

limitation under paragraph (1) by more than 2 percentage points.

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` (3) REVIEW- Ten years after the date of enactment of the Postal Accountability and Enhancement Act and as appropriate thereafter, the Commission shall review the system for regulating rates and classes for market-dominant products established under this section to determine if the system is achieving the objectives in subsection (b), taking into account the factors in subsection (c). If the Commission determines, after notice and opportunity for public comment, that the system is not achieving the objectives in subsection (b), taking into account the factors in subsection (c), the Commission may, by regulation, make such modification or adopt such alternative system for regulating rates and classes for market-dominant products as necessary to achieve the objectives.

` (e) WORKSHARE DISCOUNTS-

` (1) DEFINITION- In this subsection, the term `workshare discount' refers to rate discounts provided to mailers for the presorting, prebarcoding, handling, or transportation of mail, as further defined by the Postal Regulatory Commission under subsection (a).

` (2) SCOPE- The Postal Regulatory Commission shall ensure that such discounts do not exceed the cost that the Postal Service avoids as a result of workshare activity, unless--

` (A) the discount is--

` (i) associated with a new postal service, a change to an existing postal service, or with a new work share initiative related to an existing postal service; and

` (ii) necessary to induce mailer behavior that furthers the economically efficient operation of the Postal Service and the portion of the discount in excess of the cost that the Postal Service avoids as a result of the workshare activity will be phased out over a limited period of time;

` (B) the amount of the discount above costs avoided--

` (i) is necessary to mitigate rate shock; and

` (ii) will be phased out over time;

` (C) the discount is provided in connection with subclasses of mail consisting exclusively of mail matter of educational, cultural, scientific, or informational value; or

` (D) reduction or elimination of the discount would impede the efficient operation of the Postal Service.

## APPENDIX A

`(3) LIMITATION- Nothing in this subsection shall require that a work share discount be reduced or eliminated if the reduction or elimination of the discount would--

`(A) lead to a loss of volume in the affected category or subclass of mail and reduce the aggregate contribution to the institutional costs of the Postal Service from the category or subclass subject to the discount below what it otherwise would have been if the discount had not been reduced or eliminated; or

`(B) result in a further increase in the rates paid by mailers not able to take advantage of the discount.

`(4) REPORT- Whenever the Postal Service establishes a workshare discount rate, the Postal Service shall, at the time it publishes the workshare discount rate, submit to the Postal Regulatory Commission a detailed report that--

`(A) explains the Postal Service's reasons for establishing the rate;

`(B) sets forth the data, economic analyses, and other information relied on by the Postal Service to justify the rate; and

`(C) certifies that the discount will not adversely affect rates or services provided to users of postal services who do not take advantage of the discount rate.

`(f) Transition Rule- For the 1-year period beginning on the date of enactment of this section, rates and classes for market-dominant products shall remain subject to modification in accordance with the provisions of this chapter and section 407, as such provisions were last in effect before the date of enactment of this section. Proceedings initiated to consider a request for a recommended decision filed by the Postal Service during that 1-year period shall be completed in accordance with subchapter II of chapter 36 of this title and implementing regulations, as in effect before the date of enactment of this section.'

(b) REPEALED SECTIONS- Sections 3623, 3624, 3625, and 3628 of title 39, United States Code, are repealed.

(c) REDESIGNATION- Chapter 36 of title 39, United States Code (as in effect after the amendment made by section 601, but before the amendment made by section 202) is amended by striking the heading for subchapter II and inserting the following:

## **` SUBCHAPTER I--PROVISIONS RELATING TO MARKET-DOMINANT PRODUCTS'.**

### **SEC. 202. PROVISIONS RELATING TO COMPETITIVE PRODUCTS.**

Chapter 36 of title 39, United States Code, is amended by inserting after section 3629 the following: