service, or labor organizations representing employees of the United States Postal Service, under chapter 12 of title 39, United States Code, the National Labor Relations Act, any handbook or manual affecting employee labor relations with the United States Postal Service, or any collective bargaining agreement.

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“(e) There are authorized to be appropriated, out of the Postal Service Fund, such sums as may be necessary for the Office of Inspector General of the United States Postal Service.”

(2) RELATED PROVISIONS.—For certain related provisions, see section 503(b).

(c) EXERCISE OF CERTAIN POWERS.—Section 6(e)(3) of the Inspector General Act of 1978 is amended—

(1) by striking “and the” before “Tennessee Valley Authority”; and

(2) by inserting “, and United States Postal Service” after “Tennessee Valley Authority”.

(d) PUBLIC CONTRACTS.—

(1) ADDITIONAL PROVISIONS APPLICABLE.—Section 410(b)(5) of title 39, United States Code, is amended—

ing “(d)(1) Except as provided in paragraph (2), nothing”; and
 (B) by adding at the end the following:
 “(2) An audit or report under paragraph (1) may not be obtained without the prior written approval of the Inspector General.”.

(4) TRANSITION PROVISION.—For purposes of any fiscal year preceding the first fiscal year com-

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 mencing after the date of the enactment of this Act, the provisions of title 39, United States Code, shall be applied as if the amendments made by this subsection had never been enacted.

(f) REPORTS.— Section 3013 of title 39, United States Code, is amended by striking “Postmaster General” each place it appears and inserting “Chief Postal Inspector”.

(g) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) RELATING TO THE INSPECTOR GENERAL ACT OF 1978. —(A) Subsection (a) of section 8G of the Inspector General Act of 1978 (as amended by section 601(a)) is further amended—

(i) in paragraph (2), by striking “the Postal Regulatory Commission, and the United States Postal Service;” and inserting “and the Postal Regulatory Commission;” and

(ii) in paragraph (4), by striking “except that” and all that follows through “Code;” and inserting “except that, with respect to the National Science Foundation, such term means the National Science Board;”.

(B)(i) Subsection (f) of section 8G of such Act is repealed.

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(ii) Subsection (c) of section 8G of such Act is amended by striking “Except as provided under subsection (f) of this section, the” and inserting “The”.

(C) Section 8K of such Act (as so redesignated by subsection (b)(1)(A)) is amended by striking the matter after “8D,” and before “of this Act” and inserting “8E, 8F, 8H, or 8J”.

(2) RELATING TO TITLE 39, UNITED STATES CODE.—(A) Subsection (e) of section 202 of title 39, United States Code, is repealed.

(B) Paragraph (4) of section 102 of such title 39 (as amended by section 101) is amended to read as follows:

“(4) ‘Inspector General’ means the Inspector General of the United States Postal Service, appointed under section 3(a) of the Inspector General

<p>(C). (C) AUTHORIZATION OF APPROPRIATIONS.— (i) IN GENERAL.— Notwithstanding any other provision of this subsection, section 8J(e) of the Inspector General Act of 1978 (as amended by this section) shall be effective for purposes of fiscal years beginning on or after October 1, 2004. [/99] (ii) SAVINGS PROVISION.— For purposes of the fiscal year ending on September 30, 2004, funding for the Office of Inspector General of the United States Postal Service shall be made available in the same manner as if this Act had never been enacted. (D) ELIGIBILITY OF PRIOR INSPECTOR GENERAL.— Nothing in this Act shall prevent any individual who has served as Inspector General of the United States Postal Service at any time before the date of the enactment of this Act from being appointed to that position pursuant to the amendments made by this section.</p>	
<p>TITLE VII—EVALUATIONS</p>	<p>TITLE VII—EVALUATIONS</p>
<p>SEC. 701. UNIVERSAL POSTAL SERVICE STUDY.</p>	<p>SEC. 702. REPORT ON UNIVERSAL POSTAL SERVICE AND THE POSTAL MONOPOLY.</p>
<p>(a) REPORT BY THE POSTAL SERVICE.— The United States Postal Service shall, within 12 months after the date of the enactment of this Act, submit to the President, the Congress, and the Postal Regulatory Commission, a written report on universal postal service in the United States (hereinafter in this section referred to as “universal service”). Such report shall include at least the following: [/100]</p> <p>(1) A comprehensive review of the history and development of universal service, including how the scope and standards of universal service have evolved over time.</p> <p>(2) The scope and standards of universal service provided under current law (including sections</p>	<p>(a) REPORT BY THE POSTAL REGULATORY COMMISSION.— (1) IN GENERAL.— Not later than 12 months after the date of enactment of this Act, the Postal [/95] Regulatory Commission shall submit a report to the President and Congress on universal postal service and the postal monopoly in the United States (in this section referred to as “universal service and the postal monopoly”), including the monopoly on the delivery of mail and on access to mailboxes. (2) CONTENTS.— The report under this subsection shall include— (A) a comprehensive review of the history and development of universal service and the postal monopoly, including how the scope and standards of universal service and the postal monopoly have evolved over time for the Nation and its urban and rural areas; (B) the scope and standards of universal service and the postal monopoly provided under</p>

<p>quired by this section, the Postal Service and the Postal Regulatory Commission—</p> <p>(1) shall consult with each other, other Federal agencies, users of the mails, enterprises in the private sector engaged in the delivery of mail, and the general public; and</p> <p>(2) shall address in their respective reports any written comments received under this section.</p> <p>(d) CLARIFYING PROVISION.— Nothing in this section shall be considered to relate to any services that are not postal services (within the meaning of section 102 of title 39, United States Code, as amended by section 101).</p>	<p>provided by the Postal Service.</p>
<p>SEC. 702. ASSESSMENTS OF RATEMAKING, CLASSIFICATION, AND OTHER PROVISIONS.</p>	<p>SEC. 701. ASSESSMENTS OF RATEMAKING, CLASSIFICATION, AND OTHER PROVISIONS.</p>
<p>(a) IN GENERAL.— The Postal Regulatory Commission shall, at least every 5 years, submit a report to the President and the Congress concerning—</p> <p>(1) the operation of the amendments made by the Postal Accountability and Enhancement Act; and</p> <p>(2) recommendations for any legislation or other measures necessary to improve the effectiveness or efficiency of the postal laws of the United States.</p> <p>(b) POSTAL SERVICE VIEWS.— A report under this section shall be submitted only after reasonable opportunity has been afforded to the Postal Service to review such report and to submit written comments thereon. Any comments timely received from the Postal Service under [103] the preceding sentence shall be attached to the report submitted under subsection (a).</p> <p>(c) SPECIFIC INFORMATION REQUIRED.— The Postal Regulatory Commission shall include, as part of at least its first report under subsection (a), the following:</p> <p>(1) COST-COVERAGE REQUIREMENT RELATING TO COMPETITIVE PRODUCTS COLLECTIVELY.— With respect to section 3633 of title 39, United States Code (as amended by this Act)—</p> <p>(A) a description of how such section has operated; and</p> <p>(B) recommendations as to whether or not such section should remain in effect and, if so, any suggestions as to how it might be improved.</p> <p>(2) COMPETITIVE PRODUCTS FUND.— With respect to the Postal Service Competitive Products Fund (under section 2011 of title 39, United States</p>	<p>(a) IN GENERAL.— The Postal Regulatory Commission shall, at least every 3 years, submit a report to the President and Congress concerning—</p> <p>(1) the operation of the amendments made by this Act; and</p> <p>(2) recommendations for any legislation or other measures necessary to improve the effectiveness or efficiency of the postal laws of the United States.</p> <p>(b) POSTAL SERVICE VIEWS.— A report under this section shall be submitted only after reasonable opportunity has been afforded to the Postal Service to review the report and to submit written comments on the report. Any comments timely received from the Postal Service under the preceding sentence shall be attached to the report submitted under subsection (a).</p>

<p>the recommendations of the Federal Trade Commission, and subsequent events that affect the continuing validity of the estimate of the net economic effect, in promulgating or revising the regulations required by section 3633 of title 39, United States Code.</p>	<p>recommendations of the Federal Trade Commission in promulgating or revising the regulations required under section 3633 of title 39, United States Code.</p>
<p>SEC. 704. GREATER DIVERSITY IN POSTAL SERVICE EXECUTIVE AND ADMINISTRATIVE SCHEDULE MANAGEMENT POSITIONS.</p>	
<p>(a) STUDY.—The Board of Governors shall study and, within 1 year after the date of the enactment of this [106] Act, submit to the President and Congress a report concerning the extent to which women and minorities are represented in supervisory and management positions within the United States Postal Service. Any data included in the report shall be presented in the aggregate and by pay level. (b) PERFORMANCE EVALUATIONS.—The United States Postal Service shall, as soon as practicable, take such measures as may be necessary to ensure that, for purposes of conducting performance appraisals of supervisory or managerial employees, appropriate consideration shall be given to meeting affirmative action goals, achieving equal employment opportunity requirements, and implementation of plans designed to achieve greater diversity in the workforce.</p>	
<p>[Sen. SEC. 704. REPORT ON POSTAL WORKPLACE SAFETY AND WORKPLACE-RELATED INJURIES]</p>	<p>SEC. 704. REPORT ON POSTAL WORKPLACE SAFETY AND WORKPLACE-RELATED INJURIES.</p>
	<p>(a) REPORT BY THE INSPECTOR GENERAL.— [99] (1) IN GENERAL.—No later than 6 months after the enactment of this Act, the Inspector General of the United States Postal Service shall submit a report to Congress and the Postal Service that— (A) details and assesses any progress the Postal Service has made in improving workplace safety and reducing workplace-related injuries nationwide; and (B) identifies opportunities for improvement that remain with respect to such improvements and reductions. (2) CONTENTS.—The report under this subsection shall also— (A) discuss any injury reduction goals established by the Postal Service; (B) describe the actions that the Postal Service has taken to improve workplace safety and reduce workplace-related injuries, and assess how successful the Postal Service has been in meeting its injury reduction goal; and</p>

<p>SEC. 707. RATES FOR PERIODICALS.</p>	
<p>(a) IN GENERAL.—The United States Postal Service, acting jointly with the Postal Regulatory Commission and the General Accounting Office, shall study and submit to the President and Congress a report concerning—</p> <p>(1) the quality, accuracy, and completeness of the information used by the Postal Service in determining the direct and indirect postal costs attributable to periodicals; and</p> <p>(2) any opportunities that might exist for improving efficiencies in the collection, handling, transportation, or delivery of periodicals by the Postal Service, including any pricing incentives for mailers that might be appropriate.</p> <p>[/108]</p> <p>(b) RECOMMENDATIONS.—The report shall include recommendations for any administrative action or legislation that might be appropriate.</p>	
<p>SEC. 708. ASSESSMENT OF CERTAIN RATE DEFICIENCIES.</p>	
<p>(a) IN GENERAL.—Within 12 months after the date of the enactment of this Act, the Office of Inspector General of the United States Postal Service shall study and submit to the President, the Congress, and the United States Postal Service, a report concerning the administration of section 3626(k) of title 39, United States Code.</p> <p>(b) SPECIFIC REQUIREMENTS.—The study and report shall specifically address the adequacy and fairness of the process by which assessments under section 3626(k) of title 39, United States Code, are determined and appealable, including—</p> <p>(1) whether the Postal Regulatory Commission or any other body outside the Postal Service should be assigned a role; and</p> <p>(2) whether a statute of limitations should be established for the commencement of proceedings by the Postal Service thereunder.</p>	
<p>SEC. 709. POSTAL PROCESSING AND DISTRIBUTION NETWORK STUDY.</p>	
<p>The United States Postal Service shall, within 16 months after the date of the enactment of this Act, submit</p> <p>[/109]</p> <p>to the President, the Congress, and the Board of Governors of the United States Postal Service a written report on the postal processing and distribution network. Such report shall include at least the following:</p> <p>(1) Recommendations to improve the efficiency and effectiveness of the processing and distribution network while preserving the timely delivery of post-</p>	

<p>TITLE VIII-- MISCELLANEOUS; TECHNICAL AND CONFORMING AMENDMENTS</p>	<p>TITLE X-- MISCELLANEOUS</p>
<p>SEC. 801. EMPLOYMENT OF POSTAL POLICE OFFICERS.</p>	<p>SEC. 1001. EMPLOYMENT OF POSTAL POLICE OFFICERS.</p>
<p>Section 404 of title 39, United States Code, as amended by sections 102 and 811(e), is further amended by adding at the end the following: “(f) The Postal Service may employ police officers for duty in connection with the protection of property owned or occupied by the Postal Service or under the charge and control of the Postal Service, and persons on the property, including duty in areas outside the property to the extent necessary to protect the property and persons on the property. Such officers shall have, with respect to such property, the powers available under section 1315 of title 40, and, as to such property, the Postal Service may take any action that the Secretary of Homeland Security may take under such section, attaching thereto penalties under the authority and within the limits provided in subsection (c)(2) of such section.”. [/111]</p>	<p>Section 404 of title 39, United States Code (as amended by this Act), is further amended by adding at the end the following: “(f) The Postal Service may employ guards for all buildings and areas owned or occupied by the Postal Service or under the charge and control of the Postal Service, and may give such guards, with respect to such property, any of the powers of special policemen provided under section 1315 of title 40. The Postmaster General, or the designee of the Postmaster General, may take any action that the Secretary of Homeland Security may take under section 1315 of title 40, with respect to that property.</p>
<p>SEC. 802. DATE OF POSTMARK TO BE TREATED AS DATE OF APPEAL IN CONNECTION WITH THE CLOSING OR CONSOLIDATION OF POST OFFICES.</p>	
<p>(a) IN GENERAL. -- Section 404(b) of title 39, United States Code, is amended by adding at the end the following: “(6) For purposes of paragraph (5), any appeal received by the Commission shall— “(A) if sent to the Commission through the mails, be considered to have been received on the date of the Postal Service postmark on the envelope or other cover in which such appeal is mailed; or “(B) if otherwise lawfully delivered to the Commission, be considered to have been received on the date determined based on any appropriate documentation or other indicia (as determined under regulations of the Commission).”. (b) EFFECTIVE DATE.—This section and the amendments made by this section shall apply with respect to any determination to close or consolidate a post office which is first made available, in accordance with paragraph (3) of section 404(b) of title 39, United States Code, after the end of the 3-month period beginning on the date of the enactment of this Act. [/112]</p>	

<p>(2) Section 5402(d) of such title 39 is amended by striking “for a period of not more than 4 years”.</p> <p>[/114]</p> <p>(3) Section 5605 of such title 39 is amended by striking “for periods of not in excess of 4 years”.</p> <p>(c) CLERICAL AMENDMENT.— The analysis for part V of title 39, United States Code, is amended by repealing the item relating to chapter 52.</p>	
<p>SEC. 805. EXPANDED CONTRACTING AUTHORITY.</p>	<p>SEC. 1002. EXPANDED CONTRACTING AUTHORITY.</p>
<p>(a) AMENDMENT TO TITLE 39, UNITED STATES CODE.</p> <p>(1) CONTRACTS WITH AIR CARRIERS.—Subsection (d) of section 5402 of title 39, United States Code, is amended to read as follows:</p> <p>“(d)(1) The Postal Service may contract with any air carrier for the transportation of mail by aircraft in interstate air transportation, including the rates therefor, either through negotiations or competitive bidding.</p> <p>“(2) Notwithstanding subsections (a) through (c), the Postal Service may contract with any air carrier or foreign air carrier for the transportation of mail by aircraft in foreign air transportation, including the rates therefor, either through negotiations or competitive bidding, except that—</p> <p>“(A) any such contract may be awarded only to</p> <p>(i) an air carrier holding a certificate required by section 41101 of title 49 or an exemption therefrom issued by the Secretary of Transportation, (ii) a foreign air carrier holding a permit required by section 41301 of title 49 or an exemption therefrom issued by the Secretary of Transportation, or (iii) a combination of such air carriers or foreign air carriers (or both);</p> <p>“(B) mail transported under any such contract shall not be subject to any duty-to-carry requirement imposed by any provision of subtitle VII of title 49 or by any certificate, permit, or corresponding exemption authority issued by the Secretary of Transportation under that subtitle;</p> <p>“(C) every contract that the Postal Service awards to a foreign air carrier under this paragraph shall be subject to the continuing requirement that air carriers shall be afforded the same opportunity</p> <p>to carry the mail of the country to and from which the mail is transported and the flag country of the foreign air carrier, if different, as the Postal Service</p>	<p>(a) AMENDMENT TO TITLE 39, UNITED STATES CODE.—</p> <p>(1) CONTRACTS WITH AIR CARRIERS.—Subsection (d) of section 5402 of title 39, United States Code, is amended to read as follows:</p> <p>“(d)(1) The Postal Service may contract with any air carrier for the transportation of mail by aircraft in interstate air transportation, including the rates therefor, either through negotiations or competitive bidding.</p> <p>[/112]</p> <p>“(2) Notwithstanding subsections (a) through (c), the Postal Service may contract with any air carrier or foreign air carrier for the transportation of mail by aircraft in foreign air transportation, including the rates therefor, either through negotiations or competitive bidding, except that—</p> <p>“(A) any such contract may be awarded only to</p> <p>(i) an air carrier holding a certificate required by section 41101 of title 49 or an exemption therefrom issued by the Secretary of Transportation, (ii) a foreign air carrier holding a permit required by section 41301 of title 49 or an exemption therefrom issued by the Secretary of Transportation, or (iii) a combination of such air carriers or foreign air carriers (or both);</p> <p>“(B) mail transported under any such contract shall not be subject to any duty-to-carry requirement imposed by any provision of subtitle VII of title 49 or by any certificate, permit, or corresponding exemption authority issued by the Secretary of Transportation under that subtitle;</p> <p>“(C) every contract that the Postal Service awards to a foreign air carrier under this paragraph shall be subject to the continuing requirement that air carriers shall be afforded the same opportunity</p> <p>[/113]</p> <p>to carry the mail of the country to and from which the mail is transported and the flag country of the foreign air carrier, if different, as the Postal Service</p>

<p>(2) by adding at the end the following: “(2)(A) Nothing in this section shall be considered to authorize any investment in any obligations or securities of a commercial entity. “(B) For purposes of this paragraph, the term ‘commercial entity’ means any corporation, company, association, partnership, joint stock company, firm, society, or [118] other similar entity, as further defined under regulations prescribed by the Postal Regulatory Commission.”.</p>	
<p>SEC. 807. REPEAL OF SECTION 5403.</p>	
<p>(a) IN GENERAL.—Section 5403 of title 39, United States Code, is repealed. (b) CLERICAL AMENDMENT.—The analysis for chapter 54 of title 39, United States Code, is amended by repealing the item relating to section 5403.</p>	
<p>SEC. 808. REDUCED RATES.</p>	
<p>Section 3626 of title 39, United States Code, is amended— (1) in subsection (a)— (A) by striking all before paragraph (4) and inserting the following: “(a)(1) Except as otherwise provided in this section, rates of postage for a class of mail or kind of mailer under former section 4358, 4452(b), 4452(c), 4554(b), or 4554(c) of this title shall be established in accordance with section 3622. “(2) For the purpose of this subsection, the term ‘regular-rate category’ means any class of mail or kind of mailer, other than a class or kind referred to in section 2401(c).”; and [119] (B) by redesignating paragraphs (4) through (7) as paragraphs (3) through (6), respectively; (2) in subsection (g), by adding at the end the following: “(3) For purposes of this section and former section 4358(a) through (c) of this title, those copies of an issue of a publication entered within the county in which it is published, but distributed outside such county on postal carrier routes originating in the county of publication, shall be treated as if they were distributed within the county of publication. “(4)(A) In the case of an issue of a publication, any number of copies of which are mailed at the rates of postage for a class of mail or kind of mailer under former section 4358(a) through (c) of this title, any copies of such issue which are distributed outside the county of publica-</p>	

which hazardous material may be mailed; or
“(3) manufacture, distribute, or sell any container, packaging kit, or similar device that—

“(A) is represented, marked, certified, or sold by such person for use in the mailing of hazardous material; and

“(B) fails to conform with any statute or Postal Service regulation setting forth standards for a container, packaging kit, or similar device used for the mailing of hazardous material.

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“(c) CIVIL PENALTY; CLEAN-UP COSTS AND DAMAGES.—

“(1) IN GENERAL.— A person who knowingly violates this section or a regulation prescribed under this section shall be liable for—

“(A) a civil penalty of at least \$250, but not more than \$100,000, for each violation;

“(B) the costs of any clean-up associated with each violation; and

“(C) damages.

“(2) KNOWING ACTION.— A person acts knowingly for purposes of paragraph (1) when—

“(A) the person has actual knowledge of the facts giving rise to the violation; or

“(B) a reasonable person acting in the circumstances and exercising reasonable care would have had that knowledge.

“(3) SEPARATE VIOLATIONS.—

“(A) VIOLATIONS OVER TIME.— A separate violation under this subsection occurs for each day hazardous material, mailed or caused to be mailed in noncompliance with this section, is in the mail.

“(B) SEPARATE ITEMS.— A separate violation under this subsection occurs for each item

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containing hazardous material that is mailed or caused to be mailed in noncompliance with this section.

“(d) HEARINGS.— The Postal Service may determine that a person has violated this section or a regulation prescribed under this section only after notice and an opportunity for a hearing. Proceedings under this section shall be conducted in accordance with section 3001(m).

“(e) PENALTY CONSIDERATIONS.— In determining the amount of a civil penalty for a violation of this section, the Postal Service shall consider—

<p>(A) in paragraph (7), by striking “and” after the semicolon;</p> <p>(B) in paragraph (8), by striking “purposes.” and inserting “purposes; and”; and</p> <p>(C) by adding at the end the following: “(9) any amounts collected under section 3018.”.</p> <p>(2) The analysis for chapter 30 of title 39, United States Code, is amended by adding at the end the following: “3018. Hazardous material.”.</p>	
<p>SEC. 810. PROVISIONS RELATING TO COOPERATIVE MAILINGS.</p>	
<p>(a) DETERMINATION.—The Postal Regulatory Commission shall examine section E670.5.3 of the Domestic Mail Manual to determine whether it contains adequate safeguards to protect against (1) abuses of rates for non-profit mail and (2) deception of consumers. [/126]</p> <p>(b) REGULATIONS. - If the Postal Regulatory Commission determines that section E670.5.3 of the Domestic Mail Manual does not contain adequate safeguards as described in the preceding subsection, the Commission shall promulgate such regulations as may be necessary to ensure such safeguards.</p> <p>(c) TIMING.—The Postal Regulatory Commission shall complete the examination required by subsection (a) and the promulgation of any necessary regulations required by subsection (b) within one year after the date of the enactment of this section.</p>	
<p>SEC. 811. TECHNICAL AND CONFORMING AMENDMENTS.</p>	
<p>(a) REIMBURSEMENT.—Section 3681 of title 39, United States Code, is amended by striking “section 3628” and inserting “sections 3662 through 3664”.</p> <p>(b) SIZE AND WEIGHT LIMITS.—Section 3682 of title 39, United States Code, is amended to read as follows: “§ 3682. Size and weight limits “The Postal Service may establish size and weight limitations for mail matter in the market-dominant category of mail consistent with regulations the Postal Regulatory Commission may prescribe under section 3622. The Postal Service may establish size and weight limitations for mail matter in the competitive category of mail consistent with its authority under section 3632.”. [/127]</p>	

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mestic origin shall be opened except under authority of a search warrant authorized by law, or by an officer or employee of the Postal Service for the sole purpose of determining an address at which the letter can be delivered, or pursuant to the authorization of the addressee.”.

(f) LIMITATIONS.—Section 3684 of title 39, United States Code, is amended by striking all that follows “any provision” and inserting “of this title.”.

(g) MISCELLANEOUS.—Title 39, United States Code, is amended—

(1) in section 1005(d)(2)—

(A) by striking “subsection (g) of section 5532,”; and

(B) by striking “8344,” and inserting “8344”;

(2) in the analysis for part III, by striking the item relating to chapter 28 and inserting the following:

“28. Strategic Planning and Performance Management
..... 2801”;

(3) in section 3005(a)—

(A) in the matter before paragraph (1), by striking all that follows “nonmailable” and precedes “(h),” and inserting “under section 3001(d),”; and

(B) in the sentence following paragraph (3), by striking all that follows “nonmailable”

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and precedes “(h),” and inserting “under such section 3001(d),”;

(4) in section 3210(a)(6)(C), by striking the matter after “if such mass mailing” and before “than 60 days” and inserting “is postmarked fewer”; and

(5) by striking the heading for section 3627 and inserting the following:

“§ 3627. Adjusting free rates”.

<p>“(ii) If a supplemental liability is determined under this subparagraph for fiscal year 2005, the Office shall establish an amortization schedule, including a series of equal annual installments commencing September 30, 2006, which provides for the liquidation of such liability by September 30, 2043.</p> <p>“(iii) If a surplus is determined under this subparagraph for fiscal year 2005, the amount of the surplus shall be transferred to the Postal Service Retiree Health Benefits Fund by June 30, 2006.</p> <p>“(B)(i) For each of fiscal years 2006 through 2038, the Office shall determine the Postal surplus or supplemental liability as of the close of such fiscal year, with each such determination to be made by June 15th of the following fiscal year.</p> <p>“(ii) If a supplemental liability is determined under this subparagraph for a fiscal year, the Office shall establish an amortization schedule, including a series of equal annual installments commencing on September 30 of the following fiscal year, which provides for the liquidation of such liability by September 30, 2043.</p> <p>“(iii)(I) If a surplus of \$500,000,000 or more is determined under this subparagraph for a fiscal year, the amount of the surplus shall be transferred to the Postal [133] Service Retiree Health Benefits Fund by June 30th of the following fiscal year.</p> <p>“(II) If a surplus of less than \$500,000,000 is determined under this subparagraph for a fiscal year, the surplus shall remain in the Fund, subject to transfer in a subsequent fiscal year under subclause (I) or subparagraph (C)(iii).</p> <p>“(C)(i) Not later than June 15, 2040, the Office shall determine the Postal surplus or supplemental liability as of September 30, 2039.</p> <p>“(ii) If a supplemental liability is determined under this subparagraph for fiscal year 2039, the Office shall establish an amortization schedule, including a series of equal annual installments commencing September 30, 2040, which provides for the liquidation of such liability by September 30, 2043.</p> <p>“(iii) If a surplus is determined under this subparagraph for fiscal year 2039, the amount of the surplus—</p> <p>“(I) shall be applied first toward reducing the amount of any supplemental liability described in section 8423(b)(1)(B); and</p> <p>“(II) to the extent that any portion of such surplus remains after the application of subclause (I), shall, not later than June 30, 2040, be transferred to the Postal Service Retiree Health Benefits Fund. [134]</p> <p>“(D) An amortization schedule under this para-</p>	<p>al Service Retiree Health Benefits Fund established under section 8909a. If the result is a supplemental liability, the Office shall establish an amortization schedule, including a series of annual installments commencing September 30, 2006, which provides for the liquidation of such liability by September 30, 2043.</p> <p>“(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, 2006, through the fiscal year ending September 30, 2038. If the result is a surplus, that amount shall remain in the Fund until distribution is authorized under subparagraph (C), [103] and any prior amortization schedule for payments shall be terminated. If the result is a supplemental liability, the Office shall establish a new amortization schedule, including a series of annual installments commencing on September 30 of the subsequent fiscal year, which provides for the liquidation of such liability by September 30, 2043.</p> <p>“(C) As of the close of the fiscal years ending September 30, 2015, 2025, 2035, and 2039, if the result is a surplus, that amount shall be transferred to the Postal Service Retiree Health Benefits Fund, and any prior amortization schedule for payments shall be terminated.</p> <p>“(D) Amortization schedules established under this paragraph shall be set in accordance with generally accepted actuarial practices and principles, with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System.</p> <p>“(E) The United States Postal Service shall pay the amounts so determined to the Office, with payments due not later than the date scheduled by the Office.</p> <p>“(3) Notwithstanding any other provision of law, in computing the amount of any payment under any other subsection of this section that is based upon the amount of the unfunded liability, such payment shall be computed disregarding that portion of the unfunded liability that the [104] Office determines will be liquidated by payments under this subsection.”.</p>
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<p>[/136] (2) RESPONSE. Upon receiving the report of the Postal Regulatory Commission, the Office of Personnel Management shall reconsider its determination or redetermination in light of such report, and shall make any appropriate adjustments. The Office shall submit a report containing the results of its reconsideration to the Commission, the Postal Service, and the Congress.</p>	
<p>SEC. 902. HEALTH INSURANCE.</p>	<p>SEC. 803. HEALTH INSURANCE.</p>
<p>(a) IN GENERAL. Chapter 89 of title 5, United States Code, is amended— (1) in section 8906(g)(2)(A), by striking “by the United States Postal Service.” and inserting “first from the Postal Service Retiree Health Benefits Fund up to the amount contained therein, with any remaining amount paid by the United States Postal Service.”; (2) by inserting after section 8909 the following: “§ 8909a. Postal Service Retiree Health Benefits Fund “(a) There is in the Treasury of the United States a Postal Service Retiree Health Benefits Fund (hereinafter in this section referred to as the ‘Fund’) which is administered by the Office of Personnel Management. Any amounts transferred to the Fund under section [/137] 8348(h)(2) shall yield interest at a rate equal to the weighted average yield of all the investments in the Civil Service Retirement and Disability Fund as of the date of transfer. All other investments of amounts in the Fund shall be made in accordance with subsections (c)–(e) of section 8348. “(b) The Fund is available without fiscal year limitation for payments required by section 8906(g)(2). “(c)(1) Not later than June 30, 2006, and by June 30 of each succeeding year, the Office of Personnel Management shall compute the net present value of the excess of future payments required by section 8906(g)(2)(A) for current and future United States Postal Service annuitants over the value of the assets of the Fund as of the end of the fiscal year ending on September 30 of that year.</p>	<p>(a) IN GENERAL. Chapter 89 of title 5, United States Code, is amended— (1) in section 8906(g)(2)(A), by striking “shall be paid by the United States Postal Service.” and inserting “shall be paid first from the Postal Service Retiree Health Benefits Fund up to the amount contained in the Fund, with any remaining amount paid by the United States Postal Service.”; and [/105] (2) by inserting after section 8909 the following: “§ 8909a. Postal Service Retiree Health Benefit Fund “(a) There is in the Treasury of the United States a Postal Service Retiree Health Benefits Fund which is administered by the Office of Personnel Management. “(b) The Fund is available without fiscal year limitation for payments required under section 8906(g)(2)(A). “(c) The Secretary of the Treasury shall immediately invest, in interest-bearing securities of the United States such currently available portions of the Fund as are not immediately required for payments from the Fund. Such investments shall be made in the same manner as investments for the Civil Service Retirement and Disability Fund under section 8348. “(d)(1) Not later than December 31, 2006, and by December 31 of each succeeding year, the Office shall compute the net present value of the future payments required under section 8906(g)(2)(A) and attributable to the service of Postal Service employees during the most recently ended fiscal year.</p>

<p>under section 8909a(c)(4) of title 5, United States Code (as amended by subsection (a)) shall, upon request of the Postal Service, be subject to review by the Postal Regulatory Commission. The Commission shall submit a report containing the results of any such review to the Postal Service, the Office of Personnel Management, and the Congress.</p> <p>(2) RESPONSE.—Upon receiving the report of the Postal Regulatory Commission, the Office of Personnel Management shall reconsider its regulation in light of such report, and shall take such action as it considers appropriate. The Office shall submit a report containing the results of its reconsideration to the Commission, the Postal Service, and the Congress.</p>	
<p>SEC. 903. REPEALER.</p>	<p>SEC. 804. REPEAL OF DISPOSITION OF SAVINGS PROVISION.</p>
<p>Section 3 of Public Law 108-18 is repealed.</p>	<p>Section 3 of the Postal Civil Service Retirement System Funding Reform Act of 2003 (Public Law 108-18) is repealed.</p>
<p>SEC. 904. ENSURING APPROPRIATE USE OF ESCROW AND MILITARY SAVINGS.</p>	
<p>(a) DEFINITION.— For purposes of this section, the term “total savings” means, for any fiscal year, the amount equal to—</p> <p>[140]</p> <p>(1) the amount of contributions that the Postal Service would otherwise have been required to make to the Civil Service Retirement and Disability Fund under subchapter III of chapter 83 of title 5, United States Code, for such fiscal year if Public Law 108-18 and this Act had not been enacted, minus</p> <p>(2) the amount of amortization payments (if any) required under section 8348(h)(2) of title 5, United States Code, for such fiscal year.</p> <p>(b) CALCULATIONS.—The following calculations shall be made for each of fiscal years 2006 through 2015:</p> <p>(1) Not later than January 31 of the fiscal year following the fiscal year involved, the Office of Personnel Management (in consultation with the Postal Service) shall determine the total savings for the fiscal year.</p> <p>(2) On the date of making its determination under paragraph (1), the Office shall also determine (in consultation with the Postal Service) the amount by which—</p> <p>(A) the amount the Postal Service paid for that fiscal year into the Postal Service Retiree</p>	

<p>(c) WAIVER AUTHORITY.— The requirements of subsection (c)(2)(A) may, upon application of the Postal Service, be waived by the Postal Regulatory Commission, to the extent that the Commission determines that such</p> <p>[/143]</p> <p>waiver is reasonable and equitable and necessary to enable the Postal Service, under best practices of honest, efficient, and economical management, to maintain and continue the development of postal services of the kind and quality adapted to the needs of the United States.</p>	
<p>SEC. 905. EFFECTIVE DATES.</p>	<p>SEC. 805. EFFECTIVE DATES.</p>
<p>(a) IN GENERAL.— Except as otherwise provided, this title shall take effect on October 1, 2005.</p> <p>(b) GOVERNMENT CONTRIBUTIONS.— Section 901(a)(1) shall take effect on the first day of the first pay period beginning on or after October 1, 2005.</p>	<p>(a) IN GENERAL.— Except as provided under subsection (b), this title shall take effect on October 1, 2005.</p> <p>(b) TERMINATION OF EMPLOYER CONTRIBUTION.— The amendment made by paragraph (1) of section 802(a) shall take effect on the first day of the first pay period beginning on or after October 1, 2005.</p> <p>[/108]</p>
<p>[Sen TITLE IX — COMPENSATION FOR WORK INJURIES]</p>	<p>TITLE IX—COMPENSATION FOR WORK INJURIES</p>
<p>[Sen SEC. 901. TEMPORARY DISABILITY; CONTINUATION OF PAY]</p>	<p>SEC. 901. TEMPORARY DISABILITY; CONTINUATION OF PAY.</p>
	<p>(a) TIME OF ACCRUAL OF RIGHT.— Section 8117 of title 5, United States Code, is amended—</p> <p>(1) by striking “An employee” and inserting “(a) An employee other than a Postal Service employee”; and</p> <p>(2) by adding at the end the following:</p> <p>“(b) A Postal Service employee is not entitled to compensation or continuation of pay for the first 3 days of temporary disability, except as provided under paragraph (3) of subsection (a). A Postal Service employee may use annual leave, sick leave, or leave without pay during that 3-day period, except that if the disability exceeds 14 days or is followed by permanent disability, the employee may have their sick leave or annual leave reinstated or receive pay for the time spent on leave without pay under this section.”.</p> <p>(b) TECHNICAL AND CONFORMING AMENDMENT.— Section 8118(b)(1) of title 5, United States Code, is amended to read as follows:</p> <p>“(1) without a break in time, except as provided under section 8117(b), unless controverted under regulations of the Secretary”.</p> <p>[/109]</p>

